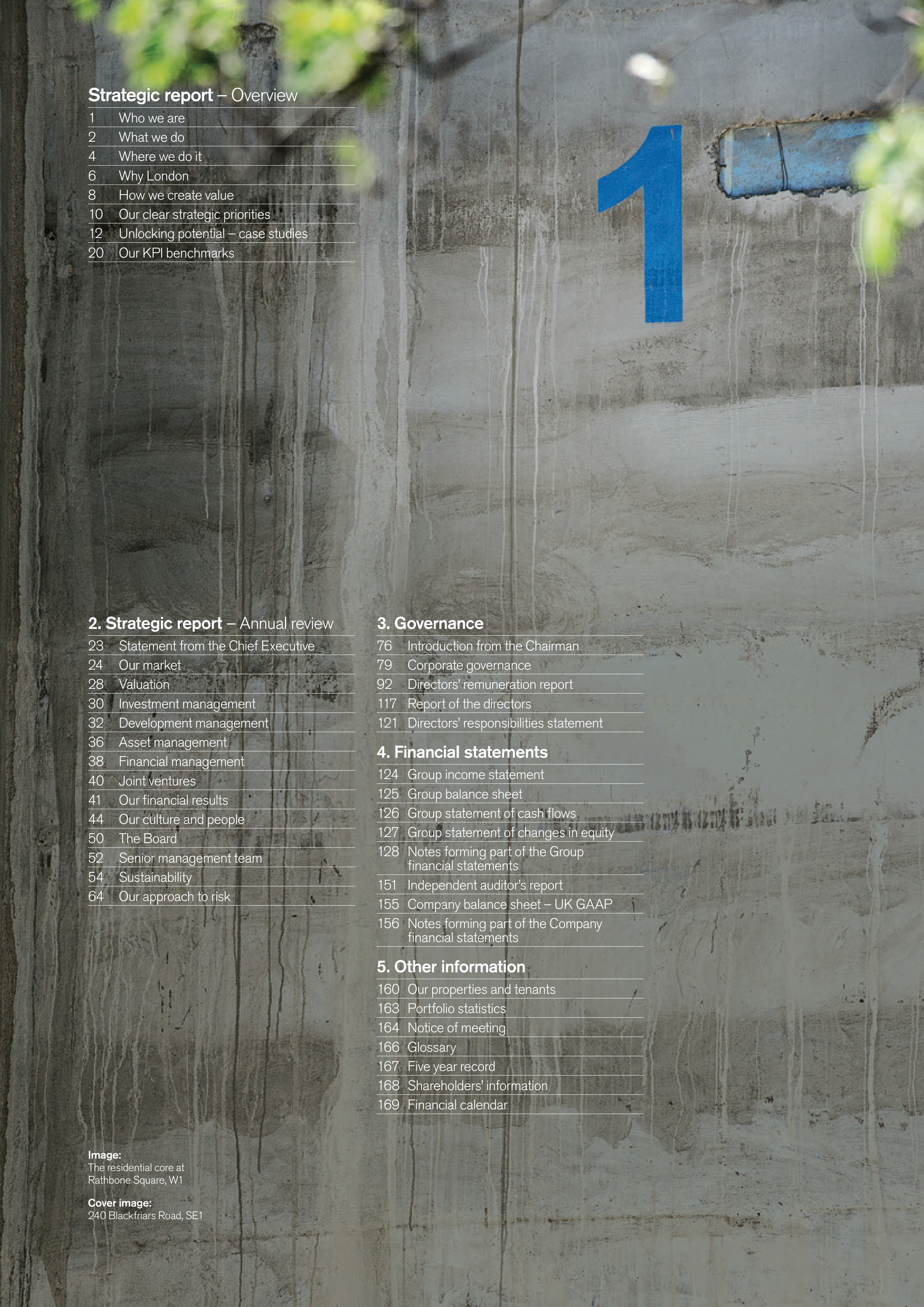
GREAT PORTLAND ESTATES

Great Portland Estates plc – Annual Report 2015

Unlocking potential



Strategic report – Overview

2. Strategic report – Annual review

3. Governance

4. Financial statements

5. Other information

Image:
The residential core at Rathbone Square, W1

Cover image:
240 Blackfriars Road, SE1

Who we are

Great Portland Estates is a property investment and development company owning over £3.2 billion of real estate, 100% in central London.

We have a simple strategy – to generate superior portfolio and shareholder returns from investing in and improving central London real estate, a market that we know inside out.

We aim to achieve this through our intense, customer-focused approach to managing our properties combined with an effective reading of the property cycle, increasing and reducing risk as appropriate.

"With our focused business model and the disciplined execution of our clear strategic priorities, our experienced team has delivered another year of strong property, operational and financial performance with excellent returns for shareholders. We are firmly in the execution phase of the cycle and are focused on capturing the significant organic growth potential across our 100% central London portfolio, including through the regeneration of the east end of Oxford Street. Our 2015 Strategic Report on pages 1 to 73 has been reviewed and approved by the Board."

On behalf of the Board

Martin Scicluna Chairman

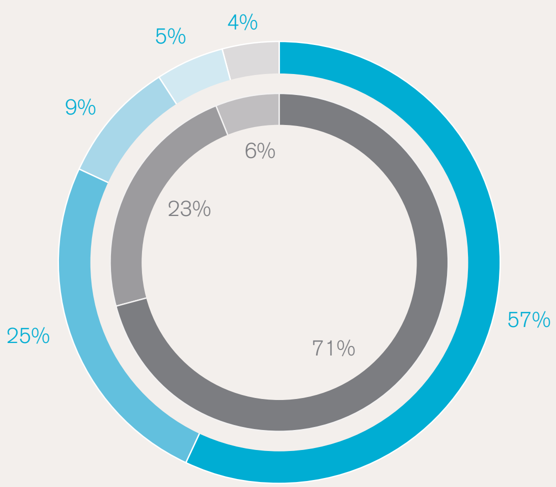
What we do

We aim to deliver superior returns by unlocking the often hidden potential in commercial real estate in central London. Our integrated team is focused on meeting tenants' needs through repositioning properties in tune with London's property cycle.

Our portfolio – 82% in West End

Locations
- North of Oxford Street £1,817.6m
- Rest of West End £800.2m
- Southwark £306.2m
- Midtown £162.2m
- City £120.0m

Business mix
- Office £2,278.8m
- Retail £751.5m
- Residential £175.9m



£3,206 million portfolio valuation

3.6 million sq ft

54% in development programme

68 properties, 43 sites

450 tenants

£96.9 million rent roll

£45.50 average office rent per sq ft

10.3% rental value growth in year

28.4% reversionary potential

2.0% vacancy rate

86% <800 metres from a Crossrail station

Performance highlights

Total Property Return*
21.5%

Portfolio valuation (like-for-like) up
18.0%

EPRA NAV per share* up
24.6%

Dividend per share up
2.3%

Loan to value
21.8%

Total Shareholder Return*
30.3%

* For more on our KPIs see pages 20 and 21

Our integrated team

Investment management

Buying well and selling at the right point in the cycle is key to crystallising portfolio returns. Our deep knowledge of our local markets and close network of contacts and advisers means we often acquire properties, off-market, that are rich with opportunity for improvement.

Accretive sales activity

£344m

See more on pages 30 and 31

Development management

Upgrading our portfolio with targeted capital expenditure improves its tenant appeal and longevity, enhancing both rental values and capital returns. Our strong relationships with planning authorities, contractors and local communities are central to our profitable development activities.

Profit on cost on completed schemes

55%

See more on pages 32 to 35

Asset management

Keeping close to our 450 tenants to understand their needs helps us to ensure their satisfaction which, in turn, drives sustainable rental growth and minimises vacancy.

Lettings in year

£21.5m

See more on pages 36 and 37

Financial management

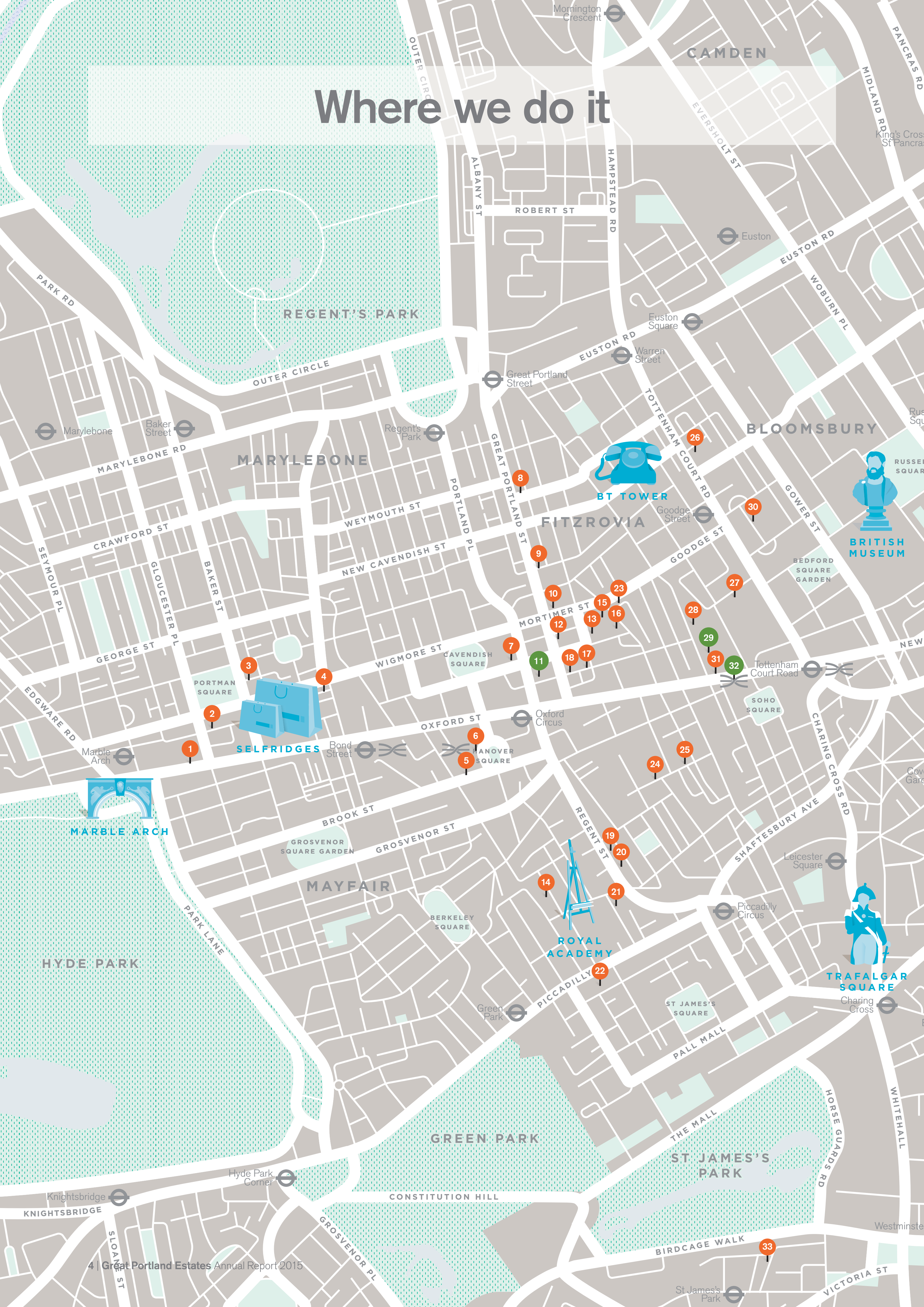
Robust financial management is core to enabling the Group's activities. Conservative financial leverage provides security in our cyclical markets and firepower to buy when opportunities arise.

New bank facility

£450m

See more on pages 38 and 39

Where we do it



North of Oxford Street

1. Mount Royal
2. 35 Portman Square
3. Orchard Court
4. Wigmore Street Island Site
7. 33 Margaret Street
8. 160 Great Portland Street
9. 78/92 Great Portland Street
10. 60 Great Portland Street
11. Walmar House
12. 32/36 Great Portland Street
13. Elsley House
15. Wells & More
16. Tasman House
17. 6/10 Market Place
18. Kent House
23. 27/35 and 37/41 Mortimer Street
26. 183/190 Tottenham Court Road
27. Percy House
28. 23/24 Newman Street
29. Rathbone Square
30. 31/34 Alfred Place
31. Oxford House

Rest of West End

5. 6 Brook Street
6. Hanover Square Estate
14. Pollen House
19. Carrington House
20. Kingsland House
21. 103/113 Regent Street
22. The Piccadilly Buildings
24. 48/54 Broadwick Street
25. 30 Broadwick Street
32. 73/89 Oxford Street
33. 40/48 Broadway & 1/15 Carteret Street
34. Elm House

City, Midtown and Southwark

35. 200 Gray's Inn Road
36. 12/14 New Fetter Lane
37. 24/25 Britton Street
38. 240 Blackfriars Road
39. City Place House
40. City Tower
41. Minerva House
42. 46/58 Bermondsey Street
43. New City Court
44. 148 Old Street

11. Walmar House
See pages 14 and 15

29. Rathbone Square
See pages 18 and 19

32. 73/89 Oxford Street
See pages 16 and 17

36. 12/14 New Fetter Lane
See pages 12 and 13

Why London

A truly global city that we know inside out. The central London commercial property market has enduring appeal for occupiers and investors.

London continues to thrive…

With the largest economy of any city in Europe and generating around 22% of UK GDP, London is one of the world's leading commercial, creative and financial centres. Its combination of a strong legal system, time zone advantages, international connectivity, high calibre labour pool, world-class universities and a welcoming attitude to international businesses has resulted in over a third of Fortune 500 companies now having their global headquarters in London.

See our market section on pages 24 to 27

…with a deep and liquid commercial property market…

Central London has one of the world's largest commercial real estate markets, with more than 230 million sq ft of office and retail property attracting a deep and diverse mix of occupiers and property investors, many from overseas. With our 3.6 million sq ft portfolio, our total market share is less than 2%, giving us ample scope to pursue attractive opportunities to buy and sell at favourable times in the cycle. Investment market activity continues to be strong with transactions reaching £19 billion in 2014, providing good liquidity for us when looking to sell properties.

See our case study on pages 12 and 13

…that will always be cyclical.

Notwithstanding these attractions, the Capital's commercial property markets will always be cyclical. However, with our 100% central London focus and disciplined approach, we are well positioned to capture the opportunities that this cyclicality creates through flexing our operational risk in tune with market conditions.

See our business model on pages 8 and 9

"No other central London office focused REIT has as much exposure to Crossrail as we do with 86% of our portfolio within 800 metres of a Crossrail station."

Toby Courtauld Chief Executive

The West End is the historic heartland of London…

With more than 315 million visitors a year, the West End provides a unique mix of commercial, retail, residential, cultural and tourist attractions, attracting businesses from a diverse range of industries to locate here. We own one of the largest commercial property portfolios in the core West End. With no two properties the same, our deep local knowledge remains a key competitive advantage in this complex market.

See our properties and tenants on pages 160 to 162

…and with the barriers to entry remaining high…

With tenant demand strengthening but 70% of the core West End in a conservation area and the planning environment continuing to tighten, available space remains in short supply. Successfully navigating these barriers to development whilst delivering efficient and sustainable properties in attractive locations that meet tenants' needs remains critical to profitable real estate activities.

See our case study on pages 14 and 15

…we are driving regeneration and rental growth.

The combination of our team's expertise, strong relationships and local experience are central to unlocking development potential and our activities are contributing to major regeneration, particularly at the east end of Oxford Street. Ahead of infrastructure improvements at Tottenham Court Road, including tube station upgrades and the delivery of Crossrail in 2018, we have increased our development commitments and are already capturing the strong rental growth that this regeneration is bringing to the area. Moreover, our development programme in the core West End represents around 25% of prospective market speculative supply over the next four years.

See our case study on pages 16 and 17

22%

London's share of UK GDP

Image:
The East End of Oxford Street

How we create value

Our focused business model is all about repositioning properties to unlock their full potential. When combined with the effective reading of the property cycle, in a market we know inside out, we deliver attractive long-term returns for shareholders.

The core principles of our model are…

– 100% central London: West End focus
– Reposition properties let off low rents
– Flex operational risk through the property cycle
– Maintain low financial leverage
– Deliver superior total returns by seeking to outperform our KPI benchmarks

…underpinned by our unique combination of attributes…

Our people

– Experienced management team supported by specialist in-house asset management, development, investment and finance teams.
– Incentivised to deliver strong total returns for shareholders and outperform our KPI benchmarks.
– Entrepreneurial and collegiate culture with disciplined approach to risk management and effective governance structure.

See our culture and people section on pages 44 to 49

Our capital structure

– Consistently strong balance sheet and conservative financial leverage.
– Low cost, diversified debt book.
– Disciplined allocation of capital through analytical, risk adjusted IRR decision making.
– Detailed business plan for every property reviewed quarterly.
– Effective use of joint ventures.
– Tax efficient REIT structure.

See our financial management section on pages 38 and 39

Our relationships

– Intense, customer-focused approach to understand tenants' needs.
– High tenant retention, low vacancy rates, diverse tenant base.
– Deep relationships with key suppliers (including contractors, debt providers and advisers).
– Positive engagement with local authorities, planning departments and local communities.

See our sustainability section on pages 54 to 63

…and our proactive management of our portfolio

Acquire

– Unloved assets in strong locations with angles to exploit.
– Below replacement cost and typically off market.
– Off low rents.

Reposition

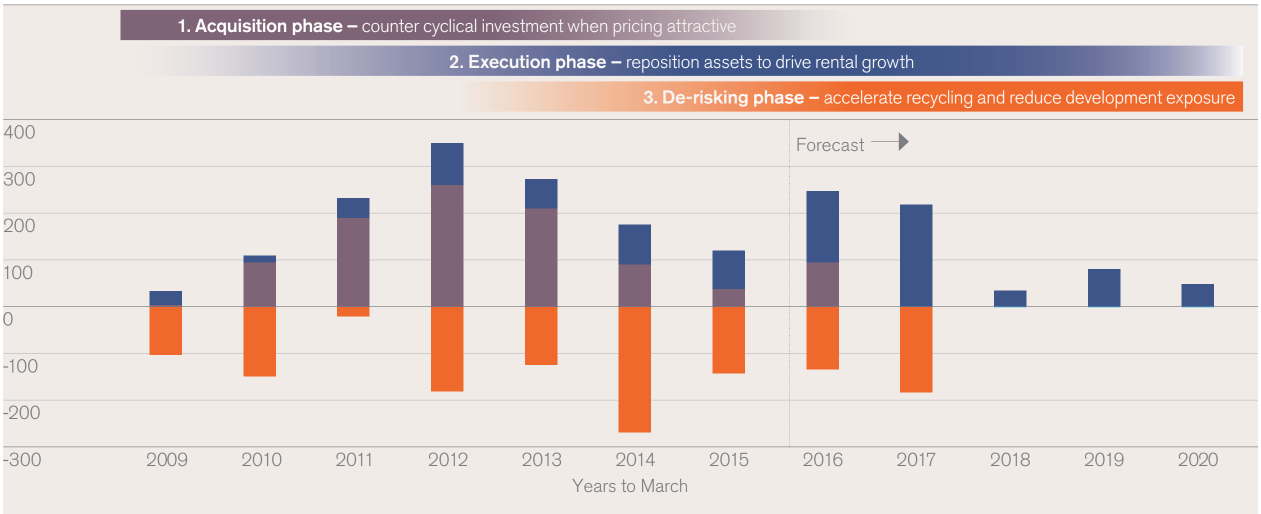
– Through lease restructuring, refurbishment or redevelopment.
– Deliver new space into supportive market conditions that meet tenant needs.
– Manage risk through pre-letting, JVs and forward sales.
– Enhance the local environment and public realm.

Recycle

– Disciplined capital recycling through the sale of properties where we have executed our business plans or we are able to monetise our expected future profits.
– Reinvest proceeds into higher return opportunities.

We flex our activities through the cycle…

The central London property market is highly cyclical and we analyse the cycle in three phases. Today we are firmly in the execution phase. The successful reading of this cycle and the flexing of our operational risk are key to delivering long-term sustainable shareholder value.



- **Acquisitions** – forecast includes currently completed or exchanged deals
- **Capex** – forecast includes committed and near-term projects
- **Sales** – forecast includes currently completed or exchanged deals

…with our track record helping us…

Acquire

- We embarked on the acquisition phase in 2009 when we saw deep value in the market to acquire raw material for the execution phase.
- Since 2009, we have bought £1.4 billion (our share: £1.0 billion) of assets or 59% of today's portfolio.

Reposition

- Whilst we started developing early in the recovery, these activities have accelerated to drive further organic growth.
- We have completed nine developments since 2009 (846,600 sq ft, 50% profit on cost) and our 12 committed and near-term schemes will deliver a further 1.2 million sq ft into a strong occupier market.

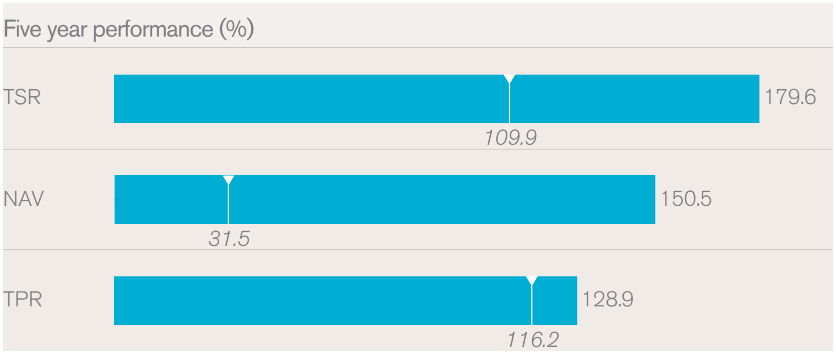
Recycle

- We typically rotate 10-20% of the portfolio every year to monetise surpluses created by our repositioning activities.
- Given the strength of the investment market, we expect to be a net seller over the next 12 months, as we have been over the past two years.

…outperform our KPI benchmarks

Over the past five years, our proactive approach has helped us outperform our benchmarks.

Benchmark (in italics)

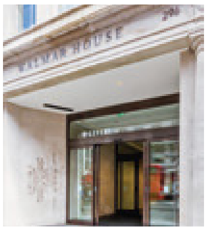
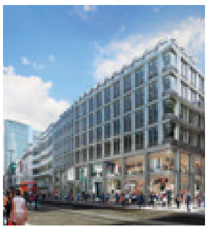


See how our KPIs are aligned to our strategic priorities and remuneration on pages 20 and 21

Our clear strategic priorities

We have a clear strategic focus that enables us to outperform across the property cycle. We are firmly in the execution phase and our priorities remain focused on capturing the significant organic growth potential across our portfolio.

Strategic priorities 2014/2015

2014/2015 priority	Key initiatives	2014/2015 progress
Crystallise profits through recycling See more on page 30	– Launch pre-sales programme for residential units at Rathbone Square, W1. – Sell properties where value has been created to monetise returns in strong investment market.  See our case study on pages 12 and 13	– 79% of residential units at Rathbone Square sold, at an average of £1,875 per sq ft. – Total sales of £343.6 million at a 11.0% premium to book value including forward sale of 12/14 New Fetter Lane, EC4.
Deliver development programme See more on page 32	– Complete on-site committed schemes. – Commence construction at Rathbone Square, W1 and St Lawrence House, W1. – Secure planning permissions for next phase of the near-term development programme.  See our case study on pages 14 and 15	– Walmar House, W1 completed, profit on cost 53.8%. – Construction at Rathbone Square, W1, 73/89 Oxford Street, W1 and 30 Broadwick Street, W1 commenced. – New planning permissions achieved at 148 Old Street, EC1 and Hanover Square, W1. Planning application submitted at Tasman House, W1.
Drive rental growth See more on page 36	– Launch leasing programme at Walmar House, W1. – Crystallise further rental reversion at Wells & More, W1. – Focus on tenant relationships to support tenant retention. – Deliver annual ERV growth of 5%–10%.  See our case study on pages 16 and 17	– Walmar House, W1 offices fully let within six weeks of completion. – Reversion of £1.0 million captured at Wells & More, W1. – 31,800 sq ft flagship store pre-let at 73/89 Oxford Street, W1. – Tenant retention rate of 33%. – Annual rental value growth of 10.3%.

Strategic priorities 2015/2016

	Impact on strategic KPIs	2015/2016 priority	Target	Risk
	– Sales at premium to book value enhanced TPR and NAV. – Accretive recycling and reinvestment should enhance TPR and TSR.	**Crystallise profits through recycling** Priority unchanged for 2015/2016.	– Sale of 95 Wigmore Street, W1. – Continue to sell other properties where value has been created to crystallise returns in strong investment market.	– Pricing of potential disposals weakens. – Insufficient market liquidity.
	– Development surpluses enhanced TPR and NAV. – Pre-lettings accelerate TPR and mitigate voids. – Extensive pipeline of development opportunities can support TSR.	**Deliver development programme** Priority unchanged for 2015/2016.	– Maintain programme on committed development schemes. – Commence the next wave of the near-term development programme. – Secure planning permission at Tasman House, W1.	– Impact of market declines amplified by development exposure. – Construction cost inflation reduces development profit. – Contractor/supplier failure. – Tenants' needs not met by poorly conceived building design.
	– Higher ERVs increase asset values and improve TPR and NAV growth. – Capture of rental reversion and tenant retention supports TPR.	**Drive rental growth through leasing** Priority unchanged for 2015/2016.	– Launch office pre-leasing campaign for Rathbone Square, W1. – Lease two remaining floors at 240 Blackfriars Road, SE1. – Maintain investment vacancy rate below 4%. – Deliver annual ERV growth of around 10%.	– Occupational market falters. – Wrong rental levels sought for local market conditions. – Poor marketing of our space. – Weak tenant retention.

See our KPIs and operational measures on pages 20 and 21


Unlocking
potential

Unlocking potential

by crystallising development profits

The sale pre-completion of our prime office scheme at 12/14 New Fetter Lane, EC4 crystallised the significant value created through our development and leasing activities.

In May 2013, we committed to build our 142,500 sq ft development in the heart of Midtown having secured an attractive planning permission, re-geared the headlease with the City Corporation and significantly de-risked the development through pre-letting the entire scheme to law firm Bird & Bird for 20 years at an annual rent of £8.3 million.

With the construction works progressing on time and on budget under a fixed price contract, we sold our 151 year leasehold interest to TIAA-CREF in December 2014, taking advantage of strong investment market conditions. The purchaser acquired the site from GPE for £96.3 million and is now funding all development costs up to a maximum of £165.8 million, reflecting a yield of 4.5%. We also expect to receive a final payment of around £5.0 million on practical completion in late 2015.

The sale crystallised a return on capital since committing to the development of 82.7% and an unlevered IRR of 55.1%.

For more on our sales activity see Investment management on pages 30 and 31

Profitable development

Although we sold a partly constructed building, we will deliver a prime, 100% let office scheme to the purchaser later this year having already crystallised material surpluses for our shareholders.

"This sale continues our strategy of recycling capital out of assets where we have created significant value and back into our exciting development programme."

Ben Chambers, Investment Director, GPE

"On behalf of TIAA-CREF, we are extremely pleased to enter this partnership with one of the UK's best developers."

Geoff Harris, Head of Development, TH Real Estate

Unlocking potential

by delivering well-designed space in a supply constrained West End

With quality office and retail space in short supply, we repositioned Walmar House, 288/300 Regent Street, W1, by modernising the building to capture rental growth.

Following the off-market purchase of Walmar House from our GCP joint venture, we have transformed this well located property, only 100 yards from Oxford Circus, through a comprehensive refurbishment of the existing grade B mixed-use space. We improved the size and quality of the floorplates through the infill of light wells and the creation of a new single core to deliver 37,700 sq ft of modern open plan office space, whilst also remodelling the office reception and enhancing the retail space configuration.

Shortly after completion of the 60,100 sq ft refurbishment in October 2014, we leased all the office accommodation to luxury goods retailer Richemont for 15 years at an annual rent of £2.6 million. At £69.00 per sq ft, the office rent is 91.1% higher than the average passing rent prior to refurbishment. We have also let four of the five retail units (11,100 sq ft) for £1.1 million p.a.

The scheme has delivered GPE a profit on cost of 53.8% to date.

"Our team has delivered modern and efficient space at this well-located property to maximise tenant appeal and capture the rental growth opportunity."

Andrew White, Head of Development, GPE

"We chose Walmar House for our UK headquarters because it provides us with first class office space in a world class location."

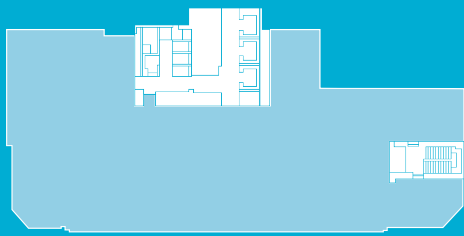
Richemont, Our office tenant

Enhanced space

Transforming space with improved office floorplates and an enhanced retail configuration to drive rental growth.

Before

After



Unlocking potential

by regenerating the East End of Oxford Street

Our development activities are driving regeneration and returns for our shareholders.

With more than 600,000 sq ft of development schemes at the East End of Oxford Street, we are at the forefront of regenerating the building stock and upgrading the local environment ahead of the opening of the new Tottenham Court Road tube station in 2016 and Crossrail in 2018. Together they will create one of Europe's busiest public transport hubs.

Our schemes include our 90,700 sq ft new-build development at 73/89 Oxford Street, W1, directly opposite the Dean Street entrance to the Tottenham Court Road Crossrail station. We committed to the development in January 2015 having secured planning consent and vacant possession in the preceding 12 months.

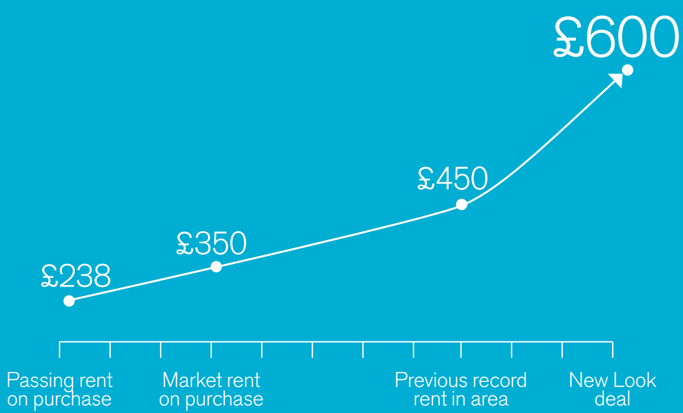
We subsequently pre-let a new 31,800 sq ft flagship retail store at the scheme to fast-fashion brand New Look on a 20 year lease at an annual rent of £3.65 million, reflecting a record zone A rent in the area of around £600 per sq ft. Our pre-letting helped to delivered valuation growth of 53% in the financial year.

With completion of the scheme anticipated in spring 2017, we are also progressing our letting initiatives for the second flagship retail store of 15,300 sq ft and 43,600 sq ft of Grade A offices.

Following the strong valuation uplift prior to commitment, the scheme is expected to deliver GPE a profit on cost of 14.1%.

For more on our development activity see Development management on pages 32 to 35

Zone A retail rents per sq ft



Record retail rent

Our New Look letting was at a record Zone A rent in the area, a significant increase on the passing retail rent of £238 per sq ft at the property on purchase in 2011 and well ahead of the previous record in the area of approximately £450 at the adjoining recently redeveloped property.

"The terms of our pre-letting with New Look reflect the strong retail prospects in this part of Oxford Street and are positive for our ongoing and future developments."

Marc Wilder, Head of Leasing, GPE

"We're very excited to be working with GPE to deliver a world class New Look flagship store. This store, in what is going to be a prime retail location, strengthens our position as we continue to grow the New Look brand both in the UK and internationally."

Danny Barrasso, UK Managing Director, New Look


CENTRE POINT
ZARA
NEW LOOK
OUTFITTERS
OUTFITTERS

Unlocking potential

by creating profitable developments whilst managing risk

Our forward sale of the majority of the residential apartments at Rathbone Square, W1 commenced de-risking of the delivery of our largest ever development.

Following receipt of planning approval for our 408,800 sq ft mixed-used scheme, we launched the pre-sales marketing programme, first in the UK and then overseas, of the 142 private apartments on the commencement of the development in July 2014. To date, we have exchanged contracts to sell 132 apartments at an average capital value of £1,886 per sq ft and ahead of our expectations. The total contracted residential sales proceeds of £228.9 million exceeds the expected remaining total construction costs for the entire scheme, which also includes 20 affordable residential units onsite.

With construction works ongoing and expected to complete in spring 2017, we will shortly be launching the pre-letting campaign for the 214,900 sq ft of modern offices, along with 40,000 sq ft of unique retail space on the ground floor.

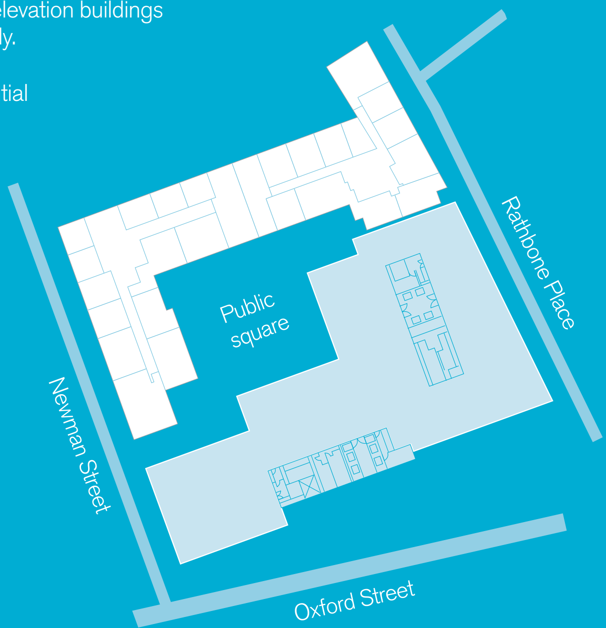
The scheme is expected to deliver GPE a profit on cost of 19.2%.

See how we are working with our key suppliers at Rathbone Square on page 35

The right mix

Our scheme will deliver retail space on the ground floor around a landscaped public square with residential and office space on the upper floors of the northern and southern elevation buildings respectively.

- Residential
- Office



"The quality of our residential apartments has allowed us to forward-sell the majority of the units early in the construction phase and begin the process of de-risking the delivery of Rathbone Square."

Helen Hare, Project Manager, GPE

"The successful sales campaign reflects the high quality residential accommodation that GPE is creating. The seamless transition from exterior to interior, the appeal of the apartments and the attractive new garden square will deliver a first rate development in a premier West End location."

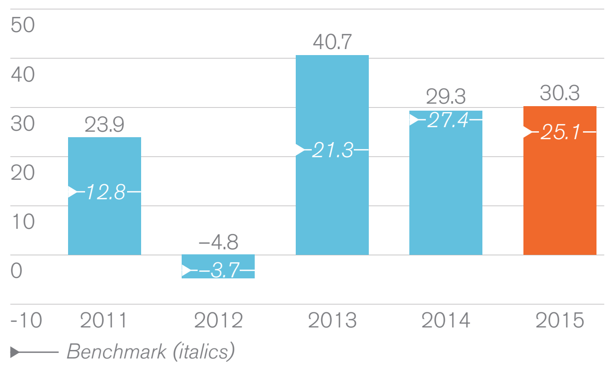
Ken Shuttleworth, Founding Partner, Make Architects

Our KPI benchmarks

Our key performance indicators (KPIs) measure the principal metrics that we focus on in running the business and they help determine how we are remunerated. Over the medium term, we aim to outperform our benchmarks through successfully executing our strategic priorities.

KPIs

Total Shareholder Return (%) (TSR)

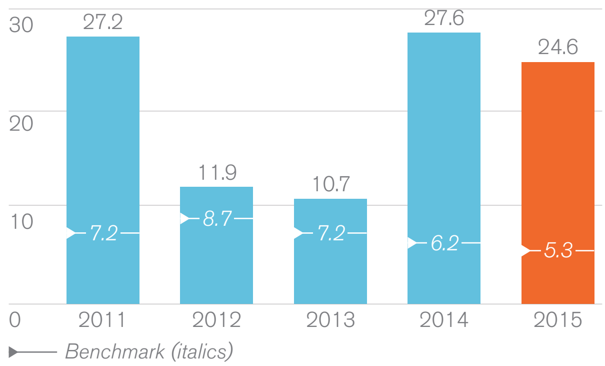


Commentary
TSR is the most direct way of measuring the returns to shareholders during the year. TSR of the Group is benchmarked against the TSR of the FTSE 350 Real Estate index (excluding agencies).

The TSR of the Group was 30.3% for the year compared to 25.1% for the benchmark.

Alignment with remuneration
Performance criteria for Executive Directors' and certain senior managers' long-term incentives.

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



Commentary
NAV growth is the traditional industry measure of the Group's success at creating value. We compare our NAV growth with the increase in the retail price index (RPI) plus minimum and maximum hurdles of 9%–27% over three years used as performance criteria for the long-term incentives. For the benchmark, we have used the minimum hurdle.

NAV growth in the year was 24.6% as property values rose due to the Group's successful asset, investment and development management activities. This NAV growth resulted in a 19.3 percentage point relative outperformance for the year.

Alignment with remuneration
Performance criteria for Executive Directors and certain senior managers' long-term incentives, and for Executive Directors' annual bonus.

Operational measures

In addition to our KPIs, there are several key operational metrics that we actively monitor to assess the performance of the business which feed into our KPIs. As well as measuring our financial performance, these operational metrics also measure our achievements against some of our sustainability targets. Each of these metrics for the year to 31 March 2015 are shown on the right.

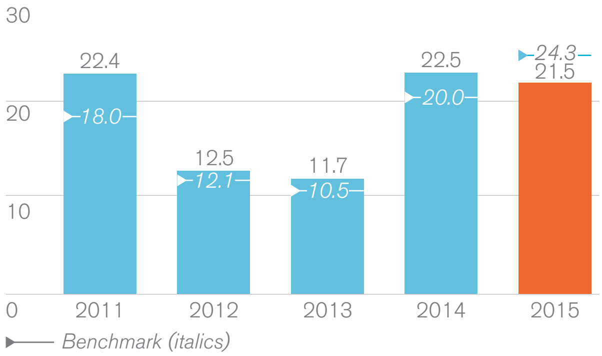
Investment management	
Purchases	**£37.1m**
Purchases – capital value per sq ft	**£531**
Purchases – net initial yield	**3.0%**
Sales	**£343.6m**
Sales – premium to book value	**11.0%**
Total investment transactions	**£380.7m**
Net investment	**£(306.5)m**

See more on page 30

Development management	
Profit on cost	**54.9%**
Ungeared IRR	**30.4%**
Yield on cost	**7.6%**
Income/GDV already secured	**29.5%**
BREEAM Excellent	**100%**
Committed capital expenditure	**£325m**

See more on page 32

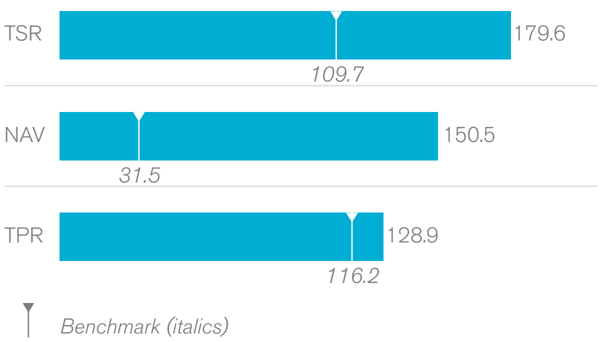
Total Property Return (%) (TPR)



Commentary
TPR is calculated from the net capital growth of the portfolio plus net rental income derived from holding these properties plus profit or loss on disposals expressed as a percentage return on the period's opening value. TPR is compared to a universe of £51.8 billion of similar assets included in the IPD central London benchmark. The Group generated a portfolio TPR of 21.5% in the year whereas the benchmark produced a total return of 24.3%. This relative under-performance resulted from our lower relative income return due to the scale of our development activities and the greater rate of capital growth this year for secondary properties compared to our more prime portfolio.

Alignment with remuneration
Performance criteria for Executive Directors' and certain senior managers' long-term incentives, and for employees' annual bonus. The capital element of TPR is a performance criteria for the Executive Directors' annual bonus.

Five year performance (%)



Commentary
Over the last five years, our proactive approach and strong performance against our benchmarks has delivered a total shareholder return of 179.6% (or 12.4% p.a.), outperforming the comparator group by 69.9 percentage points.

Asset management	
Vacancy rate	**2.0%**
New lettings and renewals	**£21.5m**
Premium to ERV (market lettings)	**6.0%**
ERV growth	**10.3%**
Reversionary potential	**28.4%**
Rent collected within 7 days	**99.3%**
Tenant retention rate	**32.5%**

Financial management	
EPRA Earnings per share	**12.7p**
Gearing	**25.2%**
Loan to value	**21.8%**
Interest cover	**10.7x**
Cash and undrawn facilities	**£442m**
Weighted average interest rate	**3.7%**

People	
Staff retention	**87%**
Training provided per employee	**3.6 days**
Employees participating in optional Share Incentive Plan	**77%**

See more on page 36

See more on page 38

See more on page 44

In this section we describe the trends in our marketplace, present our progress across the business and set out our approaches to sustainability and risk management.

Image:
The lift lobby at 95 Wigmore Street, W1

Statement from the Chief Executive

The disciplined execution of our strategy is generating attractive shareholder returns, with this year's strong financial performance driven by our profitable recycling activity and successful delivery of our developments into a supply constrained market.

We are delighted to be able to report another year of strong results, driven by our development successes and rental growth, and maintaining our track record of long-term outperformance against all of our industry benchmarks.

EPRA NAV per share increased by 24.6% over the year and the property portfolio delivered underlying capital growth of 18.0% with a total property return of 21.5%. The total shareholder return for the year was 30.3%, well ahead of our FTSE 350 Real Estate benchmark of 25.1%.

Flexing operational risk – in the execution phase of the cycle

Central London's property markets strengthened further over the year as economic growth continued to drive employment and business expansion across the Capital. The resulting increase in tenant demand along with record low vacancy levels in central London and the constrained supply of new space has combined to enable us to deliver a strong annual rental growth rate of around 10%. We expect this rate to be sustained over the next year.

In the investment market, the weight of money means transaction volumes and competition for assets have remained high, driving yields lower still over the year. Looking ahead, we expect yields to remain firm over the next 12 months and to move up in the medium term as rental growth is captured.

In this market context, with rental growth expected to be the principal driver of capital returns for the next few years, we have increased our operational gearing through development whilst maintaining our consistently low financial gearing as we recycle capital, selling into the strong investment market.

Unlocking potential through well-timed development

Since 2009, we have successfully delivered 846,600 sq ft of well-designed space across nine projects, generating an average profit on cost of 50%. This includes two projects completed this year at 240 Blackfriars Road, SE1 and Walmar House, W1 together delivering a profit on cost of 55%. We have also expanded our committed programme which currently comprises six schemes (626,100 sq ft), all in the West End and focused on the regeneration of the east end of Oxford Street, including our largest ever development of 408,800 sq ft at Rathbone Square, W1. With construction contracts successfully secured, these schemes are all due to complete ahead of the forecast opening of Crossrail in 2018.

We have made significant progress in preparing our growing pipeline of development opportunities, with 375,300 sq ft of new planning consents secured across our six near-term projects (548,600 sq ft), including an enhanced consent for our 223,600 sq ft Hanover Square, W1 scheme. In total, our 2.5 million sq ft development programme covers over half of the existing portfolio and our upcoming deliveries in the core West End represent around 25% of this sub-market's total forecast speculative supply over the next four years.

"Our business is in great shape. We will continue to invest in our enviable portfolio to meet occupier demand and maximise organic growth for shareholders."

Toby Courtauld Chief Executive

Leasing ahead of plan

Another busy year of leasing has delivered total new lettings and renewals of £21.5 million in annual rent, with market lettings on average 6.0% above our valuer's ERV. With our low vacancy rate of 2.0%, development lettings were 62% (or £13.3 million) of this total, including leasing all of the office space at Walmar House, W1 and pre-letting a flagship retail store at 73/89 Oxford Street, W1 for a record zone A rent in the area.

Disciplined and profitable recycling

As expected, we were again a net seller as we crystallised profits, recycling capital into our development programme. Our sales of £344 million included 79% of the apartments at Rathbone Square, W1 and the forward sale of our pre-let development at 12/14 New Fetter Lane, EC4, delivering an ungeared IRR of 55%. Our approach to acquisitions remains highly selective and we were able to unlock £37 million of predominantly bolt-on purchases in the year.

Financial strength and talented team to deliver organic growth

Our balance sheet remains in great shape. With a loan to value of 21.8% and £442 million of committed undrawn liquidity, we have significant financial firepower. Moreover, these financial results and the successful delivery of our growth plans are a testament to the dedication of our experienced first-class team.

Positive outlook

In spite of the short-term uncertainty facing London as a result of the proposed EU referendum, we expect to continue delivering market-leading returns. With a portfolio full of opportunity, increased development commitments and supportive market conditions, we can expect to at least maintain last year's rental growth as we continue to deliver on our plans, generating strong returns for shareholders.

Our market

Central London's economy and commercial property markets continue to thrive with rents rising and investment appetite strong.

London – our growing global city

London is thriving with a population of nearly nine million people, generating 22% of UK GDP and with the largest GDP of any city in Europe. With the outlook for the UK economy remaining positive, with consensus estimates forecasting steady GDP growth of 2.0–2.5% over the next few years, London is expected to continue to punch above its weight with Oxford Economics forecasting annual growth of 3.4% over the next five years, making it Europe's fastest growing major city. Moreover, confidence and employment intention indicators across London's businesses show that they remain in growth mode.

With London's population forecast to grow to more than ten million by 2030, Oxford Economics has also revised upwards its forecasts for London employment to 6.0 million, growth of 8.3% over the next five years and expect more than 256,650 of new office jobs to be created in London. In addition, London's position as one of only a handful of true global cities continues to strengthen, attracting international capital for real estate investment as well as occupiers seeking access to its deep pool of talented labour.

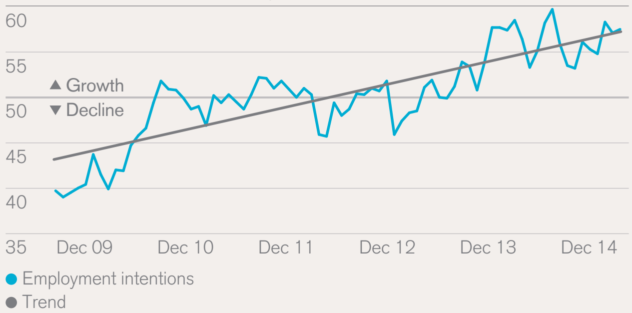
Notwithstanding these positive prospects, the UK economic recovery has been slower than in recent cycles and with UK inflation materially below the long-run average, interest rates remain at very low levels, albeit they are expected to increase in the medium-term. Uncertainties around the economic outlook persist given, amongst others, uncertainty relating to a possible referendum on our EU membership, Eurozone deflation and Grexit risk, along with moderating economic growth in the USA and China. Unfortunately we also have a heightened risk of terrorism in London.

See more on Why London on pages 6 and 7

Occupational markets favouring landlords

On the demand side, improved business confidence is feeding into business expansion and, in turn, healthy tenant demand for new space. For the year ended March 2015, central London take-up was 15.2 million sq ft, exceeding both the preceding 12 months and the ten year annual average of 12.5 million sq ft. This trend is expected to continue with office-based employment in inner London, a key driver of demand for office space, expected to increase by an average of 2% p.a. over the coming five years. Moreover, this take-up has been from a broad range of industries, including creative businesses (25%), banking and finance (23%) and business services (15%). As a result, the central London availability rate has fallen to 4.9%, its lowest level since 2007.

London office-based employment growth



Source: Lloyds Purchasing Manager Index (PMI) Report.

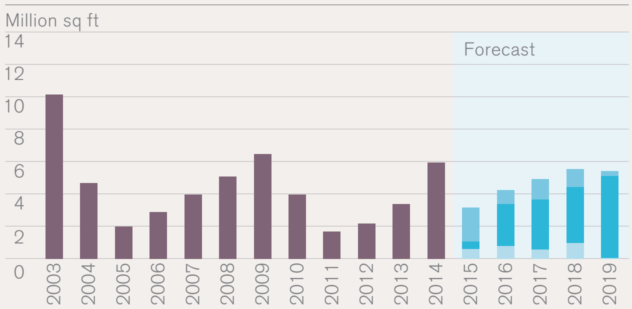
On the supply side, although development completions across central London are rising, this is from a low base. Across the central London office market as a whole, development completions in the year to 31 March 2015 were 5.1 million sq ft, up from 4.5 million sq ft in the preceding 12 months. However, in the core of the West End, the focus of our development activities, completions totalled only 0.8 million sq ft in the year. This supply shortage has meant that pre-lets continue to represent around 20% of central London office take-up.

"London's position as one of only a handful of true global cities continues to strengthen, attracting international capital for real estate investment as well as occupiers seeking access to its deep pool of talented labour."

Neil Thompson Portfolio Director

Looking ahead, as shown in the chart, we expect to see a pick-up in the speculative development pipeline as developers respond to stronger occupier demand levels and the prospect of rental growth. However, 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. These barriers increasingly include a shortage of contractor capacity which is both reducing market access to new entrants or those developers without meaningful pipelines of work and supporting construction cost inflation. Whilst construction costs are rising from a relatively low base, the major cost consultants are forecasting annual cost inflation of 4–7% over the coming years for commercial schemes. Across our business, we expect to be able to largely mitigate these cost increases and capacity constraints through rental growth, our deep relationships with contractors, effective supply chain management and our pipeline of opportunities.

Central London office potential completions



Source: CBRE/GPE data.

3.4%

London forecast GDP growth p.a.

West End occupational markets

Over the year to 31 March 2015, West End office take-up was 4.4 million sq ft, up 7.0% on the preceding year, while availability has reduced to 3.7 million sq ft. Vacancy rates remain low at 2.4% with grade A space vacancy estimated by CBRE to be only 1.8%.

Across the West End, CBRE has reported that prime office rental values rose by around 11.9% over the year. Looking ahead rents are forecast by CBRE to show strong growth with North of Oxford Street prime office rents expected to show the strongest rental growth in the core West End of 19% over the next two years following the completion of new developments, including our own scheme at Rathbone Square, W1.

The West End retail market (where 28.4% of our West End portfolio by value is located) has continued to witness very strong rental growth. Over the last year, strong demand for retail space has maintained a near zero vacancy, with significant leasing activity supporting prime rental values. Our own recent experience at the East End of Oxford Street has demonstrated our ability to re-rate rental levels upwards on the back of our development activities.

See our case study on pages 16 and 17

City, Midtown and Southwark occupational markets

Over the year to 31 March 2015, City office take-up was 6.7 million sq ft, up 19.0% on the preceding year, while availability has reduced to 3.9 million sq ft. Although higher than in the West End, vacancy rates remain low at 4.2% with grade A space vacancy estimated by CBRE to be only 3.3%. CBRE has also reported that City prime rental values were up 11.1% during the period.

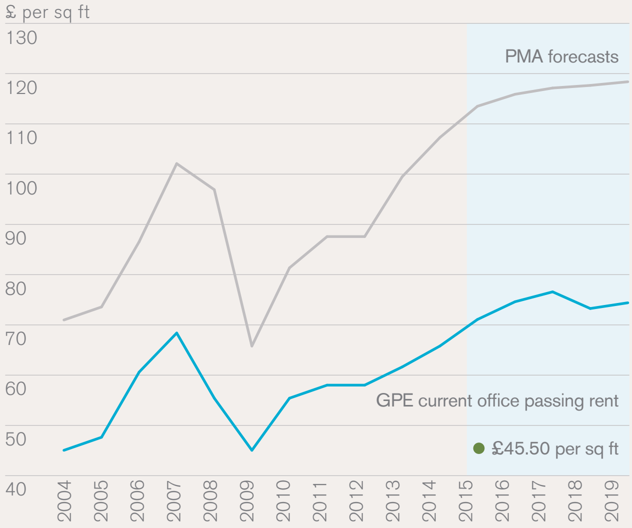
Midtown and Southwark continue to witness significant leasing activity, driven largely by demand for new space from the TMT sector, as evidenced by our own lettings at 240 Blackfriars Road, SE1. This has supported strong rental growth of 12.5% and 15.0% respectively for the year, with prime office rents of £67.50 and £57.50 per sq ft respectively at 31 March 2015.

Positive outlook for our occupational markets

The upturn in central London take-up over the past 12 months has been driven by strengthening occupier confidence which has delivered office rental growth ahead of our expectations. We expect this trend to continue in 2015 as the economy grows.

With the imbalance between improving occupational demand and restricted supply favouring the landlord, we can expect further rental growth in our key markets. As the chart shows, independent forecaster PMA is predicting healthy rental growth in both the West End and the City office markets over the medium-term. We estimate that for the next 12 months rental growth across our portfolio will be around 10%. Additionally, with our office portfolio let off low average rents of only £45.50 per sq ft, there is further reversionary potential across the Group of 28.4%.

Headline office rents



● PMA Prime West End
● PMA Prime City

Source: PMA

Buoyant investment market

Following a record year with £19.9 billion of central London office investment transactions to 31 December 2013, activity has remained buoyant with £18.5 billion of deals in 2014. The small decrease in activity reflects the continued shortage of stock available on the market to buy rather than diminished purchasing appetite amongst a growing pool of buyers. Overseas investors continue to be the largest buyer constituency, accounting for 69% of transactions, with Asian buyers again the largest regional international investor. Healthy investment activity has continued with £3.7 billion of deals in the quarter to 31 March 2015, and it is interesting to note that UK buyers represented 43% of the total.

In the West End, 2014 was a record year with £6.3 billion of investment transactions. Volumes fell in the quarter to 31 March 2015 with £1.0 billion of deals compared to £1.8 billion in the prior quarter.

Strong competition for limited stock has driven investment yields for office properties lower with prime yields in the West End and City of 3.65% and 4.25% respectively at 31 March 2015, according to CBRE. Prime retail yields in the West End are currently 2.25%.

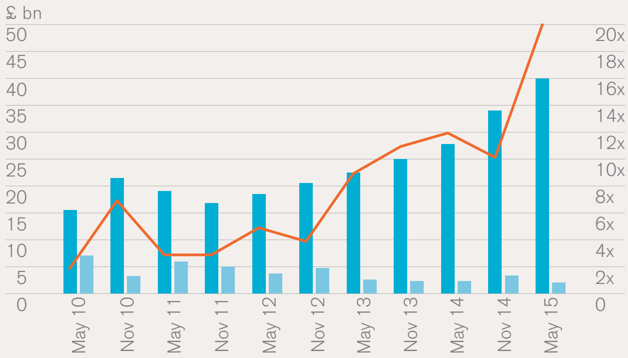
While price growth and transaction activity has slowed in the prime central London residential market, in part due to the political landscape, our experience at Rathbone Square, W1 demonstrated that appropriately priced, well specified, modern apartments in attractive locations in our core West End market continued to be in high demand during the year.

See our case study on pages 18 and 19

Weight of money supporting positive investment market outlook

As the chart below shows, the excess of equity capital to invest over commercial property available to buy across central London remains high (estimated at £40 billion versus £2 billion respectively).

London equity demand and asset supply



● Equity demand
● Asset supply
● Demand multiple (RHS)

Source: CBRE/GPE.

Moreover, with bond yields at record lows and instances of negative yields in the Eurozone, the increased availability of real estate debt funding and investors' increased willingness to move up the risk curve means that competition for stock remains intense, narrowing the yield spread between prime and secondary. In the near-term, we expect yields to remain firm, and as expectations of interest rate increases in the UK continue to be pushed back, the real yield spread remains above the long-term average. For the medium-term, we maintain our view that yields will increase as rental growth is captured.

"We estimate that for the next 12 months rental growth across our portfolio will be around 10%."

Marc Wilder Head of Leasing

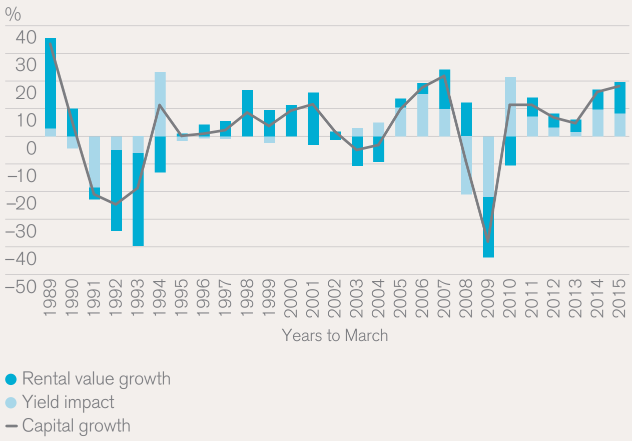
£40bn

Equity demand for central London commercial property

Rental growth to be the principal driver of capital value growth

As the chart below shows, yield compression tends to drive capital value growth early in the cycle, although its contribution has been more sustained this cycle given elevated liquidity levels due to quantitative easing and unprecedentedly loose monetary policy. Over the next few years, we expect that rental growth will continue to increase and will become the principal driver of capital growth across the central London commercial real estate market.

Capital growth attribution – IPD West End and Midtown



Source: IPD UK monthly property index.

Our lead indicators remain supportive

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

Overall, our property capital value indicators remain supportive, with no indications to date of any slowdown in the weight of capital seeking to purchase well located, quality buildings in our core central London markets. The reduction in net new property lending appears to be due to a lack of demand given the increased availability of debt funding for investment property. Our rental value indicators continue to improve with upward revisions to London GDP forecasts, supported by positive business confidence and employment levels in central London. Accordingly, we expect that rental values will continue to rise for sensibly priced, well specified space in attractively located central London properties in the medium-term.

Selected lead Indicators	12 months to March 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.

Valuation

The valuation of the Group's properties rose to £3,206.2 million during the year, delivering valuation growth of 18.0% on a like-for-like basis. Our development properties delivered valuation growth of 28.2%.

Portfolio performance

		Wholly-owned £m	Joint ventures* £m	Total £m	Proportion of portfolio %	Valuation movement %
North of Oxford Street	Office	998.1	82.0	1,080.1	33.7	9.8
	Retail	253.7	132.1	385.8	12.1	24.5
	Residential	8.4	10.5	18.9	0.5	(2.2)
Rest of West End	Office	232.4	103.3	335.7	10.5	18.1
	Retail	166.6	66.9	233.5	7.3	19.5
	Residential	3.9	–	3.9	0.1	36.4
Total West End		1,663.1	394.8	2,057.9	64.2	14.6
City, Midtown and Southwark	Office	228.4	336.6	565.0	17.7	21.6
	Retail	5.6	2.0	7.6	0.2	26.0
	Residential	0.1	1.7	1.8	–	10.3
Total City, Midtown and Southwark		234.1	340.3	574.4	17.9	21.7
Investment property portfolio		**1,897.2**	**735.1**	**2,632.3**	**82.1**	**16.1**
Development property		535.2	–	535.2	16.7	28.2
Total properties held throughout the year		**2,432.4**	**735.1**	**3,167.5**	**98.8**	**18.0**
Acquisitions		24.7	14.0	38.7	1.2	(1.6)
Total property portfolio		**2,457.1**	**749.1**	**3,206.2**	**100.0**	**17.7**

* 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		1,501.3	316.3	1,817.6	1,240.6	411.7	165.3	1,817.6	1,699
Rest of West End		581.3	218.9	800.2	459.2	332.2	8.8	800.2	650
Total West End		**2,082.6**	**535.2**	**2,617.8**	**1,699.8**	**743.9**	**174.1**	**2,617.8**	**2,349**
City, Midtown and Southwark		588.4	–	588.4	579.0	7.6	1.8	588.4	1,290
Total		**2,671.0**	**535.2**	**3,206.2**	**2,278.8**	**751.5**	**175.9**	**3,206.2**	**3,639**
By use:	Office	2,017.6	261.2	2,278.8					
	Retail	628.8	122.7	751.5					
	Residential	24.6	151.3	175.9					
Total		**2,671.0**	**535.2**	**3,206.2**					
Net internal area sq ft 000's		3,013	626	3,639					

"The Group delivered a strong total property return of 21.5% with our developments again performing well."

Hugh Morgan Head of Investment Management

53.0%

73/89 Oxford Street, W1 valuation gain in year

At 31 March 2015, the wholly-owned portfolio was valued at £2,457.1 million and the Group had five active joint ventures which owned properties valued at £749.1 million (our share) by CBRE. The combined valuation of the portfolio of £3,206.2 million was up 18.0% on a like-for-like basis or £482.1 million since 31 March 2014.

Rental income growth is now the main driver of valuation uplift

The key drivers behind the Group's valuation movement for the year were:

- rental value growth – robust tenant demand outstripped the supply of good quality well-located buildings in our key markets. This positive market backdrop, combined with our active management of the portfolio, increased rental values by 10.3% during the year, comprising a 10.0% and 11.4% increase for office and retail rental values respectively. In the last quarter of the financial year rental growth accounted for nearly all the valuation rise. At 31 March 2015, the portfolio was 28.4% reversionary;

see Our market on page 24

- intensive asset management – during the year, 101 new leases, rent reviews and renewals were completed, securing £24.6 million (our share) of annual income which supported valuation growth over the year;

see Asset management on page 36

- development properties – the valuation of current development properties increased by 28.2% to £535.2 million during the year. In particular, 73/89 Oxford Street, W1 delivered a strong valuation gain (net of capex) of 53.0% following commencement on-site and pre-letting activity; and

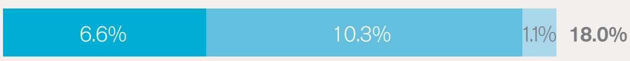
see Development management on page 32

- lower investment yields – a continued surfeit of buyers over sellers of commercial property helped to reduce investment yields across central London during the year and increase pricing. Our portfolio equivalent yield reduced by 27 basis points (2014: 45 basis point reduction) during the year due to both this strength of demand for properties and our activities to improve the quality of the portfolio. At 31 March 2015, the portfolio equivalent yield was 4.5%.

see Our market on page 24

Including rent from pre-lets and leases currently in rent free periods, the adjusted initial yield of the investment portfolio at 31 March 2015 was 3.4%, 50 basis points lower than at the start of the financial year.

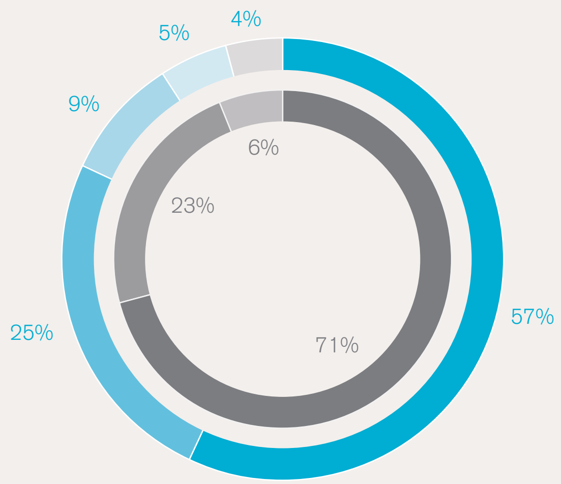
Drivers of valuation growth



Our portfolio – 100% central London

Locations
- North of Oxford Street £1,817.6m
- Rest of West End £800.2m
- Southwark £306.2m
- Midtown £162.2m
- City £120.0m

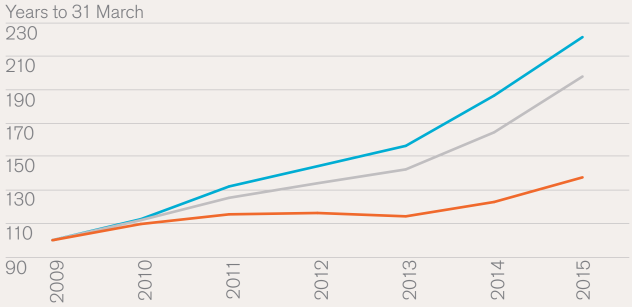
Business mix
- Office £2,278.8m
- Retail £751.5m
- Residential £175.9m



Our Rest of West End portfolio produced a strong performance over the year, increasing in value by 18.7% on a like-for-like basis, in part driven by retail capital value growth of 19.5%. Our North of Oxford Street assets saw a 13.1% uplift in values and the City, Midtown and Southwark properties grew by 21.7%. Our joint venture properties rose in value by 13.4% over the year while the wholly-owned portfolio rose by 19.4% on a like-for-like basis.

The Group delivered a total property return (TPR) for the year of 21.5%, compared to the central London IPD benchmark of 24.3% and a capital return of 18.8% versus 20.3% for IPD. This relative under-performance resulted from our lower relative income return due to the scale of our development activities and the greater rate of capital growth this year for secondary properties compared to our more prime portfolio.

Capital return (indexed)
Cumulative relative performance to IPD benchmarks



Investment management

As expected, we were a net seller with sales of £344 million during the year as we continued to recycle capital into our development programme and capitalise on the strong investment market. However, we were also able to unlock £37 million of acquisitions in the year.

2014/15 Strategic priority: Crystallise profit through recycling

Operational measures

	2015	2014
Purchases	**£37.1m**	£90.0m
Purchases – capital value per sq ft	**£531**	£1,139
Purchases – net initial yield	**3.0%**	3.5%
Sales	**£343.6m**	£269.0m
Sales – premium to book value[1]	**11.0%**	9.5%
Total investment transactions[2]	**£380.7m**	£359.0m
Net investment[3]	**£(306.5)m**	£(179.0)m

1. Based on book values at start of financial year.
2. Purchases plus sales.
3. Purchases less sales.

Our approach

Buying at the right price and selling at the right time is central to our business model. Using its extensive network of market contacts, our investment team pursues a disciplined approach with the following acquisition criteria:

- Complex properties in attractive locations
- Purchase price beneath replacement cost
- Off-market
- Low average rents per sq ft
- Short to medium-term income
- Development potential

Once a property is acquired, the investment managers work closely with the asset management and development teams on an individual asset business plan to maximise the property's potential. The regular review of these business plans also informs our sales activity.

See our approach to sustainability on page 56

"Our disciplined recycling activity has crystallised attractive profits for shareholders and supported investment opportunities, principally into existing or adjoining properties."

Ben Chambers Investment Director

Profitable recycling continues with £343.6 million of sales in the year

Our investment management activities continue to focus on profitable recycling opportunities. During the year, we completed four sales generating £343.6 million in initial gross proceeds and at a blended premium of 11.0% to 31 March 2014 book values.

Sales for the year ended 31 March 2015

Description	Gross price £m	Book value at 31 March 2014 adj. for capex £m	NIY %	Price per sq ft
Rathbone Square, W1 residential units	223.1	202.3	n/a	1,875
Tudor House, W1	8.4	8.0	3.1%	1,140
12/14 New Fetter Lane, EC4	96.3	80.4	4.5%	1,158
12.5% share of 100 Bishopsgate, EC2	15.8	15.8	n/a	n/a
Total	**343.6**	**306.5**	**4.4%**	**1,475**

We launched the pre-sales marketing programme of the 142 private residential units at Rathbone Square, W1 on the commencement of the development in July 2014, first in the UK and then overseas, to owner occupiers and private investors. During the year, we exchanged contracts to sell 130 apartments for an aggregate amount of £223.1 million; 79% by value, reflecting an average capital value of £1,875 per sq ft. Since 31 March 2015, we have sold a further two units bringing total sales to £228.9 million or £1,886 per sq ft. The 132 apartments sold equate to 85% of the total private residential by area and 81% by value. The ten remaining apartments, eight of which are penthouse units, have a total quoting price of £52.8 million.

In July 2014, we also sold our 7,370 sq ft freehold building at Tudor House, 35 Gresse Street, W1 for £8.4 million, reflecting a net initial yield of 3.1%, a capital value of £1,140 per sq ft and a 5.0% premium to the March 2014 book value.

In November 2014, we exchanged contracts to sell our 142,500 sq ft pre-let office development scheme which is under construction at 12/14 New Fetter Lane, EC4. Following receipt of freeholder consent in December, the purchaser acquired the site from GPE for £96.3 million (11.8% ahead of the adjusted September 2014 book value) and is now funding all development costs up to maximum of £165.8 million, reflecting a yield of 4.5%. Based on the current cost and programme, GPE will also receive a final payment of approximately £5.0 million on practical completion in late 2015. The sale crystallises a return on capital since committing to the scheme of 82.7% and an unlevered IRR of 55.1%.

In December 2014, we also sold our remaining 12.5% interest in the 100 Bishopsgate Partnership to Brookfield for £15.8 million, following our exercise of the 'put' option that we secured on the sale of a 37.5% interest in the partnership in October 2012.

Since 31 March 2015, the Great Wigmore Partnership, 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 crystallises a profit on cost for GPE since commitment to the development in 2011 of 105%.

Selective acquisitions of £37.1 million during the year

During the year, we made three acquisitions totalling £50.1 million (our share: £37.1 million).

Purchases for the year ended 31 March 2015

	Price paid £m	NIY %	Area sq ft	Cost £ per sq ft
Elm House[1], W1	13.0	n/a	48,800	533
6 Brook Street, W1	7.6	3.0%	3,600	2,111
31/34 Alfred Place, W1	16.5	n/a	42,750	386
Total	**37.1**	**3.0%**	**95,150**	**526**

1. Our share.

In July 2014, the Great Ropemaker Partnership ('GRP'), our 50:50 joint venture with BP Pension Fund, completed the purchase of the freehold interest in Elm House, 13/16 Elm Street, WC1 for £26.0 million (our share: £13.0 million). Elm House is a prominent, 11 storey office building, adjoining GRP's 200 Gray's Inn Road, totalling approximately 48,800 sq ft with vacant possession, providing a near-term refurbishment opportunity in a rapidly improving location with good rental prospects.

In September 2014, we completed the purchase of the virtual freehold interest in 6 Brook Street, W1 for £7.6 million. The 3,600 sq ft office and retail building adjoins our interests at Hanover Square, W1.

In March 2015, we acquired two buildings on Alfred Place, W1 held by way of two head leases from the Corporation of London; the head leases have circa 38 years unexpired and are at minimal fixed head rents. The currently vacant buildings comprise 42,750 sq ft and we expect to undertake a refurbishment of the space in the near-term. The price paid was £16.5 million, representing only £386 per sq ft. Alfred Place runs parallel to and east of Tottenham Court Road, north of the London Underground station, and should benefit from the infrastructure and public realm improvements in the immediate locality. Off a price of £386 per sq ft, the acquisition provides a conservative entry level from which to drive a healthy income return in the near-term, as well as a potentially interesting longer-term development proposition.

Finally, since 31 March 2015, we purchased Starwood Capital's 50% interest in The Great Star Partnership ('GSP') joint venture for £61.4 million and redeemed all of the £73.1 million in outstanding bank debt secured against GSP's properties. The transaction equates to a property price of £190.6 million and gives GPE full ownership of the leasehold interests in City Tower, 40 Basinghall Street, EC2 and the adjacent City Place House, 55 Basinghall Street, EC2 which together occupy a 1.3-acre core City site. The acquisition price reflects £608 per sq ft and a yield of 5.3% on the contracted rent roll, or 4.8% after deducting current void costs on the vacant space. The running yield can be quickly enhanced to 6.1% if the vacant accommodation is leased in its existing condition, preserving the opportunity for a larger scale refurbishment of City Place House in the medium-term, in an area set to benefit from the introduction of Crossrail in 2018.

See where we focus on page 4

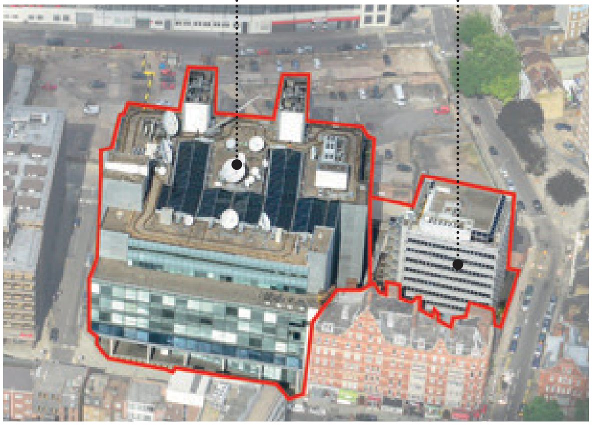
Adding to the development pipeline

In July 2014, GRP bought Elm House, WC1, a tired, vacant office building that sits adjacent to GRP's fully let office property at 200 Gray's Inn Road. Purchased for £26 million, or £533 per sq ft, the price provides an attractive entry point for a future redevelopment of the site.

The building sits on an under-developed 0.37 acre site and when combined with a parcel of the land from our adjoining ownership, the acquisition unlocks a larger 0.5 acre medium-term development opportunity.

We will also benefit from the regeneration of the local area with the new Crossrail station at Farringdon due to open in late 2018 and the forthcoming redevelopment of the adjacent Mount Pleasant site.

200 Gray's Inn Road   Elm House



55.1%

IRR on 12/14 New Fetter Lane sale

Development management

With the business firmly in the execution phase, our development activities continue to help drive shareholder returns. We have six committed schemes, which are forecast to deliver a profit on cost of 18.2%, and a further six schemes with potential starts in the next 24 months.

2014/15 Strategic priority: Deliver development programme

Operational measures

	2015	2014
Profit on cost[1]	**54.9%**	53.3%
Ungeared IRR[1]	**30.4%**	29.4%
Yield on cost[1]	**7.6%**	7.6%
Income/GDV already secured[2]	**29.5%**	69%
BREEAM Excellent[3]	**100%**	100%
Committed capital expenditure[2]	**£325m**	£54m

1. Developments completed in financial year.
2. Income/gross development value ('GDV') secured on committed developments at date of this report.
3. New build developments completed in financial year.

Our approach

The cyclical nature of central London property markets means it is critical for us to match our development activity to the appropriate points in the cycle, delivering new buildings into a supportive market when quality space is scarce and demand is resilient. By combining our forensic analysis of market conditions with our active property management, we are able to remain opportunistic and flexible when planning the start and completion dates for our schemes. Today, we are firmly in the execution phase of this property cycle and the delivery of the Group's development programme is a key near-term strategic priority.

See our approach to sustainability on pages 57 to 59

"Our 2.5 million sq ft development programme covers over half of the existing portfolio and provides a deep pool of opportunities stretching into the 2020s."

Andrew White Head of Development

Firmly in the execution phase – developing in scale

Since 2009 we have completed nine schemes, including two this year, delivering 846,600 sq ft of high quality space with an average profit on cost of 50%. We currently have six committed schemes (626,100 sq ft of space), all in the West End. Taken together, these schemes have an expected profit on cost of 18.2% and, to date, 29.5% of the space has been pre-let or pre-sold, helping to manage our development risk.

Our substantial pipeline of opportunities includes an additional 18 uncommitted projects including six schemes (548,600 sq ft) with potential starts in the next 24 months, giving us a total potential development programme of 2.5 million sq ft, covering 54% of GPE's existing portfolio. Capital expenditure to come at our committed schemes totals £324.6 million, which could rise to £533.4 million (our share) if the six near-term uncommitted schemes were started. At 31 March 2015, the committed development properties were valued at £535.2 million and the near-term development properties at £334.0 million (our share).

Two schemes completed during the year – 54.9% profit on cost

At 240 Blackfriars Road, SE1, our 236,700 sq ft development owned in the Great Ropemaker Partnership ('GRP'), construction works completed in April 2014 with 11 of the 19 office floors already let and delivering a profit on cost of 55.9% at completion. We have subsequently let a further six office floors, one of the three retail units and sold eight of the ten residential units.

In October 2014, we completed our 60,100 sq ft mixed-use comprehensive refurbishment of Walmar House, Regent Street, W1. Shortly after completion, we let the entire office accommodation (37,700 sq ft) on a 15 year lease (no breaks) to Richemont, the luxury goods retailer, paying £2.6 million p.a. We have also let four of the five retail units (11,100 sq ft) for £1.1 million p.a. and have strong interest in the remaining unit. Despite the scheme completing eight months later than planned, it delivered a profit on cost of 53.8% and an ungeared IRR of 25.8%.

£325m

Committed capex

Six committed schemes on-site – 100% West End

At Rathbone Square, W1 our 408,800 sq ft mixed-use development scheme at the eastern end of Oxford Street, the main construction contract has been agreed with Lend Lease and construction work is fully underway and progressing well. As set out in the investment management section, the successful sales programme in respect of the 142 private residential units continues and we expect to commence our pre-letting campaign for the 214,900 sq ft of office space in summer 2015. The project is expected to complete in June 2017 and, based on current market assumptions, is expected to deliver GPE a pre-tax profit on cost of 19.2%. This is a healthy increase on the 15.7% expected on commitment to the scheme in spring 2014, as our residential sales success and increased market rental levels have more than outweighed an increase in construction costs and programme length. The eventual profit on cost to GPE will be influenced by a variety of factors, including the overage arrangements agreed with the Royal Mail Group on purchase of the site in September 2011.

At 30 Broadwick Street, W1 (formerly St Lawrence House), demolition works are also complete and construction works for our 92,400 sq ft new-build, fully consented office and retail scheme have commenced. The project is expected to complete in autumn 2016 and, based on current market assumptions, is expected to deliver GPE a profit on cost of 20.5%. We also expect to commence imminently construction works for our 18,900 sq ft mixed use scheme at 78/82 Great Portland Street, W1, which will accommodate the off-site residential space associated with our scheme at 30 Broadwick Street, W1 and 90/92 Great Portland Street, W1, which will provide the off-site residential for Hanover Square, W1.

In January 2015, we committed to our fully consented development scheme at 73/89 Oxford Street, W1, which will deliver 90,700 sq ft of new-build retail and office space directly opposite the Dean Street entrance to the Tottenham Court Road Crossrail station. With vacant possession achieved, strip-out of the existing property has completed with full demolition works now underway and the main construction contract agreed with Brookfield Multiplex. Following a strong valuation performance over the last 12 months (up 53%), based on current market assumptions, the scheme is expected to deliver GPE a profit on cost of 14.1% on planned completion in spring 2017.

Shortly after committing to the development of 73/89 Oxford Street, we pre-let the majority of the retail space as a new flagship store to fast-fashion brand New Look. On completion of the development, they will occupy 31,800 sq ft on basement, ground, first and second floors on a 20 year lease, paying rent of £3.65 million p.a. after receiving 12 months rent free from lease commencement. The letting was conditional upon GPE securing a change of use on the second floor from office to retail which we received in May 2015. Following this pre-letting, GPE has a second flagship store of 15,300 sq ft and 43,600 sq ft of Grade A offices at 1 Dean Street still to lease.

We have also now committed to our development at 48/50 Broadwick Street, W1 which will provide the off-site residential space associated with the development at 73/89 Oxford Street, W1.

Our projects – committed schemes

Rathbone Square, W1
Size: 408,800 sq ft
Construction cost: £271.4 million
Completion date: June 2017
Crossrail station: 80 metres[1]

30 Broadwick Street, W1
Size: 92,400 sq ft
Construction cost: £39.3 million
Completion date: September 2016
Crossrail station: 290 metres[1]

78/82 and 90/92 Great Portland Street, W1
Size: 27,700 sq ft
Construction cost: £12.6 million
Completion date: July and May 2016, respectively
Crossrail station: 520 metres[1]

73/89 Oxford Street, W1
Size: 90,700 sq ft
Construction cost: £54.1 million
Completion date: April 2017
Crossrail station: 10 metres[1]

48/50 Broadwick Street, W1
Size: 6,500 sq ft
Construction cost: £3.6 million
Completion date: September 2015
Crossrail station: 320 metres[1]

1. Distance to nearest Crossrail station.

Development management

Six schemes in the near-term pipeline

Our near-term development programme comprises six schemes (548,600 sq ft), all with potential starts over the next 24 months.

At 148 Old Street, EC1, we have obtained planning permission for a major refurbishment of the existing 97,800 sq ft building to create around 151,700 sq ft of high quality office space. We will have vacant possession this month and we are targeting completion of the scheme by early 2017.

At Hanover Square, W1, we have obtained a revised resolution to grant planning for our mixed-use development scheme which will now deliver 223,600 sq ft of space and enhanced urban realm. The development scheme is owned in our 50:50 joint venture with the Hong Kong Monetary Authority with a potential start upon delivery of the station structure by Crossrail.

At Tasman House, 59/63 Wells Street, W1, we have submitted a planning application to replace a tired 1950's building with 36,500 sq ft of new office and retail space.

At Oxford House, 76 Oxford Street, W1, we continue to work up our plans ahead of a planning application submission for a 90,500 sq ft major refurbishment of the mixed use property incorporating a significant increase in the retail space. The building sits directly to the south of Rathbone Square, W1 and is opposite 73/89 Oxford Street, W1.

The Group's near-term programme also includes proposed refurbishments of Mortimer House, W1 (23,100 sq ft) and 84/86 Great Portland Street, W1 (23,200 sq ft).

Developing over and around Crossrail

We believe that the opening of Crossrail in 2018 will be a game-changer for London's transport infrastructure and we have positioned our development programme to take full advantage.

An estimated 200 million passengers a year will use Crossrail and it will increase London's rail capacity by 10%, dramatically enhancing the east to west connectivity including from Heathrow airport into the heart of the West End. It will bring an extra 1.5 million people within 45 minutes of central London and Tottenham Court Road station in particular will see its passenger numbers transformed. Transport for London estimate that 108 million passengers a year will access Crossrail and London Underground at this station by 2026. 95% of our committed schemes (by area) are close to Tottenham Court Road station, and all of our committed and near-term schemes are within 800 metres of a Crossrail station. This includes our development at Hanover Square, W1, which will sit directly above the eastern ticket hall of the new Bond Street Crossrail station.

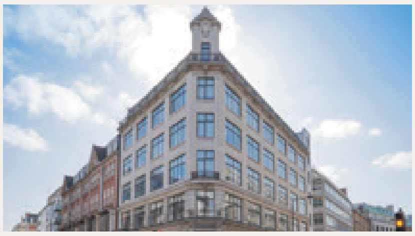
Crossrail

Our projects – near-term schemes

148 Old Street, EC1
Size: 151,700 sq ft
Start date: 2015
Planning status: Consented
Crossrail station: 750 metres[1]

Tasman House, W1
Size: 36,500 sq ft
Start date: 2016
Planning status: Application
Crossrail station: 390 metres[1]

Hanover Square, W1
Size: 223,600 sq ft
Start date: 2018
Planning status: Consented
Crossrail station: 0 metres[1]



Mortimer House, W1
Size: 23,100 sq ft
Start date: 2015
Planning status: Application
Crossrail station: 400 metres[1]

84/86 Great Portland St, W1
Size: 23,200 sq ft
Start date: 2015
Planning status: Application
Crossrail station: 520 metres[1]

Oxford House, W1
Size: 90,500 sq ft
Start date: 2017
Planning status: Design
Crossrail station: 30 metres[1]

1. Distance to nearest Crossrail station.

Our total development pipeline

Development	Anticipated finish	New building area sq ft	Cost to complete £m	ERV[1] £m	Office ERV[1] avg £psf	Income/GDV secured £m	% let[2]/ sold	Profit on cost[3]
Committed								
Rathbone Square, W1								
– Commercial	Jun-17	254,900	228.5	17.8	73.00	–	–	19.2%
– Residential		153,900				228.9	81.3%	
30 Broadwick Street, W1	Sep-16	92,400	34.1	7.2	78.25	–	–	20.5%
73/89 Oxford Street, W1	Apr-17	90,700	47.5	9.2	76.75	3.7	39.8%	14.1%
78/82 Great Portland St, W1	Jul-16	18,900	8.8	0.3	–	–	–	19.6%
90/92 Great Portland St, W1	May-16	8,800	3.1	0.1	–	–	–	5.0%
48/50 Broadwick Street, W1	Sep-15	6,500	2.6	–	–	–	–	10.8%
Total of committed		**626,100**	**324.6**	**34.6**			**29.5%**	**18.2%**
Near-term								
6 projects	2016–2020	**548,600**						
Pipeline								
12 projects		**1,279,000**						
Total programme								
24 projects		**2,453,700**		**54% of GPE's existing portfolio**				

1. Agreed pre-let rent or CBRE ERV at March 2015. 2. Based on ERV of property. 3. Based on CBRE estimate of completed value.

Development management – collegiate working

The successful and profitable delivery of our developments requires the effective management of a multitude of factors, including ensuring deep relationships and collegiate working with our key suppliers.

At Rathbone Square, W1, we have established a joint project office with our design team in our neighbouring property at Oxford House. We have refurbished two floors of the building to provide a vibrant working environment for the project teams from GPE, Lend Lease (our main contractor) and our other advisers (architects, etc) which is able to accommodate 160 people and provide associated meeting room space. This has enabled a collaborative working environment to be established from the outset of the project.

The project office overlooks the Rathbone Square site providing instant visibility to track progress and access the site immediately if required. The project office also includes a dedicated Building Information Management (BIM) area that enables all members of the team to review and input into the live computer model of the scheme as the detailed design evolves. In addition to regular formal meetings between the teams, the many informal discussions that may not otherwise have happened have hugely contributed to the successful implementation of the delivery phase of the project. This successful communication will be essential to deliver a scheme as complex as Rathbone Square on time and to budget.

This close collaboration combined with bi-monthly payment terms, a track record of successful project delivery and a deep pipeline of future work means that contractors want to work with us, enhancing our good access to quality suppliers.


Our team at Rathbone Square, W1

Asset management

It has been another busy year; we have agreed 76 new lettings, securing £21.5 million of annual rent, with market lettings 6.0% ahead of the valuer's March 2014 ERV.

2014/15 Strategic priority: Drive rental growth

Operational measures

	2015	2014
Vacancy rate	**2.0%**	3.7%
New lettings and renewals	**£21.5m**	£25.9m
Premium to ERV[1] (market lettings)	**6.0%**	3.7%
ERV growth	**10.3%**	8.2%
Reversionary potential	**28.4%**	22.6%
Rent collected within 7 days[2]	**99.3%**	99.8%
Tenant retention rate	**32.5%**	51.4%

1. ERV at beginning of financial year.
2. For March quarter.

Our approach

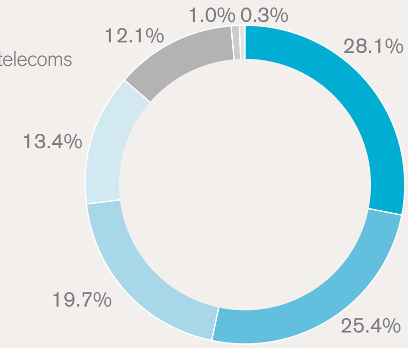
We consider that a close relationship with tenants is vital to our success. As a result, we manage all aspects of our property portfolio in-house enabling us to continually refine our understanding of what tenants want and how we can meet their needs. Our asset managers also work closely with our development team to ensure that vacant possession is achieved on a timely basis ahead of key development starts, wherever possible relocating tenants to other buildings within our portfolio. Our asset managers administer a portfolio of approximately 450 tenants in 68 buildings across 43 sites from a diverse range of industries. This diversity limits our exposure to any one tenant or sector, with our ten largest tenants at 31 March 2015 accounting for 31.2% (2014: 31.1%) of our rent roll.

See our approach to sustainability on page 56

"In a supply constrained market, our £13.3 million of development lettings in the year reflects tenants' desire to secure early the high quality space that we are creating."

James Mitchell Head of Asset Management

GPE tenant mix



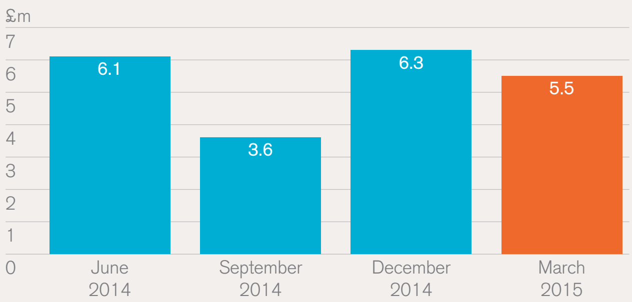
Following record leasing last year, activity has remained high

The highlights of the year were:

- 76 new leases and renewals agreed (2014: 84 leases) generating annual rent of £21.5 million (our share: £17.4 million; 2014: £25.9 million, our share £20.8 million), market lettings 6.0% ahead of ERV;
- 25 rent reviews securing £7.2 million of rent (our share: £7.2 million; 2014: £6.0 million) were settled at an increase of 29.5% over the previous rent;
- total space covered by new lettings, reviews and renewals was 510,100 sq ft (2014: 557,000 sq ft); and
- a low investment portfolio vacancy rate of 2.0% at 31 March 2015 (2014: 3.7%).

Since 31 March 2015, we have completed four lettings delivering £0.5 million (our share: £0.5 million) with a further 17 lettings currently under offer accounting for £2.3 million p.a. of rent (our share: £2.3 million), 1.9% ahead of March 2015 ERV.

New lettings and renewals by quarter



Leasing activity including significant development lettings

We had another strong leasing year; of the 76 total lettings agreed overall, the 61 open-market transactions were at rents 6.0% ahead of the valuer's 31 March 2014 ERV. The remaining 15 smaller lettings were below the 31 March 2014 ERV as they were short-term deals to maintain income ahead of potential future redevelopments.

Our letting activity was dominated by leasing in our development portfolio, as detailed in the development management section. Of the total rent secured in new lettings during the year, £13.3 million, or 62%, was achieved in our committed or recently completed developments. In addition to our £3.65 million pre-let to New Look at 73/89 Oxford Street, W1, we let a further £9.6 million in newly completed buildings including £2.6 million to Richemont at Walmar House, W1, £3.5 million in four new lettings at 240 Blackfriars Road, SE1, and £2.8 million at City Tower, EC2. Today, 240 Blackfriars Road and the refurbished element of City Tower are 89% and 100% let respectively.

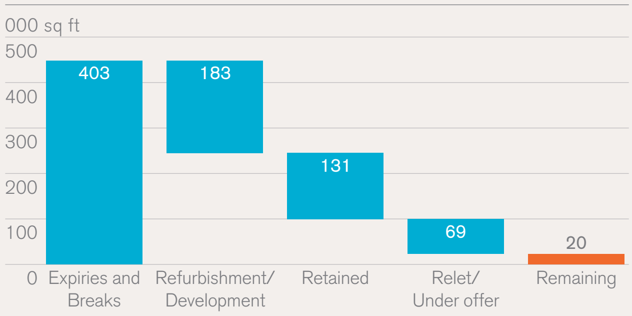
During the financial year, we also continued to capture the significant reversionary upside across our investment portfolio, with notable lettings including the fifth floor (15,700 sq ft) at Wells & More, W1 to Lionsgate at £75.00 per sq ft (£1.2 million), almost double the previous passing rent, and 24,500 sq ft (£1.2 million) of lettings at 200 Gray's Inn Road, WC1 to Warner Brothers.

Tenant retention has helped keep our vacancy rate low

In the financial year, 110 leases covering around 403,000 sq ft of space with a rental value of £11.2 million were subject to lease expiry or tenant break. After removing 45.4% of the space where we are refurbishing or need vacant possession to enable development, tenants were retained for 32.5% of this space by area and by the end of March 2015, we had leased or put under offer a further 17.1%, leaving only 5.0% to transact. Together, our strong letting and tenant retention performance has helped keep our vacancy rate low at 2.0% at 31 March 2015.

See where we focus on page 4

Tenant retention, 12 months to 31 March 2015



Rent collection remains very strong

The quarterly cash collection performance has been very strong throughout the year. We secured 99.3% of rent after seven working days following the March 2015 quarter date, with an average collection rate of 99.2% across the four quarter ends in the year. Tenants on monthly payment terms represent around 4.0% of our rent roll (March 2014: 3.6%).

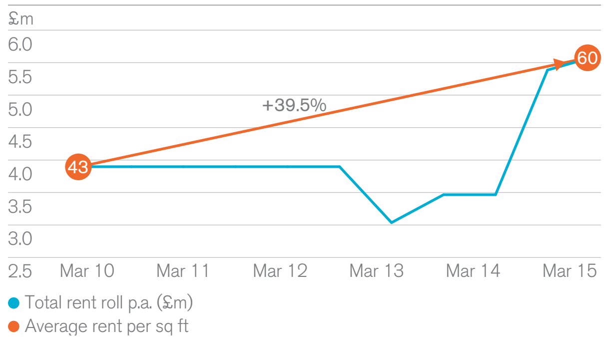
Active asset management; capturing reversion

In January 2009, we launched our 123,200 sq ft newly completed West End development at Wells & More, 45 Mortimer Street, W1, into a leasing market challenged by the economic crisis. Taking a pragmatic approach, we let the building quickly at an average office rent of £43 per sq ft.

Since 2009 rental values have recovered, resulting in the building becoming highly reversionary. In spring 2013, we created some vacancy in the building by moving Double Negative from 1½ floors to our bespoke development at 160 Great Portland Street, W1. This allowed us to refurbish the newly vacated floors and relet them at rents 86% ahead of the previous passing rent. These higher rents also created the market evidence for settling the 2014 rent reviews with the remaining tenants.

Today, as a result of these new lettings and settled rent reviews, we have grown the average office rent to £60 per sq ft, an increase of 39.5% on the 2009 lettings, driving the office rental income to £5.8 million and increasing the value of the building by 76% over the same period.

Wells & More, W1 – rental history



28.4%

Reversionary potential

Financial management

Conservative levels of flexible, low-cost financial leverage are consistently maintained to enhance shareholder returns. With a loan to value of 21.8% and £442 million of committed undrawn liquidity, our strong balance sheet provides a solid platform to fund further organic growth.

Operational measures

	2015	2014
EPRA Earnings per share	**12.7p**	11.0p
Gearing	**25.2%**	30.3%
Loan to value	**21.8%**	25.7%
Interest cover	**10.7x**	4.3x
Cash and undrawn facilities	**£442m**	£508m
Weighted average interest rate	**3.7%**	3.5%

Our approach

While our primary objective is to deliver returns consistently ahead of our cost of capital, we also seek to minimise the cost of our capital through the appropriate mix of equity and debt finance, and to ensure that we have access to sufficient financial resources to implement our business plans. Optimising and flexing the allocation of capital across our portfolio, including between our investment and development activities, is key to our business and ensuring that we maximise returns on a risk adjusted basis through the property cycle. The use of joint ventures allows us not only to access third party equity but also to source new real estate opportunities and share risks.

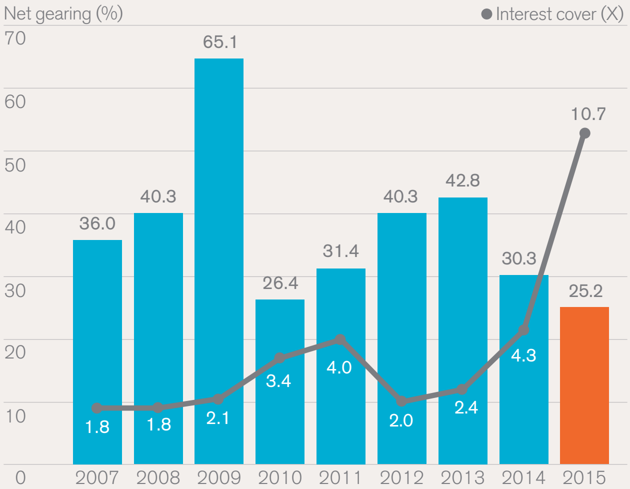
We believe that we should deliver returns that are enhanced – but not driven – by financial leverage. As a result, historically, we have maintained low gearing relative to the wider property sector. This helps to provide downside protection when operating in the cyclical central London property markets, and to maintain the financial flexibility to allow us to act quickly on new investment opportunities as they arise. Our sources of debt funding are diverse, both secured and unsecured, and include the public, private and bank markets. We maintain an attractive debt maturity ladder designed to fit with our business needs.

PEI REAL ESTATE CAPITAL AWARDS 2014
European borrower of the year

"We were delighted to be voted European Borrower of the Year in the Real Estate Capital Awards following the successful refinancing of our corporate bank facilities."

Martin Leighton Head of Corporate Finance

Net gearing and interest cover



Another successful year of financing activity enhances our liquidity

We have continued to be successful in our financing activities, again focusing on our objectives of maximising operational flexibility, ensuring the cost of our debt remains one of the lowest in the sector and maintaining a good diversity of funding sources. In October 2014, we replaced the Group's £350 million facility which was due to mature in November 2015 and a £150 million facility which was due to mature in February 2017 with a new £450 million revolving credit facility with a small group of relationship banks. The new facility has a margin grid related to gearing which varies from 105 to 165 basis points and has a maturity of five years which may be extended to a maximum of seven years on our request, and on each bank's approval for its participation. The lower margins and commitment fees on the new facility compared to the two replaced facilities are expected to deliver annual cash savings to the Group of around £2 million.

Since the year end, the non-recourse bank debt facility (£37 million our share) held by the Great Star Partnership has been repaid (ahead of maturity in July 2015) following GPE's purchase of Starwood's interest in the partnership.

21.8%

Loan to value

At 31 March 2015, we had £442 million of cash and undrawn committed facilities. Looking ahead, although we will continue to monitor opportunities to enhance our liquidity through our excellent access to a variety of financing sources, our proven track record of capital recycling and our already strong financing position means that we have no immediate additional debt funding requirements.

Diverse low-cost debt sources delivering an attractive debt maturity profile

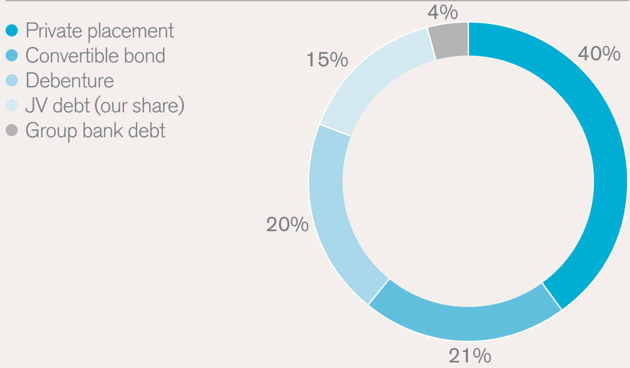
Having refinanced almost our entire debt book in the last five years, we have increased our diversity of funding sources whilst maintaining our preference for the majority of our debt to be on an unsecured basis. At 31 March 2015, 86% of our total drawn debt (and 54% of our total debt) was from non-bank sources with 64% (and 78% of total debt) borrowed on an unsecured basis. Our weighted average drawn debt maturity was 6.0 years (2014: 6.9 years) at 31 March 2015.

As detailed in Our financial results section later, our debt metrics continue to be conservative and appropriate given our development activities. With our weighted average interest rate only 3.7% (on drawn debt), which we believe continues to be one of the lowest in the sector, and both capitalised interest and earnings increasing (with EPRA earnings per share rising 15.5% to 12.7 pence for the year), interest cover has improved to 10.7 times.

At 31 March 2015, net gearing was 25.2% and our loan to value ratio was 21.8%. Adjusting for our investment transaction activity in April 2015, our loan to value ratio falls to 21.5%. Pro forma for the total potential capex to come of around £533.4 million at our committed and near-term development schemes, our loan to value ratio would rise to approximately 32% before considering the development surpluses to come and potential receipts from recycling.

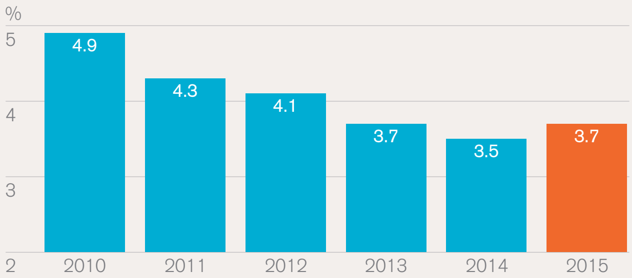
Given our strong credit metrics, our NAIC designation (used by US private placement investors) improved to '1 minus' during the year.

Sources of debt funding[1]



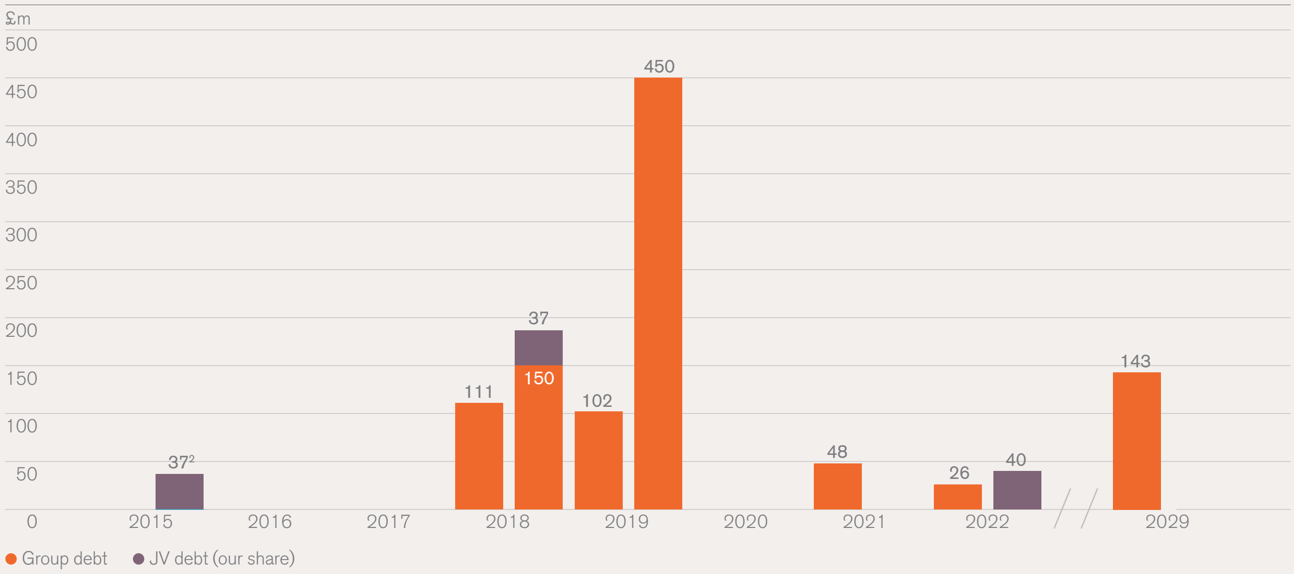
1. Based on drawn position at 31 March 2015.

Weighted average interest rate[1]



1. Based on drawn debt at March year end.

Debt maturity profile[1]



1. Based on committed facilities at 31 March 2015.
2. Repaid in April 2015 on the purchase of Starwood's interest in GSP.

Joint ventures

Joint ventures continue to be an important part of our business and currently represent 20.1% of the Group's net assets following our recent purchase of our partner's share of the Great Star Partnership and the sale of 95 Wigmore Street, W1.

We categorise our joint ventures into two types:

– access to new properties (11.2% of GPE's net asset value). The relevant joint ventures are the Great Victoria Partnership ('GVP') with Liverpool Victoria Friendly Society, the Great Wigmore Partnership ('GWP') with Aberdeen Asset Management (formerly Scottish Widows) and the Great Star Partnership ('GSP') with Starwood Capital; and

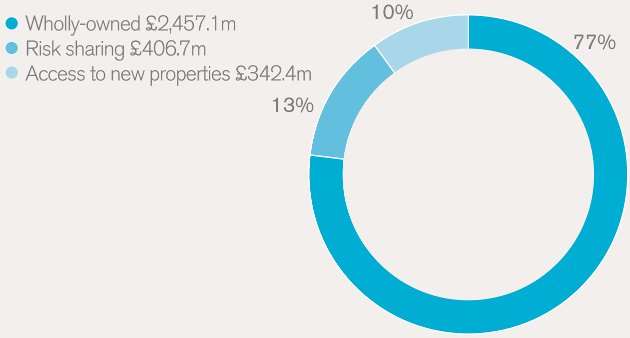
– risk sharing on development projects and/or large lot size properties (15.4% of GPE's net asset value). The relevant joint ventures are the GHS Limited Partnership ('GHS') with the Hong Kong Monetary Authority ('HKMA') and the Great Ropemaker Partnership ('GRP') with BP Pension Fund.

Overall, during the year our five active joint ventures represented a significant proportion of the Group's business. At 31 March 2015, they made up 23.4% of the portfolio valuation, 26.6% of net assets and 29.1% of rent roll (at 31 March 2014: 23.9%, 27.2% and 23.3% respectively).

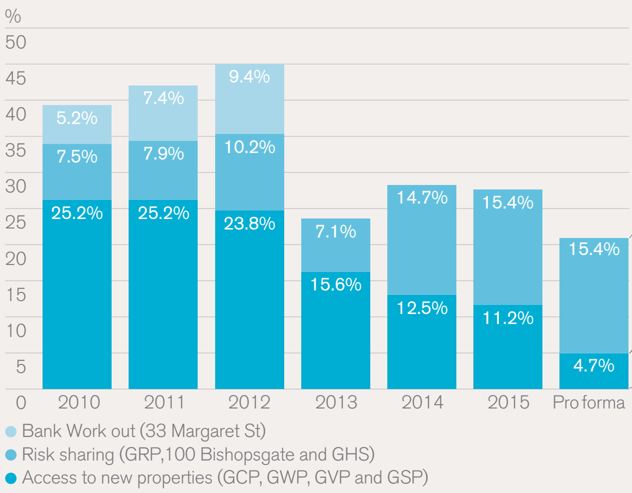
As detailed in the Investment management section, since the year end we have purchased the other 50% of GSP from our partner, bringing the joint venture to a close, and GWP has profitably sold its largest property, 95 Wigmore Street, W1. Pro forma for these transactions, joint ventures now contribute 17.4% of the portfolio valuation, 20.1% of net assets and 18.6% of rent roll.

See Investment management on pages 30 and 31

Wholly-owned and joint venture property values at 31 March 2015



GPE's net investment in Joint Ventures



Joint venture – partner	31 March 2015	Pro forma
GRP – BP Pension fund	£253.1m	£253.1m
GHS – Hong Kong Monetary Authority	£115.7m	£115.7m
GVP – Liverpool Victoria	£95.4m	£95.4m
GWP – Aberdeen AM	£112.4m	£17.0m
GSP – Starwood Capital	£60.0m	–
GCP – Capital & Counties	£0.1m	£0.1m
Total	**£636.7m**	**£481.3m**
As % of Group net assets	**26.6%**	**20.1%**

20.1%

JVs as proportion of net assets

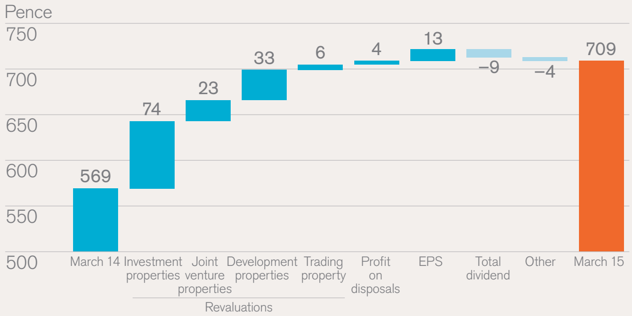
Our financial results

The Group's strong financial results reflect the successful execution of our strategic priorities combined with a portfolio well positioned to take advantage of the robust demand in the central London property market.

Net asset value growth

EPRA net assets per share (NAV) at 31 March 2015 was 709 pence per share, an increase of 24.6% over the year, largely due to the rise in value of the property portfolio. At 31 March 2015, the Group's net assets were £2,390.9 million, up from £1,931.9 million at 31 March 2014.

EPRA net assets per share



The main drivers of the 140 pence per share increase in NAV from 31 March 2014 were:

- the rise of 136 pence per share arising from the revaluation of the property portfolio. Of this amount, development properties boosted NAV by around 33 pence;
- profit on property disposals, including the forward sale of 12/14 New Fetter Lane, EC4, added 4 pence per share to NAV;
- EPRA earnings for the year of 13 pence per share enhanced NAV;
- dividends of 9 pence per share reduced NAV; and
- other movements reduced NAV by 4 pence per share.

"EPRA NAV per share increased by 24.6% in the year and our balance sheet is in great shape to finance further organic growth."

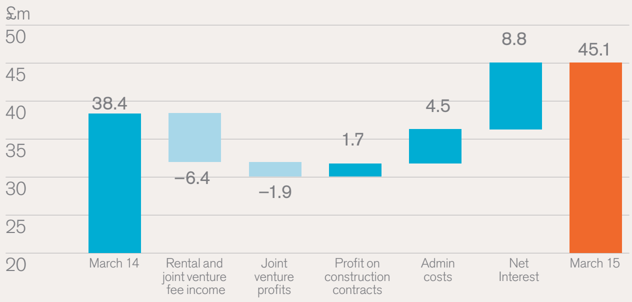
Nick Sanderson Finance Director

Triple net assets per share (NNNAV) was 685 pence at 31 March 2015 compared to 550 pence at 31 March 2014 (up 24.5%). At the year end, the difference between NAV and NNNAV was due to the negative mark to market of the Group's 2029 debenture, convertible bond and private placement notes more than offsetting the positive valuation of the Group's derivatives.

Enhanced earnings per share

EPRA profit before tax was £45.1 million, 17.4% higher than last year driven by our development activities including the associated higher levels of capitalised interest.

EPRA profit before tax



Rental income from wholly-owned properties and joint venture fees for the year were £66.0 million and £4.2 million respectively, generating a combined income of £70.2 million, down £6.4 million or 8.4% on last year. This decrease predominantly resulted from the full year impact of property sales in the prior year, including 90 Queen Street, EC4 and removing income from buildings ahead of redevelopment including 73/89 Oxford Street, W1 and 30 Broadwick Street, W1, both of which started on-site during the year. Lower joint venture fees resulted from reduced joint venture development activity on the completion of 95 Wigmore Street, W1 and 240 Blackfriars Road, SE1. Adjusting for acquisitions, disposals and transfers to and from the development programme, like-for-like rental income (including joint ventures) increased 4.0% on the prior year.

EPRA profits from joint ventures were £5.5 million, down £1.9 million from £7.4 million last year, as increased joint venture finance costs outweighed the 23% growth in net rental income.

Property expenses were stable at £7.7 million and administration costs were £20.1 million, a reduction of £4.5 million on last year, largely as a result of lower provisions for performance related pay including payments under share incentive plans. Profit on construction contracts of £1.7 million (2014: £nil) relates to our forward sale of 12/14 New Fetter Lane, EC4, where construction is due to complete in late 2015.

Our financial results

Underlying net finance costs were £4.5 million (2014: £13.3 million). Gross interest paid on our debt facilities was lower due to reduced Group net debt during the period and the full year benefit of our low coupon convertible bond. Moreover, during the period we capitalised £11.4 million (2014: £6.4 million) of interest as we progressed our development schemes including Rathbone Square, W1, 30 Broadwick Street, W1 and Walmar House, W1.

Revaluation gains and underlying profits enabled the Group to report an accounting profit after tax of £508.2 million (2014: £422.2 million). Basic EPS for the year was 148.3 pence, compared to 123.4 pence for 2014. Diluted EPS for the year was 147.4 pence compared to 122.5 pence for 2014. Diluted EPRA earnings per share were 12.7 pence (2014: 11.0 pence), an increase of 15.5%.

Results of joint ventures

The Group's net investment in joint ventures was £636.7 million, an increase from £524.8 million at 31 March 2014, largely due to investment into GRP for the purchase of Elm House, WC1 and valuation surpluses. Our share of joint venture net rental income was £24.8 million, an increase of 23.4% on last year due to our letting activity at our completed developments at City Tower, EC2, 240 Blackfriars Road, SE1 and 95 Wigmore Street, W1.

Our share of non-recourse net debt in the joint ventures was broadly stable at £97.6 million at 31 March 2015 (2014: £101.0 million).

In April 2015, the Group purchased Starwood Capital's interest in GSP and sold 95 Wigmore Street, W1, the largest asset in GWP. Pro forma for these transactions, the Group's net investment in joint ventures fell to £481.3 million.

Strong financial resources

Group consolidated net debt was £601.2 million at 31 March 2015 up from £586.1 million at 31 March 2014 as the Group's capital expenditure more than offset cash inflows from property disposals against a backdrop of broadly stable working capital. Group gearing fell to 25.2% at 31 March 2015 from 30.3% at 31 March 2014 primarily as a result of the increased portfolio value. Including non-recourse debt in the joint ventures, total net debt was £698.8 million (2014: £687.1 million) equivalent to a loan to value of 21.8% (2014: 25.7%). Pro forma for the sale of 95 Wigmore Street, W1 and the Group's purchase of Starwood's interest in GSP, loan to value was 21.5%. The proportion of the Group's total net debt represented by our share of joint venture net debt was 14.0% at 31 March 2015, compared to 14.7% a year earlier.

"EPRA EPS increased by 15.5% to 12.7 pence and we raised the dividend to 9.0 pence per share."

Stephen Burrows Head of Financial Reporting and Investor Relations

At 31 March 2015, the Group, including its joint ventures, had cash and undrawn committed credit facilities of £442 million. The Group's weighted average cost of debt for the year, including fees and joint venture debt, was 4.1%, an increase of 20 basis points compared to the prior year. As expected, the weighted average interest rate (excluding fees) at the year end was slightly higher at 3.7% (2014: 3.5%) primarily due to the renewed hedging arrangements on our private placement notes issued in 2011 being at a higher rate than those replaced.

Debt analysis

	March 2015	March 2014
Net debt excluding JVs (£m)	**601.2**	586.1
Net gearing	**25.2%**	30.3%
Total net debt including 50% JV non-recourse debt (£m)	**698.8**	687.1
Loan-to-property value	**21.8%**	25.7%
Total net gearing	**29.2%**	35.6%
Interest cover	**10.7x**	4.3x
Weighted average interest rate	**3.7%**	3.5%
Weighted average cost of debt	**4.1%**	3.9%
% of debt fixed/hedged	**96%**	98%
Cash and undrawn facilities (£m)	**442**	508

At 31 March 2015, 96% of the Group's total debt (including non-recourse joint ventures) was at fixed or hedged rates (2014: 98%). Interest cover for the year was10.7x (2014: 4.3x). The Group, including its joint ventures, is operating with substantial headroom over its debt covenants. The financial covenants on our unsecured private placement notes are identical to those on our £450 million unsecured revolving credit facility which matures in October 2019.

Robust tenant base

None of our tenants went into administration around the March 2015 quarter day (March 2014: one). Tenant delinquencies in the year were low at 0.7% of total rent roll (2014: 0.7%) and rent deposits have predominantly mitigated their financial impact. We are vigilant and continue to monitor the financial position of our tenants on a regular basis.

Taxation

The current tax charge in the income statement for the year is £nil (2014: £nil) as a result of the tax-free nature of much of the Group's income and other allowances being available to set against non-REIT profits. The deferred tax credit in the income statement for the year is £0.8 million (2014: £nil) and relates to non-REIT Group activities. The underlying effective tax rate was 0% (2014: 0%). The Group complied with all relevant REIT tests for the year to 31 March 2015.

9.0p

Total dividend per share

All entities within the Group are UK tax resident; as our business is located wholly in the UK, we consider this to be appropriate. The Group maintains an open working relationship with HMRC and seeks pre-clearance in respect of complex transactions as part of its low-risk tax strategy.

As a REIT, we are exempt from UK corporation tax in respect of our property rental business, provided we meet a number of conditions including distributing at least 90% of the rental income profits of this business (known as Property Income Distributions ('PIDs')) on an annual basis. These PIDs are then typically treated as taxable income in the hands of shareholders. 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).

Despite being a REIT, we are subject to a number of other taxes and certain sector specific charges in the same way as non-REIT companies. During the year, we incurred £9.8 million in respect of stamp duty land tax, empty rates in respect of vacant space, s106 contributions and community infrastructure levies.

Dividend

The Board has declared a final dividend of 5.5 pence per share (2014: 5.4 pence) which will be paid in July 2015. All of this final dividend will be a REIT PID in respect of the Group's tax exempt property rental business. Together with the interim dividend of 3.5 pence, the total dividend for the year is 9.0 pence per share (2014: 8.8 pence).

Change to Quarterly Trading Statements

Following recent changes to EU regulation on financial disclosure, the Financial Conduct Authority has removed its requirement for UK companies to publish Interim Management Statements. We remain committed to full and transparent disclosure, and will continue to publish interim trading updates for the first and third quarters of the year, along with comprehensive full-year and half-year reports. However, quarterly property valuations will no longer be provided in the interim trading updates as we have concluded that the additional information that these valuations provided does not justify the considerable investment in their preparation and analysis.

Our next interim trading update will be released on the morning of Wednesday 8 July 2015, ahead of our Annual General Meeting.

Outlook

We are delighted to be able to report another year of strong results, driven by our development successes and rental growth, and maintaining our track record of long-term outperformance against all of our industry benchmarks.

London's economy has continued to outpace that of the rest of the UK and we can expect this to continue, assuming the inevitable uncertainty surrounding the outcome of the proposed EU referendum does not damage London's appeal as a business capital; both the risk appetite and employment intentions of the Capital's businesses remain expansionary and we anticipate their space needs to follow suit. As a result, with falling vacancy rates and the supply of new space to let in the near-term remaining extremely tight, we can look forward to further increases in rents.

In the context of these supportive market conditions, the Group's strategic positioning feels right; having bought more than 59% of our properties at opportune prices resulting from the financial crisis, we are in execution mode, delivering organic growth through developing, refurbishing and growing income across our 3.6 million sq ft portfolio.

Our 1.2 million sq ft committed and near-term development programme is the largest we have ever undertaken and accounts for circa 25% of all core West End speculative deliveries over the next four years. It contains some exceptional schemes, including a major contribution towards the regeneration of the east end of Oxford Street. In addition, our long, flexible pipeline of future projects contains many enticing prospects, often near to Crossrail stations, stretching well into the next decade.

With a deep and talented team, plentiful low cost finance and supportive market conditions, we are confident that we will continue generating attractive returns for shareholders.

EPRA performance measures

Measure	Definition of Measure	**March 2015**	March 2014
EPRA earnings	Recurring earnings from core operational activities	**£45.1m**	£38.4m
EPRA earnings per share	EPRA earnings divided by the weighted average number of shares	**13.2p**	11.2p
Diluted EPRA earnings per share	EPRA earnings divided by the diluted weighted average number of shares	**12.7p**	11.0p
EPRA costs (by portfolio value)	EPRA costs (including direct vacancy costs) divided by market value of the portfolio	**0.8%**	1.0%
EPRA net assets	Net assets adjusted to exclude the fair value of financial instruments	**£2,431.0m**	£1,961.3m
EPRA net assets per share	EPRA net assets divided by the number of shares at the balance sheet date on a diluted basis	**709p**	569p
EPRA triple net assets	EPRA net assets amended to include the fair value of financial instruments and debt	**£2,349.9m**	£1,898.3m
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	**685p**	550p
EPRA vacancy	ERV of non-development vacant space as a percentage of ERV of the whole portfolio	**5.1%**	5.0%

Our culture and people

Our experienced team brings together specialist skills used to manage our portfolio on an asset-by-asset basis to deliver our strategic priorities.

Operational measures

	2015	2014
Employee retention	**87%**	95%
Days training provided per employee[1]	**3.6**	3.0
Employees participating in Share Incentive Plan	**77%**	72%

1. On average.

Our culture – the 'GPE way'

Our culture is entrepreneurial and pragmatic, with a high level of involvement from senior and executive management and an emphasis on cross-discipline teamwork. We recognise the benefits of such a positive culture and work hard to maintain it through:

– a flat management structure;
– regular and effective communication with an 'open door' policy;
– a formal and extensive induction process for new joiners;
– regular meetings held weekly, monthly and quarterly across the various teams on different aspects of the business;
– encouraging our people to be innovative;
– a disciplined approach – providing clear policies and procedures and instilling a strong sense of responsibility for active risk management;
– a collegiate style, with recognition of a project's success being based upon the contribution and smooth interaction of every member of the team;
– recruiting high quality individuals with a constructive mindset and valuable experience;
– matching the right people to the right roles and taking action where there are gaps;
– an effective performance management system;
– providing well-constructed and fair reward systems designed to incentivise superior performance and align employees' and shareholders' interests;
– ensuring continual improvement of the skills and competency of our employees at all levels and across all disciplines through appropriate training and development courses; and
– fostering a friendly environment which engenders a strong camaraderie.

Where appropriate, we support part-time working and flexible hours with 13% of employees enjoying some form of flexible working practices. This year, our employee retention has fallen largely as a result of retirement and a number of employees deciding to take a different direction in their careers.

How we behave, human rights and supplier stewardship

We aspire to the highest standard of conduct based on honesty and transparency in everything we do. Our Executive Committee has a high level of oversight over policies and procedures and carries out regular reviews of the appointment of contractors, consultants and suppliers. Whilst we do not have a separate human rights policy, we seek to avoid causing or contributing to adverse human rights impacts through our activities. In our business relationships we seek to demonstrate a commitment to fundamental principles of human rights through our own behaviour and look to engage with suppliers whose values and business principles are consistent with our own. We regularly meet with suppliers to share information on best practice with regards to health and safety, employee pay rates and responsible sourcing. Our Code of Ethics sets out the Group's approach in its relations with tenants, the local community, investors, employees, suppliers and regulators and the clear standards of behaviour we expect all of our people to demonstrate and adhere to. Our Ethics and Whistleblowing policies, which are reviewed annually by the Board, can be found at **www.gpe.co.uk/about-us/governance-overview**.

For more on how we have engaged with our suppliers, see pages 35, 57, 60 and 61

"Our culture and people lie at the heart of our ability to achieve our strategic priorities, unlocking potential across our portfolio. Our culture is fundamental to our ability to attract, develop, motivate and retain our talented employees."

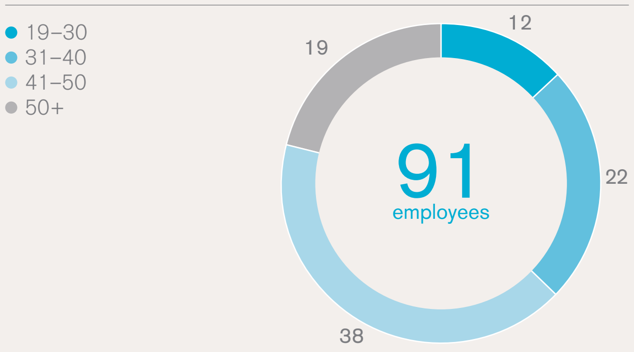
Toby Courtauld Chief Executive

Supporting diversity

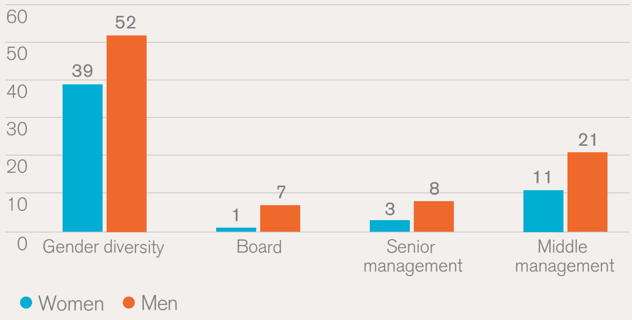
Our culture is grounded in mutual respect and non-discrimination irrespective of age, disability, gender, race, religion, sexual orientation or educational background. Our aim is to foster a culture of respect and fairness where individual success depends solely on ability, behaviour, work performance, demonstrated potential and perhaps the most key of all, the ability to work as part of a team.

Whilst our policy remains that selection should be based on the best person for the role, we recognise the benefits of gender diversity. From March 2015, we have amended our policy so that when recruiting, where possible, at least 30% of potential candidates identified should be women.

Employee profile age (number of people)



Employee profile gender diversity (number of people)



Our integrated team

Our team brings together specialist skills used to manage our portfolio on an asset-by-asset basis to ensure the achievement of our strategic priorities. Each of our department heads, collectively our Senior Management Team, interact daily with the Executive Directors and report regularly to the Executive Committee.
This year we have augmented our Senior Management Team, with Sally Learoyd joining as our Head of Human Resources to help us further enhance the development of our people.

For more on what our team has done during the year:
Investment management see pages 30 and 31
Development management see pages 32 to 35
Asset management see pages 36 and 37
Financial management see pages 38 and 39

Number of employees

1. Includes IT, Insurance, Company Secretarial and Human Resources.

Retaining, remunerating and developing our people

Our ability to attract and retain talented and committed individuals is based on three key building blocks:

- an effective performance management system;
- a well-constructed and fair remuneration system designed to incentivise superior performance and align employees' and shareholders' interests; and
- continual development of our employees at all levels and across all disciplines.

See pages 46 and 47 for more details

"What was great about the customer service training was that it provided the opportunity to discuss real life examples with colleagues from across the business."

Chris Cassar Building Manager

Our appraisal process and performance management

February

- Pre-performance review meeting by the Chief Executive with line managers.
- Employees are briefed on the year-end performance review process and the focus of sustainability objectives and targets for the forthcoming year.

February/March

- Year-end performance review held between line managers and employees.
- Employees and line managers discuss and set personal objectives and targets for the forthcoming year.
- Review of training undertaken in the previous year, development needs and proposed training.
- Recommendations made by line managers to the Executive Committee as to the achievement of performance targets.
- Feedback provided from the line managers to the Executive Committee following the year-end appraisal process.

September

- Half-year pre-performance review meeting by the Chief Executive and line managers.
- Six monthly performance review held between line managers and employees of:
  - progress against personal objective and targets; and
  - training undertaken.
- Feedback provided from the line managers to the Executive Committee following the half year appraisal process.

Remuneration

January/February

- Market review and benchmarking of employee salaries.

March

- Executive Committee review salary levels vs. market review, performance against personal objectives and targets, proposed discretionary bonuses and proposed LTIP awards.
- Remuneration Committee review of remuneration levels proposed for all employees and approve Senior Manager and Executive Director salary levels, discretionary bonuses and LTIP awards.

April

- Payment of discretionary bonuses.
- Formal feedback to employees of salary reviews and discretionary bonuses.

May

- Payment of corporate bonuses, where targets met.

June

- LTIP awards vest where targets met.

Training and development

February/March

- Review of training undertaken in the prior year/current training needs and proposal for further training as required.

July

- Lunchtime seminar – Construction costs and unlocking potential through BIM – James Pellatt, Head of Projects, and Martin Quinn, Project Manager.

September

- Review of training undertaken by individuals with line managers.

December

- Lunchtime seminar – Financing GPE, our £1.3 billion debt book – Martin Leighton, Head of Corporate Finance, and Aditya Gokal, Corporate Finance Manager.

February

- Lunchtime seminar – GPE Investor Relations – Stephen Burrows, Head of Financial Reporting and Investor Relations.

Aligning individual's objectives with the Company's strategy

In February each year, the Chief Executive meets with the Senior Management Team and other line managers together to run through the Company's strategic priorities for the year to highlight areas where employees can think about how best to contribute to and support them in their particular role. Following discussions with their line managers, at the start of the financial year, employees agree their personal objectives designed to help the Company meet its strategic goals together with any development needs and proposed training.

Through a formal six-monthly appraisal process, line managers meet with employees to review their progress against these objectives and the training undertaken. At the year end, the outcome of this review helps form the basis for reward under the personal objectives element of the Group's bonus plan with recommendations being presented by line managers to the Executive Committee.

Plans for 2015/16

For the year ending 31 March 2016, we plan to:

– refresh our mid-year and annual employee objective setting and performance review process to help us to establish more targeted learning and development; and
– review and update our employee health and well-being policies.

How we remunerate our people

Remuneration plays an important role in retaining and motivating our people and an annual exercise is undertaken to benchmark salaries against market. Annual bonuses are used to reward all employees for achieving and exceeding corporate and personal objectives.

A number of Senior Managers also participate in our three-year long-term incentive plans, where the vesting of awards is based on our performance against the Group's strategic KPIs of:

– growth in absolute EPRA Net Asset Value per share;
– relative Total Shareholder Return; and
– relative Total Property Return.

See more on our KPIs on pages 20 and 21

In addition, all employees have the opportunity to join our 'two for one' Share Incentive Plan with over 77% of our employees currently participating. As part of the year-end remuneration process, the Executive Committee reviews salary benchmarking against market comparators, individuals' performance against personal objectives and targets, proposed discretionary bonuses and planned long-term incentive plan awards. The outcome of this process is then provided to the Remuneration Committee which reviews remuneration levels proposed for all employees and decides upon recommendations made for Senior Manager and Executive Director salary levels, bonus awards for achievement of personal objectives and proposed Long-Term Incentive Plan awards.

The base salary increase for employees will be 3% for the year ending 31 March 2016. Base salary increases of more than 3% were given to some employees due to market alignment and/or a number of increases in responsibilities, such that the average increase in base salaries for employees for the year to 31 March 2016 is 4.6%.

Plan for 2015/16

For the year ending 31 March 2016, the corporate performance measures under the Employee Bonus Plan will be changed to mirror those used under the Executive Bonus Plan to ensure complete alignment with the Executive Team in driving capital and net asset growth for shareholders.

Developing our people for the long term

We encourage our people to develop in their careers with us, and provide both funding and study leave to enable them to access professional development opportunities, including:

– personal development courses;
– formal training for professional qualifications;
– external degrees; and
– vocational skills.

Training and development needs of all employees are formally considered every six months through the appraisal process. During the year, £49,269 was invested in formal employee and Non-Executive Director training providing 2,283 hours of training, averaging 3.6 days per employee. Training programmes included business-related topics, sustainability actions, personal skills and facilities management qualifications.

This year, as part of our desire to continuously improve our relationships, 48 of our employees across our Asset, Development and Finance Teams with day-to-day tenant contact undertook a day's customer service training. A follow-up session was held in April 2015. Lunchtime presentations were also provided by the Project Management and Finance Teams. We also encourage our employees to take up roles outside of their 'day' job which will serve in their development as individuals.

Plan for 2015/16

For the year ending 31 March 2016, we plan to ensure more targeted learning and development for individuals to support our people in achieving their objectives.

See more on our training and development on pages 62 and 63

Our culture and people

Joining us

All new employees receive a bespoke induction to the Group, including formal meetings with different teams, property tours and training in 'the GPE way', to help them understand our culture from the very start.

New joiners also complete a questionnaire in their first year to:

- identify ways in which the induction process could be improved further;
- identify any ways in which their experience with the Company differed from their expectations;
- determine any processes or practices in operation at their previous place of work that we could usefully introduce to the Group;
- review their understanding of their role and our expectations of them; and
- ascertain their aspirations for their own personal development.

Feedback from our questionnaire this year was generally very positive. One of the observations made was that the process at the start is very concentrated. Therefore, we will look to address this with the identification of a 'go to' colleague for ongoing support in the first three to six months, together with regular follow-ups by line managers and Human Resources.

"The lunchtime seminars from GPE team members provided me with an insight into other people's roles and have been extremely interesting."

Louise Manuel Property Development Accountant

How we engage and communicate with our employees

The Board is responsible for setting our strategic priorities and monitoring performance against them – see pages 10, 11, 20 and 21. The Senior Management Team is accountable for working with their teams to develop individual and team performance targets, and for ensuring that employees understand how they contribute to the overall business objectives.

We believe that regular and effective communication lies at the heart of our employee engagement strategy.

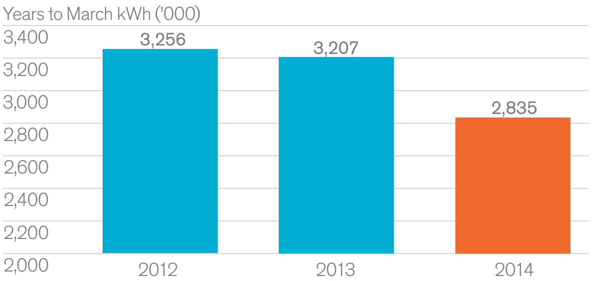
Our approach is based on:

- an open door policy;
- weekly meetings held across and within departments;
- weekly meetings with non-head office-based employees to ensure their involvement and to encourage the sharing of best practice;
- weekly presentations from members of the Financial, Asset, Investment and Development Management Teams to the Executive Committee. Areas covered include credit control, marketing to prospective tenants, investment transactions and opportunities and development updates. In each case, discussions focus on the management of risk. From time to time, Senior Managers are also asked to present to the Board and Audit Committee on a variety of topics;
- employees at all levels being involved in developing our operating policies;
- feedback from the half year and year-end performance review process from line managers to the Executive Committee together with discussion of proposed actions;
- quarterly presentations to all our people from the Chief Executive and other Executive Directors on our results and progress and plans for the coming year, together with presentations from Senior Managers on specific projects. These presentations ensure that our people are fully engaged in our plans and activities, and also act as a forum for the Executive Directors to answer any questions. In the year ended 31 March 2015, we held one quarterly presentation off-site at Oxford House overlooking our Rathbone Square development with a presentation by Helen Hare, Project Manager, on the start of work on-site and Rebecca Williams, Marketing Manager, on the residential marketing. Tours of our various properties were also provided to our new joiners; and
- informal team lunches and drinks with the Executive Directors together with one-to-one lunches.

Recognising employees' efforts

All our Building Managers had a personal objective to save 2.5% energy at their properties during the year ended 31 March 2014. As a result of Lisa Hudson-Ford's exceptional efforts in reducing consumption at City Place House, EC2 by 12%, Toby Courtauld awarded Lisa our inaugural Energy Saving Award at our August 2014 quarterly review.

Electricity consumption at City Place House



Supporting employee charitable initiatives

Every year, we support two charities chosen by our employees which for this year were Little Havens and Battersea Dogs and Cats Home. In addition, employees are also encouraged to support other charities through our employee donation programme. As part of this, our Building Managers co-ordinate with our tenants to support charities at our properties. In 2015, £9,327 was raised by our Building Managers for 14 charities. We also donated furniture with a value of £11,000 to Keech Hospice, a charity nominated by one of our Asset Managers.

The Board

Non-Executive Director

Martin Scicluna
Chairman

BCom

Committee memberships:
Chairman of the Nomination Committee

Date appointed to the Board:
October 2008

Independent: Yes

Skills and experience:
Chairman of RSA. Formerly Non-Executive Director and Chairman of the Audit Committee of Lloyds Banking Group following 34 years at Deloitte, including Chairman from 1995 to 2007.
Age 64.

Current external commitments:
Chairman of RSA plc, Non-Executive Director and Chairman of the Audit Committee of WorldPay

Executive Directors

Toby Courtauld
Chief Executive

MA, MRICS

Committee memberships:
Chairman of the Executive Committee

Chairman of Environmental Policy Committee

Date appointed to the Board:
April 2002

Independent: No

Skills and experience:
Joined the Group in April 2002 as Chief Executive. Previously with the property company MEPC for 11 years, he gained broad experience ranging from portfolio management through to corporate transactions and general management as a member of the Group Executive Committee.
Age 47.

Current external commitments:
Member of the British Property Federation Board and Policy Committee, Member of the Management Board of the Investment Property Forum, Director of The New West End Company, Non-Executive Director of Liv-Ex Limited

Nick Sanderson
Finance Director

BA (Hons), ACA

Committee memberships:
Member of the Executive Committee

Date appointed to the Board:
July 2011

Independent: No

Skills and experience:
Joined the Group in July 2011 as Finance Director. Formerly Partner, Head of Real Estate Corporate Finance Advisory at Deloitte, following ten years of real estate investment banking experience in Europe and Asia with Nomura, Lehman Brothers and UBS Investment Bank.
Age 42.

Current external commitments:
Member of the Finance Committee of the British Property Federation, Member of the Reporting & Accounting Committee of EPRA

Neil Thompson
Portfolio Director

BSc (Hons), MRICS

Committee memberships:
Member of the Executive Committee

Chairman of Health and Safety, Environmental and Corporate Responsibility Working Group

Date appointed to the Board:
August 2006

Independent: No

Skills and experience:
Joined the Group in December 2002 and was appointed to the Board as Development Director in August 2006, becoming Portfolio Director in September 2010. He has worked for more than 20 years in the central London commercial property market. Formerly with Derwent Valley and Legal & General Investment Management.
Age 47.

Current external commitments:
Vice Chairman and Member of the Management Board of the British Council of Offices, Member of the Operations Working Group of the Westminster Property Association

Non-Executive Directors

Jonathan Nicholls

BA (Hons), ACA, FCT

Committee memberships:
Senior Independent Director

Chairman of the Audit Committee

Member of the Remuneration Committee

Member of the Nomination Committee

Date appointed to the Board: July 2009

Independent: Yes

Skills and experience:
Formerly Group Finance Director of Old Mutual plc and Hanson plc, and previously Non-Executive Director of Man Group Plc.
Age 57.

Current external commitments:
Non-Executive Director and Chairman of the Audit Committee of SIG Plc, Non-Executive Director, Senior Independent Director and Chairman of the Audit Committee of DS Smith Plc

Jonathan Short

BSc, ACIB, FRICS

Committee memberships:
Chairman of the Remuneration Committee

Member of the Audit Committee

Member of the Nomination Committee from 1 April 2014

Date appointed to the Board: March 2007

Independent: Yes

Skills and experience:
Founding Partner of Internos Global Investors LLP, a pan-European real estate investment management business. Previously CEO of Pramerica's real estate private equity business following 16 years in investment banking at Lazard, Barings and SG Warburg. Formerly a Non-Executive Director of Big Yellow Group plc.
Age 53.

Current external commitments:
Executive Chairman of Internos Global Investors LLP, Independent Director to the Grosvenor Shopping Centre Fund, Non-Executive Director and Chairman of the Audit, Risk and Compliance Committee of Gatehouse Bank

Elizabeth Holden

MA (Hons)

Committee memberships:
Member of the Audit Committee

Member of the Remuneration Committee

Member of the Nomination Committee from 1 April 2014

Date appointed to the Board: September 2012

Independent: Yes

Skills and experience:
Formerly a corporate partner at Slaughter and May specialising in mergers and acquisitions, corporate advisory and governance matters.
Age 47.

Current external commitments:
Non-Executive Director of Centra Living

Charles Philipps

ACA

Committee memberships:
Member of the Audit Committee from 1 July 2014

Member of the Nomination Committee from 1 July 2014

Date appointed to the Board: April 2014

Independent: Yes

Skills and experience:
Chief Executive Officer of Amlin plc and formerly a director of NatWest Markets.
Age 56.

Current external commitments:
Chief Executive Officer of Amlin plc, Trustee of the Outward Bound Trust and Director of Outward Bound Oman UK

Senior management team

Ben Chambers
Investment Director

BSc, MRICS

Date joined the Group:
Joined the Group as Investment Manager in August 2002. Appointed Investment Director in 2009.

Experience and responsibilities:
Formerly a Partner at Fineman Ross. Previously with Nelson Bakewell and Gooch & Wagstaff. Responsible for the Investment management team looking at both sales and acquisitions, sourcing new acquisitions and maximising opportunities from within the Group's investment portfolio.

A director of The Great Victoria Partnership, The Great Wigmore Partnership and The Great Ropemaker Partnership.

Hugh Morgan
Head of Investment Management

BSc (Hons), MRICS

Date joined the Group:
Joined the Group in September 2007 as Investment Manager and appointed Head of Investment Management in 2010.

Experience and responsibilities:
Formerly a Director with Savills and previously with Nelson Bakewell. Responsible for generating and executing asset strategies for existing assets within the Group's portfolio including hold/sell decisions.

A member of the GHS Limited Partnership Operational Committee.

James Mitchell
Head of Asset Management

MA, MRICS

Date joined the Group:
Joined the Group in November 2003 as Asset Manager and appointed Head of Asset Management in 2005.

Experience and responsibilities:
Formerly an Associate with Cushman & Wakefield, and previously with MEPC and Weatherall, Smith & Green. Responsible for the net income return of the portfolio across the Group.

Janine Cole
Head of Sustainability

MIOSH, AIEMA

Date joined the Group:
Joined the Group in November 1998 as Health and Safety Administrator. Promoted to Safety, Health and Environmental Manager in 2002 and appointed Head of Sustainability in 2011.

Experience and responsibilities:
Formerly a Professional Services Administrator with National Britannia. Responsible for environment and health and safety management across the Group.

A member of the British Property Federation Sustainability Committee.

Stephen Burrows
Head of Financial Reporting and IR

BA (Hons), MA, ACA

Date joined the Group:
Joined the Group in September 2003 as Financial Accountant and appointed Head of Financial Reporting and Investor Relations in 2011.

Experience and responsibilities:
Formerly an Audit Manager in Ernst and Young's Real Estate Group and previously with the National Audit Office. Responsible for financial reporting, forecasting and investor relations across the Group.

A member of the British Property Federation Technical Accounting Group and the EPRA IR Committee.

Martin Leighton
Head of Corporate Finance

LLB, ACA, CTA

Date joined the Group:
Joined the Group in January 2003 as Corporate Finance Manager and appointed Head of Corporate Finance in 2011.

Experience and responsibilities:
Formerly a Corporate Finance Assistant Director with Ernst & Young. Responsible for the day-to-day management of all tax affairs, transaction structuring, raising debt finance and interest rate risk management across the Group.

James Pellatt
Head of Projects
BSc (Hons), MRICS

Date joined the Group:
Joined the Group in March 2011 as Head of Projects.

Experience and responsibilities:
Formerly a Senior Director with Tishman Speyer and previously with More London Development and EC Harris. Responsible for setting procurement strategy and ensuring capital expenditure on all projects is completed in accordance with individual asset business plans across the Group.

A director of The Great Star Partnership.

Andrew White
Head of Development
BSc (Hons,) Dip IPF, MRICS

Date joined the Group:
Joined the Group in March 2013 as Head of Development.

Experience and responsibilities:
Formerly a Divisional Director at Kier Property and previously with BAA Lynton and Development Securities. Responsible for the total return of the development portfolio including the successful delivery of all development projects across the Group.

A member of the GHS Limited Partnership Operational Committee.

Marc Wilder
Head of Leasing
BSc (Hons), MRICS

Date joined the Group:
Joined the Group in June 2005 as Leasing Manager and appointed Head of Leasing in 2009.

Experience and responsibilities:
Formerly Head of Leasing at Benchmark plc, and previously with Threadneedle Asset Management and Hemingway Properties Limited. Responsible for leasing across the Group's investment portfolio and development programme.

Desna Martin
Company Secretary
BCom, FCA (Aust), ACIS

Date joined the Group:
Joined the Group as Company Secretary in October 1998.

Experience and responsibilities:
Formerly an Audit Senior Manager with Ernst & Young. Responsible for corporate governance across the Group.

Company Secretary for all joint venture companies.

Sally Learoyd
Head of Human Resources
MBA, FCIPD

Date joined the Group:
Joined the Group in 2015 as Head of Human Resources.

Experience and responsibilities:
Formerly HR Director for King & Wood Mallesons and previously with Hammerson. Responsible for human resource management and development across the Group.

Sustainability

Our approach to sustainability is an integral part of our business strategy, designed to address our material risks and enhance the long-term value of our business through responsible acquisition, development and management of our buildings to meet the needs of our key stakeholders.

Performance highlights	**2015**	2014
Change in total energy consumption across our managed buildings	**1%**	(15)%
Waste diverted from landfill from managed buildings	**100%**	100%
Construction waste diverted from landfill	**99%**	99%
BREEAM Excellent achieved	**240 Blackfriars Road**	95 Wigmore Street
BREEAM Very Good achieved	**Walmar House[1]**	City Tower

1. Design stage.

How we set, monitor and meet our targets

The Board has responsibility for the approval of policy relating to social, environmental, ethical and health and safety matters and is determined to apply high standards to all areas in which the Group operates, including the management of the joint venture operations on behalf of the joint venture partners. This year the Board considered the impact and risks related to legislation including Minimum Energy Efficiency Standards, the Carbon Reduction Energy Efficiency Scheme, the Energy Savings Opportunity Scheme and new Construction (Design and Management) Regulations 2015.

The Board approves the Group's sustainability strategy, objectives and targets proposed by our Environmental Policy Committee following a review of the Group's material sustainability risks. This review ensures that our targets address the interests of our stakeholders (including employees, tenants, investors, local community and suppliers), whilst also developing our strategy to keep pace with legislative requirements and changes in industry best practice. In order to incorporate these goals in our day-to-day operations, our annual targets are devolved down into individual employees' objectives and targets across our teams. Progress is monitored quarterly at our Health and Safety, Environment and Corporate Responsibility Working Group and through our external assurance process, undertaken by Deloitte. Annual reports on sustainability and health and safety are provided to the Board as part of the Company's annual Strategy Review and regular reports are provided during the course of the year from Neil Thompson as Portfolio Director and Executive Director for health and safety.

See progress against our key targets on pages 60 to 63

See achievement against all our targets together with the alignment of sustainability objectives and targets to key risks on our website at **www.gpe.co.uk/responsibility/our-approach**

How we set our sustainability strategy

Board oversight

Board

Operational Committees

Environmental Policy Committee | **H&S, Environmental and CR Working Group**

Sustainability objectives

Objectives

Investment Management	Development Management	Asset Management	People
Enhance long-term value by considering sustainability risks in investment cycles and communication our approach to investors.	Reduce obsolescence and enhance long-term value by developing sustainable buildings.	Meet changing tenant needs and minimise voids by managing buildings effectively.	Engage our people to support strategic sustainability procedures.

Policies and procedures

Sustainability strategies

> "Through the Heart of London Business Alliance, we are helping shape the destination marketing of the area to influence and attract the right calibre of tenant."

Rob Russell-Smith Asset Manager and GPE representative on Heart of London Business Alliance

Our wider contribution

Directors and senior management are encouraged to represent the Group's views and contribute to the development of the property industry. The Group also supports a number of organisations including the New West End Company, Westminster Property Association, British Property Federation, British Council for Offices, London First, Bond Street Development Group, the Baker Street Quarter Partnership, Jermyn Street Association, Heart of London Business Alliance, Shoreditch Property Owners Association and Better Bankside.

For more details see our Directors' biographies on pages 50 and 51 and our website at **www.gpe.co.uk/responsibility/communities**

Communication with investors

During the year we directly approached our largest investors to seek to understand their perception of our sustainability strategy and received positive feedback on reporting within our annual report and on our website. In addition to this engagement we participate in the Carbon Disclosure Project, GRESB and respond to questionnaires from EIRIS. For 2014 we were awarded a GRESB Green Star with top quartile performance. We are also a constituent of the FTSE4Good Index. This year we have aligned our external reporting with EPRA Best Practices Recommendations on Sustainability Reporting, achieving EPRA gold award in September 2014. For the first time this year, Deloitte have also assured all our EPRA key sustainability indicators.

See our sustainability targets on pages 60 and 61

Our awards

EPRA SBPR GOLD SUSTAINABILITY REPORTING

GRESB Green Star 2014

Greenhouse Gas Emissions Statement

Our Greenhouse Gas Emissions Statement includes all emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 for the financial year to 31 March 2015 and includes further comparison on a like-for-like basis.

	2015 (Tonnes of CO_2e)	2014 (Tonnes of CO_2e)
Scope 1		
Combustion of fuel and operation of our facilities	2,455	2,492
Operation of facilities (refrigerants)	165	252
Scope 2		
Electricity, heat, steam and cooling purchased	7,725	6,699
Head office usage	92	77
Total footprint	10,437	9,520
Intensity Measure		
Emissions per m^2 gross internal area	0.0388	0.0400
Like-for-like emissions		
Absolute emissions on a like-for-like basis	8,333	7,999
Emissions per m^2 on a like-for-like basis	0.0401	0.0385

Like-for-like data compares emissions at properties held for the entirety of 2014 and 2015.

Our methodology

For our greenhouse gas emissions statement, we have used the operational control consolidation method as this best reflects our property management arrangements and our influence over energy consumption. Included in our operational control data is emissions from our managed properties (including 100% of emissions from joint venture properties) and head office usage. Not included within this data is tenants' usage or emissions from our development sites as these are considered to fall out of our scope 1 and 2 emissions. Emissions in relation to our development sites are reported separately on our website, **www.gpe.co.uk/responsibility**. Emissions from vacant space have been excluded as the related carbon emissions are expected to be below a materiality threshold of 5%. There are no Company-owned vehicles to be reported.

We have used DEFRA Environmental Reporting Guidelines and the Greenhouse Gas Protocol to calculate our emissions.

A full data report in line with EPRA Best Practices Recommendations on Sustainability Reporting requirements can be viewed at **www.gpe.co.uk/responsibility/our-performance**

Independent assurance

Independent assurance is provided by Deloitte LLP, in accordance with International Standard on Assurance Engagements (ISAE 3000).

For Deloitte's scope and assurance statement on our greenhouse gas emissions see our website at **www.gpe.co.uk/responsibility/our-performance/how-we-are-performing**

For Deloitte's scope and assurance statement on progress against targets see our website at **www.gpe.co.uk/responsibility/our-approach**

Addressing our key sustainability risks:

Investing in assets we can reposition

We recognise the importance of including sustainability considerations within our investment decisions. As part of our property acquisition due diligence procedures, we ensure that EPC ratings are obtained prior to purchase. Where EPC ratings are below an E rating, consideration is given to the level of further investment required to improve the EPC. Costs related to introducing energy efficiencies are included in our refurbishment plans. Our investment team ensures that key sustainability information related to the management of the building is collected through a sustainability checklist which is provided to the asset management team prior to completion on the building. As part of our 'ready for sale' procedures, similar information is prepared for purchasers.

Improving resource management at our assets

Legislation to enforce energy efficiency within existing buildings continues to develop. During the year, in addition to preparing for the introduction of Minimum Energy Efficiency Standards, we put plans in place to comply with the Energy Savings Opportunity Scheme and continued to work on our carbon footprint report for our first submission under the Carbon Reduction Commitment Energy Efficiency Scheme.

Each asset has an Energy Action Plan which we use to manage the implementation of energy efficiencies within our investment portfolio. In order to reduce energy consumption both in landlords, areas and the tenants' demise, we need to work closely with our tenants. We do this by:

- engaging with our tenants on resource consumption issues at tenant meetings and through Environmental Working Groups;
- providing energy and water consumption information on each building through our dedicated tenant website; and
- providing reports to tenants on progress made in implementing energy efficiencies recommended by our energy audits.

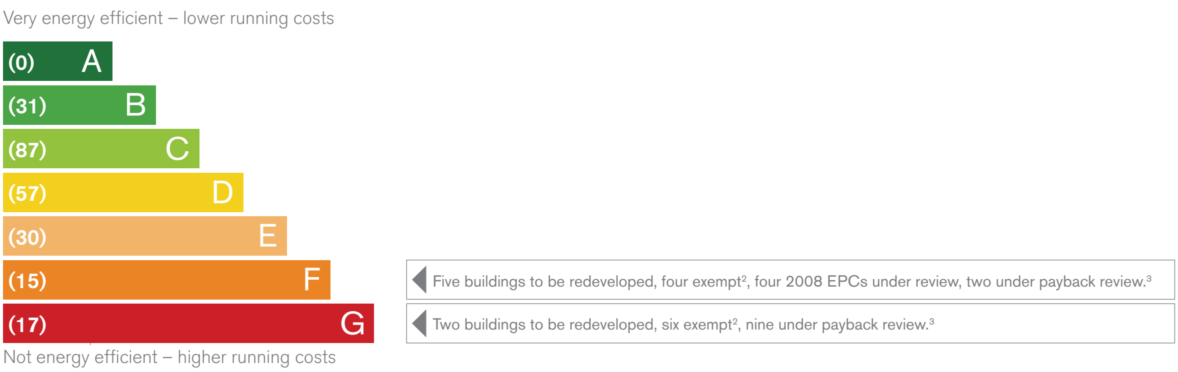
In order to improve on the accuracy of the data provided to our tenants, we are continuing to roll out automatic metering for supplies where half-hourly information is not already available.

We also use our smaller refurbishments and fit-out works as an opportunity to improve the energy efficiency of our managed properties. We undertake SKA ratings to carry out an environmental assessment of all our significant refurbishments under 50,000 sq ft. The SKA rating provides a flexible framework to manage the sustainability impacts of refurbishment works and challenges our smaller contractors and designers to rethink how our refurbishment works are designed and delivered. We also provide details of the SKA rating assessment tool within our tenant guide to encourage our tenants to follow a similar approach where undertaking these works. For the year to March 2016, we will ensure that all refurbishments under 50,000 sq ft achieve a silver SKA rating.

Minimum Energy Efficiency Standards

In March 2015, the UK Government introduced the long anticipated Minimum Energy Efficiency Standards. These regulations will make it illegal to let property with an Energy Performance Certificate rating (EPC) of F or G to a new tenant from April 2018. There are significant challenges ahead for the industry with the implementation of these regulations, not least due to the varying quality of EPCs undertaken since they were introduced in 2008. In anticipation of this legislation we have operated a watch list of properties with an E, F or G rating for the last two years. A key aspect of our business is to purchase unloved assets in strong locations and this can often lead to properties being purchased with lower rated EPC, which are then improved once they enter our development programme.
All EPC recommendations are included within our asset Energy Action Plans to ensure that these are considered as our properties are refurbished, as tenants vacate and when properties are redeveloped. Where we believe that original EPCs may require review due to assumptions made in 2008, we have engaged consultants to undertake this work.

Our buildings' energy performance ratings[1]



1. The EPC ratings above include both ratings for individual buildings or demises within buildings.
2. Due to listed status.
3. Where EPC recommendations will not payback within prescribed timescales, implementation is not required.

Developing sustainable buildings

In order to ensure that we continue to deliver flexible, high quality space, it is critical that the sustainability credentials of our developments outperform current environmental standards and anticipate future needs.

Meeting and exceeding regulatory requirements

We regularly review changes to regulations, best practice and planning requirements to ensure that our sustainability strategy for development keeps pace with regulatory change. Our Sustainable Development Brief and Tracker are designed to assist our teams in achieving the best practical environmental option when considering energy, water, waste and biodiversity strategies for our developments. We regularly exceed Building Regulations requirements for the energy efficiency of our new developments, aiming to deliver buildings that are 35% more efficient than 2010 requirements. We use our Sustainability Tracker to develop an energy strategy for each project early in the design process and this is reviewed at each stage of the development to ensure that options are considered to:

- maximise the energy efficiency of the building;
- include clean technology such as ground source heat pumps and combined heat and power plant; and
- install sources of renewable energy

In order to ensure that we meet or exceed planning requirements, we continue to target BREEAM Excellent ratings for new build developments. Regular BREEAM updates are provided by our teams to allow us to monitor progress in achieving these ratings. In May 2014, a revised BREEAM code came into force for new projects. In anticipation of these changes, we had already undertaken a gap analysis of all our new build developments to understand how they could be adapted to achieve the changed requirements and updated our Sustainable Development Brief to capture new elements of the BREEAM process.

See our sustainability targets on pages 60 and 61

A collaborative approach with our contractors

In order to deliver successful developments, it is essential that we build positive relationships with our contractors. We take a collaborative approach on health and safety; our principal contractors provide monthly reports on health and safety at our construction sites and where reportable incidents occur, these are immediately reported to our Project Management team to ensure prompt investigation of the incident. In addition to engaging with our contractors at site level, we also liaise with our contractors at senior management level to discuss health and safety trends across the industry. As a result of this engagement, we have included a new target for 2016 to ensure that occupational health support is provided at all our major construction sites.

We take this same collaborative approach on sustainability with our contractors to ensure that:

- designing out waste workshops are undertaken early in the process to minimise waste arising from the construction process;
- waste generated is diverted from landfill where possible;
- carbon emissions from our construction sites are monitored;
- responsible sourcing standards are supported;
- payment is made promptly to contractors with 14-day payment terms and twice-monthly valuations; and
- community initiatives are instigated to maximise employment opportunities and to support local schools and colleges.

Hanover Square, W1, design updated to 2014 BREEAM requirements

Sustainability

Meeting tenant needs

To ensure that our developments continue to meet tenant expectations, it is essential that we work with our tenants during their fit-out process to ensure that the transition of the building from development, through commissioning, fit-out and into occupation is managed effectively. We committed to following the 'soft landings' approach on all our new build developments and major refurbishments in April 2014, ensuring that our designers and constructors stay involved with our new buildings beyond practical completion and that our facilities and building management team are involved early in the design process. A number of positive outcomes are resulting from this process:

- regular meetings between designers and our facilities management team ensure that operational issues are considered throughout the design process;
- training of building management staff on systems at new buildings occurs prior to completion, during commissioning and two months after completion, ensuring a broader understanding of the new building by our on-site teams;
- the provision of training films provides a bank of information to be used by mechanical and electrical contractors once the building is in use; and
- the co-ordination of tenant fit-outs ensures that tenant systems are integrated with our building systems.

We continue to implement our 'soft landings' framework across our development portfolio. For the year ending March 2016, we have committed to carrying out studies to review the projected energy in use consumption at design stage.

Part of the 'soft landings' process is to undertake post occupancy evaluation 12 months after tenant occupation. In the year ending 31 March 2015, post occupancy evaluations were undertaken at 33 Margaret Street, W1, and 95 Wigmore Street, W1.

Post occupancy evaluation – feedback from 33 Margaret Street, W1

33 Margaret Street was completed in 2013 and fully let to Savills plc on a full repairing and insuring lease. The post occupancy evaluation of the property was undertaken with the full support of the tenant and included a review of the tenant fit-out in addition to the basebuild. A questionnaire was circulated to all Savills employees.

Question	Yes	No
Does the building meet your needs?	98%	2%
Do you feel proud bringing visitors to 33 Margaret Street?	99%	1%
Is this building a good home for Savills?	100%	0%
Does the layout of the office support the needs of the staff and business?	90%	10%

Post occupancy evaluation provides an opportunity to feed back to our consultant team on potential areas for improvement on future developments. In relation to 33 Margaret Street, some issues were raised such as the design of the cycle store and zoning of spaces to enable flexible and user-centred lighting controls. These are now included within our design briefs on future developments where appropriate. During the forthcoming year, we will be feeding back the findings of all our post occupancy evaluations to our external consultant team. We will also be continuing with our programme of post occupancy evaluations on our recently completed developments.

Working with the local community

It is imperative that we consider our neighbours and the local community, particularly where we are undertaking development. Public Realm studies and extensive community consultation are carried out as a matter of course in addition to making Section 106 contributions as part of the planning process. Neighbour and tenant action plans are produced for each development and refurbishment to minimise disruption caused by the construction process and where possible, we support local initiatives. This has led to donations to the Soho Arts Fair and West End Community Trust and the provision of advertising space on our hoardings for Depaul UK through our development at 30 Broadwick Street, W1. At Hanover Square, W1, we worked with the Bond Street Management Group to commission four young artists working in textiles, ceramics, photography and make-up to produce a five storey high art installation to enliven the unoccupied facades of four of our buildings on New Bond Street, W1, forming part of our Hanover Square development project (see CGI below). At our 12/14 New Fetter Lane, EC4 development, an Employment and Skills Manager has been engaged to co-ordinate work experience, training and apprenticeships on-site which has led to 25 learning outcomes and ten job starts during the year. We continue to work with Westminster University to provide tours and presentations to students and we are establishing links with schools in Westminster to support pupils on construction-related courses.

See our sustainability targets on pages 62 and 63

Maintaining high health and safety standards

We are committed to maintaining the highest standards of health and safety at our buildings in order to minimise the risk of accidents and incidents to our tenants, contractors and employees, and also to comply with legislation. We review the health and safety record of all contractors prior to instruction and ensure that our employees are provided with regular health and safety training updates. Our collaborative approach with our contractors on matters of health and safety was well illustrated at 240 Blackfriars Road, SE1, where in October 2014 a single outer pane of a double glazed unit fell from the building. There were no reportable injuries resulting from the incident. However, we worked with our contractors and consultants immediately to ensure the safety of our tenants and neighbours including the erection of a protective scaffolding canopy around the lower levels of the building whilst simultaneously carrying out an investigation into the cause of the incident. A detailed investigation revealed that a piece of masking tape used during manufacture was inadvertently left in place on this single pane which eventually caused it to become detached from the cladding unit. Our investigation works are almost complete and we expect to establish that the manufacturing error was limited to this individual pane of glass.

For more on our health and safety see
www.gpe.co.uk/responsibility/health-and-safety

CGI of art work in place at our four buildings in New Bond Street, W1

Achievement against our key sustainability targets

Investment Management

Opportunity	Risk	Stakeholder	Objective
By engaging with our investors, we ensure that our external reporting meets their needs.	Failure to communicate our sustainability strategy to shareholders.	Investors	Enhance long-term value by considering sustainability risks in investment cycles and communicating our approach to investors.

Asset Management

Opportunity	Risk	Stakeholder	Objective
By reducing energy consumption we reduce costs to tenants through our service charge.	Adverse regulatory risk.	Tenants	Meet changing tenant needs and minimise voids by managing buildings efficiently.
Engagement with tenants improves performance on sustainability and reduces costs through the service charge.	Failure to maximise income from investment properties through low tenant retention.	Tenants	
By maintaining positive relationships with our tenants it enables us to manage our void rate in accordance with our wider strategy.			

Development Management

Opportunity	Risk	Stakeholder	Objective
By working closely with our contractors we improve working relationships.	Poor development returns relating to poor development management.	Suppliers Investors	Reduce obsolescence and enhance long-term value by developing sustainable buildings.
By adapting in advance of regulatory changes we reduce obsolescence and increase the flexibility of our assets.	Poor development returns relating to the quality and benchmark of the completed building.	Tenants Suppliers	

Target	Achieved	
To offer to engage with our top ten investors to understand their perception of our sustainability strategy. **2016 Target** To offer to engage with our top 30 investors.	90%	9 of our top 10 investors were contacted.

"I believe that GPE is well positioned to take advantage of the growing demand for green buildings and its sustainability disclosure is appropriate for the business and well communicated"

Andrew Mason Responsible Investment Analyst, Standard Life Investments

Target	Achieved	
To achieve a 2.5% reduction in energy consumption across the investment portfolio (on a like for like basis) by March 2015. **2016 Target** To achieve a 10% reduction in energy consumption across the investment portfolio (on a like-for-like basis) by 31 March 2016 based on our March 2012 baseline.	80%	A 2% reduction in landlord energy consumption was achieved across our like-for-like properties.
To provide energy and water consumption data on the tenant website for all managed buildings.	100%	Energy and water consumption data provided on all tenant websites at our multi-let commercial investment properties.
Provide a report to all tenants in buildings where energy and water studies have been undertaken on recommended initiatives and progress on the implementation of those initiatives by March 2015. **2016 Target** Target retained.	100%	164 tenants provided with reports on progress on energy saving initiatives.

Target	Achieved
To meet with all our principal contractors to improve the monitoring of carbon emissions, energy, water and waste from our construction sites.	100%

"Initially a forum to improve reporting from our construction sites, our meetings with contractors have become a valuable opportunity to exchange views on trends in sustainability and health and safety."

James Pellatt Head of Projects, GPE

Target	Achieved
Achieve a BREEAM rating of 'Excellent' on all new build developments and 'Very Good' or 'Excellent' on refurbishments. **2016 Target** Target retained.	100%

Projects completed during the year ending March 2015	
New build property	**BREEAM Rating**
240 Blackfriars Road	Excellent
Refurbishment property	**BREEAM Rating**
Walmar House	Very good (cert awaited)
Projects on-site during the year ending March 2015	
New build property	**BREEAM Rating targeted**
12/14 New Fetter Lane	Excellent
30 Broadwick Street	Excellent
73/89 Oxford Street	Excellent
Rathbone Square	Excellent

Sustainability

Achievement against our key sustainability targets

Development Management

Opportunity	Risk	Stakeholder	Objective
By diverting waste from landfill we reduce the impact on the environment and reduce costs associated with landfill tax.	Poor development returns relating to the quality and benchmark of the completed building.	Suppliers	Enhance long-term value by considering sustainability risks in investment cycles and communicating our approach to investors.
By involving facilities management team early and keeping the design team involved after practical completion we ensure a smooth transition of our developments into occupation.	Poor development returns relating to the quality and benchmark of the completed building.	Suppliers Tenants	
By working with our construction partners to introduce apprenticeships we assist in attracting new talent to the construction industry and help create local jobs.	Reputational risk.	Suppliers Community	

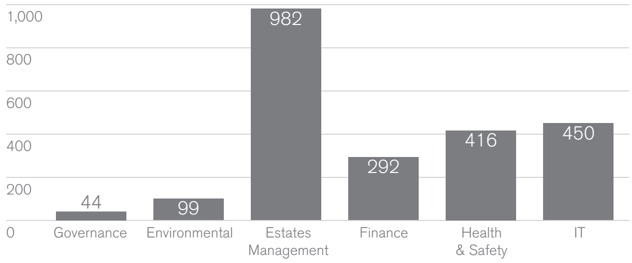
Workplace

Opportunity	Risk	Stakeholder	Objective
By developing our people we seek to improve their personal job satisfaction whilst enhancing the effectiveness of our teams.	Strategic priorities not achieved because of inability to develop and motivate talented employees.	Employees	Develop a sustainable business in partnership with our employees, the local community and our suppliers.
To build on our reputation as a company that people want to work with.	Strategic priorities not achieved because of inability to develop and motivate talented employees.	Tenants Employees	

Target	Achieved	
Divert 95% of non-hazardous demolition and strip out waste and 90% of non-hazardous construction and fit out waste from landfill. **2016 Target** Target retained.	100%	99% of non-hazardous demolition waste diverted from landfill. 99% of non-hazardous construction waste diverted from landfill.
Incorporate the 'Soft Landings Framework' at all new build developments and major refurbishments. **2016 Target** Target retained.	100%	"Involving our facilities and building management team early in the design process and implementing our soft landings framework at Rathbone Square will ensure a smooth handover process." **Helen Hare** Project Manager, GPE
Work with our construction partners to create 15 apprenticeships at our construction sites during the year ending March 2015. **2016 Target** Working with our construction partners, create 20 and maintain a further 30 apprenticeships at our construction sites during the year ending March 2016.	100%	"By working with GPE to increase the number of apprenticeships at construction sites we provide employment to the local community and encourage the next generation of young people into the construction industry." **Mark Reynolds** Chief Executive, Mace

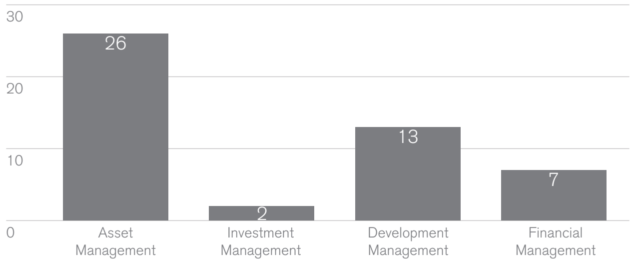
Target	Achieved
Provide an average of at least two days training per employee per annum.	100%

Total number of training hours



Target	Achieved
Provide customer service training for all personnel with day-to-day customer contact.	100%

Customer training – number of employees



Our approach to risk

The successful management of risk is essential for the Group to deliver its strategic priorities. Whilst the ultimate responsibility for risk management rests with the Board, the effective day-to-day management of risk is in the way we do business and the culture of our team.

Our flat organisational structure, with close involvement of senior management in all significant decisions combined with our prudent and analytical approach, is designed to align the Group's interests with those of shareholders.

Setting and monitoring our 'risk appetite'

The Group's overarching risk appetite is set in the context that we focus on only one market that we know inside out – central London. However, because our market is cyclical, we apply a disciplined approach to managing our operational risk, in particular our development exposure, in tune with market conditions whilst always maintaining low financial risk through conservative financial leverage.

We use a suite of key operational parameters as an important tool to set and then measure the Group's risk profile. These parameters consider, amongst others, the Group's size, financial gearing, interest cover, level of speculative and total development exposure, and single asset concentration risk. These parameters are revisited annually as part of the Group's Strategy Review and reviewed at each Board meeting. Both the Group's actual and forecast position over the next five years against these parameters are monitored.

How we manage our risks

We believe that effective management of risk is based on a 'top down' and 'bottom-up' approach outlined on page 65 which includes:

- our strategy setting process;
- the quality of our people and culture;
- established procedures and internal controls;
- policies for highlighting and controlling risks;
- regular oversight by the relevant Committees; and
- a clear reading of market conditions and the cycle.

How the Board monitors the Group's principal risks

The Group's principal risks and the processes through which the Company aims to manage these risks are outlined on pages 66 to 73. Ongoing monitoring of our principal risks and controls by the Board is undertaken by:

- relatively low levels of authority for transactions requiring Board approval – see pages 76 and 77, with investment transactions and development approvals requiring, amongst others, consideration of impact on financial leverage, interest cover and portfolio risk/composition;
- the Executive Directors' oversight of all day-to-day significant decisions with a copy of the weekly Executive Committee minutes provided to the Non-Executive Directors;
- the Chief Executive reporting on the market conditions dashboard, operational parameters and people at each of the scheduled Board meetings;
- the Portfolio Director providing a review on the development programme, occupational markets, key property matters and health and safety at each of the scheduled Board meetings;
- the Finance Director reporting on the Group forecasts including actual and prospective leverage metrics, the tenant watch list and delinquencies at each of the scheduled Board meetings;
- review of the Group's principal risks, the controls in place to mitigate them and how the key controls have operated in the preceding six months by the Executive Committee, the Audit Committee and the Board at the half year and year end; and
- the Audit Committee meeting with the valuers twice a year to better understand market conditions and challenge the assumptions underlying the valuation.

Board oversight

Board meetings
Audit Committee
Remuneration Committee
Nomination Committee

Operational Committees

Executive Committee – weekly

- Development management weekly
- Asset management weekly
- Investment management weekly
- Financial management weekly
- Strategy update quarterly
- Corporate responsibility quarterly
- Development management review quarterly
- Asset management review quarterly
- Environmental policy quarterly

Policies for highlighting and controlling risk

- Investment return benchmarks
- Debt leverage, covenant compliance and liquidity limits
- Regular review of business plans, dashboard lead indicators and operational parameters
- Occupancy targets
- Development appraisal parameters
- Leasing objectives and tenant covenant testing

Procedures and internal controls

- High level risk assessment framework
- Strict approval requirements
- Extensive documentation to support decisions
- Formal policies and procedures consistently applied
- Defined performance indicators with sensitivity analysis
- External review of key controls

People and culture

- Focused market expertise
- Open communication
- Transparent disclosure with stakeholders
- Integrity in business conduct
- Interests aligned with shareholders
- Qualified and experienced personnel with specific roles
- Conservative attitude to capital deployment
- Analytical rigour

Business risk

Our approach to risk

How we manage risk

Market risk

Risk	Impact	Link to strategic priorities	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.

Investment management

Risk	Impact	Link to strategic priorities	Mitigation
Poor investment decisions and 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, mix 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.

Asset management

Risk	Impact	Link to strategic priorities	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. The Group has a diverse tenant base with its ten largest tenants representing only 31.2% 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.

■ Crystallise profits through recycling ◆ Deliver development programme ● Drive rental growth

Impact change from last year	Likelihood change from last year	Likelihood after mitigation	Commentary
→	→		The central London real estate market continued to outperform the wider UK market during the year ended 31 March 2015, demonstrated by IPD's central London TPR exceeding IPD's universe by 6.8 percentage points on an absolute basis and the outlook continues to be favourable. Our market on pages 24 to 27
→	→		Over the past 12 months, the outlook for the London economy has improved. However, uncertainties around the economic outlook persist given a possible referendum on UK membership of the EU along with an uncertain outlook for the Eurozone and UK interest rates. Our market on pages 24 to 27

Impact change from last year	Likelihood change from last year	Likelihood after mitigation	Commentary
→	→		The Group has continued to invest and recycle capital against a backdrop of strong capital value growth in central London and a surfeit of buyers to sellers in the investment market. Lack of available stock mitigated by depth of opportunity in current portfolio. During the year, three acquisitions totalling £37.1 million were made together with disposals of £343.6 million at premium to book value of 11.0%. Our market on pages 24 to 27 Investment management on pages 30 and 31 Case study on pages 12 and 13
→	→		The Group continues to monitor its portfolio mix and asset concentration risk. Our largest asset is only 9.5% of the total portfolio and 23.4% of the portfolio was held in joint ventures at 31 March 2015. Valuation on pages 28 and 29

Impact change from last year	Likelihood change from last year	Likelihood after mitigation	Commentary
→	→		The Group continues to monitor a low void rate which was 2.0% at 31 March 2015. Tenant delinquencies were 0.7% of the rent roll for the year to 31 March 2015. The Group continues to actively manage the portfolio to maximise occupancy and drive rental growth. During the year, we secured £21.5 million of new rental income including £13.3 million of development lettings. Asset management on pages 36 and 37 Case studies on pages 14 to 17 Our approach to sustainability on pages 54 to 56 Sustainability targets on pages 60 to 63

▽ 2014 ▲ 2015

Our approach to risk

How we manage risk

Development management

Risk	Impact	Link to strategic priorities	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 on page 66. 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, Head of Development 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.

■ Crystallise profits through recycling ◆ Deliver development programme ● Drive rental growth

Impact change from last year	Likelihood change from last year	Likelihood after mitigation	Commentary
↗	↗		The Group has increased its development commitments over the last year with six schemes currently on-site with a gross development value of £1,096.2 million, against a backdrop of increasing construction costs and tightening contractor capacity. However the Group has continued to de-risk its development programme and, as a result, the risk likelihood after mitigation is unchanged over the year. Key initiatives during the year included: – the successful sales programme of the residential element of Rathbone Square, W1, securing £228.9 million of the gross development value since 1 April 2014; – the forward sale of 12/14 New Fetter Lane, EC4 crystallising an 83% return on capital employed; – successful letting on newly completed schemes with £13.3 million of development lettings secured since 1 April 2014; – placing construction contracts on four schemes since 31 March 2014 providing cost certainty across all of our committed schemes albeit Rathbone Square, W1, was ahead of our anticipated cost plan; and – the Group secured 375,300 planning permissions during the year including 148 Old Street, EC1 and Hanover Square, W1, where revised planning has delivered a much improved building design. Development management on pages 32 to 35 Case studies on pages 12 to 19 Our approach to sustainability on pages 54 and 57 to 59 Sustainability targets on pages 60 to 63
↗	→		With forecasted supply of central London office space expected to be scarce in the near to medium term, the Group has expanded its development exposure to capitalise on the expected resulting rental growth given improving tenant demand. Our increased development activity has increased the potential impact of this risk. However, 30% of income or gross development value of the committed developments has already been secured and, given the level of current development commitments, the Group has maintained its conservative approach to financial leverage. At 31 March 2015 LTV remained low at 21.8%. Our market on pages 24 to 27 Development management on pages 32 to 35

▽ 2014 ▲ 2015

Our approach to risk

How we manage risk

Financial risks

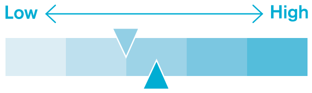
Risk	Impact	Link to strategic priorities	Mitigation
Limited availability of further capital.	Growth of business is constrained or unable to execute business plans.	■ ◆ ●	Cash flow and funding needs are regularly monitored to ensure sufficient undrawn facilities are in place. Funding maturities are managed 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.	■ ◆	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 31 March 2015. We estimate that values could fall by 56.7% from their 31 March 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.

People

Risk	Impact	Link to strategic priorities	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.

■ Crystallise profits through recycling ◆ Deliver development programme ● Drive rental growth

Impact change from last year	Likelihood change from last year	Likelihood after mitigation	Commentary
→	↘	Low ↔ High 	The likelihood of this risk has reduced over the year given the increased availability and improved pricing of both equity and debt capital. Moreover, the Group has continued to extend the maturity ladder of its debt financing and maintain diverse funding sources. In October 2014, the Company replaced two revolving credit facilities totalling £500 million due to mature in November 2015 and January 2017 with a new £450 million five year revolving credit facility, which can be extended to a maximum of seven years. Cash and undrawn credit facilities were £442 million at 31 March 2015. Financial management on pages 38 and 39 Our financial results on pages 41 to 43 Notes 17 and 18 forming part of the Group financial statements on pages 142 to 146
→	↗	Low ↔ High 	Whilst investment yields are at cyclical lows, central London property values are expected to benefit from rental value growth and continued strong investment demand. Short-term interest rates have remained at or near historical lows over the last 12 months, although there is a growing expectation of increases in the medium term as the economy grows. However, this risk likelihood after mitigation is unchanged given our headroom against debt covenants and 96% of the Group's debt being at fixed or hedged interest rates. Financial management on pages 38 and 39 Our financial results on pages 41 to 43 Notes 17 and 18 forming part of the Group financial statements on pages 142 to 146
→	→	Low ↔ High 	The Group's existing capital structure is well placed to take advantage of opportunities as they arise and to deliver our development programme. Financial management on pages 38 and 39 Our financial results on pages 41 to 43

Impact change from last year	Likelihood change from last year	Likelihood after mitigation	Commentary
↗	↗	Low ↔ High 	With the Group firmly in the execution phase of the cycle and increased levels of development activity, the motivation of our people remains fundamental to the delivery of our strategic priorities. When combined with a more active and competitive recruitment market, the likelihood of this risk has marginally increased over the year. Staff retention is high at 87% against a backdrop of an increasingly competitive employment market. A new Head of Human Resources was recruited in early 2015 to further enhance the development of our people. From 1 April 2015, the corporate measures under the Employee Annual Bonus Plan have been changed to mirror the Executive Annual Bonus Plan. Our people on pages 44 to 49 Remuneration report on pages 92 to 107

▽ 2014 ▲ 2015

How we manage risk

Regulatory

Risk	Impact	Link to strategic priorities	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.

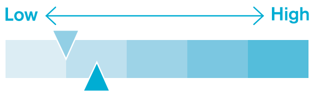
Business interruption risk[1]

Risk	Impact	Link to strategic priorities	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.

1. New risk for 2014/15.

■ Crystallise profits through recycling ◆ Deliver development programme ● Drive rental growth

Impact change from last year	Likelihood change from last year	Likelihood after mitigation	Commentary
→	→		In 2015, Minimum Energy Efficiency Standards came into force which will impact the ability to let less energy efficient buildings from 2018. A watch list of all buildings' EPC ratings and proposed actions is, therefore, maintained. Uncertainty remains as to the taxation and regulatory environment. Property industry representation on pages 50, 51 and 55 Sustainability on pages 56 and 57
→	↗		With heightened levels of development activity, the likelihood of this risk marginally increased over the year, although remains unchanged after mitigation. The Group had one reportable accident and one reportable incident during the year. Health and safety on page 59

Impact change from last year	Likelihood change from last year	Likelihood after mitigation	Commentary
→	↗		Whilst the likelihood of a major incident remains low, the UK Government increased the UK's external terrorism threat to severe during the year.

▽ 2014 ▲ 2015

Governance

In this section we explain how we maintain a high standard of corporate governance, describe our remuneration policy and principles, and present the report of the directors.

Image:
The front door of 3 Picton Place, W1

Governance

Corporate governance

Good governance is based on the appropriate level of oversight, good communication, a focus on risks, transparency in how we operate and a culture of continuous improvement. Our flat management structure ensures that good governance extends beyond the Boardroom.

Dear fellow shareholder

As Chairman, I am responsible for ensuring the Board operates effectively and efficiently and that it continues to uphold the high standard of corporate governance for the long-term success of the Company. I believe the achievement of good governance is based on the appropriate level of oversight, good communication, a focus on risks, a commitment to transparency and ensuring a culture of continuous improvement in standards and performance across the business. Each year, the Board formally revisits its level of oversight and the monitoring of risks over a variety of areas including strategy, acquisitions and disposals, capital expenditure on developments, finance, people and sustainability matters.

This culture, combined with our flat management structure and high level of involvement by executive and senior management in all our activities, ensures that this good governance extends beyond the Boardroom and is continually borne in mind in the successful delivery of the Group's strategic priorities over both the short and long term.

The Board's oversight of our strategic priorities during the year and monitoring of risks

The Group's business model and strategy are outlined on pages 1 to 11. In our Annual Report last year we identified that our strategic priorities for 2014/15 were to:

- crystallise profits through recycling;
- deliver our development programme; and
- drive rental growth.

Following our success this year in executing these priorities and with market conditions continuing to be supportive, our attention for this year will again be focused on crystallising the value we have generated to maximise shareholder returns and appropriately manage risk. With our clearly identified initiatives, we will continue to deliver our expanded development programme, recycle capital and actively work our assets to drive rental growth.

See our strategic priorities on pages 10 and 11

What we did in 2014/15

In the year ended 31 March 2015, significant transactions approved by the Board included:

May 2014

- the New Look office rent review at Wells & More, 45 Mortimer Street, W1

See page 37

- lease of fifth floor, Wells & More, 45 Mortimer Street, W1 to Lionsgate

June 2014

- the commencement of the residential sales programme at Rathbone Square, W1

See page 30

July 2014

- the redevelopment of 30 Broadwick Street, W1 together with the off-site development and sale of residential at 78/82 Great Portland Street

See page 33

- the purchase of an interest rate hedging derivative

See page 43

As part of our monitoring of where we are in the property cycle, at each scheduled Board meeting we consider a market conditions dashboard which, we believe, helps us identify emerging trends within the wider economy, the UK and London property market and UK real estate financing markets. Formal review of our risk appetite through our operational parameters is undertaken as part of our Strategy Review. These operational parameters are then used as part of our ongoing monitoring of our risks within our scheduled Board meetings. More details of our risks and how these are managed can be found on pages 64 to 73.

To ensure that risks associated with major transactions and how these fit in with the Group's strategy for long-term success are fully debated at Board level, Board approval is required for:

- all sales and acquisitions where the Group's share is over £25 million;
- any development expenditure over £15 million;
- any leases of £1 million p.a. or above; and
- any new financing (equity or debt).

Each year, the Board formally reviews the level of oversight it has over a variety of matters including strategy, transactions, finance, people and sustainability matters including the level at which transactions should be reviewed by the Board. At our April 2015 Board meeting, we concluded that the matters reserved for the Board, updated following changes to the Group's Treasury policy, and the levels at which various transactions require Board approval, remain appropriate.

Board changes in the year and succession planning

As I reported in our 2014 Report, we were delighted to welcome Charles Philipps to the Board as Non-Executive Director in April 2014 and he has already made a strong contribution to the Board.

See our Board on pages 50 and 51

Following Charles Irby's retirement from the Board at the 2014 Annual General Meeting, Jonathan Nicholls became our Senior Independent Director and Jonathan Short became Chairman of the Remuneration Committee. To broaden the Nomination Committee's outlook, the Nomination Committee's membership has been extended to all Non-Executive Directors. Jonathan Short and Elizabeth Holden joined the Nomination Committee from 1 April 2014, with Charles Philipps joining from 1 July 2014.

The Board also reviews the succession planning and personal development requirements for key executives and senior managers across the team. In January 2015, we appointed Sally Learoyd as Head of Human Resources to help us further enhance our efforts in this area.

August 2014

- the forward sale of our development of 12/14 New Fetter Lane, EC4

See page 30

September 2014

- approval of a new £450 million Revolving Credit Facility

See page 38

November 2014

- the revised Rathbone Square budget

January 2015

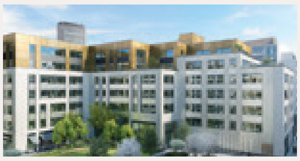
- the development of 73/89 Oxford Street and pre-let of one of the retail units to New Look

See page 33

March 2015

- the acquisition of Starwood's 50% interest in City Tower and City Place House, EC2 for £134.5 million (including repayment of bank debt)

See page 31



- the appointment of the main contractor for our Rathbone Square development and the revised budget

See page 33

This year's Board evaluation

In accordance with our policy to undertake the Board evaluation process in-house between external evaluations held every three years, this year's evaluation was undertaken by Jonathan Nicholls as Senior Independent Director supported by Desna Martin, our Company Secretary. The process involved completion of a questionnaire followed by one-to-one meetings between Jonathan Nicholls and each director and a meeting between Jonathan Nicholls and me in respect of both my and Jonathan's performance. The process covered Board Committee and personal performance and the output was reviewed initially by me as Chairman and then by the full Board at the January 2015 Board meeting.

Overall it was considered that the Board and its Committees continued to work effectively. In an effort to continue to improve, however, recommendations arising from the evaluation included:

– continued focus on succession planning, resourcing, training and development needs;
– review of Board Papers to ensure appropriate executive summaries;
– review of agendas to ensure the optimum balance of time spent; and
– more detailed feedback being provided to the full Board from the Committee Chairs on matters discussed by the Committees.

Progress against the recommendations from last year's review is set out below.

Recommendations from 2013/14 Board effectiveness review	Progress
Review of Nomination Committee timing and processes to improve effectiveness	Nomination Committee membership extended to all Non-Executive Directors. Formal Nomination Committee meetings introduced for May and September. Quarterly updates provided by Toby Courtauld on succession planning and people development.
Review of Remuneration Committee timing and processes	Timely meeting between the Remuneration Committee Chairman, Chief Executive and remuneration consultants to consider areas for focus/supporting documentation sought for review of remuneration arrangements. For 2015, this meeting will be held in the summer. Formal review of remuneration arrangements and market practices conducted by the Committee in December 2014. In 2015, it is intended this meeting will be held in September. In the year ended 31 March 2015, the number of Committee meetings was reduced from eleven to six.
Involvement of the whole Board in determining the qualities and experiences needed in any new Non-Executive Directors considered for appointment as part of the orderly succession of Non-Executive Directors over the coming years, to retain the Board's strong culture	Ongoing.

The last external Board evaluation was undertaken in the year ended 31 March 2014. The next external evaluation will be undertaken in the year ending 31 March 2017.

Feedback received on communication with shareholders and other stakeholders

Communication with investors is given a high priority by the Board with 203 presentations being made in the year to shareholders and potential shareholders by a combination of the Executive Director team and Senior management below the Board. Independent feedback on presentations by the Executive Directors to all major shareholders is provided to the Non-Executive Directors on a regular basis at the scheduled Board meetings. I am pleased to be able to report that we received external recognition for our investor relations efforts by winning the Best Investor Communication Award at the PLC Awards 2014, being shortlisted for IR Magazine's Best Overall European Investor Relations award and being highly commended in the PwC Building Public Trust Awards for 'Excellence in Reporting' in respect of our Annual Report. In addition, we received a gold award in relation to EPRA's 2014 Sustainability Best Practice Recommendations, a green star in relation to GRESB and were named European Borrower of 2014 by Real Estate Capital.

Executive reward linked to the Group's performance for shareholders

Under the Group's long-term incentive plans, the level of reward to the Executive Directors and Senior management depends on the performance of the Group over a three-year period. I am pleased to be able to report that 76% of the Total Shareholder Return (TSR) and 100% of the NAV elements of the Group's main 2011 LTIP and SMP awards vested reflecting the underlying strong financial performance of the Company as demonstrated through the trend of the Company's annual KPIs of TSR and NAV growth. TSR for the three-year period to 1 June 2014 was 68%. The NAV uplift for the three years to 31 March 2014 was 58%. We also exceeded the Total Property Return benchmark for the three-year period to 31 March 2014 by 0.9 percentage points resulting in a vesting level of 82% for the main LTIP and SMP awards. As at the date of this report, for the June 2012 LTIP and SMP awards, we expect 100% of the TSR hurdle, 100% of the NAV hurdle and 42% of the TPR hurdle to be met.

Following a review by the Remuneration Committee of the effectiveness of the Group's incentive plans, we are pleased with the Group's performance and believe that the incentives continue to provide a strong alignment between shareholders and the Executive and wider management team.

Martin Scicluna Chairman
20 May 2015

Statement by the directors on compliance with the provisions of the UK Corporate Governance Code

A summary of the system of governance adopted by the Company is set out on pages 76 to 94. Throughout the year ended 31 March 2015, the Company fully complied with the Main Principles set out in the UK Corporate Governance Code 2012, publicly available at **www.frc.org.uk.** In September 2014, a revised UK Corporate Governance Code was published which will apply to the Company for the year ending 31 March 2016 and the Company will report on its application in 2016.

The role of the Board and its Committees during the year

The Board of Directors

The Board has a duty to promote the long-term success of the Company for its shareholders and its role includes the establishment, review and monitoring of strategic objectives, approval of major acquisitions, disposals, capital expenditure and financing arrangements and of the Group's systems of internal control, governance and risk management.

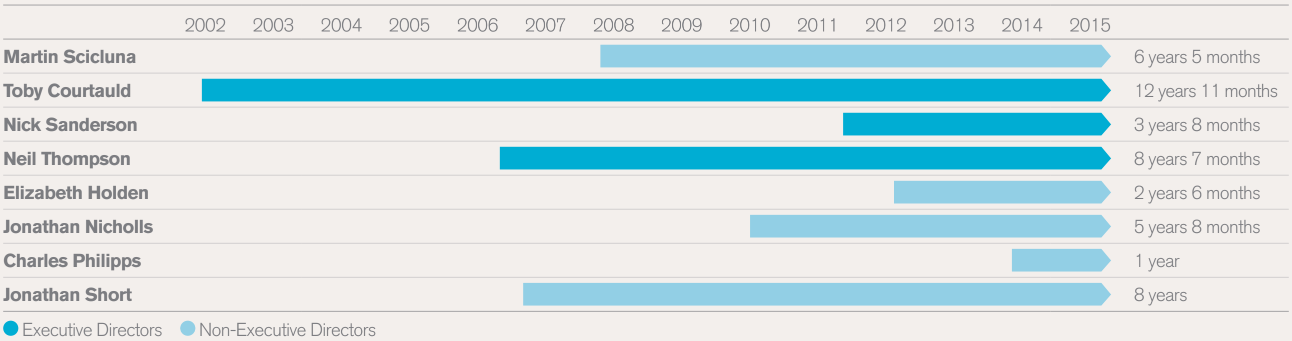
Composition and independence

As at 31 March 2015, the Board comprises the Chairman, three Executive Directors and four Non-Executive Directors. The biographies of all members of the Board outlining the experience they bring to their roles are set out on pages 50 and 51. Martin Scicluna as Chairman is responsible for leading the Board and its effectiveness, meeting with shareholders as appropriate. Toby Courtauld as Chief Executive is responsible for the day-to-day management of the Company. Jonathan Nicholls, the Senior Independent Director, is also available to shareholders as required and acts as a sounding board for the Chairman. Each year the terms of reference for the roles of Chairman, Chief Executive and Senior Independent Director are revisited by the whole Board.

Each of the Non-Executive Directors is considered to be independent of the executive management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

See pages 90 and 91 for more details on directors' independence

Directors' tenure (as at 31 March 2015)



The Board's attendance in 2014/15

Attendance at Board and Committee meetings by directors and Committee members during the year was as follows:

	Board – scheduled (6 meetings)[1]	Board – other (3 meetings)[1]	Nomination Committee (3 meetings)	Remuneration Committee (6 meetings)	Audit Committee (6 meetings)
Chairman					
Martin Scicluna[2]				(3/3)	(2/2)
Executive Directors					
Toby Courtauld			–	–	–
Nick Sanderson			–	–	–
Neil Thompson			–	–	–
Non-Executive Directors					
Charles Irby[3]	(3/3)	(0/0)	(1/1)	(3/3)	(1/1)
Elizabeth Holden					
Jonathan Nicholls					
Charles Philipps[4]			(2/2)	–	(5/5)
Jonathan Short					

1. There were three unscheduled Board meetings during the year – see Board activities on pages 76 and 77.
2. Although Martin Scicluna is not a member of either the Remuneration or Audit Committees, in his role of Chairman of the Board, he is invited, where appropriate to attend key meetings of the Remuneration Committee relating to the remuneration of the Executive Directors and the Audit Committee meetings in respect of the review of the half year and year-end results. The number in (parentheses) indicates the number of Remuneration and Audit Committee meetings the Chairman is expected to have attended in this respect.
3. Charles Irby retired from the Board on 3 July 2014. The number (in parentheses) is the maximum number of meetings Charles Irby could have attended.
4. Charles Philipps joined the Audit and Nomination Committees on 1 July 2014. The number (in parentheses) is the maximum number of meetings Charles Philipps could have attended.

Board activities

The Board meets for scheduled Board meetings six times a year. Regular matters reserved for consideration by the Board at these meetings include:

	July	September	November	January	April	May
Standard reports						
Shareholder analysis	■	■	■	■	■	■
Chief Executive's Report including market conditions dashboard, operational parameters, investment market and propositions, asset strategies, team resourcing and development		■	■	■		■
Portfolio Director's Report including valuation, leasing activity, major developments summary, approved vs. actual development spend, longer-term pipeline and sales review, Health and Safety		■	■	■		■
Finance Director's Report including forecasts, finance initiatives and tenant watch list		■	■	■		■
Subjects reviewed						
Strategic review and setting of Business Plan				■	■	
Review of market conditions dashboard, operational parameters, implementation of Business Plan and forecasts	■	■	■	■	■	■
Board property tour		■				
Review of half year or annual results, going concern, dividend policy and analyst presentation			■			■
Review of AGM Trading Statement	■					
Formal review of risk management and internal controls			■			■
Ongoing monitoring of risks	■	■	■	■	■	■
Feedback from shareholders and analysts	■	■	■	■	■	■
Reports from Board Committees	■	■	■	■	■	■
Board evaluation				■		
Corporate governance matters including Board evaluation, authority levels, Terms of Reference, UK Corporate Governance Code compliance					■	
Annual Health and Safety and Sustainability Reports including approval of the Company's Health and Safety and Environmental policies					■	
Annual Corporate Responsibility Report including approval of the Company's Ethics and Whistleblowing policies and sustainability objectives and targets					■	
Conflicts of interest	■	■	■	■	■	■

Keeping the Board informed in 2014/15

Since 1 April 2014, the Board has received a number of presentations from external speakers on the market and from senior managers at GPE on their areas of focus.

April 2014

Economic overview and business implications

EY

Property market and outlook

savills

May 2014

Audit Committee met with the valuers

CBRE

Marc Wilder, Head of Leasing

– Evolution of central London occupier demand

July 2014

London residential market update

savills

Audit Committee met with the valuers

CBRE

Other ad hoc matters for consideration by the Board at both scheduled and unscheduled Board meetings in addition to the above may include:

- major potential acquisitions and disposals;
- significant leasing arrangements;
- approval of major developments;
- significant financing arrangements;
- Board and senior management appointments; and
- appointment of principal advisers.

Major transactions approved by the Board in the year can be found on pages 76 and 77.

Where directors are unable to attend meetings, the directors receive all relevant papers in advance and their comments, as appropriate, are provided to the Board or Committee Chairman prior to the meeting.

At least once a year, the Board reviews the nature and scale of matters reserved for its decision. Following changes to the Group's Treasury policy in April 2015, the schedule of matters reserved for decision was amended to include the amending or cancelling of any loans and derivatives. The Chairman and the other Non-Executives meet regularly without the Executive Directors, and at least once a year the Non-Executives meet without the Chairman. In addition, individual directors meet regularly outside the formal Board meetings as part of each director's contribution to the delivery of the Company's strategy and review of operations.

The Executive Directors meet weekly as the Executive Committee, chaired by the Chief Executive, to deal with the ongoing management of the Group with copies of the minutes of these meetings being distributed to the Chairman and Non-Executive Directors.

To enable the Board to discharge its duties, all directors receive appropriate and timely information, including briefing papers distributed in advance of Board meetings and regular property tours which this year comprised a tour of Walmar House, W1 following practical completion and a tour of the Rathbone Square, W1 residential marketing suite. All directors have access to the advice and services of the Company Secretary, who is responsible to the Chairman on matters of corporate governance.

"Presentations from our GPE senior managers help provide the Non-Executive Directors with an update on key areas of the business and serve to highlight the breadth of the team."

Elizabeth Holden Non-Executive Director

September 2014

Andrew White, Head of Development and **James Pellatt**, Head of Projects

- Progress on developments, risks and mitigations

Mashood Ashraf, Project Manager and **Rebecca Williams,** Marketing Manager

- Tour of Walmar House and Rathbone Square residential marketing suite

GREAT PORTLAND ESTATES

November 2014

Audit Committee met with the valuers

CBRE

Stephen Burrows, Head of Financial Reporting and Investor Relations

- IR update

GREAT PORTLAND ESTATES

January 2015

Audit Committee met with the valuers

CBRE

Ben Chambers, Investment Director

- Central London market update

March 2015

Governance update to the Audit Committee

Deloitte.

April 2015

Economic overview, London property market outlook and investment study

Deloitte.

May 2015

Audit Committee met with valuers

CBRE

Corporate governance

Committees of the Board

The Board has Audit, Remuneration and Nomination Committees which deal with specific aspects of the Group's affairs, each of which has written terms of reference which are reviewed annually by the Board. Copies of these terms of reference are available on written request and on the Company's website at **www.gpe.co.uk/investors/governance**

The Chairman of each Committee reports the outcome of the meetings to the Board. Details of Committee memberships are included in the directors' biographies on pages 50 and 51.

Board induction and development

On appointment, Non-Executive Directors, who are expected to provide a time commitment to the Company of at least 24 days a year, are provided with a detailed induction programme. This covers the Company's operations, including social, ethical and environmental matters, the Group's principal risks and internal controls in place to manage those risks, meetings with Senior management and tours of the Group's main properties.

The directors may, at the Company's expense, take independent professional advice and are encouraged to continually update their professional skills and knowledge of the business. Senior managers and external advisers present to the Board during the year on a range of subjects and the directors also individually attend seminars or conferences associated with their expertise or responsibility and each quarter are provided with a list of relevant upcoming seminars provided by various professional firms. The level and nature of training by the directors is reviewed by the Chairman at least annually.

As summarised in last year's Annual Report, Charles Philipps undertook a detailed induction programme starting ahead of his formally joining the Board on 1 April 2014 including attending the GPE Investor Conference held at Oxford House in February 2014, meeting with each of the directors and the Company Secretary, going through the 2013 and 2014 Strategy Review with Toby Courtauld in advance of the 2014 Annual Strategic Review in April 2014, meeting with the Investment Director, Heads of Investment Management, Asset Management, Leasing, Development, Project Management, Financial Reporting and Investor Relations and Corporate Finance either as part of tours of the portfolio or in separate meetings, meeting with the auditors to gain an insight into Deloitte's relationship with the team and key accounting matters, meeting with the valuers to understand CBRE's valuation process. Since then, Charles has been provided with details of and attended an external property seminar and in common with the other Non-Executive Directors has continued to meet with Executive Directors outside of the Board meetings.

Our Conflicts of interest procedures

The Company's Articles of Association allow the Board to authorise potential conflicts of interest that may arise and to impose such limits or conditions as it thinks fit. The Company has established a procedure whereby actual and potential conflicts of interest of current and proposed roles to be undertaken by the directors with other organisations are regularly reviewed in respect of both the nature of those roles and their time commitment, and for proper authorisation to be sought. A director who has a conflict of interest is not counted in the quorum or entitled to vote when the Board considers the matter in which the director has an interest. The Board considers these procedures to be working effectively.

Internal controls and ongoing risk management

The Board recognises that it is responsible for maintaining and monitoring the Group's system of internal control and for reviewing its effectiveness, at least annually.

Such a system can only provide reasonable, and not absolute, assurance against material misstatement or loss, as it is designed to manage rather than eliminate the risk of failure to achieve business objectives.

There are ongoing processes and procedures for identifying, evaluating and managing the principal risks faced by the Group; these processes and procedures were in place throughout the year under review and up to the date of the approval of the Annual Report, and accord with the Financial Reporting Council's guidance 'Internal Control – Revised Guidance for Directors on the Combined Code'.

Key features of the system of internal control include:

- a comprehensive system of financial reporting and business planning;
- a defined schedule of matters for decision by the Board;
- an organisational structure with clearly defined levels of authority and division of responsibilities;
- formal documentation procedures;
- the close involvement of the Executive Directors in all aspects of day-to-day operations, including regular meetings with Senior management to review all operational aspects of the business and risk management systems;
- the Board reviewing Group strategy and progress on developments at each scheduled Board meeting; and
- formal sign-off on the Group's Ethics and Whistleblowing policies by all employees annually.

Twice a year, the Audit Committee carries out a review of the framework of how the Group's risks are managed through operational management procedures/authorisations, ongoing review by the Executive Committee, and ongoing Board review and oversight of key controls. The Committee formally considers the scope and effectiveness of the Group's system of internal control and reports to the Board. This involves the identification of risks specific to the areas of property and financial markets which impact on the Group's objectives, together with the controls and reporting procedures designed to minimise those risks, which are reviewed, formalised and updated throughout the year, as appropriate. These include business risks, financial controls, social, ethical and environmental issues and policy, and the regulatory environment. Review is also carried out as to how the controls and reporting procedures have operated during the year. Key risks to the business, how these have changed during the year and the processes in place by which the Company aims to manage those risks are described in more detail on pages 64 to 73.

Fair, balanced and understandable – a matter for the whole Board

The Directors' statement on fair, balanced and understandable is made on page 121. As part of its considerations as to whether the 2015 Annual Report and financial statements are fair, balanced and understandable, and provide information necessary for shareholders to assess the Company's position, performance, business model and strategy, the Board takes into account the following:

- the Chairman and Chief Executive provide input to and agree on the overall messages and tone of the Annual Report at an early stage;
- individual sections of the Annual Report and financial statements are drafted by appropriate Senior management with regular review meetings to ensure consistency of the whole document;
- detailed reviews of appropriate draft sections of the Annual Report and financial statements are undertaken by the Executive Directors;
- a final draft is reviewed by the Audit Committee and the auditors on a timely basis to allow sufficient consideration and is discussed with the Finance Director and Senior management prior to consideration by the Board; and
- the Finance Director, in his May Board paper, includes a checklist of areas that the Board should take into consideration in considering the fairness, consistency and balance of the final draft of the Annual Report and financial statements, including whether the Board considers that there are any omissions in information.

Relations with investors

Communication with investors is given a high priority and the Company undertakes a regular dialogue with major shareholders and potential shareholders, debt providers and analysts through a comprehensive investor relations programme. The Executive Directors and the Head of Financial Reporting & Investor Relations are the Company's principal representatives with investors, analysts, fund managers, press and other interested parties, and independent feedback on presentations by the Executive Directors to major shareholders and analysts is provided to the Non-Executive Directors on a regular basis.

The investor relations programme is executed through a variety of routes and across a number of geographies, including roadshow meetings, meetings at industry conferences, property tours (both with individual investors and also as group tours) and communication with analysts and investment banks' equity sales teams.

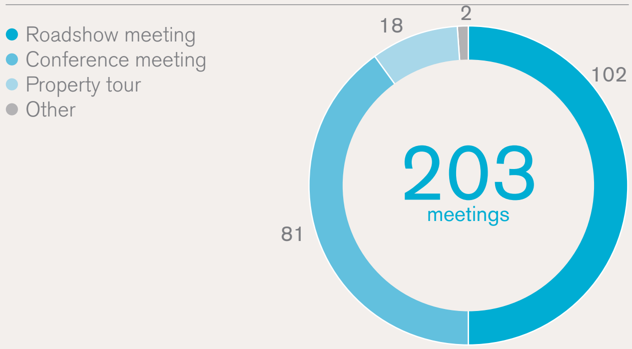
During the year, the Executive Directors and Senior management had 203 formal meetings with shareholders and potential shareholders as detailed below.

For more information on our direct and indirect engagement with investors on sustainability, see pages 55, 60 and 61

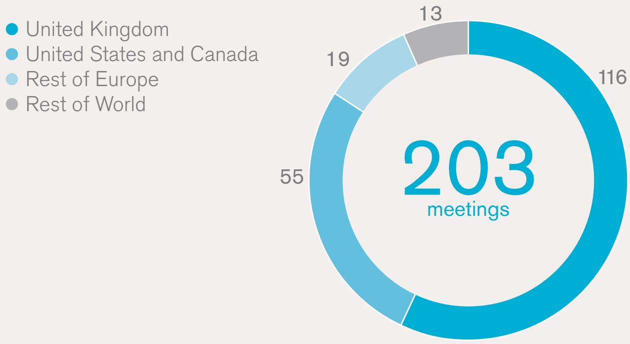
The Executive Directors and corporate finance team also have regular dialogue with our debt providers, including relationship banks, private placement investors, debenture holders and convertible bond holders. Martin Scicluna, as Chairman, also meets with major shareholders, as appropriate, during the course of the year.

Presentations to analysts are posted on the Company's website at **www.gpe.co.uk/investors/presentations**

Investor contact by method



Investor contact by location



Relations with investors – Activity calendar

May 2014

- **Investor roadshow:** London
- Equity sales force meetings x2

June 2014

- **Investor roadshows:** Amsterdam/US/Canada
- **Conferences:** Kempen (Amsterdam), Morgan Stanley (London)
- Equity sales force meetings x2

July 2014

- Equity sales force meetings x2
- Annual General Meeting

September 2014

- **Investor roadshow:** Paris
- **Conferences:** Bank of America Merrill Lynch (New York), Goldman Sachs (London), EPRA (London), Societe Generale (London)
- Sell side analyst property tour

Both the Chairman and Senior Independent Director, Martin Scicluna and Jonathan Nicholls respectively are each available, as appropriate, as a contact for shareholders.

See details of our significant shareholders on page 118

The Annual General Meeting provides the Board with an opportunity to communicate with, and answer questions from, private and institutional shareholders and the whole Board is available before the meeting, in particular, for shareholders to meet new directors.

The Chairman of each of the Audit, Nomination and Remuneration Committees is available at the Annual General Meeting to answer questions. Details of the resolutions to be proposed at the Annual General Meeting on 8 July 2015 can be found in the Notice of Meeting on pages 164 and 165. After the Annual General Meeting, the Company's Registrars will count and verify the poll votes. The results will be announced to the London Stock Exchange and will be published on our website at **www.gpe.co.uk/investors/shareholder-information/agm**

Our awards

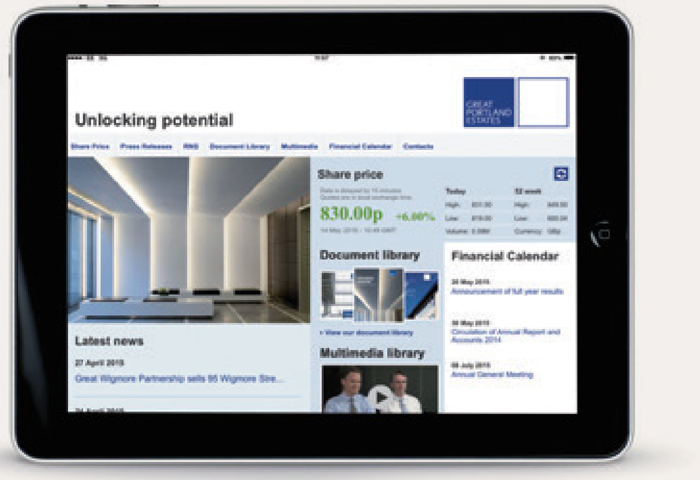
GREAT PORTLAND ESTATES plc
BEST INVESTOR COMMUNICATION AWARD
PLC AWARDS 2014

IR magazine AWARDS EUROPE 2014 NOMINEE
Best Overall European IR

Building Public Trust Awards 2014
Highly commended
'Excellence in Reporting' in the FTSE 250

See details of our IR and other awards on page 78

Stay up to date – download our Investor Relations App at: **www.gpe.co.uk/investors**



"We are delighted that the effort put into our Annual Report, investor relations programme and IR app have been recognised by a number of awards."

Stephen Burrows Head of Financial Reporting and Investor Relations

November 2014
- **Investor roadshows:** London/US
- **Conferences:** BNP Paribas (London), JP Morgan Cazenove (London)
- Equity sales force meetings x3

December 2014
- **Investor roadshow:** Scotland
- **Conferences:** UBS (London), Peel Hunt (London)

January 2015
- **Conferences:** JP Morgan Cazenove (London)
- Equity sales force meetings x2

February 2015
- **Investor roadshows:** Asia/Amsterdam
- Equity sales force meetings x1

March 2015
- **Conferences:** Citigroup (US), Bank of America Merrill Lynch (London)
- Equity sales force meetings x3

Audit Committee

Jonathan Nicholls Chairman of Audit Committee

Dear fellow shareholder

Welcome to the Report of the Audit Committee.

The Audit Committee reviews and reports to the Board on the Group's financial reporting, internal control and risk management systems and the independence and effectiveness of the auditors.

Audit Committee and advisers

During the year, the Audit Committee comprised Charles Irby until his retirement at the 2014 Annual General Meeting, Charles Philipps from 1 July 2014, Jonathan Short, Elizabeth Holden and myself. The Audit Committee provides a forum for reporting and discussion with the Group's external auditors in respect of the Group's half year and year-end results and meetings are also attended by the valuers, certain Executive Directors and senior managers by invitation. Martin Scicluna, as Chairman, also attends the Committee meetings in connection with the half year and year-end results.

The Committee meets regularly during the year, in alignment with the financial reporting timetable.

Accounting and key areas of judgement

A key factor in the integrity of financial statements is ensuring that suitable accounting policies are adopted and applied consistently on a year on year basis.

The Audit Committee uses the Audit Planning meetings in September and March each year to consider proposed accounting treatments for major transactions, significant reporting judgements and key assumptions related to those judgements in advance of the half year and year-end results.

What we did in 2014/15

July 2014

Review of Interim Management Statement

- Meeting with the valuers
- Review of:
  - June 2014 valuation
  - Interim Management Statement announcement

September 2014

Annual planning meeting

- Meeting with the auditors
- Review of:
  - effectiveness and independence of the auditors – see pages 88 and 89
  - 2014 sustainability management letter
  - the Development Appraisal process
  - significant accounting, reporting and judgement matters – see page 87
  - 2015 Audit Plan
  - changes in legislation in relation to audit retendering and non-audit fees

November 2014

Review of half year results

- Meeting with the valuers
- Review of:
  - PwC's controls review
  - Meeting with the auditors
- Review of:
  - September 2014 valuation
  - significant accounting, reporting and judgement matters, including going concern – see page 87
  - principal risks, monitoring of internal controls and risk management processes
  - half year result announcement
- Meeting with PwC to discuss financial related controls review

Significant matter	Action taken
Valuation of the Group's portfolio	As the valuation of the Group's portfolio is fundamental to the Group's balance sheet, the Audit Committee, together with Martin Scicluna, meets with the valuers along with the auditors to discuss the valuation included within the half year and year-end financial statements. This includes the valuation process undertaken, changes in market conditions and recent transactions in the market and how these have impacted upon GPE's valuation, valuation movements on individual buildings and the valuers' expectations in relation to future rental growth and yield movement. The external auditors, Deloitte, meet with the valuers separately from the Audit Committee, using real estate specialists where appropriate, and provide the Audit Committee with a summary of their review as part of their report on the half year and year-end results. In addition, the Audit Committee also meets with the valuers to discuss the valuation included in the interim management statements. For details of the Group's properties and related accounting policies see notes 1, 10 and 11.
Acquisitions, disposals and revenue recognition	Acquisitions, disposals and revenue recognition from significant lease transactions or development management agreements are considered to the extent that there are any unusual terms and conditions or judgements made in relation to timing. In the year ended 31 March 2015, the Committee in conjunction with Deloitte reviewed and challenged management's accounting proposals in relation to: – the sale of the residential apartments at Rathbone Square, W1 where the disposals will be recognised when the apartment sales complete – see note 11; and – the recognition of £1.7 million of construction profits subsequent to the sale of 12/14 New Fetter Lane, EC4 within development management profit. The Audit Committee concurred with the accounting treatment of these matters.
REIT status	The Audit Committee reviews current year and forecast compliance with the REIT tests every six months.
Going concern	Although going concern is a matter for the whole Board, see page 118, a review is made by the Audit Committee of the Group's headroom under its covenants and undrawn facilities in relation to the Group's financial forecasts and sensitivity analyses.

January 2015

Review of Interim Management Statement

– Meeting with the valuers
– Review of:
  - December 2014 valuation
  - Interim Management Statement announcement
– Approval of:
  - Deloitte undertaking an econometric analysis of central London and adjoining boroughs for use in the 2015 Strategy Review
  - Deloitte Real Estate undertaking rights of light and party wall work at 73/89 Oxford Street, W1

March 2015

Year-end planning update

– Meeting with the auditors
– Review of:
  - significant accounting, reporting and judgement matters – see above
  - developments in corporate governance and reporting requirements and proposed disclosure in the 2015 Annual Report in relation to the UK Corporate Governance Code
  - Audit Plan update
  - non-audit fees
  - areas of potential fraud for personal gain and mitigating controls in place
  - Ethics policy and Whistleblowing policy – see page 44
– Agreement of 2015 audit fee

May 2015

Review of year-end results

– Meeting with the valuers
– Meeting with the auditors
– Review of:
  - March 2015 valuation – see pages 28 and 29
  - significant accounting, reporting and judgement matters including going concern– see above
  - Group tax matters with the Head of Corporate Finance
  - principal risks, monitoring of internal controls and risk management processes – see pages 64 to 73
  - the potential need for internal audit
  - Annual Report/Results Announcement
  - the Committee's effectiveness
  - relationship between the auditors and GPE management
  - reappointment of the auditors

Management confirmed to the Audit Committee that they were not aware of any misstatements, either material or immaterial, made to achieve a particular presentation.

After reviewing the reports from management and consulting where necessary with the auditors and valuers, the Audit Committee is satisfied that the financial statements appropriately address the critical judgements and key estimates, both in respect of the amounts reported and the disclosures. The Committee is also satisfied that the processes used for determining the value of the assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust.

Fair, balanced and understandable

Whether the 2015 Annual Report and financial statements are fair, balanced and understandable is considered to be a matter for the whole Board and the Audit Committee's role is covered on page 83.

Internal controls and risk management

The Audit Committee's role in reviewing principal risks, internal controls and risk management processes is covered on pages 64 and 65.

Internal audit

Due to its size and structure, the Group does not have an internal audit function, a matter which is kept under review by the Committee. Although there is no formal internal audit function, a rolling programme of review of key controls is conducted through a combination of the external audit process or through reviews by members of the finance team and/or external advisers as appropriate.

PwC reviewed the Group's internal controls in 2014. It reported that there had been a relatively low level of findings compared to companies of a similar size and that actions had been taken by management to address all recommendations of how controls could be improved.

As a result of a separate internal review of areas of potential fraud for personal gain and mitigating controls, no incidents of fraud were identified and a small number of 'internal audit' procedures have been introduced to provide ongoing review of compliance with internal policies and procedures on a test basis.

The external audit, review of its effectiveness, non-audit services and auditor reappointment

The Audit Committee advises the Board on the appointment of the external auditors, their remuneration for audit and non-audit work agreed by the Audit Committee, and their effectiveness, independence and objectivity, and discusses the nature, scope and results of the audit with the external auditors. As part of the review of the effectiveness of the external audit process, a formal evaluation process incorporating views from the Audit Committee and relevant members of management is considered by the Audit Committee and feedback is provided to the auditors. Areas covered by this review include:

- the calibre of the external audit firm – including reputation, coverage and industry presence;
- quality controls – including review processes, partner oversight, reports from the Audit Quality Review Team and regulators, and use of specialists;
- the audit team – covering quality of individuals, knowledge, resources, partner involvement, team rotation, the audit scope including planning and execution, scope adequacy and specialist areas;
- audit fee – reasonableness and scope changes;
- audit communications and effectiveness – planning, new developments/regulations, approach to critical accounting policies, issues and risks, quality of processes, timely resolution of issues, freedom of communication with the Audit Committee and feedback on management performance;
- governance and independence – internal governance arrangements, lines of communication with the Audit Committee, integrity of the audit team, Audit Committee confidence in the audit team and transparency;
- ethical standards – including conflicts of interest, non-audit work and partner rotation; and
- potential impairment of independence by non-audit fee income.

The Committee also considers the effectiveness of management in the external audit process in respect of the timely identification and resolution of areas of accounting judgement with input from the auditors and the Audit Committee as appropriate; and the timely provision of the draft half year results announcement and Annual Report and Accounts for review by the auditors and the Committee.

In addition to the review of the formal management letter from the auditors which outlines how points raised by the auditors have been addressed by management, feedback is sought from the auditors on the conduct of members of the finance team during the audit process.

In addition, I meet with the lead audit partner outside the formal Committee process during the year on a regular basis.

The auditors are responsible for the annual statutory audit and other services which the Audit Committee believe they are best placed to undertake due to their position as auditors under the Group's policy in respect of non-audit services permitted to be provided by the external auditor. The purpose of this policy (available from the Company's website at **www.gpe.co.uk/investors/governance**) is to ensure auditor independence and objectivity is maintained. Under the policy, prior approval is required by the Audit Committee for any non-statutory assignments over £50,000, or where such an assignment would take the cumulative total of non-audit fees paid to the external auditors over 50% of that year's audit fees. Deloitte Real Estate on occasions provides the Group and the Group's joint ventures with advice on rights of light, party walls and other items involving adjoining owners or third parties ('neighbourly matters'). Fees paid to Deloitte Real Estate by both the Group and the joint ventures are, therefore, also monitored by the Audit Committee. In addition, from November 2014, the appointment of Deloitte to undertake any non-audit services now requires the prior approval of the Finance Director.

During the year, activities undertaken by the auditors for the Group outside of the main audit included:

- reporting on the income cover in connection with the debenture trust deed compliance certificate;
- advice on the tax legislation on property transactions;
- advice on the tax treatment of the £150 million Convertible Bond;
- neighbourly matters undertaken by Deloitte Real Estate at 73/89 Oxford Street, W1;
- an econometric analysis of growth prospects for central London and adjoining boroughs;
- assurance on achievement against 2014/15 sustainability objectives and targets and energy consumption data; and
- ad hoc accounting advice.

Payments made by the Group for audit and non-audit fees for the year are disclosed on page 132. In addition, audit and non-audit fees paid to Deloitte LLP in respect of joint ventures totalled £38,500 (GPE share) (2014: £34,000) and £nil (2014: £nil) respectively. The three-year average of non-audit fees as a percentage of audit fees to the year ended 31 March 2015 as set out below is 43%.

	2015 £000's	2014 £000's	2013 £000's
Audit fees including related audit assurance services including fees for joint ventures managed by GPE (GPE share)	**282**	281	234
Non-audit fees including fees for joint ventures managed by GPE (GPE share)	**127**	117	102
Ratio of non-audit fees to audit fees	**45%**	42%	44%

In addition to ensuring compliance with the Group's policy in respect of non-audit services provided by the external auditor, the Audit Committee also receives confirmation from Deloitte LLP that it remains independent and has maintained internal safeguards to ensure its objectivity.

Following a tender process, Deloitte LLP has been the Group's auditor since 2003. It is a requirement that the audit partner responsible for the Group and subsidiary audits is rotated every five years and a new lead audit partner took responsibility for the audit in June 2013. Under the Company's current interpretation of the transitional arrangements for mandatory audit rotation, the Company will be required to rotate the audit for the financial year ended 2024. Notwithstanding these requirements, in the best interests of shareholders, the Committee will continue to consider the tender of the audit annually depending on the auditor's performance.

Having undertaken its review, in the opinion of the Audit Committee, the relationship with the auditors works well and the Committee remains satisfied with their independence and effectiveness. The Committee has, therefore, recommended to the Board that Deloitte be reappointed as auditor at the 2015 Annual General Meeting. There are no contractual obligations restricting the Company's choice of external auditor.

Jonathan Nicholls
Chairman of the Audit Committee
20 May 2015

Nomination Committee

Martin Scicluna Chairman of the Nomination Committee

Dear fellow shareholder

Welcome to the Report of the Nomination Committee. Each year the Nomination Committee undertakes a review of the Group's succession plans and ensures that the membership and composition of the Board, including the balance of the skills, continue to be appropriate. Charles Philipps was appointed to the Board on 1 April 2014 and the process leading to his appointment was described in last year's Annual Report. This year our main focus has been on evolving our succession planning and challenging how we as a Board can do things better.

Nomination Committee members

During the year, the Nomination Committee membership was broadened to include all of the Non-Executive Directors comprised of myself, Jonathan Nicholls, Jonathan Short, Elizabeth Holden and Charles Irby until his retirement at the 2014 Annual General Meeting, with Charles Philipps joining the Committee from 1 July 2014. In making any Board appointments, the Nomination Committee also consults with the Chief Executive and other members of the Board as appropriate.

Ensuring the directors' commitment and independence to their roles

In making recommendations to the Board on Non-Executive Director appointments, the Nomination Committee specifically considers the expected time commitment of the proposed Non-Executive and other commitments they already have. Agreement of the Board is also required before a director may accept any additional commitments to ensure possible conflicts of interest are identified and that they will continue to have sufficient time available to devote to the Company. Any other conflicts of interest are also considered at each Board meeting.

What we did in 2014/15

May 2014

Review of:

- succession and development plans for the Executive Directors and key senior managers and managers with the Chief Executive
- presentations from Senior Managers to the Board through the year agreed

September 2014

Review of:

- the proposed 2014/15 Board evaluation process
- Board agendas, papers and timing of meetings
- development plans for the Executive Directors and key senior managers

January 2015

At the Board meeting, consideration of:

- Board diversity policy
- succession planning

Non-Executive Directors are not appointed for specified terms, but following the UK Corporate Governance Code are subject to annual re-election and all proposed re-elections to the Board are formally considered by the Nomination Committee in respect of each individual's continued effectiveness and commitment to the role, with those directors who will have served more than six years on the Board being subject to particular focus.

As part of the Board evaluation process, Jonathan Nicholls, as Senior Independent Director, led a review of all the directors with specific consideration of the fact that Jonathan Short and myself will have served on the Board for eight and six years respectively by the time of the 2015 Annual General Meeting. Feedback was provided to the Board as a whole at the January 2015 Board Meeting. After the January Board meeting, Jonathan Nicholls also met with the Board collectively to consider my performance. Following this Board evaluation, the Nomination Committee is confident that each director continues to remain committed to their role, exercising independent judgement and challenge as required.

Succession planning

Succession planning and personal development requirements for key Executives and Senior Managers across the team are kept under regular review by the Committee with the Chief Executive and are discussed by the whole Board as part of the Strategy Review.

The Committee appreciates that there are not necessarily obvious successors for every senior role in a relatively flat management structure but that individuals' development within their roles is key. To this end, from this year it is proposed that our Head of Human Resources will report at the September Board meeting each year on learning and development across the Group and, in particular, in relation to our Heads of Department.

Our approach to diversity

The Board's policy remains that selection should be based on the best person for the role. Whilst the Nomination Committee has continued to choose not to set specific representation targets for women at Board level, this year we amended our policy to emphasise that on recruitment, we expect our search consultants to ensure, where possible, at least 30% of potential candidates identified are women. Furthermore, our Executive Committee has mirrored this policy for all recruitment below Board level. The benefits of diversity, including gender diversity, will continue to be an active consideration whenever changes to the Board's composition are contemplated.

Martin Scicluna
Chairman of the Nomination Committee
20 May 2015

Governance

March 2015

Review of:

- the Board evaluation feedback
- training undertaken by the Board in 2014/15
- reappointments to the Board to be proposed at the 2015 Annual General Meeting
- Committee memberships
- succession planning

April 2015

At the Board meeting, review of:

- succession and development plans for the Executive Directors and key senior managers and managers as part of the Strategy Review

Directors' remuneration report

Remuneration Committee

Jonathan Short Chairman of the Remuneration Committee

Dear fellow shareholder

On behalf of the Board, in my first year as Chairman of the Remuneration Committee, I am pleased to present the Remuneration Committee's report of the Directors' remuneration for the year ended 31 March 2015 for which we will be seeking approval at the Annual General Meeting on 8 July 2015.

Our Remuneration Policy was approved at our 2014 AGM – The Policy has been reproduced for reference on pages 108 to 116. No changes to the Policy are proposed for the coming year.

Further details on the votes received on our Remuneration Policy and the 2014 Directors' remuneration report are provided on page 107.

Our overarching remuneration policy principles

The Executive Directors' total pay is analysed by looking across each of the different elements of remuneration including salary, pension, the annual bonus plan and long-term incentives to provide the Remuneration Committee (the Committee) with a view of total remuneration rather than just the competitiveness of the individual elements. It is important that the Group's remuneration policy reinforces the Company's goals, providing effective incentives for exceptional Group and individual performance. As well as providing motivation to perform, remuneration plays an important retention role and needs to be competitive with alternative employment opportunities, in particular at a time in the central London property cycle where demands on the Executive Directors and employees are high and there is a scarcity value on proven performers particularly with strong development and/or leasing capabilities.

How we structure our remuneration to meet our principles

To achieve the aims of the Company's remuneration policy, the Committee seeks to position fixed remuneration, including benefits and pension, around mid-market and total executive remuneration around mid-market for on-target performance taking into account the size and complexity of the business as compared to other peer companies in the sector, and, using a significant proportion of variable reward, to increase total potential remuneration for superior performance through the annual bonus plan and long-term incentives.

What we have done during 2014/15

Following the 2014 Board evaluation, it was agreed that we should review the Remuneration Committee's objectives and operation to try to improve its effectiveness. To this end, we have reduced the number of Remuneration Committee meetings and have worked with our newly appointed advisers, FIT Remuneration Consultants ('Fit Rem'), to better focus our efforts.

June 2014

Review of:
- the 2011 LTIP and SMP performance and vesting of awards – see page 100

July 2014

Review of:
- the vesting of Nick Sanderson's 2011 LTIP performance and vesting of award – see page 100

September 2014

Noting of:
- the appointment of Fit Rem as remuneration consultants at the September 2014 Board meeting

December 2014

Market update and implications to GPE provided by Fit Rem.
Review of:
- 2014 LTIP and SMP awards made
- Fit Rem's benchmarking approach

Approval of purchase of shares for the LTIP Trust

How we link our remuneration policy to performance

Our strategy

The Group's strategy continues to be to generate superior portfolio and shareholder returns from investing in and improving central London real estate. We aim to achieve this through our intense, customer-focused approach to managing our properties combined with an effective reading of the property cycle, across a market that we know intimately.

Our strategic priorities for the year ended 31 March 2015 were:

- Crystallising profits through recycling;
- Delivery of our development programme; and
- Driving our rental growth.

To achieve these strategic priorities, every building has a detailed business plan, defining the angles that we seek to exploit in order to create value.

How we measure our achievement

As outlined on pages 20 and 21, we measure our absolute and relative performance using a small number of key strategic performance indicators:

- Relative Total Property Return (TPR);
- Relative Total Shareholder Return (TSR); and
- Absolute net asset per share growth (NAV growth).

Over the medium term we aim to outperform our benchmarks.

The Great Portland Estates 2010 Long-Term Incentive Plan (the 2010 Plan) performance measures

The 2010 Plan uses all of our key strategic performance indicators to measure the Group's performance being TPR, TSR and NAV growth.

Annual Bonus Plan measures

The Group's annual bonus plan for the Executive Directors uses financial targets based on the capital growth element of TPR and NAV growth, whilst the Group's annual bonus plan for employees uses a financial target based on TPR.

The achievement of our strategic priorities as outlined on pages 10 and 11 has resulted in another year of strong performance with NAV per share growth of 24.6% and TPR of 21.5%. However, the Group's TPR was lower than that of the IPD central London benchmark given our lower relative income return due to the scale of our development activities and the greater rate of capital growth this year for secondary properties compared to our more prime portfolio.

The resulting payout under both our Annual Bonus Plan and three year LTIP and SMP awards are summarised on page 95.

Following a review by the Remuneration Committee of the effectiveness of the Group's incentive plans, we are pleased with the Group's performance and believe that the incentives continue to provide a strong alignment between shareholders and the Executive and wider management team. However, as detailed later, we are proposing to change the financial targets for the Employee annual bonus plan such that they mirror those of the Executive Directors' annual bonus plan.

January 2015

Review of:
- shares purchased for the LTIP Trust
- the vesting of Nick Sanderson's 2011 SMP performance and vesting of award – see page 100

Approval of purchase of further shares for the LTIP Trust

April 2015

Review of:
- the effectiveness of the Committee through the Board evaluation process
- proposed salary increases across the Group
- year-end appraisals of Executive Directors, Investment Director and Company Secretary and their objectives and targets set for forthcoming year
- Senior Manager bonuses
- Senior Manager salary, bonus and long-term incentive levels for forthcoming year

April 2015

Approval of:
- Executive Director, Investment Director and Company Secretary discretionary bonuses
- Executive Director, Investment Director and Company Secretary salary, bonus and long-term incentive levels for the year ending 31 March 2016
- 2015 Performance and Matching share awards
- the basis for the Executive Director corporate NAV target
- the change in the Employee Bonus Plan corporate measure to the Executive Bonus Plan corporate measures
- the increase in SIP awards in line with revised HMRC limits

May 2015

Review and approval of:
- performance against Executive Director 2015 corporate bonus plan targets
- Chairman's fees for 2015/16
- 2015 remuneration report

Our remuneration arrangements for the year ending 31 March 2016

Proposed salary increases

The base salary increase for employees will be 3% for the year ending 31 March 2016. Base salary increases of more than 3% were given to some employees due to market alignment and/or a number of increases in individual responsibilities, such that the average increase will be 4.6% for the year to 31 March 2016. The Committee, having reviewed mid-market levels in the FTSE 350 Real Estate index, propose to increase the Executive Directors' salary by 3% in line with employees.

Variable awards – no change to structure

During the year, the Committee has conducted a review of the effectiveness of the current incentive plans and the linkage to business strategy. Overall the Committee considered that the incentives have provided strong alignment between shareholders and the Executive team and, therefore, no change is proposed to the structure of the Group's variable awards for the year ended 31 March 2016 as set out in the Directors' remuneration policy on pages 108 to 111 approved by shareholders at the 2014 AGM.

Variable awards – changes to corporate measures

Employee Annual Bonus corporate measure

To simplify performance measurement under the Employee and Executive Annual Bonus Plans and align reward for employees' performance with the Executive Directors, it is proposed for the year ending 31 March 2016 to change the Employee Annual Bonus corporate measure to that used under the Executive Bonus Plan. As a result, 37.5% of the Employee Annual Bonus corporate measure will be NAV growth vs target with a positive NAV underpin and 62.5% of the Employee Annual Bonus corporate measure will be the Group's property portfolio capital growth vs. the IPD Central London Capital Growth Index.

Increase in Share Incentive Plan ('SIP')

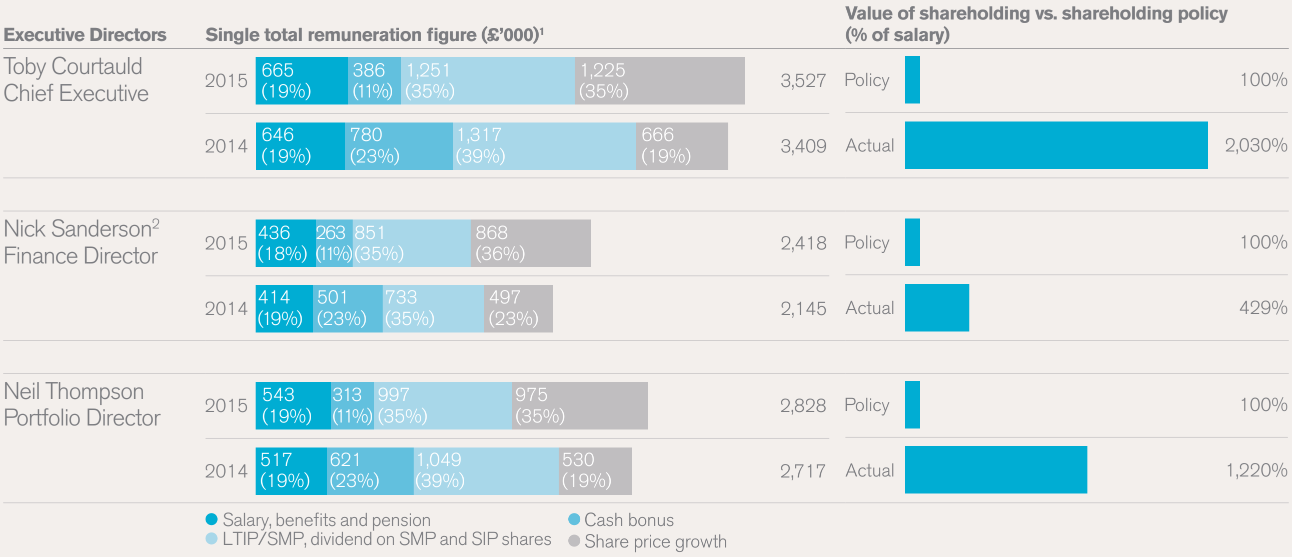
To encourage employee share ownership, from 1 June 2015, we will increase the level of Partnership Shares employees may purchase in the Company SIP from £1,500 p.a. to £1,800 p.a. in line with HMRC limits. The shares are matched by the Company on a two for one basis.

A more detailed summary of the implementation of the remuneration policy for the year ending 31 March 2016, which is subject to an advisory shareholder vote at the 2015 AGM, is provided on pages 96 to 107.

Jonathan Short
Chairman of the Remuneration Committee
20 May 2015

2014/15 Executive Directors' remuneration – at a glance

Please find below a summary of our remuneration and performance outcomes for the year ended 31 March 2015.



1. These figures contain estimates, see pages 98 and 99.
2. For Nick Sanderson's 2011 LTIP award due to vest in January 2015, it was considered that the TSR element performance period was not sufficiently complete to be reliably estimated. This TSR element has, therefore, been included in 2015. See pages 99 and 100.

Total remuneration

Executive Directors	Salary £000	Benefits £000	Annual bonus £000	LTIP/SMP[1] £000	Pension £000	SIP £000	Total £000
Toby Courtauld	536	22	386	2,473	107	3	3,527
Nick Sanderson	351	15	263	1,716	70	3	2,418
Neil Thompson	435	21	313	1,969	87	3	2,828
Total	**1,322**	**58**	**962**	**6,158**	**264**	**9**	**8,773**

1. These figures contain estimates. See pages 98 and 99.

For more details see pages 98 to 100 of the Annual report on remuneration.

Annual Bonus Plan

Bonus Plan Performance measures	Maximum % of salary	Threshold Target	Actual	% of maximum achieved
IPD Capital Growth Index outperformance	75%	CGI+0%	CGI–1.5%	0%
NAV growth	45%	54.9p	140p	100%
Operational excellence	30%	See page 102	See page 103	Toby Courtauld – 90% Nick Sanderson – 100% Neil Thompson – 90%

For more details see pages 102 and 103 of the Annual report on remuneration.

2012 LTIP and SMP Awards – vesting in June 2015 (included in the year ended 31 March 2015 single figure)

LTIP/SMP measure	Target	Actual	% of maximum achieved
TSR to vesting in June 2015	Median to upper quartile	Estimated as at 31 March 2015	100%
NAV – three years to 31 March 2015	RPI plus 3%-9% p.a.	RPI plus 19%	100%
TPR – three years to 31 March 2015	Median to upper quartile	57th percentile	41.8%

For more details see pages 99 and 100 of the Annual report on remuneration.

Annual Report on remuneration

Statement of implementation of remuneration policy for the year ending to 31 March 2016

Executive Directors

The remuneration policy and its implementation for the forthcoming financial year is summarised below:

Salary

On 1 April 2015, the Executive Directors received increases in salaries, at around the average increase provided to employees across the Group as follows:

	Year ended 31 March 2015 £000	Year ending 31 March 2016 £000	% increase
Toby Courtauld	536	552	3
Nick Sanderson	351	361	3
Neil Thompson	435	448	3

In reviewing the salaries of the Executive Directors, the Committee has also taken account of both the individuals' and Company's performance, mid-market salary levels in the FTSE 350 Real Estate index and the employment conditions and salary increases awarded to employees throughout the Company.

The base salary increase for employees was 3% for the year ending 31 March 2016. Base salary increases of more than 3% were given to some employees due to market alignment and/or a number of increases in responsibilities, such that the average increase in base salaries for employees for the year to 31 March 2016 is 4.6%.

Benefits and pension

No change:

	Pension contribution (% of salary) Year ended 31 March 2015	Pension contribution (% of salary) Year ending 31 March 2016	Benefits
Toby Courtauld	20%	20%	Policy Level
Nick Sanderson	20%	20%	Policy Level
Neil Thompson	20%	20%	Policy Level

None of the directors participate in the Group's defined benefit final salary pension plan which was closed to new entrants in 2002.

Bonus for the year ending 2016

The target and maximum bonus potentials will remain unchanged at 75% and 150% of salary respectively for the Executive Directors. In exceptional circumstances the maximum bonus potential could be increased from 150% to 200%. The table below sets out the performance measures and their respective weightings for the year ending 31 March 2016:

Performance measures	Weighting	Description
Capital Growth	50%	Growth of the Company's property portfolio against IPD's relevant Capital Growth Index for the year to 31 March 2016
NAV[1]	30%	Achievement of NAV targets (for the year to 31 March 2016) – positive NAV growth underpin
Personal objectives[1]	20%	Vary from individual to individual and include metrics around corporate performance, development management, asset management, financial management and people

1. The Committee is of the opinion that given the commercial sensitivity around GPE's business, disclosing precise Capital Growth, NAV and individual targets for the Annual Bonus Plan in advance would not be in the best interests of shareholders or the Company. Actual targets, performance achieved and awards made will be published at the end of the performance periods so shareholders can fully assess the basis for any pay-outs.

LTIP/SMP for the year ending 2016

LTIP/SMP performance measures

The maximum potential for the 2015 LTIP and SMP awards is 200% and 100% of salary respectively.

The following performance measures apply to awards to be granted in 2015 as well as all outstanding awards under the 2010 Plan i.e. those granted in 2012, 2013 and 2014.

LTIP/SMP awards

Performance measure over three years	% of award	Vesting level		Start of measurement period
		20%	100%	
		Straight-line vesting between these points		
NAV growth for the period in excess of RPI	33%	3% p.a.	9% p.a.	1 April prior to grant
TSR against constituents of FTSE 350 Real Estate Sector (excluding agencies)	33%	Median	Upper quartile	Grant date
Total Property Return against constituents of IPD Total Property Return – central London index	33%	Median	Upper quartile	1 April prior to grant

Non-Executive Directors

The following table sets out the fee rates for the Non-Executive Directors which apply from 1 April 2015:

Non-Executive Directors' annual fees for the year ending 31 March 2016

	Base fee £	Senior Independent Director £	Audit Committee £	Remuneration Committee £	Nomination Committee £	Total fees £
Martin Scicluna	222,500	–	–	–	–	222,500
Elizabeth Holden	48,400	–	5,000	5,000	3,350	61,750
Jonathan Nicholls	48,400	5,000	10,000	5,000	3,350	71,750
Charles Philipps	48,400	–	5,000	–	3,350	56,750
Jonathan Short	48,400	–	5,000	10,000	3,350	66,750

Fee levels for the Non-Executive Directors are assessed having regard to individual responsibility and the wider FTSE 250.

Annual report on remuneration

This section of the remuneration report contains details of how the Company's remuneration policy for Directors was implemented during the financial year ending on 31 March 2015.

Audited

	Salary/fees		Benefits		Annual bonus		LTIP/SMP		Pension allowance/ Contribution[4]		Share Incentive Plan[5]		Total[6,7]	
	2015 £000	2014 £000	**2015 £000**	2014 £000	**2015 £000**	2014 £000	**2015[1] £000**	2014[1,2,3] £000	**2015 £000**	2014 £000	**2015 £000**	2014 £000	**2015 £000**	2014 £000
Executive														
Toby Courtauld	**536**	520	**22**	22	**386**	780	**2,473**	1,980	**107**	104	**3**	3	**3,527**	3,409
Nick Sanderson	**351**	334	**15**	13	**263**	501	**1,716**	1,227	**70**	67	**3**	3	**2,418**	2,145
Neil Thompson	**435**	414	**21**	20	**313**	621	**1,969**	1,576	**87**	83	**3**	3	**2,828**	2,717
Non-Executive														
Martin Scicluna	**218**	210	**3**	4		–		–		–		–	**221**	214
Elizabeth Holden	**60**	55		–		–		–		–		–	**60**	55
Charles Irby[8]	**18**	67		–		–		–		–		–	**18**	67
Charles Philipps[9]	**53**	–		–		–		–		–		–	**53**	–
Jonathan Short	**64**	55		–		–		–		–		–	**64**	55
Jonathan Nicholls	**69**	63	**3**	3		–		–		–		–	**72**	66
Total	**1,804**	1,718	**64**	62	**962**	1,902	**6,158**	4,783	**264**	254	**9**	9	**9,261**	8,728

1. This column shows the estimated value of the 2012 LTIP and SMP awards expected to vest in June 2015, based on the latest information available as at 31 March 2015 and calculated at the average share price of the three months to 31 March 2015, together with the value of the dividend to be paid in respect of the expected vesting of the Matching shares held over the three year period. For Nick Sanderson, the vesting date for his 2011 LTIP was 25 July 2014 for the LTIP and for the SMP, 25 January 2015. For Nick Sanderson's 2011 SMP award vesting on 25 January 2015, it was considered that the TSR element performance period was not sufficiently complete to be reliably estimated in 2014. This TSR element of £251,528 is, therefore, included in 2015.
2. This column includes the value of 2011 LTIP and SMP awards that vested in the year ended 31 March 2015, calculated at the mid-market share price on the date of vesting on 4 June 2014, together with the value of dividend equivalents paid in cash in respect of the vested SMP shares held over the three year period.
3. The numbers disclosed in the 2014 Annual Report were based on an estimated level of TSR performance. For Toby Courtauld and Neil Thompson the estimated TSR vesting level of their 2011 LTIP and SMP awards was 78.4% and the actual vesting was 76.3%. The estimated share price for their 2011 LTIP and SMP awards was £6.28 per share and the actual share price was £6.52 per share. For Nick Sanderson the estimated TSR vesting level of his LTIP award was 67.9% and the actual vesting was 68.5%. The estimated share price for his LTIP award was also £6.28 per share and the actual share price was £6.36 per share. For Nick Sanderson's 2011 SMP award vesting on 25 January 2015, it was considered that the TSR element performance period was not sufficiently complete to be reliably estimated and is, therefore, included in 2015. The only difference on his SMP award was, therefore, between the estimated share price for his SMP award of £6.28 per share and the actual share price of £7.91 per share.
4. A contribution of 20% of basic salary is made to each Executive Director for his personal pension arrangements (or pension allowance) or direct to his personal pension plan. Toby Courtauld and Nick Sanderson receive a pension allowance. Neil Thompson's contribution is split between a pension allowance and a contribution direct to his personal pension plan.
5. This column shows the value of the matching shares awarded under the Employee Share Incentive Plan and calculated on the share price when the shares were purchased.
6. This column sets out a single figure for the total remuneration due to the directors for the year ended 31 March.
7. The aggregate emoluments (being salary/fees, bonus, benefits and cash allowances in lieu of pension) of all directors for the year ended 31 March 2015 was £3,054.
8. Charles Irby resigned from the Board on 3 July 2014.
9. Charles Philipps joined the Board on 1 April 2014 and the Audit and Nomination Committees on 1 July 2014.

Executive Director remuneration from other roles

Executive Directors are able to accept external Board appointments with consent of the Board. Any fees received by an Executive Directors for such an external appointments can be retained by an individual. Toby Courtauld is a Non-Executive Director of Liv-ex Limited, for which he received no remuneration during the year. He also received no remuneration for serving as a director of the New West End Company.

Taxable benefits

Benefits principally comprise life insurance, health insurance, private healthcare subscriptions, travel expenses and membership subscriptions. No individual benefit provided has a value which is significant enough to warrant separate disclosure. Unlike many property companies, Executive Directors are not provided with a company car or a company car allowance.

Anticipated vesting of 2012 LTIP/SMP awards

The tables below set out the alignment of LTIP/SMP awards with Company strategy and the anticipated vesting for those awards due to vest in June 2015, together with indicative pay-outs for the Executive Directors. The anticipated value of these awards at vesting reflects the disclosure in the single figure table on page 98:

Long-Term Incentive Plans

Anticipated vesting of LTIP and SMP awards granted in the year ended 31 March 2013 – vesting in the year ending 31 March 2016 included in the 2015 single figure.

Key elements of strategy	Variable component	Maximum percentage of salary	Measured by	Threshold performance target (20%)	Maximum performance target (100%)	Estimated performance	Estimated vesting level as at 31 March 2015 as a percentage of maximum by vesting date[1]
Shareholder value	LTIP	66.66%	Total shareholder return (based on a three year performance period)	Median	Upper quartile	97th percentile	June 2015 – 100%
	SMP	33.33%					
Absolute performance	LTIP	66.66%	Growth in the Group's net assets per share (based on a three year performance period)	RPI plus 3% p.a.	The Group's growth in net assets to exceed RPI plus 9% p.a.	19%	June 2015 – 100%
	SMP	33.33%					
Market competitiveness	LTIP	66.66%	Total property return (based on a three year performance period)	Median	Upper quartile	57th percentile	June 2015 – 41.8%
	SMP	33.33%					

1. The 2012 LTIP and SMP awards are due to vest on 7 June 2015. For the NAV and TPR targets the performance period for the 2012 awards is the three year period to 31 March 2015. For the TSR element, the vesting period is the three years from the award date.

Values of LTIP and SMP awards included in the 2015 single figure

Variable component	Maximum percentage of salary	Category	Toby Courtauld			Nick Sanderson			Neil Thompson		
			Awards granted	Actual/ Estimated awards vesting	Estimated value of vested awards £000[1]	Awards granted	Actual/ Estimated awards vesting	Actual/ Estimated value of vested awards £000s[2]	Awards granted	Actual/ Estimated awards vesting	Actual/ Estimated value of vested awards £000[1]
SMP 2011	33.33%	Shareholder value				30,802	30,802	252			
Total SMP 2011	**33.33%**					**30,802**	**30,802**	**252**			
LTIP 2012	66.66%	Shareholder value	85,587	85,587	674	54,996	54,996	433	68,131	68,131	537
SMP 2012	33.33%		42,793	42,793	349	21,172	21,172	172	34,065	34,065	277
LTIP 2012	66.66%	Absolute performance	85,587	85,587	674	54,996	54,996	433	68,131	68,131	537
SMP 2012	33.33%		42,793	42,793	349	21,172	21,172	172	34,065	34,065	277
LTIP 2012	66.66%	Market competitiveness	85,588	35,742	282	54,996	22,966	181	68,130	28,451	224
SMP 2012	33.33%		42,793	17,870	145	21,172	8,842	73	34,065	14,225	117
Total LTIP 2012	200%		256,762	206,916	1,630	164,988	132,958	1,047	204,392	164,713	1,298
Total SMP 2012	100%		128,379	103,456	843	63,516	51,186	417	102,195	82,355	671
Total LTIP/SMP 2012	**300%**		**385,141**	**310,372**	**2,473**	**228,504**	**184,144**	**1,464**	**306,587**	**247,068**	**1,969**

1. Toby Courtauld, Nick Sanderson and Neil Thompson's 2012 LTIP and SMP awards expected to vest in June 2015. For the NAV and TPR targets the performance period for the 2012 awards is the three year period to 31 March 2015. For the TSR element, the vesting period is the three years from the award date. The estimated value of the 2012 LTIP SMP share awards are based on the latest information available on TSR, NAV and IPD as at 31 March 2015 and calculated at the average share price of the three months to 31 March 2015, together with the value of the dividend to be paid in respect of the expected vesting of the SMP shares held over the three year period.
2. For Nick Sanderson's 2011 LTIP award vesting in January 2015, it was considered that the TSR element performance period was not sufficiently complete to be reliably estimated in 2014. This TSR element has, therefore, been included in 2015. See page 100.

Actual vesting of Nick Sanderson's SMP award granted in year ended 31 March 2012 – vesting in the year ended 31 March 2015 included in the 2015 single figure

Key elements of strategy	Variable component	Maximum percentage of salary	Measured by	Threshold performance target (20%)	Maximum performance target (100%)	Actual performance[1]	Actual vesting
Shareholder value	SMP	33.33%	Total shareholder return (based on a three year performance period)	Median	75th percentile	89th percentile	100%

1. For Nick Sanderson, the vesting date for his 2011 SMP award was 25 January 2015. In reporting the 2014 single figure, it was considered that the TSR element performance period was not sufficiently complete to be reliably estimated for the 2014 Annual Report and, therefore, the actual vesting has been included in the 2015 single figure.

Actual vesting of LTIP and SMP awards granted in year ended 31 March 2012 – vested in the year ended 31 March 2015 included in the 2014 single figure[1]

Key elements of strategy	Variable component	Maximum percentage of salary	Measured by	Threshold performance target (20%)	Maximum performance target (100%)	Actual performance	Estimated vesting level as at 31 March 2015 as a percentage of maximum by vesting date[1]
Shareholder value	LTIP	66.66%	Total shareholder return (based on a three year performance period)	Median	75th percentile	June 2014 68th percentile July 2014 65th percentile	June 2014 76.3% July 2014 68.5%
	SMP	33.33%					
Absolute performance	LTIP	66.66%	Growth in the Group's net assets per share (based on a three year performance period)	RPI plus 3% p.a.	The Group's growth in net assets to exceed RPI plus 9% p.a.	RPI plus 14% p.a.	March 2014 100%
	SMP	33.33%					
Market competitiveness	LTIP	66.66%	Total property return (based on a three year performance period)	Median	75th percentile	70th percentile	March 2014 82.4%
	SMP	33.33%					

1. The numbers disclosed in the 2014 Annual Report were based on an estimated level of TSR performance. For Toby Courtauld and Neil Thompson the estimated TSR vesting level of their LTIP and SMP awards vesting in June 2014 was 78.4% and the actual vesting was 76.3%. The estimated share price for their LTIP and SMP awards was £6.28 per share and the actual share price was £6.52 per share. For Nick Sanderson the estimated TSR vesting level of his LTIP award vesting in July 2014 was 67.9% and the actual vesting was 68.5%. The estimated share price for his LTIP award was also £6.28 per share and the actual share price was £6.36 per share. For Nick Sanderson's 2011 SMP award due to vest on 25 January 2015, it was considered that the TSR element performance period was not sufficiently complete to be reliably estimated and is, therefore, included in 2015. The only difference on his SMP award was, therefore, between the estimated share price for his SMP award of £6.28 per share and the actual share price of £7.91 per share.

The value of actual LTIP and SMP awards vesting versus estimated numbers included in the 2014 Annual Report are as follows:

	2014 Actual £'000s	2014 Estimated £'000s
Toby Courtauld	1,980	1,919
Nick Sanderson	1,227	1,123
Neil Thompson	1,576	1,527

The aggregate gain to all directors from share awards that vested during the year to 31 March 2015 (including Nick Sanderson's 2011 SMP TSR element) was £5,035,000.

Other outstanding share awards

The following tables provide details of other outstanding share awards under the 2010 Plan. Performance measures applying to these awards are outlined on page 97.

Executive Director	2010 Plan	Date of grant	Basis of award	Face value of award made £000[1]	Number of awards	Percentage of award receivable for threshold performance	End of performance period	Performance measures
Toby Courtauld	LTIP	10 June 2013	200% of salary	1,040	181,934	20%	10 June 2016	Total Shareholder Return – 33.33%
	SMP	10 June 2013	100% of salary	520	90,966	20%	10 June 2016	
	LTIP	9 June 2014	200% of salary	1,072	166,901	20%	9 June 2017	
	SMP	9 June 2014	100% of salary	534	83,448	20%	9 June 2017	
Nick Sanderson	LTIP	10 June 2013	200% of salary	668	116,906	20%	10 June 2016	Total Property Return – 33.33%
	SMP	10 June 2013	100% of salary	334	58,452	20%	10 June 2016	
	LTIP	9 June 2014	200% of salary	702	109,330	20%	9 June 2017	
	SMP	31 July 2014	100% of salary	351	54,663	20%	31 July 2017	
Neil Thompson	LTIP	10 June 2013	200% of salary	828	144,826	20%	10 June 2016	Net Asset growth per share – 33.33%
	SMP	10 June 2013	100% of salary	414	72,411	20%	10 June 2016	
	LTIP	9 June 2014	200% of salary	870	135,440	20%	9 June 2017	
	SMP	9 June 2014	100% of salary	435	67,719	20%	9 June 2017	

1. The face value is calculated on the five day average share price prior to the date of main Group's SMP invitation. For 2013, this was the five days up to and including 29 May 2013, being £571.80. For 2014, this was the five days up to and including 28 May 2014, being £642.00.

Payments to past directors

No payments to past directors were made during the year.

Payments for loss of office

No payments for loss of office were made during the year.

2015 Bonus outcome

The financial targets for the bonus for the year ended 31 March 2015 and the extent to which they were achieved are as set out in the table below:

Maximum percentage of salary	Key elements of strategy	Measured by	Threshold performance target (0% payout)	Maximum performance target (100% payout)	Actual performance achieved	Actual performance level as a percentage of maximum	Bonus receivable (£'000) Toby Courtauld	Nick Sanderson	Neil Thompson
75%	Market Competitiveness	Growth of the Company's property portfolio against IPD's relevant Capital Growth Index (for the year to 31 March 2015) – on a stepped basis[1]	Annual percentage rate of portfolio capital growth to meet annual percentage rate of capital growth of the central London IPD index	Annual percentage rate of portfolio capital growth to exceed annual percentage rate of capital growth of the central London IPD index by 2.5%	(1.5)%	0%	–	–	–
45%	Absolute Performance	Achievement of NAV targets (for the year to 31 March 2015) – on a straight-line basis – positive NAV growth underpin	90% of target NAV growth of 61p (54.9p)	Positive NAV growth greater than 130% of target of 61p (79.3p)	140p	100%	241	158	196
30%	Operational Excellence	Achievement against personal objectives (for the year to 31 March 2015)	Partial achievement of personal objectives	Exceeding personal objectives	See page 103	Toby Courtauld 90% Nick Sanderson 100% Neil Thompson 90%	145	105	117
						Total	**386**	**263**	**313**

1.

IPD Capital Growth Index	% payable
CGI + 0% to 0.49%	16.67%
CGI + 0.5% to 0.99%	33.34%
CGI + 1% to 1.49%	50%
CGI + 1.5% to 1.99%	66.67%
CGI + 2% to 2.49%	83.34%
CGI + 2.5% & above	100%

The Executive Directors' personal objectives are designed to focus on both the delivery of the strategic priorities for both 2014/15 and the longer term. Following consideration of achievement against the Executive Director's personal objectives set at the beginning of the year as listed below, the Committee has awarded Nick Sanderson 100% and Toby Courtauld and Neil Thompson 90% of the full potential bonus for Operational Excellence.

Significant personal objectives for each of the Executive Directors included:

Toby Courtauld	Implementation and regular testing of strategy within operational parameters with consideration of sustainability matters as appropriate. Delivery of Business Plan targets in light of property cycle. Development of joint venture property strategies and continued strengthening of relationships. Ensuring regular meetings and strong relationships with key tenants. Delivery of Rathbone residential sales programme. Proactive engagement with shareholders and potential investors. Ensuring the appropriate human resource level to deliver the Business Plans and the development of individuals. Ensuring effective internal communication. Regular communication with the Non-Executive Directors outside of Board meetings.
Nick Sanderson	Maintaining low cost, flexible and conservative debt, including refinancing our revolving credit facilities. Managing the debt maturity profile and interest rate exposure. Ensuring a good diversification of funding sources. Ensuring a strong control environment, an efficient audit process and high quality internal and external reporting. Oversight of the investor relations programme including investor meetings, roadshows and relationships with equity research teams. Support of deal structures and optimisation of REIT status. Evolution, support and development of team. Regular contact with Board.
Neil Thompson	Progression of the short- and long-term development programme including: – leasing of 240 Blackfriars Road; – options for 12.5% holding in 100 Bishopsgate; – revision of planning consent, oversight of relationship with Crossrail and the development programme of Hanover Square; – consideration of asset strategy for 95 Wigmore Street and 12/14 New Fetter Lane; – delivery of the residential sales programme, conclusion of procurement and commencement of office pre-let campaign for Rathbone Square; – revised planning and implementation of procurement for 30 Broadwick Street (formerly St Lawrence House); – vacant possession, implementation of procurement and consideration of retail pre-let at 73/89 Oxford Street; Regular review and challenge of individual Asset Business Plans and underlying asset management activities to enhance total returns whilst managing voids in line with redevelopment plans. Identification of potential sales and optimising timing. Support of the investment team. Support and development of team. Continued development of Executive communication.

The Committee did not exercise their discretion in respect of any of the performance measures.

Directors' remuneration report

Statement of Executive Directors' shareholding and share interests

Directors' share interests and where applicable, achievement of shareholding requirements, is set out below:

	Shareholding						Conditional shares	
					2010 Plan awards subject to Performance Conditions		Interests not subject to Performance Conditions	**Total interests held at 31 March 2015**
Director	Shares required to be held (% salary)	Number of shares required to hold[1]	Number of beneficially owned shares[2,3]	Shareholding requirement met[4]	LTIP	SMP	SIP Matching shares[3]	
Toby Courtauld	100%	65,980	1,339,248	2,030%	605,597	302,793	1,636	**2,249,274**
Nick Sanderson	100%	43,220	185,443	429%	226,236	113,115	1,634	**526,428**
Neil Thompson	100%	53,542	653,346	1,220%	280,266	140,130	1,636	**1,075,378**

1. Calculated based on share price at 31 March 2015 of £8.12.
2. Beneficial interests include shares held directly or indirectly by connected persons.
3. In April 2014, the Executive Directors each acquired 16 Partnership shares and 32 conditional Matching shares under the SIP. In addition, under the SIP, 70 Matching shares vested to Toby Courtauld and Neil Thompson.
4. Executive Directors are expected to retain the after-tax shares received on the vesting of awards and the exercise of share options, until they have acquired the necessary shares to meet their shareholding requirement.

Non-Executive Directors' shareholding

	31 March 2015
Martin Scicluna	**8,636**
Elizabeth Holden	**4,740**
Jonathan Nicholls	**10,000**
Charles Philipps	**5,000**
Jonathan Short	**13,455**

Non-Executive Directors' annual fees for the year ended 31 March 2015

	Base fee £	Senior Independent Director £	Audit Committee £	Remuneration Committee £	Nomination Committee £	Total fees £
Martin Scicluna	217,500					217,500
Charles Irby[1]	12,136	1,291	1,291	2,582	865	18,165
Elizabeth Holden	47,000		5,000	5,000	3,350	60,350
Jonathan Short[1]	47,000		5,000	8,843	3,350	64,193
Charles Philipps[2]	47,000		3,750		2,513	53,263
Jonathan Nicholls[1]	47,000	3,853	10,000	5,000	3,350	69,203

1. Following Charles Irby's retirement at the 2014 Annual General Meeting, Jonathan Nicholls was appointed Senior Independent Director and Jonathan Short was appointed Chairman of the Remuneration Committee.
2. Charles Philipps joined the Audit Committee and Nomination Committee on 1 July 2014.

Unaudited

Six year Chief Executive remuneration package

The table below shows the Chief Executive's remuneration package over the past six years, together with incentive pay-out/vesting as compared to the maximum opportunity.

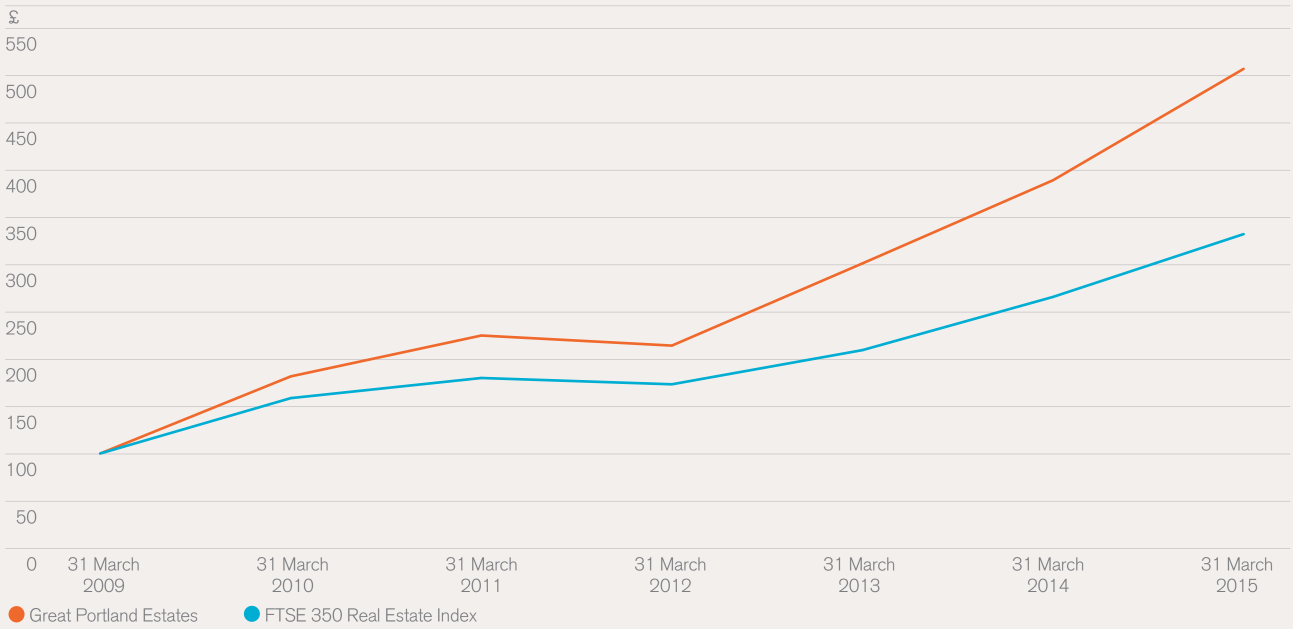
	2010	2011	2012	2013[1]	2014	2015
Single figure of total remuneration (£'000)	1,326	2,087	2,910	4,924	3,409	3,527
Bonus pay-out as % of maximum opportunity	75%	100%	70%	92%	100%	48%
Long-term incentive vesting rates (as % of maximum opportunity)	88%	50%	100%	95%	86%	81%

1. Includes a one-off SMP award made in 2010 of 100% of salary.

Performance graph

The following graph shows the total shareholder returns for the Company for each of the last six financial years compared to the FTSE 350 Real Estate index (excluding agencies). The Company is a constituent of the FTSE 350 Real Estate index and the Committee considers this benchmark to be the most appropriate for illustrating the Company's performance.

Total shareholder return over six years



Employee Share Trust

Upon vesting, shares to satisfy awards under the 2010 Plan are transferred out of the Great Portland Estates plc LTIP Employee Share Trust (the 'Trust'), a discretionary trust established to facilitate the operation of the Company's share plans. The shares to satisfy vested awards have been purchased by the Trustees of the Trust in the open market. The number of shares held by the Trust as at 31 March 2015 was 2,854,551.

Dilution

The Company currently purchases all of the shares required to satisfy awards under the Company's share incentive plans and no shares have been issued for any grants made in the last ten years. However, if the Company decided to issue new shares to meet these awards, the Company would operate all of its share arrangements within The Investment Association (IA) Guidelines on dilution. The following table sets out the level of dilution in respect of the outstanding awards should the Company issue shares rather than purchase them against the IA limits for all share plans and discretionary plans:

Maximum	As at 31 March 2015[1]
10% dilution in ten years (All Plans)	1.44%
5% dilution in ten years (Discretionary Plans)	1.40%

1. This represents the dilution in respect of outstanding awards as at 31 March 2015 were these to be satisfied by the issue of new shares. This does not include awards vested that have been satisfied by the market purchase of shares.

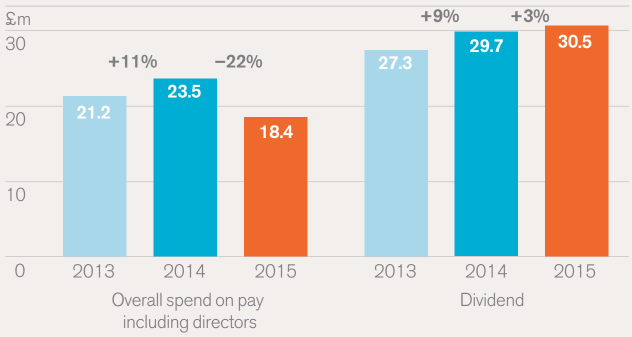
Percentage change in Chief Executive's remuneration

The table below compares the percentage increase in the Chief Executive's pay (including salary, taxable benefits and annual bonus) with the wider employee population. The Company considers all employees to be an appropriate comparator group.

	Chief Executive (£'000)			Total employee pay (£'000)			Average number of employees			Average employee pay (£'000)		
	2015	2014	% change	**2015**	2014	% change	**2015**	2014	% change	**2015**	2014	% change
Base salary	**536**	520	3	**7,739**	7,334	6	**91**	86	6	**85**	85	0
Taxable benefits	**22**	22	0	**403**	367	10	**91**	86	6	**4**	4	0
Bonus	**386**	780	(51)	**2,539**	4,792	(47)	**91**	86	6	**28**	56	(50)
Total	**944**	1,322	(29)	**10,681**	12,493	(15)	**91**	86	6	**117**	145	(19)

Relative importance of spend on pay

The table below sets out the relative importance of spend on pay in 2013, 2014 and 2015:



Consideration by the directors of matters relating to director's remuneration

Remuneration Committee and Advisers

During the year, the Remuneration Committee comprised of the independent Non-Executive Directors, Jonathan Short (Chairman), Charles Irby (Chairman) until 3 July 2014, Elizabeth Holden and Jonathan Nicholls.

The Committee was advised during the year by Fit Rem as independent remuneration consultants who were appointed by the Committee in August 2014. Fit Rem attends Committee meetings and provides advice on remuneration for the Executive Directors, analysis on all elements of the remuneration policy and regular market and best practice updates. Fit Rem reports directly to the Committee. The Committee is satisfied that the advice received is independent and objective as Fit Rem complies with the Code of Conduct for Remuneration Consultants (which can be found at www.remunerationcounsultantsgroup.com) and provides no other advice to the Group. Fit Rem's fees for the year to 31 March 2015 were £32,000 which is charged on its normal terms.

Performance certificates are provided to the Remuneration Committee by:

- Deloitte on measurement of NAV performance targets for the LTIP and SMP awards. Fees paid to Deloitte in respect of this were £1,100. Deloitte are appointed by the Company as its auditor;
- Aon Hewitt on measurement of TSR performance targets for the LTIP and SMP awards together with IFRS 2 calculations. Fees paid to Aon Hewitt in respect of this were £14,000. Aon Hewitt provide no other services to the Group; and
- Investment Property Databank (IPD) on measurement against its property benchmark, for the Executive and Employee Annual Bonus Plan and measurement of TPR performance targets for the LTIP and SMP awards. Fees paid in respect of this were £6,000. The Company is a member of the IPD Property Databank.

Toby Courtauld, the Chief Executive, provided input with regard to the achievement of personal objectives for the other Executive Directors.

Statement of voting at the Annual General Meeting

The following table shows the results of:

- the binding vote on the Directors' remuneration policy commencing from the 3 July 2014 Annual General Meeting; and
- the advisory vote on the 2014 Remuneration report at the 3 July 2014 Annual General Meeting.

As noted in the Policy report, it is the Remunerations Committee's policy to consult with major shareholders prior to any major changes to its Executive remuneration.

	For	Against	Abstentions
Directors' remuneration policy	277,609,793 (95.71%)	9,565,700 (3.30%)	2,867,982 (0.99%)
2014 Remuneration report	282,163,571 (97.28%)	5,535,513 (1.91%)	2,344,391 (0.81%)

The Committee believes that this strong level of support demonstrates that there are no shareholder concerns in respect of the Company's current remuneration policy and its operation.

This report will be submitted to shareholders for approval at the Annual General Meeting to be held on 8 July 2015.

Approved by the Board on 20 May 2015 and signed on its behalf by

Jonathan Short
Chairman of the Remuneration Committee

Directors' remuneration policy

This section of the Remuneration report contains details of the Directors' remuneration policy that will govern the Company's future remuneration payments.

The policy below sets out the remuneration policy approved by shareholders at the 2014 Annual General Meeting. The policy part of the remuneration report is displayed on the Company's website, at **www.gpe.co.uk/investors/governance/remuneration-committee**

Executive Director remuneration

Purpose and link to strategy	Operation and process
Fixed remuneration	
Base salary To provide a market competitive salary which takes into account individual responsibilities and attracts and retains talent in the labour market in which the Executive is employed.	Reviewed by the Committee at least annually and assessed having regard to Company performance, individual responsibilities, inflation, as well as salary levels in comparable organisations (particularly within the listed property sector) and taking account of salary policy within the rest of the Group.
Benefits To provide benefits that are valued by the recipient and are appropriately competitive.	Benefits principally comprise life insurance, health insurance, private healthcare subscriptions, travel expenses and membership subscriptions. Executive Directors may be provided with a company car or company car allowance. It is not the Company's current practice to provide Executive Directors with a company car or a company car allowance. Other benefits may be introduced from time to time to ensure the benefits package is appropriately competitive and reflects individual circumstances. Benefits are reviewed annually and their value is not pensionable.
Pension To provide a framework to save for retirement that is appropriately competitive.	All Executive Directors receive a contribution to their personal pension plan or receive a cash equivalent. This cash equivalent is not treated as salary for the purposes of determining bonus or incentive awards.
Variable remuneration	
Annual Bonus Plan Links reward to the annual performance targets, which are set at the beginning of the financial year in line with the Company's strategy. Ensures an alignment between the operation of the Company's remuneration policy and financial measures whilst also ensuring additional operational measures are targeted to encourage a holistic approach to performance.	The Annual Bonus Plan is reviewed annually at the start of the financial year to ensure bonus opportunity; performance measures and weightings are appropriate and continue to support the Company's strategy. The bonus is paid in cash following the end of the financial year.

The Company's policy is to provide remuneration packages that fairly reward the Executive Directors for the contribution they have made to the business and to ensure that the packages are appropriately competitive to attract, retain and motivate Executive Directors and Senior Managers of the right calibre. The policy is to align the directors' interests with those of shareholders and to incentivise the directors to meet the Company's financial and strategic priorities by making a significant proportion of remuneration performance related. The Company's strategic objectives are set out in the Strategic report on pages 1 to 73.

The Committee is satisfied that the remuneration policy outlined in the table below is in the best interests of shareholders and does not promote excessive risk-taking:

Maximum opportunity	Performance metrics
Base salary increases will be applied in line with the outcome of the review. In the normal course of events, increases in the base salaries will not exceed the average increase for employees. Increases may be made above this level to take account of market alignment to around mid-market levels of comparable organisations (particularly within the listed property sector) and individual circumstances such as: – increase in scope and responsibility; and – to reflect the individual's development and performance in the role (e.g. for a new appointment where base salary may be increased over time rather than set directly at the level of the previous incumbent or market level). The Committee is, however, mindful of the need to treat comparisons with caution to avoid an upward ratchet of remuneration levels. The 2015/16 annual salaries for the Executive Directors are set out in the Annual report on remuneration on page 96.	Individual and Company performances are considerations in setting base salary.
Set at a level which the Committee considers: – appropriately positioned against comparable roles in companies of a similar size and complexity (particularly within the listed property sector); and – provides a sufficient level of benefit based on the role or an individual's circumstances such as relocation. Benefit values vary year on year depending on premiums and, therefore, the maximum value is the cost of the provision of these benefits. However, the aggregate value of contractual and non-contractual benefits received by each Executive Director (based on the value included in the individual's annual P11D tax calculation) shall not exceed £100,000 p.a. (with this maximum increasing annually at the rate of RPI).	Not applicable.
The contribution is a maximum of 25%. The current Executive Directors as at 1 April 2015 receive a contribution or cash equivalent equal to 20% of base salary	Not applicable.
The maximum bonus is 200% of base salary. The Company's current practice is to award bonuses of no more than 150% of base salary, and to make awards in excess of this amount only in exceptional circumstances. The Committee has only made one bonus payment above the normal level of award for achievement against personal objectives in the past ten years. Subject to clawback and malus provisions in situations of personal misconduct and/or where accounts or information relevant to performance are shown to be materially wrong and the bonus paid was higher than should have been the case. The target bonus is 75% of base salary. Threshold bonus is 0% of base salary.	At least 75% of the bonus will be linked to key financial measures, with the balance linked to personal objectives. The performance metrics are set by the Committee each year. The performance period for the Annual Bonus Plan targets is linked to the Company's financial year. The Committee retains the ability to adjust the targets and/or set different measures if events occur which cause it to determine that the conditions are no longer appropriate and the amendment is required so that the conditions achieve their original purpose and are not materially less difficult to satisfy. Further details on the measures for the financial year 2015/16 are set out in the Annual report on remuneration on page 96.

Purpose and link to strategy	Operation and process
Ongoing Performance shares (LTIP) and Matching shares (SMP) under the Long-Term Incentive Plan	
Rewards and retains Executives aligning them with shareholder interests over a longer time frame. Ensures an alignment between the operation of the Company' remuneration policy and the Company's KPIs of achieving sustained NAV growth, above benchmark total property returns and superior shareholder returns.	The 2010 Plan was approved by shareholders in July 2010. The 2010 Plan has two elements: – LTIP; and – SMP. **LTIP** Participants are eligible to receive a conditional annual allocation of shares or nil price options (Performance shares). **SMP** Participants may annually purchase or pledge shares already owned in the Company (Investment shares) up to a value of one-third of basic salary in return for which they receive a conditional allocation of shares as a matching award (Matching share award). **General terms** Investment shares will remain registered in the name of the holder with full voting and dividend rights. The SMP award consists of a conditional allocation of shares worth up to three times the equivalent of the amount so invested or pledged. Awards may be adjusted to reflect the impact of any variation of share capital. An award may, at the discretion of the Committee, include the right to receive cash or shares on vesting equal in value to the dividends payable on such number of shares subject to the award which vest, for the period between grant and vesting. If Investment shares are disposed of, then the corresponding conditional Matching share awards will lapse. **Quantum** The Committee reviews the quantum of awards annually.
All-employee share plans	
Encourages Executive Directors and employees to acquire shares in order to increase the alignment of interests with shareholders over the longer term.	The Company operates a Share Incentive Plan ('SIP') under which all employees, including Executive Directors, may be awarded free shares and may purchase shares which can be matched on a two for one basis. The Company's current practice is to operate partnership and matching shares only. If the shares are held in a trust for at least three years and the employee does not leave the Company during that period, then the matched shares may be retained by the individual subject to some relief against income tax and national insurance charges. Dividends are also paid directly to participants on all plan shares. In 2010, shareholders approved a Save As You Earn Scheme ('SAYE') for all employees which is not currently operated but which might be utilised in the future. Under the SAYE, participants (which may include Executive Directors) may make monthly contributions over a savings period linked to the grant of an option with an exercise price which may be at a discount of up to 20% of the market value of the underlying shares at grant. Awards under the SIP and SAYE may be adjusted to reflect the impact of any variation of share capital.
Shareholding policy	
To ensure that Executive Directors' interests are aligned with those of shareholders over a longer time horizon.	Executive Directors are expected to accumulate and maintain a holding in ordinary shares in the Company equivalent in value to no less than 100% of base salary.

Notes to the Future Policy Table

1. Performance measures and targets

Short- and long-term performance measures have been selected by the Committee for 2015/16 in order to provide a direct connection to the Company's strategy by being linked to the key fundamental performance indicators as set out below:

- the Company's TPR/Capital growth performance is measured against the performance of a relevant IPD index to reflect the Company's operations;
- NAV targets are set by reference to internal forecasts to ensure focus on sustained asset growth; and
- the Company's TSR performance is measured against the performance of an appropriate comparative Index selected by the Committee to ensure superior shareholder returns.

The Committee regularly reviews the TSR and TPR/Capital growth comparators to ensure that they remain appropriate (the TPR comparator group was adjusted last year) and the NAV targets are set following a robust budget setting process.

The targets for the annual bonus and the LTIP/SMP for 2015/16 are set out in the Annual report on remuneration on page 96.

The Committee is of the opinion that given the commercial sensitivity around GPE's business, disclosing capital growth, NAV and individual targets for the Annual Bonus Plan in advance would not be in the best interests of shareholders or the Company. Actual targets, performance achieved and awards made will be published at the end of performance periods so shareholders can fully assess the basis for any pay-outs.

2. Differences in remuneration policy for all employees

All employees of GPE are entitled to base salary and benefits on the same basis, with quantum of awards being set at levels commensurate with their role.

Maximum opportunity	Performance metrics
LTIP Up to 200% of salary. **SMP** Up to 100% of salary (Investment shares of up to one-third gross salary matched on a 3:1 basis). For future awards, subject to clawback and malus provisions, for all employees in situations of personal misconduct and/or where accounts or information relevant to performance are shown to be materially wrong and vesting was higher than should have been the case. The threshold vesting is 20% of awards with straight line vesting to 100% for maximum performance.	Performance is assessed over not less than a three year performance period against the following metrics: TSR, NAV growth and TPR. These measures apply to the LTIP and the SMP award. The performance metrics are set by the Remuneration Committee each year. The Committee retains the ability to adjust the targets and/or set different measures if events occur which cause it to determine that the conditions are no longer appropriate and the amendment is required so that the conditions achieve their original purpose and are not materially less difficult to satisfy. Further details on the measures for 2015/16 are set out in the Annual report on remuneration on page 97.
Under the SIP, maximum participation will be in line with the prevailing maximum limits set by HMRC under the relevant legislation. Under the SAYE, maximum participation will be in line with the prevailing maximum limits set by HMRC under the relevant legislation.	As is typical under HMRC-approved all-employee plans, there are no performance conditions attached to awards.
	Not applicable.

All employees participate in an employee annual bonus plan, with quantum of awards being set at levels commensurate with their role and with performance measures, similar to the executive scheme, based on growth of the Company's property portfolio against IPD's relevant Total Property Return Index and performance against personal objectives.

Senior managers receive LTIP and SMP awards under the 2010 Plan with quantum of awards being set at levels commensurate with their role. All employees are eligible to participate in the Company SIP and the SAYE on the same terms as the Executive Directors

Employees who joined the Company before April 2002 are members of the Company's defined benefit pension plan, and all other employees are eligible to join the Company's defined contribution pension plan and receive a contribution of up to 10% of salary.

3. Changes to remuneration policy from previous policy

There have been no changes to the operation of the policy, maximums or performance measures in relation to the salary, annual bonus, LTIP/SMP, pension or other benefits.

4. Discretion

The Committee will operate the annual bonus LTIP and SMP awards under the Long-Term Incentive Plan according to their respective rules and ancillary documents and in accordance with the Listing Rules where relevant. The Committee retains discretion consistent with market practice, in a number of regards to the operation and administration of these plans as noted in the policy table and in the recruitment remuneration and payments for loss of office sections as relevant. Any use of these discretions would, where relevant, be explained in the Annual report on remuneration and may, as appropriate, be the subject of consultations with the Company's major shareholders.

In addition, the Committee has the discretion to amend policy with regard to minor or administrative matters where it would be, in the opinion of the Committee, disproportionate to seek or wait for shareholder approval.

Details of share awards granted to existing Executive Directors are set out on pages 99 and 101 of the Annual report on remuneration. These remain eligible to vest based on their original award terms, in line with the policy set out in the policy table.

Non-Executive Director remuneration

Element	Purpose and link to strategy	Operation and process	Maximum opportunity	Performance metrics
Fees	Provide an appropriate reward to attract individuals with appropriate knowledge and experience to review and support the implementation of the Company's strategy.	The Chairman and the Executive Directors are responsible for setting the remuneration of the Non-Executive Directors, other than the Chairman whose remuneration is determined by the Remuneration Committee. Non-Executive Directors are paid a base fee and additional fees for chairmanship of Committees and role of Senior Independent Director. Fees are usually reviewed annually with changes effective from 1 April. Non-Executive Directors do not participate in any of the Company's incentive arrangements. Other benefits include travel, accommodation and membership subscriptions related to the Company's business.	Fees will be in line with market rates for Non-Executive Directors at FTSE 250 companies. The Articles of Association contain a limit on fees, currently £600,000 p.a. The 2015/16 fee levels are set out in the Annual report on remuneration on page 97.	Not applicable.

Approach to recruitment remuneration

The Committee's approach to recruitment remuneration is to pay no more than is necessary to attract appropriate candidates to the role, and our principle is that the pay of any new recruit would be assessed following the same principles as for the directors and the policy previously summarised.

Executive Director recruitment

Component	Policy
Base salary and benefits	The salary level will be set taking into account relevant market data, the experience and skills of the individual, responsibilities of the individual and the salaries paid to similar roles in comparable companies in line with the current process undertaken by the Committee when setting the salary levels for its existing directors. Executive Directors shall be eligible to receive benefits in line with the Company's benefits policy as set out in the remuneration policy table.
Pension	Executive Directors will be able to receive a pension contribution or receive a supplement in lieu of pension contributions in line with the Company's pension policy as set out in the remuneration policy table.
Annual bonus	Executive Directors will be eligible to participate in the Annual Bonus Plan as set out in the remuneration policy table. For Executive Directors joining part way through a year, awards would be pro-rated. Different performance measures may be set initially for the annual bonus, taking into account the responsibilities of the individual, and the point in the financial year that they joined. The annual maximum potential opportunity under this plan is 200% of salary.
Long-term incentives	Executive Directors will be eligible to participate in the Long-Term Incentive Plan set out in the remuneration policy table. Awards may be granted up to the maximum opportunity allowable under plan rules at the Committee's discretion of 200% of salary under the LTIP element of the plan and 100% of salary under the SMP element of the plan when the Executive invests a third of salary.
Share buyouts/ replacement awards	Awards may be granted to replace those forfeited by the Executive Director on taking up the appointment where considered by the Committee to be appropriate. The Committee will seek to structure any replacement awards such that overall they are no more generous in terms of quantum or vesting period than the awards due to be forfeited. Where the Company compensates new directors in this way, it will seek to do so under the terms of the Company's existing variable remuneration arrangements, but may compensate on terms that are more bespoke than the existing arrangements, including awards granted under Listing Rule 9.4.2, where the Committee considers appropriate. In such instances, the Company will disclose a full explanation of the detail and rationale for such recruitment related compensation. In making such awards, the Committee will seek to take into account the nature (including whether awards are cash or share based), vesting period and performance measures and/or conditions for any remuneration forfeited by the individual in leaving a previous employer. Where such awards had outstanding performance or service conditions (which are not significantly completed), the Company will generally impose equivalent conditions. In exceptional cases, the Committee may relax those requirements where it considers this to be in the interest of the shareholders, for example through a significant discount to the face value of the replacement awards.
Relocation policies	In instances where the new Executive Director is non-UK domiciled or needs to be relocated, the Company may provide one-off or ongoing compensation as part of the Executive Director's relocation benefits to reflect the cost of relocation for the Executive in cases where they are expected to spend significant time away from their country of domicile. The level of the relocation package will be assessed on a case-by-case basis and may take into consideration any cost of living differences, housing allowance and/or schooling.
Legacy arrangements	Where an Executive Director is appointed from within the organisation, the normal policy of the Company is that any legacy arrangements would be honoured in line with the original terms and conditions on a pro rata basis. Similarly, if an Executive Director is appointed following the Company's acquisition or merger with another company, legacy terms and conditions on a pro rata basis would be honoured.

Non-Executive Director recruitment

Component	Policy
Fees	Newly appointed Non-Executive Directors will be paid fees consistent with existing Non-Executive Directors.

Directors' remuneration report

Service agreements and payments for loss of office

The policy of the Company is to have service contracts for Executive Directors with notice periods of one year. It is sometimes necessary when recruiting a new Executive Director to give a service contract with an initial term of up to 18 months in which case a 12 month notice period may be given no earlier than six months from the start date of the contract.

Non-Executive Directors who have letters of appointment, are subject to the provisions of the Articles of Association dealing with appointment and rotation every three years, however, in accordance with the UK Corporate Governance Code they are subject to annual re-election and have a notice period of three months by either party. They are not eligible for payment in lieu of notice or any other payment on termination.

The following table sets out the dates of each of the Executive Directors' service agreements and their unexpired term, the dates of the Non-Executive Directors' letters of appointment and the date on which the Non-Executive Director is next subject to reappointment or re-election.

Executive	Date of service agreement	Unexpired term (months)
Toby Courtauld	18 March 2002	12
Nick Sanderson	7 June 2011	12
Neil Thompson	1 August 2006	12

Non-Executive	Date of appointment letter	Date when next subject to appointment or re-election
Martin Scicluna	1 October 2008	8 July 2015
Elizabeth Holden	3 September 2012	8 July 2015
Jonathan Nicholls	10 July 2009	8 July 2015
Charles Philipps	10 January 2014	8 July 2015
Jonathan Short	22 March 2007	8 July 2015

Executive Directors may, with the consent of the Committee, retain fees paid to them for acting as a Non-Executive Director of a company outside the Group, except where the directorship is a representative of the Group.

The Company's policy on termination payments for Executive Directors is to consider the circumstances on a case-by-case basis, taking into account the relevant contractual terms, the circumstances of the termination and any applicable duty to mitigate. It is the Committee's policy not to reward poor performance. The Committee will always seek to minimise the cost to the Company whilst seeking to reflect the circumstances in place at the time. The Committee will honour Executive Directors' contractual entitlements. Service contracts do not contain liquidated damages clauses. If a contract is to be terminated, the Committee will determine such mitigation as it considers fair and reasonable in each case. There are no contractual arrangements that would guarantee a pension with limited or no abatement on severance or early retirement. There is no agreement between the Company and its directors or employees, providing for compensation for loss of office or employment that occurs because of a takeover bid. The Company reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising on connection with the termination of an Executive Director's office or employment.

Base salary, benefits and pension

Toby Courtauld's compensation in lieu of notice payable at the Company's discretion is 12 months' basic salary. Compensation in lieu of notice to Nick Sanderson and Neil Thompson, payable at the Company's discretion, is 12 months' basic salary, pension allowance and the value of benefits in kind provided in the previous year, or the actual provision of those benefits.

Other remuneration payments on termination of employment and change of control

In addition to the payment of base salary, benefits and pension as set out above, the Group's annual bonus, long-term incentives, SIP and SAYE contain provisions for the termination of employment. The Company's approach to these payments is set out below:

Component	Good Leaver*	Bad Leaver**	Change of control
Annual Bonus Plan	Where an Executive Director's employment is terminated after the end of a performance year but before the payment is made, the Executive will be eligible for an annual bonus award for that performance year subject to an assessment based on performance achieved over the period. Where an Executive Director's employment is terminated during a performance year, a pro-rata annual bonus for the period worked in that performance year may be payable in relation to personal objectives set.	Outstanding award is forfeited.	An Executive Director may receive a bonus, the amount of which will be determined by the Committee, taking into account such factors as it considers relevant, including the proportion of the elapsed performance period at the date of change of control.
2010 Plan (LTIP/SMP)	Awards may vest at the date of cessation of employment or the normal vesting date at the discretion of the Committee. Awards will vest based on the performance achieved up to the date of cessation/normal vesting date at the discretion of the Committee and be pro-rated to reflect the amount of time elapsed since the award date. The Committee retains the discretion to disregard time when determining the level of vesting. This would only be considered in exceptional circumstances and where considered, the Committee would take into account the circumstances of the cessation of employment. Upon death, all long-term incentive awards vest immediately in full.	Outstanding awards lapse.	In accordance with the Rules of the 2010 Plan, on a change of control, vesting will occur immediately. Performance against targets will be assessed by the Committee on change of control. The number of Plan shares vesting will normally be reduced pro rata to reflect the amount of time elapsed from the Award Date until the change of control as a proportion of the original vesting period. The Committee retains the discretion to disregard time when determining the level of vesting. This would only be considered in exceptional circumstances and where considered, the Committee would take into account the overall context of the deal and the actual value delivered to shareholders.
Share Incentive Plan (SIP)	All Plan shares can be sold or transferred out of the Plan. Free, matching and partnership shares may be removed tax free. If dividend shares are taken out of the SIP within three years of being awarded, the dividend used to buy them is subject to income tax at the dividend rate. On resignation, matched shares held for less than three years will be forfeited.	Free shares and matched shares held for less than three years will be forfeited. Partnership and Matched shares held for more than three years but less than five years will be liable to tax depending on time held in the Plan. If dividend shares are taken out of the SIP within three years of being awarded, the dividend used to buy them is subject to income tax at the dividend rate.	All Plan shares can be sold or transferred out of the Plan. Free, matching and partnership shares may be removed tax free. If dividend shares are taken out of the SIP within three years of being awarded, the dividend used to buy them is subject to income tax at the dividend rate.
Save As You Earn Scheme (SAYE)	Options may be exercised during a period of six months following cessation of employment (or 12 months following cessation in the event of death).	Options held for less than three years will lapse on cessation. Options held for more than three years may be exercised during a period of three months following cessation, except where the reason for cessation is misconduct.	Options may be exercised in the event of a change of control of the Company.

* Good leavers under each of the Annual Bonus Plan, 2010 Plan, SIP and SAYE are those leaving under specified conditions as set out below.

Annual Bonus Plan and 2010 Plan:
– death;
– ill-health, injury or disability (evidenced to the satisfaction of the Remuneration Committee);
– redundancy;
– retirement;
– the award holder's employing company or business being transferred out of the Group; or
– any other circumstances at the discretion of the Remuneration Committee, including where appropriate (and exceptionally), resignation. The Committee will only use its general discretion where it considers this to be appropriate, taking into account the circumstances of the termination and the performance in the context of each plan and will provide a full explanation to shareholders of the basis of its determination. The exercise of the Committee's discretion under one plan will not predetermine the exercise of its discretion under another.

Good leavers under the SIP and SAYE are those participants leaving in certain circumstances as under applicable legislation including death, injury, disability, retirement and redundancy.

** Bad leavers are those leavers who are not good leavers.

Consideration of remuneration of other employees

Our approach to salary reviews is consistent across the Company, with consideration given to the level of responsibility, experience, individual performance, salary levels in comparable companies and the Company's ability to pay. Remuneration surveys and meetings with sector specialists are used, where appropriate, to establish market rates.

When determining remuneration of the Executive Directors, the Committee takes into account pay and conditions across the Group, especially when determining the annual salary increase. Prior to the annual pay review, the Committee receives a report setting out changes to all employees remuneration levels and proposed discretionary bonus awards.

The Company did not consult with employees on the policy or use any remuneration comparison metrics during the year reported.

Consideration of shareholder views

When determining remuneration, the Committee takes into account the guidelines of investor bodies and shareholder views. The remuneration policy has not changed since shareholders were consulted on the implementation of the 2010 Plan. The Committee is always open to feedback from shareholders on remuneration policy and arrangements, and commits to undertaking shareholder consultation in advance of any significant changes to remuneration policy.

Report of the directors

Strategic report

The information that fulfils the requirements of the Strategic report can be found on pages 1 to 73. This includes indication of likely future developments in the business. A review of the performance and development of the Group's business during the year, including KPIs, the position at the year end and prospects, is set out in the sections covering our business and financial results on pages 10 to 43. A description of the principal risks and uncertainties facing the Group and how these are mitigated can be found on pages 64 to 73. Additional information on employees, human rights, environmental, community and health and safety matters is included on pages 44 to 49 and on pages 54 to 63. The Company has chosen to set out certain matters in its Strategic report that would otherwise be required to be disclosed in this Report. The Strategic report includes disclosures concerning Greenhouse Gas Emissions on page 55, details on financial instruments as outlined on pages 38 and 39, 41 to 43 and pages 70 and 71, and details of important events since the financial year end and likely future developments in the business.

The purpose of the Annual Report is to provide information to the members of the Company, as a body. The Company, its directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed. The Annual Report contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Annual Report. Nothing in this Annual Report should be construed as a profit forecast.

Results and dividends for the year

The Group results for the year are set out on pages 124 to 150. An interim dividend of 3.5 pence per share (2014: 3.4 pence) was paid on 2 January 2015, and the directors propose to pay a final dividend of 5.5 pence per share on 13 July 2015 to shareholders on the register of members as at the close of business on 29 May 2015. This makes a total of 9.0 pence per share (2014: 8.8 pence) for the year ended 31 March 2015.

Directors

Biographical details of the current directors of the Company are shown on pages 50 and 51. Charles Irby also served as a director during the year, retiring from the Board on 3 July 2014.

The Company's Articles of Association require that a director shall retire from office if he or she has been appointed since the previous Annual General Meeting or if it is the third Annual General Meeting following that at which he was elected or last re-elected. However, in accordance with the UK Corporate Governance Code the directors will all retire and will offer themselves for election or re-election at the forthcoming Annual General Meeting. The Chairman has confirmed that following the Board evaluation process, the performance of all of the directors continues to be effective and to demonstrate their commitment to the role.

Directors' shareholdings

	At 31 March 2015 Number of shares[1]	At 31 March 2014 Number of shares[1]
Martin Scicluna	**8,636**	8,636
Toby Courtauld	**1,339,248**	1,179,822
Nick Sanderson	**185,443**	74,731
Neil Thompson	**653,346**	641,248
Elizabeth Holden	**4,740**	–
Charles Philipps	**5,000**	–
Jonathan Nicholls	**10,000**	10,000
Jonathan Short	**13,455**	13,455

1. Includes shares held by the Executive Directors in the Group's 2010 Share Incentive Plan.

All directors' shareholdings are in ordinary shares and are beneficial, unless otherwise stated. There have been no changes in the shareholdings of any director between 1 April 2015 and 20 May 2015 apart from shares bought or received by the Executive Directors in the Company's Share Incentive Plan. No director had any interest in or contract with the Company or any subsidiary undertaking (other than service contracts) during the year.

Directors' indemnities and insurance

On 14 September 2007, an indemnity was given by the Company to the directors in terms which comply with Company law and remains in force at the date of this Report.

The Company maintains directors' and officers' liability insurance and pension trustee liability insurance, both of which are reviewed annually.

Corporate governance statement

The information fulfilling the requirements of the Corporate governance statement can be found in this Report of the directors and on pages 76 to 94, which are incorporated into this Report of the directors by reference.

Significant shareholdings

As at 11 May 2015, the Company had been notified of the following beneficial or discretionary interests amounting to 3% or more of the voting rights of the issued share capital:

	Number of shares	%
Norges Bank Investment Management	32,192,552	9.36
BlackRock Inc	31,614,241	9.19
Aberdeen Asset Managers Limited	15,192,596	4.42
Legal & General Investment Management Limited	14,177,234	4.12
State Street Global Advisors Limited	12,500,155	3.63
Morgan Stanley Investment Management	12,361,129	3.59

Share capital and control

On 31 March 2015, there were 343,926,149 ordinary shares of 12.5 pence in issue. There are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carries any special rights with regard to the control of the Company. There are no known arrangements under which financial rights are held by a person other than the holder of the shares and no known agreements on restrictions on share transfers and voting rights.

The Great Portland Estates plc LTIP Employee Share Trust (the 'Trust') is an employees' share scheme which holds ordinary shares in the Company on trust for the benefit of employees within the Group. The Trustee of the Trust has the power to exercise all the rights and powers (including rights with regard to control of the Company) incidental to, and to generally act in relation to, the ordinary shares subject to the Trust in such manner as the Trustee in its absolute discretion thinks fit as if it were absolutely entitled to those ordinary shares.

As far as the Company is aware, there are no persons with significant direct or indirect holdings in the Company other than those noted above.

The powers of the directors are contained in the Company's Articles. These include powers, subject to relevant legislation, to authorise the issue and buy-back of the Company's shares by the Company, subject to authority being given to the directors by the shareholders in a general meeting.

The rules about the appointment and replacement of directors are contained in the Company's Articles of Association. Changes to the Articles of Association must be approved by the shareholders in accordance with legislation in force from time to time.

Change of control

The Company has a number of unsecured borrowing facilities provided by various lenders. These facilities generally include provisions that may require any outstanding borrowings to be repaid or the alteration or termination of the facilities upon the occurrence of a change of control of the Company.

The Company's 2010 LTIP and Executive Annual Bonus Plan contain provisions relating to the vesting of awards in the event of a change of control.

Financial instruments and disclosures under Listing Rule 9.8.4

Details of the financial instruments used by the Group are set out in notes 1 and 18 forming part of the Group financial statements on page 130 and pages 143 to 146, which are incorporated into this Report of the directors by reference. Notes 1 and 7 on pages 130 and 133 also include details of interest capitalised by the Group. The Group's financial risk management objectives and policies are included in the Risk management overview on pages 70 and 71, in Financial management on pages 38 and 39 and in Our financial results on pages 41 to 43.

Greenhouse Gas Emissions Statement

The Group's Greenhouse Gas Emissions Statement is included in the Sustainability section on page 55.

Going concern

The Group's business activities, together with the factors affecting its performance, position and future development are set out in the Strategic report on pages 1 to 73. Details of the finances of the Group, including its strong liquidity position, attractively priced borrowing facilities and favourable debt maturity profile are set out in Our financial results on pages 41 to 43 and in notes 17 and 18 of the accounts on pages 142 to 146.

The directors have reviewed the current and projected financial position of the Group, making reasonable assumptions about future trading performance. As part of the review, the directors have considered the Group's cash balances, its capital commitments, its debt maturity profile, including undrawn facilities, and the long-term nature of tenant leases. On the basis of this review, and after making due 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 Annual Report and Accounts. Although not applicable to the going concern assessment for the year, the Audit Committee discussed the new 2014 Code requirements for reporting on the Group's longer term viability and noted that the new provisions are already reflected in the Group's existing practices. Management will report to the Audit Committee in 2015 on its review under the expanded going concern assessment.

Statement as to disclosure of information to the auditor

So far as the directors who held office at the date of approval of this Report are aware, there is no relevant audit information of which the auditor is unaware and each director has taken all steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditor

A resolution to reappoint Deloitte LLP as auditor of the Company will be proposed at the Annual General Meeting.

Annual General Meeting

The Notice of Meeting on pages 164 and 165 sets out the resolutions to be proposed at the Annual General Meeting and gives details of the voting record date and proxy appointment deadline for that meeting. Resolutions 1 to 13 comprise ordinary business and resolutions 14 to 17 special business.

Remuneration report

Resolution 3 will seek approval of the Directors' remuneration report for the year ended 31 March 2015 as set out on pages 92 to 107. This vote is advisory, and the directors' entitlement to remuneration is not conditional on it.

No changes are proposed to the Directors' remuneration policy approved at the Annual General Meeting held on 3 July 2014.

Authority to allot shares and grant rights

At the Annual General Meeting held on 3 July 2014, shareholders authorised the directors, under section 551 of the Companies Act 2006 to allot ordinary shares without the prior consent of shareholders for a period expiring at the conclusion of the Annual General Meeting to be held in 2015 or, if earlier, on 1 October 2015. Resolution 14 will seek to renew this authority and to authorise the directors under section 551 of the Companies Act 2006 to allot ordinary shares or grant rights to subscribe for or convert any securities into shares for a period expiring no later than 1 October 2015.

Paragraph (a)(i) of Resolution 14 will allow the directors to allot ordinary shares up to a maximum nominal amount of £14,330,256 representing approximately one-third (33.3%) of the Company's existing issued share capital and calculated as at 19 May 2015 (being the latest practicable date prior to publication of this Report). In accordance with institutional guidelines issued by The Investment Association, paragraph (a)(ii) of Resolution 14 will allow directors to allot, including the ordinary shares referred to in paragraph (a)(i) of Resolution 14, further of the Company's ordinary shares in connection with a pre-emptive offer by way of a Rights Issue to ordinary shareholders up to a maximum nominal amount of £28,660,512, representing approximately two-thirds (66.6%) of the Company's existing issued share capital and calculated as at 19 May 2015 (being the latest practicable date prior to publication of this Report). The directors have no present intention of exercising this authority. However, if they do exercise the authority, the directors intend to follow best practice as regards its use as recommended by The Investment Association.

Resolution 14 will be proposed as an ordinary resolution to renew this authority until the conclusion of the next AGM or, if earlier, the close of business on 1 October 2016.

Disapplication of pre-emption rights

At last year's meeting, a special resolution was passed, under sections 570 and 573 of the Companies Act 2006, empowering the directors to allot equity securities for cash without first being required to offer such shares to existing shareholders. Resolution 15 will seek to renew this authority. If approved, the resolution will authorise directors in accordance with the Articles of Association to issue shares in connection with a rights issue or other pre-emptive offer and otherwise to issue shares for cash up to a maximum nominal amount of £2,149,538 which includes the sale for cash on a non pre-emptive basis of any shares held in treasury. The maximum nominal amount of equity securities to which this authority relates represents approximately 5% of the issued share capital of the Company as at 19 May 2015 (being the latest practicable date prior to publication of this Report).

The directors do not intend to issue more than 7.5% of the issued share capital of the Company for cash on a non pre-emptive basis in any rolling three year period without prior consultation with the shareholders and the Investment Committees of The Investment Association and the National Association of Pension Funds.

Resolution 15 will be proposed as a special resolution to renew this authority until the conclusion of the next AGM or, if earlier, the close of business on 1 October 2016.

The directors are aware of the Pre-Emption Group's Statement of Principles, as updated in March 2015, and may, if considered appropriate, seek authority at future AGMs to issue shares for cash on a non pre-emptive basis up to an amount equal to 10% of the issued share capital of the Company, provided that such authority is used only in accordance with the Pre-Emption Group's Statement of Principles.

Authority to purchase own shares

A special resolution was also passed at last year's meeting enabling the Company to purchase its own shares in the market. Resolution 16 will seek to renew this authority. The maximum number of shares to which the authority relates is 51,554,530. This represents 14.99% of the share capital of the Company in issue as at 19 May 2015. The directors intend only to exercise this authority if to do so would, in their opinion, enhance shareholder value. If Resolution 16 is passed at the Annual General Meeting, the Company will have the option of holding as treasury shares any of its own shares that it purchases pursuant to the authority conferred by this resolution. This would give the Company the ability to sell treasury shares or use them to satisfy share awards under employee share schemes, providing the Company with additional flexibility in the management of its capital base. No dividends will be paid on shares whilst held in treasury and no voting rights will attach to the treasury shares. Any shares purchased by the Company under this authority would be cancelled unless the shares are being purchased by the Company to hold as treasury shares.

The price paid for ordinary shares will not be less than the nominal value of 12.5 pence per share and not more than the higher of 5% above the average of the middle market quotations of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days preceding the day on which the ordinary shares are purchased and the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003.

At 19 May 2015, there were £150 million 1% convertible bonds due 2018 in issue which, if fully converted, would result in the issue of a maximum of 20,993,701 ordinary shares based on the conversion price of 714.5 pence per share.

Under the terms and conditions of the convertible bonds, the conversion price is subject to adjustment upon the occurrence of certain corporate events and in such circumstances the maximum number of ordinary shares to be issued upon full conversion of the bonds may be higher than the amount specified above. Any of the bonds can be converted, at the Company's election, into a cash alternative amount.

If the outstanding bonds were fully converted, they would represent 5.8% of the issued share capital. If the authorities to purchase shares (existing and being sought) were exercised in full, that percentage would be 8.2% of the share capital.

There were no purchases of shares by the Company during the year. At 31 March 2015, the number of shares which may be purchased under the shareholders' authority given at the 2014 Annual General Meeting was 51,554,530.

At 19 May 2015, the Company held no shares in treasury.

Resolution 16 will be proposed as a special resolution to renew this authority until the conclusion of the next AGM or, if earlier, the close of business on 1 October 2016.

Notice of general meetings

The notice period required by the Companies Act 2006 for general meetings of the Company is 21 days, unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days (Annual General Meetings must always be held on at least 21 clear days' notice).

At last year's Annual General Meeting, shareholders authorised the calling of general meetings other than an Annual General Meeting on not less than 14 clear days' notice and Resolution 17 seeks to renew this authority. The authority granted by this resolution, if passed, will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed.

Note that in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

The flexibility offered by this resolution will be used where, taking into account the circumstances and noting the recommendations of the UK Corporate Governance Code 2014, the directors consider this appropriate in relation to the business to be considered at the meeting and in the interests of the Company and shareholders as a whole.

Recommendation

The directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that you do so as well.

By order of the Board

Desna Martin Company Secretary
Great Portland Estates plc
Company number: 596137
20 May 2015

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

By order of the Board

Toby Courtauld
Chief Executive
20 May 2015

Nick Sanderson
Finance Director
20 May 2015

In this section we present our financial statements for the year, prepared in accordance with International Financial Reporting Standards.

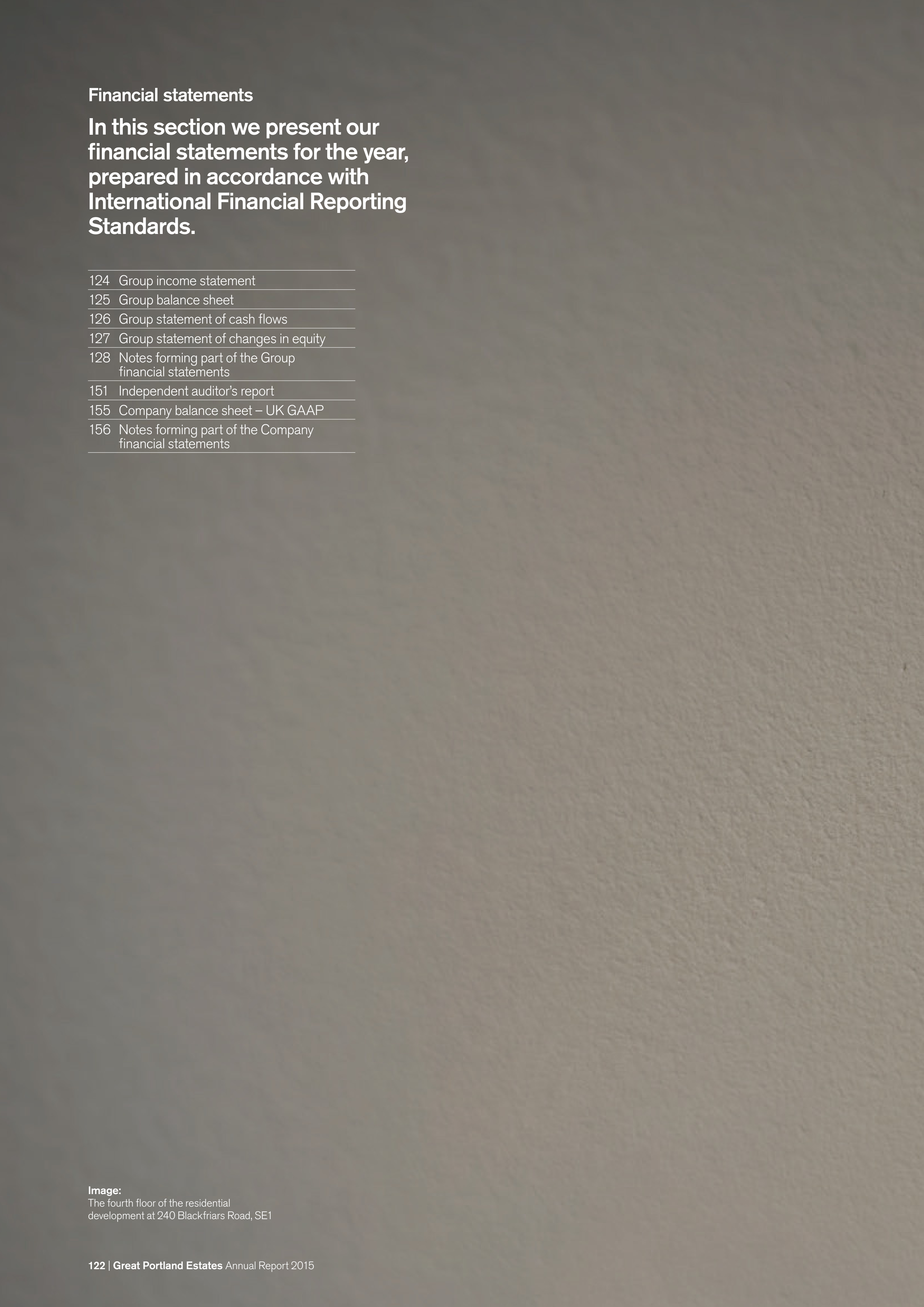


Image:
The fourth floor of the residential development at 240 Blackfriars Road, SE1

Financial statements

Group income statement

For the year ended 31 March 2015

	Notes	2015 £m	2014 £m
Total revenue	2	**88.8**	85.2
Net rental income	3	**66.0**	69.7
Joint venture fee income	12	**4.2**	6.9
Rental and joint venture fee income		**70.2**	76.6
Property expenses	4	**(7.7)**	(7.7)
Net rental and related income		**62.5**	68.9
Administration expenses	5	**(20.1)**	(24.6)
Development management revenue		**10.6**	–
Development management costs		**(8.9)**	–
		1.7	–
Trading property – cost of sales		**(4.8)**	(1.6)
Operating profit before surplus on property and results of joint ventures		**39.3**	42.7
Surplus from investment property	10	**380.6**	325.6
Share of results of joint ventures	12	**84.7**	105.6
Operating profit		**504.6**	473.9
Finance income	6	**11.8**	9.9
Finance costs	7	**(9.0)**	(61.6)
Profit before tax		**507.4**	422.2
Tax	8	**0.8**	–
Profit for the year		**508.2**	422.2
Basic earnings per share	9	**148.3p**	123.4p
Diluted earnings per share	9	**147.4p**	122.5p
Diluted EPRA earnings per share	9	**12.7p**	11.0p

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

Group statement of comprehensive income

For the year ended 31 March 2015

	Notes	2015 £m	2014 £m
Profit for the year		**508.2**	422.2
Items that will not be reclassified subsequently to profit and loss:			
Actuarial deficit on defined benefit scheme	25	**(3.1)**	(0.7)
Total comprehensive income and expense for the year		**505.1**	421.5

Group balance sheet

At 31 March 2015

	Notes	2015 £m	2014 £m
Non-current assets			
Investment property	10	**2,348.2**	1,972.7
Investment in joint ventures	12	**636.7**	524.8
Other investment	13	**–**	18.3
Plant and equipment	14	**0.2**	0.3
		2,985.1	2,516.1
Current assets			
Trading property	11	**115.9**	93.3
Trade and other receivables	15	**28.1**	26.7
Deferred tax	8	**0.8**	–
Cash and cash equivalents		**4.3**	7.8
		149.1	127.8
Total assets		**3,134.2**	2,643.9
Current liabilities			
Trade and other payables	16	**(73.1)**	(58.7)
		(73.1)	(58.7)
Non-current liabilities			
Interest-bearing loans and borrowings	17	**(638.5)**	(623.5)
Obligations under finance leases	19	**(28.5)**	(29.1)
Pension liability	25	**(3.2)**	(0.7)
		(670.2)	(653.3)
Total liabilities		**(743.3)**	(712.0)
Net assets		**2,390.9**	1,931.9
Equity			
Share capital	20	**43.0**	43.0
Share premium account		**352.0**	352.0
Capital redemption reserve		**16.4**	16.4
Retained earnings		**1,991.2**	1,519.5
Investment in own shares	21	**(11.7)**	1.0
Total equity		**2,390.9**	1,931.9
Net assets per share	9	**701p**	564p
EPRA net assets per share	9	**709p**	569p

Approved by the Board on 20 May 2015 and signed on its behalf by

Toby Courtauld
Chief Executive

Nick Sanderson
Finance Director

Group statement of cash flows

For the year ended 31 March 2015

	Notes	2015 £m	2014 £m
Operating activities			
Operating profit		**504.6**	473.9
Adjustments for non-cash items	22	**(471.2)**	(433.9)
Deposits received on forward sale of residential units		**22.3**	–
Development of trading property		**(18.1)**	–
(Increase)/decrease in receivables		**(2.9)**	2.2
Increase in payables		**1.8**	1.6
Cash generated from operations		**36.5**	43.8
Interest paid		**(28.4)**	(28.3)
Interest received		**–**	1.5
Tax paid		**–**	–
Cash flows from operating activities		**8.1**	17.0
Investing activities			
Distributions from joint ventures		**8.2**	153.3
Purchase and development of property		**(93.9)**	(170.7)
Purchase of fixed assets		**(0.2)**	–
Sale of properties		**102.7**	312.8
Investment in joint ventures		**(1.0)**	(61.9)
Exercise of put option on 100 Bishopsgate Partnership		**15.8**	–
Sale of joint ventures		**15.8**	15.8
Cash flows from investing activities		**47.4**	249.3
Financing activities			
Issue of convertible bond		**–**	146.7
Borrowings drawn/(repaid)		**15.0**	(224.0)
Purchase of derivatives		**(2.2)**	–
Funds to joint ventures		**(22.6)**	(153.8)
Purchase of own shares		**(19.1)**	(4.1)
Equity dividends paid		**(30.1)**	(29.6)
Cash flows from financing activities		**(59.0)**	(264.8)
Net increase in cash and cash equivalents		**(3.5)**	1.5
Cash and cash equivalents at 1 April		**7.8**	6.3
Cash and cash equivalents at balance sheet date		**4.3**	7.8

Group statement of changes in equity

For the year ended 31 March 2015

	Notes	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	25	**–**	**–**	**–**	**(3.1)**	**–**	**(3.1)**
Employee Long-Term Incentive Plan and Share Matching Plan charge	21	**–**	**–**	**–**	**–**	**3.5**	**3.5**
Purchase of own shares	21	**–**	**–**	**–**	**–**	**(19.1)**	**(19.1)**
Dividends to shareholders	23	**–**	**–**	**–**	**(30.5)**	**–**	**(30.5)**
Transfer to retained earnings		**–**	**–**	**–**	**(2.9)**	**2.9**	**–**
Total equity at 31 March 2015		**43.0**	**352.0**	**16.4**	**1,991.2**	**(11.7)**	**2,390.9**

Group statement of changes in equity

For the year ended 31 March 2014

	Notes	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 2013		43.0	352.0	16.4	1,130.0	(3.7)	1,537.7
Profit for the year		–	–	–	422.2	–	422.2
Actuarial deficit on defined benefit scheme	25	–	–	–	(0.7)	–	(0.7)
Employee Long-Term Incentive Plan and Share Matching Plan charge	21	–	–	–	–	6.5	6.5
Purchase of own shares	21	–	–	–	–	(4.1)	(4.1)
Dividends to shareholders	23	–	–	–	(29.7)	–	(29.7)
Transfer to retained earnings		–	–	–	(2.3)	2.3	–
Total equity at 31 March 2014		43.0	352.0	16.4	1,519.5	1.0	1,931.9

Notes forming part of the Group financial statements

1 Accounting policies

Basis of preparation

Great Portland Estates plc is a public limited company incorporated and domiciled in the United Kingdom. The address of the registered office is given on page 168. The financial statements have been prepared in accordance with IFRSs adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation.

The financial statements have been prepared on the historical cost basis, except for the revaluation of properties, other investment, financial instruments and pension liability. The financial statements are prepared on the going concern basis as explained in the Report of the Directors on page 118.

Key accounting judgements

In the process of applying the Group's accounting policies, the directors are required to make judgements, estimates and assumptions that may affect the financial statements. The directors believe that the judgements made in the preparation of the financial statements are reasonable. However, actual outcomes may differ from those anticipated. Critical accounting judgements include the adoption of the external portfolio valuation without adjustment, the recognition of purchases and disposal of assets and the adoption of a single reporting segment. The accounting policies for these areas of judgement are set out in the accounting policies below.

New accounting standards

During the year ended 31 March 2015, the following accounting standards and guidance were adopted by the Group:

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 27 (revised May 2011) Separate Financial Statements
- IAS 28 (revised May 2011) Investments in Associates and Joint Ventures
- Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities
- Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities
- Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The adoption of the Standards and Interpretations has not significantly impacted these financial statements with the exception of IFRS 12 resulting in more extensive disclosure in the consolidated financial statements.

At the date of approval of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- IFRS 9 Financial Instruments (will impact both the measurement and disclosure of financial instruments)
- IFRS 14 Regulatory Deferral Accounts
- IFRS 15 Revenue from Contracts with Customers
- IFRIC 21 Levies
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations
- Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
- Amendments to IAS 27 Equity Method in Separate Financial Statements

The directors do not expect that the adoption of the Standards and Interpretations listed above will have a material impact on the financial statements of the Group, except as set out above.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and all its subsidiary undertakings for the year ended 31 March 2015. Subsidiary undertakings are those entities controlled by the Group. Control is assumed when the Group directs the financial and operating policies of an entity to benefit from its activities.

1 Accounting policies (continued)

Rental income

This comprises rental income and premiums on lease surrenders on investment properties for the year, exclusive of service charges receivable.

Tenant leases

The directors have considered the potential transfer of risks and rewards of ownership in accordance with IAS 17 – Leases for all properties leased to tenants and in their judgement have determined that all such leases are operating leases.

Lease incentives

Lease incentives including rent-free periods and payments to tenants, are allocated to the income statement on a straight-line basis over the lease term or on another systematic basis, if applicable. The value of resulting accrued rental income is included within the respective property.

Other property expenses

Irrecoverable running costs directly attributable to specific properties within the Group's portfolio are charged to the income statement as other property expenses. Costs incurred in the improvement of the portfolio which, in the opinion of the directors, are not of a capital nature are written off to the income statement as incurred.

Administration expenses

Costs not directly attributable to individual properties are treated as administration expenses.

Share-based payment

The cost of granting share-based payments to employees and directors is recognised within administration expenses in the income statement. The Group has used the Stochastic model to value the grants which is dependent upon factors including the share price, expected volatility and vesting period and the resulting fair value is amortised through the income statement over the vesting period. The charge is reversed if it is likely that any non-market based criteria will not be met.

Investment property

Investment properties and investment properties under development are professionally valued on a fair value basis by qualified external valuers and the directors must ensure that they are satisfied that the valuation of the Group's properties is appropriate for inclusion in the accounts without adjustment.

The valuations of investment properties and investment properties under development have been prepared in accordance with the RICS Valuation – Professional Standards (January 2014) (the Red Book).

For investment property, this approach involves applying market-derived capitalisation yields to current and market-derived future income streams with appropriate adjustments for income voids arising from vacancies or rent-free periods. These capitalisation yields and future income streams are derived from comparable property and leasing transactions and are considered to be the key inputs in the valuation. Other factors that are taken into account in the valuations include the tenure of the property, tenancy details, planning, building and environmental factors that might affect the property.

In the case of investment property under development, the approach applied is the 'residual method' of valuation, which is the investment method of valuation as described above with a deduction for the costs necessary to complete the development, together with an allowance for the remaining risk.

Sales and purchases of investment properties are recognised when the risks and rewards of ownership transfer.

Trading property

Trading property is being developed for sale or being held for sale after development is complete, and is carried at the lower of cost and net realisable value. Cost includes direct expenditure and capitalised interest. Cost of sales, including costs associated with off-plan residential sales, are expensed to the income statement as incurred.

Other investments

Other investments are carried at fair value through profit and loss, with the loan element carried at cost less any recognised impairment loss.

1 Accounting policies (continued)

Depreciation

No depreciation is provided in respect of freehold investment properties and leasehold investment properties. Depreciation is provided on plant and equipment, at rates calculated to write off the cost, less estimated residual value, based on prices prevailing at the balance sheet date of each asset evenly over its expected useful life, as follows:

Fixtures and fittings – over three to five years.

Leasehold improvements – over the term of the lease.

Joint ventures

Joint ventures are accounted for under the equity method where, in the directors' judgement, the Group has joint control of the entity. The Group's level of control in its joint ventures is driven both by the individual agreements which set out how control is shared by the partners and how that control is exercised in practice. The Group balance sheet contains the Group's share of the net assets of its joint ventures. Balances with partners owed to or from the Group by joint ventures are included within investments. The Group's share of joint venture profits and losses are included in the Group income statement in a single line. All of the Group's joint ventures adopt the accounting policies of the Group for inclusion in the Group financial statements.

Deferred tax

Deferred tax is provided in full on temporary differences between the tax base of an asset or liability and its carrying amount in the balance sheet. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised when it is probable that taxable profits will be available against which the deferred tax asset can be utilised.

Pension benefits

The Group contributes to a defined benefit pension plan which is funded with assets held separately from those of the Group. The full value of the net assets or liabilities of the pension fund is brought on to the balance sheet at each balance sheet date. Actuarial gains and losses are taken to reserves; all other movements are taken to the income statement.

Capitalisation of interest

Interest associated with direct expenditure on investment and trading properties under development is capitalised. Direct expenditure includes the purchase cost of a site if it has been purchased with the specific intention to redevelop, but does not include the original book cost of a site where no intention existed. Interest is capitalised from the start of the development work until the date of practical completion. The rate used is the Group's weighted average cost of borrowings or, if appropriate, the rate on specific associated borrowings.

Financial instruments

i Derivatives The Group uses derivative financial instruments to hedge its exposure to foreign currency fluctuations and interest rate risks. The Group's derivatives are measured at fair value in the balance sheet. To the extent that a derivative is a designated hedge and provides an effective cash flow hedge against the Group's underlying exposure, the movements in the fair value of the hedge are taken to equity. To the extent that the derivative is not a designated hedge or does not effectively hedge the underlying exposure, the movement in the fair value of the hedge is taken to the income statement.

ii Borrowings The Group's borrowings in the form of its debentures, private placement notes and bank loans are recognised initially at fair value, after taking account of any discount or premium on issue and attributable transaction costs. Subsequently, borrowings are held at amortised cost, with any discounts, premiums and attributable costs charged to the income statement using the effective interest rate method.

iii Convertible bond The Group's convertible bond can be settled in shares, cash or a combination of both at the Group's discretion. The bonds have been designated at fair value through profit and loss upon initial recognition, with any gains or losses arising subsequently due to re-measurement being recognised in the income statement.

iv Cash and cash equivalents Cash and cash equivalents comprise cash in hand, demand deposits and other short-term highly liquid investments that are readily convertible into a known amount of cash and are subject to insignificant risk of changes in value.

v Trade receivables and payables Trade receivables and payables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

1 Accounting policies (continued)

Head leases

The present value of future ground rents is added to the carrying value of a leasehold investment property and to long-term liabilities. On payment of a ground rent, virtually all of the cost is charged to the income statement, principally as interest payable, and the balance reduces the liability; an equal reduction to the asset's valuation is charged to the income statement.

Segmental analysis

All of the Group's revenue is generated from investment properties located in central London. The properties are managed as a single portfolio by an asset management team whose responsibilities are not segregated by location or type, but are managed on an asset-by-asset basis. The majority of the Group's assets are mixed use, therefore the office, retail and any residential space is managed together. Within the property portfolio, the Group has a number of properties under development. The directors view the Group's development activities as an integral part of the life cycle of each of its assets rather than a separate business or division. The nature of developing property means that whilst a property is under development it generates no revenue and has no operating results. Once a development has completed, it returns to the investment property portfolio, or if it is a trading property, it is sold. The directors have considered the nature of the business, how the business is managed and how they review performance and, in their judgement, the Group has only one reportable segment. The components of the valuation, as provided by CBRE, are set out in note 10.

Development management agreements

The Group sold a development property prior to its completion and has a development management agreement with the buyer to construct the remainder of the building on their behalf. Where the outcome of this development management agreement can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract at the balance sheet date. This is normally measured as the proportion that contract costs incurred for work performed bear to the estimated total contract costs. Variations in work, claims and incentive payments are included to the extent that they have been agreed with the counterparty.

Where the outcome of the development management agreement cannot be estimated reliably, contract revenue is recognised to the extent of costs incurred where it is probable they will be recoverable. Costs are recognised as expenses in the period in which they are incurred. When it is probable that total costs will exceed total revenue, the expected loss is recognised as an expense immediately.

Financial statements

2 Total revenue

	2015 £m	2014 £m
Gross rental income	**58.6**	60.5
Spreading of tenant lease incentives	**7.6**	9.2
Service charge income	**7.8**	8.6
Joint venture fee income	**4.2**	6.9
Development management revenue	**10.6**	–
	88.8	85.2

3 Net rental income

	2015 £m	2014 £m
Gross rental income	**58.6**	60.5
Spreading of tenant lease incentives	**7.6**	9.2
Ground rents	**(0.2)**	–
	66.0	69.7

4 Property expenses

	2015 £m	2014 £m
Service charge income	**(7.8)**	(8.6)
Service charge expenses	**9.7**	10.6
Other property expenses	**5.8**	5.7
	7.7	7.7

Notes forming part of the Group financial statements

5 Administration expenses

	2015 £m	2014 £m
Employee costs	**16.5**	21.1
Other head office costs	**3.6**	3.5
	20.1	24.6

Included within employee costs is an accounting charge for the LTIP and SMP schemes of £3.5 million (2014: £6.5 million).

Employee costs, including those of directors, comprise the following:

	2015 £m	2014 £m
Wages and salaries	**15.1**	19.6
Social security costs	**2.9**	3.5
Other pension costs	**1.4**	1.2
	19.4	24.3
Less: recovered through service charges	**(1.0)**	(0.8)
Less: capitalised into development projects	**(1.9)**	(2.4)
	16.5	21.1

The emoluments and pension benefits of the directors are set out in detail within the Directors' remuneration report on pages 92 to 116. The Executive Directors are considered to be key management for the purposes of IAS 24 'Related Party Transactions'. The Group's key management, its pension plan and joint ventures are the Group's only related parties.

Employee information

The average number of employees of the Group, including directors, was:

	2015 Number	2014 Number
Head office and property management	**96**	91

Auditor's remuneration

	2015 £000's	2014 £000's
Audit of the Company's annual accounts	**99**	92
Audit of subsidiaries	**83**	81
	182	173
Audit-related assurance services, including the interim review	**61**	74
Total audit and audit-related services	**243**	247
Services related to taxation (advisory)	**9**	109
Other non-audit services	**118**	8
	370	364

6 Finance income

	2015 £m	2014 £m
Interest on balances with joint venture partners	**11.8**	8.5
Interest on deferred receipts in respect of 100 Bishopsgate Partnership sale	**–**	1.4
	11.8	9.9

7 Finance costs

	2015 £m	2014 £m
Interest on revolving credit facilities	**4.3**	7.4
Interest on private placement notes	**12.5**	11.5
Interest on debenture stock	**8.0**	8.0
Interest on convertible bond	**1.5**	0.8
Issue costs of convertible bond	**–**	3.3
Interest on obligations under finance leases	**1.4**	1.8
Break costs on refinanced revolving credit facilities	**1.4**	–
Other interest	**–**	0.1
Gross finance costs	**29.1**	32.9
Less: capitalised interest at an average rate of 4.1% (2014: 3.9%)	**(11.4)**	(6.4)
	17.7	26.5
Fair value movement on convertible bond	**21.7**	11.3
Fair value movement on derivatives	**(30.4)**	23.8
	9.0	61.6

8 Tax

	2015 £m	2014 £m
Current tax		
UK corporation tax	**–**	–
Tax over provided in previous years	**–**	–
Total current tax	**–**	–
Deferred tax	**(0.8)**	–
Tax credit for the year	**(0.8)**	–

The difference between the standard rate of tax and the effective rate of tax arises from the items set out below:

	2015 £m	2014 £m
Profit before tax	**507.4**	422.2
Tax charge on profit at standard rate of 21% (2014: 23%)	**106.6**	97.1
REIT tax-exempt rental profits and gains	**(13.1)**	(16.9)
Non-taxable revaluation surplus	**(93.7)**	(90.0)
Other	**(0.6)**	9.8
Tax credit for the year	**(0.8)**	–

During the year, £nil (2014: £nil) of deferred tax was credited directly to equity. The Group's net deferred tax at 31 March 2015 was £0.8 million (2014: £nil), based on a 20% tax rate. This consists of a deferred tax liability of £8.5 million (2014: £nil) and a deferred tax asset of £9.3 million (2014: £nil).

Movement in deferred tax

	At 1 April 2014 £m	Recognised in the income statement £m	At 31 March 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 IAS 12 - 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.

8 Tax (continued)

A deferred tax asset of £5.5 million (2014: £10.1 million) 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.

9 Performance measures and EPRA metrics

Adjusted earnings and net assets per share are calculated in accordance with the new Best Practice Recommendations issued by the European Public Real Estate Association (EPRA).

Weighted average number of ordinary shares

	2015 Number of shares	2014 Number of shares
Issued ordinary share capital at 1 April	**343,926,149**	343,926,149
Investment in own shares	**(1,178,160)**	(1,883,427)
Weighted average number of ordinary shares – Basic	**342,747,989**	342,042,722

Basic and diluted earnings per share

	Profit after tax 2015 £m	**Number of shares 2015 million**	**Earnings per share 2015 pence**	Profit after tax 2014 £m	Number of shares 2014 million	Earnings per share 2014 pence
Basic	**508.2**	**342.7**	**148.3**	422.2	342.0	123.4
Dilutive effect of LTIP shares	**–**	**2.0**	**(0.9)**	–	2.6	(0.9)
Diluted	**508.2**	**344.7**	**147.4**	422.2	344.6	122.5

Basic and diluted EPRA earnings per share

	Profit after tax 2015 £m	**Number of shares 2015 million**	**Earnings per share 2015 pence**	Profit after tax 2014 £m	Number of shares 2014 million	Earnings per share 2014 pence
Basic	**508.2**	**342.7**	**148.3**	422.2	342.0	123.4
Surplus from investment property (note 10)	**(380.6)**	**–**	**(111.0)**	(325.6)	–	(95.2)
Surplus from joint venture investment property (note 12)	**(80.1)**	**–**	**(23.4)**	(96.2)	–	(28.1)
Movement in fair value of derivatives (note 7)	**(30.4)**	**–**	**(8.9)**	23.8	–	6.9
Movement in fair value of convertible bond (note 7)	**21.7**	**–**	**6.3**	11.3	–	3.3
Issue costs of convertible bond (note 7)	**–**	**–**	**–**	3.3	–	1.0
Movement in fair value of derivatives in joint ventures (note 12)	**0.9**	**–**	**0.3**	(2.0)	–	(0.6)
Trading property – cost of sales	**4.8**	**–**	**1.4**	1.6	–	0.5
Break costs on refinanced revolving credit facilities (note 7)	**1.4**	**–**	**0.4**	–	–	–
Deferred taxation (note 8)	**(0.8)**	**–**	**(0.2)**	–	–	–
Basic EPRA earnings	**45.1**	**342.7**	**13.2**	38.4	342.0	11.2
Dilutive effect of LTIP shares	**–**	**2.0**	**(0.1)**	–	2.6	(0.1)
Dilutive effect of convertible bond	**1.5**	**21.0**	**(0.4)**	0.8	11.6	(0.1)
Diluted EPRA earnings	**46.6**	**365.7**	**12.7**	39.2	356.2	11.0

9 Performance measures and EPRA metrics (continued)

EPRA net assets per share

	Net assets 2015 £m	Number of shares 2015 million	Net assets per share 2015 pence	Net assets 2014 £m	Number of shares 2014 million	Net assets per share 2014 pence
Basic	**2,390.9**	**341.0**	**701**	1,931.9	342.3	564
Dilutive effect of LTIP shares	**–**	**2.0**	**(4)**	–	2.6	(4)
Diluted	**2,390.9**	**343.0**	**697**	1,931.9	344.9	560
Surplus on revaluation of trading property (note 11)	**21.5**	**–**	**6**	–	–	–
Fair value of financial liabilities (note 18)	**(62.0)**	**–**	**(18)**	(36.0)	–	(11)
Fair value of financial liabilities in joint ventures (note 12)	**(0.5)**	**–**	**–**	2.4	–	1
EPRA triple net assets	**2,349.9**	**343.0**	**685**	1,898.3	344.9	550
Fair value of financial liabilities (note 18)	**62.0**	**–**	**18**	36.0	–	11
Fair value of financial liabilities in joint ventures (note 12)	**0.5**	**–**	**–**	(2.4)	–	(1)
Fair value of convertible bond (note 18)	**33.0**	**–**	**10**	11.3	–	4
Fair value of derivatives (note 18)	**(15.1)**	**–**	**(4)**	17.5	–	5
Fair value of derivatives in joint ventures (note 12)	**1.5**	**–**	**–**	0.6	–	–
Deferred tax (note 8)	**(0.8)**	**–**	**–**	–	–	–
EPRA net assets	**2,431.0**	**343.0**	**709**	1,961.3	344.9	569

The Group has £150.0 million of convertible bonds in issue with an initial conversion price of £7.15 per share. The dilutive effect of the contingently issuable shares within the convertible bond is required to be recognised in accordance with IAS 33 – Earnings per Share. For the year ended 31 March 2015, there was no dilutive impact on the calculation of earnings per share or net assets per share as a result of the convertible bond. In accordance with the EPRA Best Practice Recommendations, we have presented EPRA earnings per share on a basic and diluted basis.

EPRA cost ratio (including share of joint ventures)

	2015 £m	2014 £m
Administration expenses	**20.1**	24.6
Property expenses	**7.7**	7.7
Joint venture management fees	**(4.2)**	(6.9)
Joint venture property and administration costs	**2.5**	2.6
EPRA costs (including direct vacancy costs) (A)	**26.1**	28.0
Direct vacancy costs	**(3.2)**	(2.3)
Joint venture direct vacancy costs	**(0.8)**	(1.0)
EPRA costs (excluding direct vacancy costs) (B)	**22.1**	24.7
Net rental income	**66.0**	69.7
Joint venture net rental income	**24.8**	20.1
Gross rental income (C)	**90.8**	89.8
Portfolio at fair value including joint ventures (D)	**3,206.2**	2,678.1
Cost ratio (including direct vacancy costs) (A/C)	**28.7%**	31.2%
Cost ratio (excluding direct vacancy costs) (B/C)	**24.3%**	27.5%
Cost ratio (by portfolio value) (A/D)	**0.8%**	1.0%

10 Investment property

Investment property

	Freehold £m	Leasehold £m	Total £m
Book value at 1 April 2013	1,104.1	747.4	1,851.5
Acquisitions	93.7	–	93.7
Costs capitalised	8.5	12.4	20.9
Disposals	(248.4)	(57.0)	(305.4)
Transfer to investment property under development	(136.7)	(28.0)	(164.7)
Net valuation surplus on investment property	128.9	92.6	221.5
Book value at 31 March 2014	950.1	767.4	1,717.5
Acquisitions	**–**	**25.4**	**25.4**
Costs capitalised	**5.7**	**8.3**	**14.0**
Disposals	**(8.0)**	**–**	**(8.0)**
Transfer to investment property under development	**(74.9)**	**(84.4)**	**(159.3)**
Transfer from investment property under development	**–**	**92.4**	**92.4**
Net valuation surplus on investment property	**154.4**	**99.6**	**254.0**
Book value at 31 March 2015	**1,027.3**	**908.7**	**1,936.0**

Investment property under development

	Freehold £m	Leasehold £m	Total £m
Book value at 1 April 2013	–	48.0	48.0
Costs capitalised	26.4	17.6	44.0
Interest capitalised	3.6	2.8	6.4
Transfer from investment property	136.7	28.0	164.7
Net revaluation surplus on investment property under development	40.8	44.6	85.4
Transfer to trading property	(93.3)	–	(93.3)
Book value at 31 March 2014	114.2	141.0	255.2
Costs capitalised	**28.4**	**22.7**	**51.1**
Interest capitalised	**5.4**	**2.3**	**7.7**
Disposals	**–**	**(80.6)**	**(80.6)**
Transfer from investment property	**74.9**	**84.4**	**159.3**
Transfer to investment property	**–**	**(92.4)**	**(92.4)**
Net revaluation surplus on investment property under development	**53.6**	**58.3**	**111.9**
Book value at 31 March 2015	**276.5**	**135.7**	**412.2**
Total investment property	**1,303.8**	**1,044.4**	**2,348.2**

The book value of investment property includes £28.5 million (2014: £29.1 million) in respect of the present value of future ground rents, the market value of the portfolio (excluding these amounts) is £2,319.7 million. The market value of the Group's total property portfolio, including trading properties, was £2,457.1 million (2014: £2,036.9 million).

At 31 March 2015, properties with a carrying value of £356.6 million (2014: £311.9 million) were secured under the first mortgage debenture stock (see note 17).

The cumulative interest capitalised in investment property was £17.4 million (2014: £8.4 million).

Surplus from investment property

	2015 £m	2014 £m
Net valuation surplus on investment property	**365.9**	306.9
Profit on sale of investment properties	**14.7**	18.7
	380.6	325.6

10 Investment property (continued)

The Group's investment properties, including those held in joint venture (note 12), were valued on the basis of Fair Value by CBRE Limited (CBRE), external valuers, as at 31 March 2015 in accordance with the RICS Valuation - Professional Standards January 2014 (the Red Book) and have been primarily derived using comparable recent market transactions on arm's length terms.

The total fees, including the fee for this assignment, earned by CBRE (or other companies forming part of the same group of companies within the UK) from the Group is less than 5.0% of total UK revenues.

The principal signatories of the CBRE valuation reports have continuously been the signatories of valuations for the same addressee and valuation purpose as this report since 2012. CBRE has continuously been carrying out valuation instructions for the Group for in excess of 20 years. CBRE has carried out valuation, agency and professional services on behalf of the Group for in excess of 20 years.

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 year. 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

		ERV		True equivalent yield	
		Average £ per sq ft	Range £ per sq ft	Average %	Range %
North of Oxford Street	Office	**67**	**33 – 82**	**4.4**	**4.1 – 5.9**
	Retail	**60**	**16 – 181**	**4.1**	**3.7 – 5.4**
Rest of West End	Office	**73**	**55 – 94**	**4.6**	**3.5 – 5.9**
	Retail	**110**	**15 – 231**	**4.3**	**3.6 – 5.0**
City, Midtown & Southwark	Office	**44**	**41 – 48**	**4.9**	**4.7 – 6.2**
	Retail	**26**	**25 – 32**	**5.1**	**4.7 – 5.4**
		Capital value			
		Average £ per sq ft	**Range £ per sq ft**		
Residential		**1,691**	**165 – 2,523**	**n/a**	**n/a**

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.

At 31 March 2015, the Group had capital commitments of £324.6 million (2014: £54.4 million).

EPRA capital expenditure

	2015 £m	2014 £m
Group		
Acquisitions	**25.4**	93.7
Developments (including trading properties)	**70.0**	44.0
Investment property	**14.0**	20.9
Interest capitalised (including trading properties)	**11.4**	6.4
Joint ventures (at share)		
Acquisitions (excluding those from the GPE Group)	**13.9**	–
Developments	**–**	31.6
Investment property	**10.0**	4.2
Interest capitalised	**–**	3.5
	144.7	204.3

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11 Trading property

	Total £m
At 1 April 2014	93.3
Costs capitalised	**18.9**
Interest capitalised	**3.7**
At 31 March 2015	**115.9**

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 classified as trading property. The fair value of the trading property was £137.4 million, representing an uplift of £21.5 million during the year.

12 Investment in joint ventures

The Group has the following investments in joint ventures:

	Equity £m	Balances with partners £m	2015 Total £m	2014 Total £m
At 1 April	350.8	174.0	524.8	348.3
Movement on joint venture balances	**–**	**34.4**	**34.4**	162.3
Additions	**1.0**	**–**	**1.0**	61.9
Share of profit of joint ventures	**4.6**	**–**	**4.6**	9.4
Share of revaluation surplus of joint ventures	**80.2**	**–**	**80.2**	93.5
Share of profit on disposal of joint venture properties	**(0.1)**	**–**	**(0.1)**	2.7
Share of results of joint ventures	**84.7**	**–**	**84.7**	105.6
Distributions	**(8.2)**	**–**	**(8.2)**	(153.3)
At 31 March	**428.3**	**208.4**	**636.7**	524.8

The investments in joint ventures comprise the following:

	Country of incorporation	2015 ownership	2014 ownership
The GHS Limited Partnership	Jersey	**50%**	50%
The Great Capital Partnership	United Kingdom	**50%**	50%
The Great Ropemaker Partnership	United Kingdom	**50%**	50%
The Great Star Partnership	United Kingdom	**50%**	50%
The Great Victoria Partnerships	United Kingdom	**50%**	50%
The Great Wigmore Partnership	United Kingdom	**50%**	50%

All of the Group's joint ventures operate solely in the United Kingdom.

12 Investment in joint ventures (continued)

The Group's share in the assets and liabilities, revenues and expenses for the joint ventures is set out below:

	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	2015 Total £m	2015 At share £m	2014 At share £m
Balance sheets									
Investment property	230.5	–	593.2	212.6	270.6	223.7	1,530.6	765.3	657.4
Current assets	0.3	0.1	–	0.7	0.5	–	1.6	0.8	1.0
Cash	1.1	0.2	13.5	7.4	4.2	3.8	30.2	15.1	12.4
Balances from Partners	(67.0)	–	(273.5)	(57.4)	10.9	(29.8)	(416.8)	(208.4)	(174.0)
Bank loans	–	–	(72.4)	(73.5)	(79.5)	–	(225.4)	(112.7)	(113.4)
Derivatives	–	–	(2.9)	–	–	–	(2.9)	(1.5)	(0.6)
Current liabilities	(0.4)	–	(15.1)	(5.2)	(5.0)	(2.6)	(28.3)	(14.1)	(15.8)
Finance leases	–	–	(10.4)	(22.0)	–	–	(32.4)	(16.2)	(16.2)
Net assets	164.5	0.3	232.4	62.6	201.7	195.1	856.6	428.3	350.8
Income statements									
Net rental income	1.4	–	19.8	10.4	10.8	7.2	49.6	24.8	20.1
Property and administration costs	(0.3)	–	(2.1)	(1.7)	(0.5)	(0.5)	(5.1)	(2.5)	(2.6)
Net finance costs	(3.4)	–	(19.0)	(6.9)	(3.1)	(1.2)	(33.6)	(16.8)	(10.1)
Movement in fair value of derivatives	–	–	(1.8)	0.1	–	–	(1.7)	(0.9)	2.0
Share of profit from joint ventures	(2.3)	–	(3.1)	1.9	7.2	5.5	9.2	4.6	9.4
Revaluation of investment property	20.9	–	97.9	9.7	24.9	7.0	160.4	80.2	93.5
Profit on sale of investment property	–	–	(0.2)	(0.1)	–	0.1	(0.2)	(0.1)	2.7
Share of results of joint ventures	18.6	–	94.6	11.5	32.1	12.6	169.4	84.7	105.6

In April 2015, the Group acquired Starwood Capital Group's 50% interest in The Great Star Partnership for £61.4 million. On completion, the Group redeemed all of the outstanding non-recourse bank debt at that date being £73.1 million. The transaction equates to a property price of £190.6 million, in line with the March 2015 valuation.

In April 2015, The Great Wigmore Partnership, the 50:50 joint venture between the Group and Aberdeen Asset Management, sold its interest in 95 Wigmore Street, W1 and 35 James Street, W1 for a price of £222.4 million (our share: £111.2 million) ahead of the March 2015 valuation of £191.0 million (our share: £95.5 million). At 31 March 2015, these buildings were held for sale.

12 Investment in joint ventures (continued)

The non-recourse debt facilities of the joint ventures at 31 March 2015, are set out below:

Joint venture debt facilities	Nominal value (100%) £m	Maturity	Fixed/floating	Interest rate
The Great Ropemaker Partnership	73.0	November 2018	Floating	LIBOR +2.25%-2.70%
The Great Star Partnership	73.6	July 2015	Floating	LIBOR +1.75%-1.90%
The Great Victoria Partnership	80.0	July 2022	Fixed	3.74%
Total	226.6			

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. The Great Star Partnership has an interest rate swap with a fixed interest rate of 1.00% and a notional principal amount of £36.8 million and an interest rate cap at 4.00% with a notional principal amount of £36.8 million. In April 2015, the Group acquired Starwood Capital Group's 50% interest in GSP and the loan and derivatives were repaid and cancelled respectively. At 31 March 2015, the Great Victoria Partnership loan had a fair value of £80.9 million (2014: £75.3 million). All interest-bearing loans are in sterling. At 31 March 2015, the joint ventures had £nil undrawn facilities (2014: £nil).

Transactions during the year between the Group and its joint ventures, which are related parties, are disclosed below:

	2015 £m	2014 £m
Movement on joint venture balances during the year	**34.4**	162.3
Balances receivable at the year end from joint ventures	**(208.4)**	(174.0)
Distributions	**8.2**	153.3
Fee income	**4.2**	6.9
Property sales from the Group to joint ventures	**–**	202.0

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 6.0%, the Great Star Partnership at 7.0% and the Great Wigmore Partnership at 4.0%. The investment properties include £16.2 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 £749.1 million. 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.

At 31 March 2015, the Group had £nil contingent liabilities arising in its joint ventures (2014: £nil). At 31 March 2015, the Group had capital commitments in respect of its joint ventures of £43.7 million (2014: £40.5 million).

13 Other investment

	Equity £m	Loans £m	Total £m
At 1 April 2014	6.1	12.2	18.3
Disposals	**(6.1)**	**(12.2)**	**(18.3)**
At 31 March 2015	**–**	**–**	**–**

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 (see note 17), onto Brookfield Properties Corporation. The Group exercised the put option in October 2014 at the agreed transfer price of £15.8 million, net of an associated loan.

14 Plant and equipment

	Leasehold improvements £m	Fixtures and fittings £m	Total £m
Cost or valuation			
At 1 April 2013 and 31 March 2014	2.0	1.5	3.5
Costs capitalised	**0.1**	**0.1**	**0.2**
At 31 March 2015	**2.1**	**1.6**	**3.7**
Depreciation			
At 1 April 2014	1.7	1.5	3.2
Charge for the year	**0.2**	**0.1**	**0.3**
At 31 March 2015	**1.9**	**1.6**	**3.5**
Carrying amount at 31 March 2014	0.3	–	0.3
Carrying amount at 31 March 2015	**0.2**	**–**	**0.2**

15 Trade and other receivables

	2015 £m	2014 £m
Trade receivables	**2.4**	3.6
Allowance for doubtful debts	**(0.1)**	(0.3)
	2.3	3.3
Prepayments and accrued income	**0.8**	0.8
Work in progress on development management contracts	**6.0**	–
Other trade receivables	**3.9**	21.8
Derivatives	**15.1**	0.8
	28.1	26.7

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 year, the Group received payments on account of £4.6 million (2014: £nil). At 31 March 2015, the aggregate cumulative cost incurred was £8.9 million (2014: £nil) and the cumulative profits less losses recognised were £1.7 million (2014: £nil). There are no material project retentions.

At 31 March 2015, other trade receivables included £nil in respect of deferred sale proceeds (2014: £15.8 million). At 31 March 2015, the derivatives were due in excess of one year (see note 18). Trade receivables consist of rent and service charge monies, which are due on the quarter day with no credit period. Interest is charged on trade receivables in accordance with the terms of the tenant's lease. Trade receivables are provided for based on estimated irrecoverable amounts determined by past default experience and knowledge of the individual tenant's circumstance. Debtors past due but not impaired were £0.9 million (2014: £1.6 million) of which £0.3 million is over 30 days.

	2015 £m	2014 £m
Movements in allowance of doubtful debts		
Balance at the beginning of the year	**(0.3)**	(0.5)
Amounts provided for during the year	**–**	–
Amounts written off as uncollectable	**0.2**	0.2
	(0.1)	(0.3)

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16 Trade and other payables

	2015 £m	2014 £m
Rents received in advance	**16.7**	16.0
Deposits received on forward sale of residential units (see note 11)	**22.3**	–
Non-trade payables and accrued expenses	**34.1**	42.7
	73.1	58.7

17 Interest-bearing loans and borrowings

	2015 £m	2014 £m
Non-current liabilities at amortised cost		
Secured		
£142.9 million $5\frac{5}{8}$% debenture stock 2029	**144.0**	144.1
Other loan	**–**	2.6
Unsecured		
Revolving credit facilities - bank loans	**25.0**	11.0
£30.0 million 5.09% private placement notes 2018	**29.9**	29.9
$130.0 million 4.81% private placement notes 2018	**80.9**	80.8
$78.0 million 5.37% private placement notes 2021	**48.5**	48.4
$160.0 million 4.20% private placement notes 2019	**101.8**	101.7
$40.0 million 4.82% private placement notes 2022	**25.4**	25.4
Non-current liabilities at fair value		
Unsecured		
£150.0 million 1.00% convertible bonds 2018	**183.0**	161.3
Derivatives	**–**	18.3
	638.5	623.5

In October 2014, the Group issued a new floating rate £450.0 million revolving credit facility and cancelled two existing facilities of £350.0 million and £150.0 million each. The new £450.0 million 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. At 31 March 2015, the Group had £423.0 million (2014: £488.0 million) of undrawn committed credit facilities.

The other loan related to the Group's funding requirements in respect of its 12.5% interest in The 100 Bishopsgate Partnership (note 13). Brookfield Properties Corporation met the Group's funding obligations in respect of the 100 Bishopsgate Partnership until October 2014 when the facility expired and was repaid.

18 Financial instruments

Categories of financial instrument	Carrying amount 2015 £m	Income/ (expense) 2015 £m	Gain/(loss) to equity 2015 £m	Carrying amount 2014 £m	Income/ (expense) 2014 £m	Gain/(loss) to equity 2014 £m
Interest rate swap	–	–	–	–	0.1	–
Cross currency swaps	–	–	–	(18.3)	(18.0)	–
Non-current liabilities at fair value	–	–	–	(18.3)	(17.9)	–
Other investment – equity element	–	–	–	6.1	–	–
Interest rate floor	3.3	3.3	–	0.8	–	–
Cross currency swaps	11.8	29.6	–	–	(3.3)	–
Non-current assets held at fair value	15.1	32.9	–	6.9	(3.3)	–
Trade receivables	12.2	–	–	25.1	1.3	–
Other investment – loan element	–	–	–	12.2	–	–
Cash and cash equivalents	4.3	–	–	7.8	–	–
Loans and receivables	16.5	–	–	45.1	1.3	–
Trade and other payables	(42.9)	–	–	(24.6)	–	–
Interest-bearing loans and borrowings	(638.5)	(40.5)	–	(605.2)	(38.6)	–
Finance leases	(28.5)	(1.4)	–	(29.1)	(1.8)	–
Liabilities at amortised cost	(709.9)	(41.9)	–	(658.9)	(40.4)	–
Total financial instruments	(678.3)	(9.0)	–	(625.2)	(60.3)	–

Financial risk management objectives

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group has a policy of only dealing with creditworthy tenants and obtaining sufficient rental cash deposits or third party guarantees as a means of mitigating financial loss from defaults.

The concentration of credit risk is limited due to the large and diverse tenant base. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts. The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of rent deposits obtained. Details of the Group's receivables are summarised in note 15 of the financial statements.

The Group's cash deposits are placed with a diversified range of banks and strict counterparty limits ensure the Group's exposure to bank failure is minimised.

Capital risk

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns and as such it aims to maintain an appropriate mix of debt and equity financing. The current capital structure of the Group consists of a mix of equity and debt. Equity comprises issued share capital, reserves and retained earnings as disclosed in the Group statement of changes in equity. Debt comprises long-term debenture stock, private placement notes, convertible bonds and drawings against committed revolving credit facilities from banks.

The Group operates solely in the United Kingdom, and its operating profits and net assets are sterling denominated. As a result, the Group's policy is to have no unhedged assets or liabilities denominated in foreign currencies. The currency risk on overseas transactions is fully hedged through foreign currency derivatives to create a synthetic sterling exposure.

18 Financial instruments (continued)

Liquidity risk

The Group operates a framework for the management of the Group's short-, medium- and long-term funding requirements. Cash flow and funding needs are regularly monitored to ensure sufficient undrawn facilities are in place. The Group's funding sources are diversified across a range of bank and bond markets and strict counterparty limits are operated on deposits.

The Group meets its day-to-day working capital requirements through the utilisation of its revolving credit facilities. The availability of these facilities depends on the Group complying with a number of key financial covenants; these covenants and the Group's compliance with them are set out in the table below:

Key covenants	Covenant	March 2015 actuals
Group		
Net debt/net equity	**<1.25x**	**0.25x**
Inner borrowing (unencumbered asset value/unsecured borrowings)	**>1.66x**	**3.89x**
Interest cover	**>1.35x**	**10.72x**

The Group has undrawn credit facilities of £423.0 million and has substantial headroom above all of its key covenants. As a result, the directors consider the Group to have adequate liquidity to be able to fund the ongoing operations of the business.

The following tables detail the Group's remaining contractual maturity on its financial instruments and have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is required to pay and conditions existing at the balance sheet date:

At 31 March 2015	Carrying amount £m	Contractual cash flows £m	Less than one year £m	One to two years £m	Two to five years £m	More than five years £m
Non-derivative financial liabilities						
£142.9 million 5⅝% debenture stock 2029	**144.0**	**254.0**	**8.0**	**8.0**	**24.1**	**213.9**
Revolving credit facilities - bank loans	**25.0**	**29.7**	**0.5**	**0.5**	**28.7**	**–**
Private placement notes	**286.5**	**345.9**	**13.0**	**13.1**	**239.9**	**79.9**
£150.0 million 1.00% convertible bonds 2018	**183.0**	**155.1**	**1.5**	**1.5**	**152.1**	**–**
Derivative financial instruments						
Cross currency swaps (note 15)	**(11.8)**	**2.1**	**0.5**	**0.5**	**0.9**	**0.2**
Interest rate floor (note 15)	**(3.3)**	**(4.0)**	**(1.3)**	**(1.8)**	**(0.9)**	**–**
	623.4	**782.8**	**22.2**	**21.8**	**444.8**	**294.0**

At 31 March 2014	Carrying amount £m	Contractual cash flows £m	Less than one year £m	One to two years £m	Two to five years £m	More than five years £m
Non-derivative financial liabilities						
£142.9 million 5⅝% debenture stock 2029	144.1	262.0	8.0	8.0	24.1	221.9
Other loan	2.6	2.6	2.6	–	–	–
Revolving credit facilities - bank loans	11.0	13.4	0.3	13.1	–	–
Private placement notes	286.2	359.1	13.0	13.2	146.5	186.4
£150.0 million 1.00% convertible bonds 2018	161.3	156.6	1.5	1.5	153.6	–
Derivative financial instruments						
Cross currency swaps	18.3	2.4	0.5	0.4	1.1	0.4
Interest rate floor (note 15)	(0.8)	(1.5)	(1.5)	–	–	–
	622.7	794.6	24.4	36.2	325.3	408.7

18 Financial instruments (continued)

Market risk

Interest rate risk arises from the Group's use of interest-bearing financial instruments. It is the risk that future cash flows arising from a financial instrument will fluctuate due to changes in interest rates. It is the Group's policy to reduce interest rate risk in respect of the cash flows arising from its debt finance either through the use of fixed rate debt or through the use of interest rate derivatives such as swaps, caps and floors. It is the Group's usual policy to maintain the proportion of floating interest rate exposure to between 20%–40% of forecast total debt. However, this target is flexible, and may not be adhered to at all times depending on, for example, the Group's view of future interest rate movements.

Interest rate swaps

Interest rate swaps enable the Group to exchange its floating rate interest payments on its bank debt for fixed rate payments on a notional value. Such contracts allow the Group to mitigate the risk of changing interest rates on the cash flow exposures on its variable rate bank loans by locking in a fixed rate on a proportion of its debt.

Interest rate floors

Under the terms of an interest rate floor, one party (the 'seller') makes a payment to the other party (the 'buyer') if an underlying interest rate is below a specified rate. The Group has bought an interest rate floor, which, when combined with its fixed rate private placement notes raised in 2011, gives rise to the same economic effect as purchasing an interest rate cap in respect of floating rate debt.

Put option

A put option is a contract between two parties to exchange an asset at a specified price by a set date. The Group had a 12.5% holding in The 100 Bishopsgate Partnership and had a put option to enable it to sell its net investment to Brookfield Properties Corporation for £15.8 million. The Group exercised this option in October 2014.

Cross currency swaps

Cross currency swaps enable the Group to exchange receipts or payments denominated in currencies other than sterling for receipts or payments denominated in sterling. Such contracts allow the Group to eliminate foreign exchange risk arising from fluctuating exchange rates between sterling and other currencies.

The following table details the notional principal amounts and remaining terms of interest rate derivatives outstanding at 31 March:

	Average contracted fixed interest rate		Notional principal amount		Fair value (asset)/liability	
	2015 %	2014 %	**2015 £m**	2014 £m	**2015 £m**	2014 £m
Cash flow hedges						
Interest rate floor						
Less than one year	**–**	2.53	**–**	159.7	**–**	(0.8)
Between two and five years	**1.80**	–	**159.7**	–	**(3.3)**	–
	1.80	2.53	**159.7**	159.7	**(3.3)**	(0.8)

The following table details the notional principal amounts and remaining terms of exchange rate derivatives outstanding at 31 March:

	Average exchange rate		Foreign currency		Notional principal amount		Fair value (asset)/liability	
	2015 rate	2014 rate	**2015 US$m**	2014 US$m	**2015 £m**	2014 £m	**2015 £m**	2014 £m
Cash flow hedges								
Cross currency swaps								
Between two and five years	**1.583**	1.603	**290.0**	130.0	**183.2**	81.1	**(9.4)**	3.7
In excess of five years	**1.591**	1.577	**118.0**	278.0	**74.2**	176.3	**(2.4)**	14.6
	1.585	1.585	**408.0**	408.0	**257.4**	257.4	**(11.8)**	18.3

As at 31 March 2015, the aggregate amount of unrealised losses in respect of cash flow hedges was £nil (2014: £nil).

Notes forming part of the Group financial statements

18 Financial instruments (continued)

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for both non-derivative and derivative financial instruments at the balance sheet date and represents management's assessment of possible changes in interest rates. For the floating rate liabilities the analysis is prepared assuming the amount of the liability at 31 March 2015 was outstanding for the whole year:

	Impact on profit		Impact on equity	
	2015 £m	2014 £m	**2015 £m**	2014 £m
Increase of 100 basis points	**0.8**	1.2	**0.8**	1.2
Increase of 50 basis points	**0.5**	0.7	**0.5**	0.7
Decrease of 25 basis points	**(0.3)**	(0.4)	**(0.3)**	(0.4)
Decrease of 50 basis points	**(0.6)**	(0.9)	**(0.6)**	(0.9)

Foreign exchange sensitivity

The sensitivity analysis below has been determined based on the exposure to foreign exchange rates for derivative financial instruments at the balance sheet date and represents management's assessment of changes to the fair value of the Group's cross currency swaps as a result of possible changes in foreign exchange rates:

	Impact on profit		Impact on equity	
	2015 £m	2014 £m	**2015 £m**	2014 £m
Increase of 20% in the exchange spot rate	**(52.8)**	(47.2)	**(52.8)**	(47.2)
Increase of 10% in the exchange spot rate	**(28.8)**	(25.7)	**(28.8)**	(25.7)
Decrease of 10% in the exchange spot rate	**35.2**	31.4	**35.2**	31.4
Decrease of 20% in the exchange spot rate	**79.3**	70.8	**79.3**	70.8

Fair value of interest-bearing loans and borrowings

	Book value 2015 £m	**Fair value 2015 £m**	Book value 2014 £m	Fair value 2014 £m
Level 1				
£150.0 million 1.00% convertible bonds 2018	**183.0**	**183.0**	161.3	161.3
Level 2				
Cross currency swaps	**(11.8)**	**(11.8)**	18.3	18.3
Interest rate floor	**(3.3)**	**(3.3)**	(0.8)	(0.8)
Other items not carried at fair value				
£142.9 million 5⅝% debenture stock 2029	**144.0**	**179.1**	144.1	158.0
Private placement notes	**286.5**	**313.4**	286.2	308.3
Other loan	**–**	**–**	2.6	2.6
Revolving credit facilities - bank loans	**25.0**	**25.0**	11.0	11.0
	623.4	**685.4**	622.7	658.7

The fair value of the Group's listed convertible bonds has 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 value 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 has been estimated on the basis of the prevailing rates at the year 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.

19 Finance leases

Finance lease obligations in respect of the Group's leasehold properties are payable as follows:

	Minimum lease payments 2015 £m	Interest 2015 £m	Principal 2015 £m	Minimum lease payments 2014 £m	Interest 2014 £m	Principal 2014 £m
Less than one year	**1.4**	**(1.4)**	**–**	1.5	(1.5)	–
Between two and five years	**5.8**	**(5.8)**	**–**	5.9	(5.9)	–
More than five years	**238.5**	**(210.0)**	**28.5**	242.4	(213.3)	29.1
	245.7	**(217.2)**	**28.5**	249.8	(220.7)	29.1

20 Share capital

	2015 Number	2015 £m	2014 Number	2014 £m
Allotted, called up and fully paid ordinary shares of 12.5 pence				
At 1 April and 31 March	**343,926,149**	**43.0**	343,926,149	43.0

At 31 March 2015, the Company's authorised share capital was 600,000,000 shares.

21 Investment in own shares

	2015 £m	2014 £m
At 1 April	**(1.0)**	3.7
Employee Long-Term Incentive Plan and Share Matching Plan charge	**(3.5)**	(6.5)
Purchase of shares	**19.1**	4.1
Transfer to retained earnings	**(2.9)**	(2.3)
At 31 March	**11.7**	(1.0)

The investment in the Company's own shares is held at cost and comprises 2,854,551 shares (2014: 1,663,230 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 year, 1,385,643 shares (2014: 1,975,805 shares) were awarded to directors and senior employees in respect of the 2011 LTIP and SMP award and a further 2,576,964 shares (2014: 700,000 shares) were acquired by the Trust at an average cost of £7.43 per share (2014: £5.79 per share). The fair value of shares awarded and outstanding at 31 March 2015 was £5.2 million (2014: £11.8 million).

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

	2015 £m	2014 £m
Surplus from investment property	**(380.6)**	(325.6)
Employee Long-Term Incentive Plan and Share Matching Plan charge	**3.5**	6.5
Spreading of tenant lease incentives	**(7.6)**	(9.2)
Profit on development management contracts	**(1.7)**	–
Share of results of joint ventures	**(84.7)**	(105.6)
Other non-cash items	**(0.1)**	–
Adjustments for non-cash items	**(471.2)**	(433.9)

23 Dividends

	2015 £m	2014 £m
Ordinary dividends paid		
Interim dividend for the year ended 31 March 2015 of 3.5 pence per share	**12.0**	–
Final dividend for the year ended 31 March 2014 of 5.4 pence per share	**18.5**	–
Interim dividend for the year ended 31 March 2014 of 3.4 pence per share	**–**	11.6
Final dividend for the year ended 31 March 2013 of 5.3 pence per share	**–**	18.1
	30.5	29.7

A final dividend of 5.5 pence per share was approved by the Board on 20 May 2015 and will be paid on 13 July 2015 to shareholders on the register on 29 May 2015. The dividend is not recognised as a liability at 31 March 2015. The 2014 final dividend and the 2015 interim dividend were paid in the year and are included within the Group statement of changes in equity.

24 Operating leases

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

	2015 £m	2014 £m
The Group as a lessor		
Less than one year	**61.7**	52.9
Between two and five years	**175.9**	174.7
More than five years	**240.7**	259.1
	478.3	486.7

The Group leases its investment properties under operating leases. The weighted average length of lease at 31 March 2015 was 6.9 years (2014: 7.0 years). All investment properties, except those under development, generated rental income and no contingent rents were recognised in the year (2014: £nil).

25 Employee benefits

The Group contributes to a defined benefit final salary pension plan ('the Plan'), the assets of which are held by trustees separately from the assets of the Group. The Plan has been closed to new entrants since April 2002. The most recent actuarial valuation of the Plan was conducted at 1 April 2015 by a qualified independent actuary using the projected unit method. The Plan was valued using the following main assumptions:

	2015 %	2014 %
Discount rate	**3.40**	4.60
Expected rate of salary increases	**4.00**	4.40
RPI inflation	**3.00**	3.40
Future pension increases	**5.00**	5.00

The amount recognised in the balance sheet in respect of the Plan is as follows:

	2015 £m	2014 £m
Present value of unfunded obligations	**(31.7)**	(24.4)
Fair value of the Plan assets	**28.5**	23.7
Pension liability	**(3.2)**	(0.7)

Amounts recognised as administration expenses in the income statement are as follows:

	2015 £m	2014 £m
Current service cost	**(0.3)**	(0.3)
Net interest cost	**–**	–
	(0.3)	(0.3)
Actuarial deficit recognised immediately in the Group statement of changes in equity	**(3.1)**	(0.7)
Cumulative actuarial (deficit)/gain recognised in the Group statement of changes in equity	**(2.4)**	0.7

Changes in the present value of the pension obligation are as follows:

	2015 £m	2014 £m
Defined benefit obligation at 1 April	**24.4**	23.1
Service cost	**0.3**	0.3
Interest cost	**1.1**	1.1
Effect of changes in demographic assumptions	**–**	0.6
Effect of changes in financial assumptions	**6.2**	(0.1)
Effect of experience adjustments	**0.3**	–
Benefits paid	**(0.6)**	(0.6)
Present value of defined benefit obligation at 31 March	**31.7**	24.4

Changes to the fair value of the Plan assets are as follows:

	2015 £m	2014 £m
Fair value of the Plan assets at 1 April	**23.7**	22.8
Expected return on the Plan assets	**1.1**	1.1
Actuarial gain/(loss)	**3.4**	(0.2)
Contributions	**0.9**	0.5
Benefits paid	**(0.6)**	(0.5)
Fair value of the Plan assets at 31 March	**28.5**	23.7
Net liability	**(3.2)**	(0.7)

25 Employee benefits (continued)

The fair value of the Plan assets at the balance sheet date is analysed as follows:

	2015 £m	2014 £m
Equities	11.4	9.9
Bonds	17.1	13.8
	28.5	23.7

Life expectancy assumptions at age 65:

	2015 Years	2014 Years
Retiring today age 65	24	24
Retiring in 25 years (age 40 today)	26	26

The Group expects to contribute £1.0 million to the Plan in the year ended 31 March 2016.

Independent auditor's report

Independent auditor's report to the members of Great Portland Estates plc

Opinion on financial statements of Great Portland Estates plc

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2015 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The financial statements comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group Statement of Cash Flows, the Group Statement of Changes in Equity and the related notes 1 to 25 and i to vii. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and IFRSs as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Going concern

As required by the Listing Rules we have reviewed the directors' statement on page 118 that the Group is a going concern. We confirm that:

- we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Independent auditor's report

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team:

Risk	How the scope of our audit responded to the risk
Valuation of property portfolio	
The Group owns a portfolio of property assets in central London. The portfolio is valued at £3,068.8 million, including share of joint venture properties, as at 31 March 2015. The valuation of the portfolio is a significant judgement area and is underpinned by a number of judgements including (i) yields (ii) future lease income and (iii) with reference to development properties costs to complete. Please see accounting policy at page 129 and notes 10 and 12 to the financial statements.	We assessed and discussed management's process for reviewing and challenging the work of the external valuer. We also assessed the competence, independence and integrity of the external valuer. We obtained the external valuation reports and met with the external valuer to discuss the results of their work on a sample of properties. With the assistance of a specialist member of the audit team, who is a chartered surveyor, we discussed and challenged the valuation process, performance of the portfolio and significant judgments and assumptions applied in their valuation model, including yields, occupancy rates, lease incentives and break clauses. We benchmarked and challenged the key assumptions to external industry data and comparable property transactions, in particular the yield. We tested the integrity of a sample of the data provided to the external valuer. This included verifying a sample of information provided to the external valuer to underlying lease agreements. We assessed the Group's development appraisal process through meeting with project managers and assessing the forecast cost to complete and commitments of key developments.
Acquisitions and disposals	
The Group has undertaken a number of material acquisitions and disposals during the year including the sale of 12/14 New Fetter Lane for £96.3 million and exchanged contracts on 130 apartments at Rathbone Square for £223.1 million. These are significant due to the individual nature, size, the significance of the cash flows involved and the related specific disclosure requirements. Please see accounting policy at page 129 and notes 10, 11 and 12 to the financial statements.	We confirmed key transaction terms to sale and purchase agreements for all significant acquisitions and disposals in the year, assessing whether they were appropriately recognised in the period (based upon the risks and rewards of ownership) and properly disclosed in the financial statements. We also assessed whether key terms and pricing were appropriately reflected in any calculation of costs of the acquisition or profit or loss on disposal.
Revenue recognition	
Accounting for surrender premia, rent-free periods and capital incentives is complex due to it being impacted by the specific terms and conditions of the relevant contracts. Please see accounting policy at page 129 and note 2 to the financial statements.	We have reviewed and understood the key terms and conditions of a sample of leases identifying the quantum of surrender premia, rent-free periods and capital incentives. We recalculated the required adjustment to the annual rent in relation to these items to determine whether the correct amount of revenue had been recognised in the year.

In the 2014 annual accounts our report disclosed a risk in relation to financing and the accounting for the convertible bond issued during that financial year. The accounting treatment for the convertible bond was concluded upon in the prior year and therefore no longer is considered a significant risk.

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on pages 86 and 87.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the group to be £25 million (2014: £25 million), which is below 2% of equity (2014: below 2% of equity). In addition to equity, we consider EPRA Profit Before Tax to be a critical financial performance measure for the Group and we applied a lower threshold of £2.2 million (2014: £2.0 million) based on 5% (2014: 5%) of that measure for testing of all balances impacting this financial performance measure.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.5 million (2014: £0.5 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. The Group is audited by one audit team, led by the Senior Statutory Auditor. The audit is performed centrally, as the books and records for each entity within the Group are maintained at head office.

We also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

We audit all of the Group's subsidiaries and joint ventures which are subject to audit at statutory materiality level, which in most cases is substantially lower than Group materiality.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' remuneration report to be audited is not in agreement with the accounting records and returns. We have nothing to report arising from these matters.

Corporate governance statement

Under the Listing Rules we are also required to review the part of the Corporate governance statement relating to the Company's compliance with ten provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.

Independent auditor's report

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

– materially inconsistent with the information in the audited financial statements; or

– apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or

– otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team, and independent partner reviews.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Richard Muschamp, FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK
20 May 2015

Company balance sheet – UK GAAP

	Notes	2015 £m	2014 £m
Non-current assets			
Fixed asset investments	iii	**3,122.0**	2,646.8
Other investment	13	**–**	12.2
		3,122.0	2,659.0
Current assets			
Debtors	iv	**676.2**	592.5
Cash at bank and short-term deposits		**2.4**	5.8
		678.6	598.3
Current liabilities	v	**(867.5)**	(762.2)
Net current liabilities		**(188.9)**	(163.9)
Total assets less current liabilities		**2,933.1**	2,495.1
Non-current liabilities			
£142.9 million 5⅝% debenture stock 2029	17	**(144.0)**	(144.1)
Revolving credit facilities - bank loans	17	**(25.0)**	(11.0)
Other loan	17	**–**	(2.6)
£30.0 million 5.09% private placement notes 2018	17	**(29.9)**	(29.9)
$130.0 million 4.81% private placement notes 2018	17	**(80.9)**	(80.8)
$78.0 million 5.37% private placement notes 2021	17	**(48.5)**	(48.4)
$160.0 million 4.20% private placement notes 2019	17	**(101.8)**	(101.7)
$40.0 million 4.82% private placement notes 2022	17	**(25.4)**	(25.4)
Derivatives	17	**–**	(18.3)
Amounts owed to subsidiary undertakings		**(137.9)**	(134.0)
Option element of convertible bond	vi	**(42.9)**	(24.2)
Net assets		**2,296.8**	1,874.7
Capital and reserves			
Called up share capital	20	**43.0**	43.0
Share premium account		**352.0**	352.0
Profit and loss account	vii	**141.7**	182.0
Revaluation reserve	vii	**1,746.8**	1,271.7
Other reserves	vii	**25.0**	25.0
Investment in own shares	21	**(11.7)**	1.0
Shareholders' funds		**2,296.8**	1,874.7

Note: references in roman numerals refer to the notes to the Company financial statements, references in numbers refer to the notes to the Group financial statements.

The financial statements of Great Portland Estates plc (registered number: 596137) were approved by the Board on 20 May 2015 and signed on its behalf by:

Toby Courtauld
Chief Executive

Nick Sanderson
Finance Director

Financial statements

Notes forming part of the Company financial statements

i Accounting policies

Accounting convention

The Company financial statements are prepared under UK GAAP and the historical cost convention as modified by the revaluation of investments in subsidiary undertakings. The Company has prepared the financial statements on a going concern basis as explained in the Report of the directors on page 118.

Subsidiary undertakings and joint ventures

Shares in subsidiary undertakings are carried at amounts equal to their original cost and any subsequent movement in the revaluation reserve of those subsidiaries, thus reflecting in the Company's balance sheet the surplus arising from the revaluation and the sale of investments and investment properties of those subsidiaries, limited to the value of the Group balance sheet.

Other investment

The Company's other investment is carried at cost less provision for impairment.

Accounting policies for share-based payments, other investment, deferred tax and financial instruments are the same as those of the Group and are set out on pages 128 to 131.

The Company, together with another Group company, contributes to a defined benefit pension scheme for its employees. The Company's share in the underlying assets and liabilities of the scheme cannot be readily determined on a consistent and measurable basis. As a result, the directors consider it appropriate to account for the contributions to the scheme as if it were a defined contribution scheme. Accordingly, the directors have taken the multi-employer exemption allowable under the accounting standards. Details of the Group's pension plan can be found on pages 149 to 150.

ii Profit attributable to members of the parent undertaking

As permitted by section 408 of the Companies Act 2006, the Company has not presented its own profit and loss account. The loss dealt within the accounts of the Company was £6.9 million (2014: profit of £64.8 million). The employees of the Company are the directors and the Company Secretary. Full disclosure of the directors' remuneration can be found on pages 92 to 116.

iii Fixed asset investments

	Investment in joint ventures £m	Shares in subsidiary undertakings £m	Loans to subsidiary undertakings £m	Total £m
At 1 April 2014	0.1	2,319.6	327.1	2,646.8
Surplus on revaluation	**0.1**	**475.1**	**–**	**475.2**
At 31 March 2015	**0.2**	**2,794.7**	**327.1**	**3,122.0**

Shares in subsidiary undertakings and joint ventures are carried at directors' valuation. The historical cost of the shares in subsidiary undertakings and joint ventures at 31 March 2015 was £1,148.5 million (2014: £1,148.5 million). Were the Company to sell its fixed asset investments, an estimated charge of £329.3 million (2014: £234.2 million) would arise. However, the Company has no intention of selling any of its investments in the foreseeable future.

iii Fixed asset investments (continued)

The principal subsidiary operating companies which affect the results of the Company, at 31 March 2015 were:

	Principal activity		Principal activity
B & H S Management Limited	Property management	G.P.E. (St Thomas Street) Limited	Property investment
Collin Estates Limited	Property investment	J.L.P. Investment Company Limited	Property investment
Courtana Investments Limited	Property investment	Knighton Estates Limited	Property investment
G.P.E. (Bermondsey Street) Limited	Property investment	Marcol House Jersey Limited*	Property investment
Great Portland Estates Capital (Jersey) Limited	Finance company	Pontsarn Investments Limited	Property investment
GPE (Brook Street) Limited	Property investment	Portman Square Properties Limited	Property investment
G.P.E. (Marcol House) Limited	Property investment	The Rathbone Place Limited Partnership†	Property investment

* Held by a subsidiary undertaking.

† The Company owns, through a subsidiary undertaking, 100% of the partnership capital of The Rathbone Place Limited Partnership which is registered and operates in England and Wales.

The Company has taken advantage of the exemption in s410 of the Companies Act 2006 only to disclose a list comprising of solely the principal subsidiaries. A full list of subsidiaries will be sent to Companies House with the next annual return.

All of the above companies are registered and operate in England and Wales except for Great Portland Estates Capital (Jersey) Limited and Marcol House Jersey Limited which are registered in Jersey.

Great Portland Estates plc is the ultimate parent undertaking of the Great Portland Estates Group.

iv Debtors

	2015 £m	2014 £m
Amounts owed by subsidiary undertakings	**446.0**	402.0
Amounts owed by joint ventures	**213.9**	179.5
Other debtors	**1.2**	10.2
Derivatives	**15.1**	0.8
	676.2	592.5

v Current liabilities

	2015 £m	2014 £m
Amounts owed to subsidiary undertakings	**852.8**	746.7
Amounts owed to joint ventures	**5.5**	5.5
Other taxes and social security costs	**–**	0.1
Other creditors	**1.1**	0.7
Accruals	**8.1**	9.2
	867.5	762.2

vi Option element of convertible bond

The Group has a £150 million of senior, unsecured Convertible Bonds due 2018 in issue. The Bonds have a fixed coupon of 1.0% p.a. 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. The option element of the convertible bond relates to the fair value of the bondholder's underlying conversion option. The fair value has been estimated on the basis of quoted market prices.

vii Reserves

	Profit and loss account £m	Revaluation reserve £m	Other reserves: Capital redemption reserve £m	Other reserves: Acquisition reserve £m	Other reserves: Total £m
1 April 2014	182.0	1,271.7	16.4	8.6	25.0
Surplus on revaluation of fixed asset investments	**–**	**475.1**	**–**	**–**	**–**
Profit for the year	**(6.9)**	**–**	**–**	**–**	**–**
Dividends	**(30.5)**	**–**	**–**	**–**	**–**
Transfer to investment in own shares	**(2.9)**	**–**	**–**	**–**	**–**
At 31 March 2015	**141.7**	**1,746.8**	**16.4**	**8.6**	**25.0**

Other information

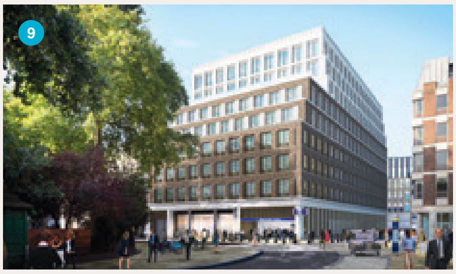
In this section we give further useful information for our shareholders.

Image:
The east facing elevation at City Place House, EC2.

Our properties and tenants

In value order (GPE share)

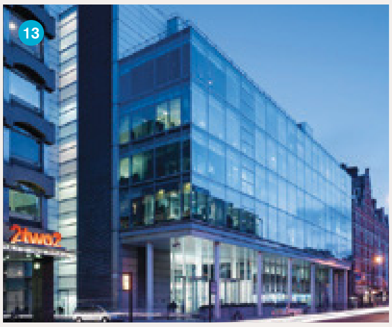
Ownership	Property name		Location	Tenure	Rent roll (GPE share) £	Net internal area sq ft
£150 million plus						
100%	Rathbone Square	1	Noho	FH	–	408,800
100%	The Piccadilly Buildings	2	Rest of West End	LH	11,112,500	187,400
100%	33 Margaret Street	3	Noho	LH	7,592,300	103,700
£100 million – £150 million						
100%	Wells & More, 45 Mortimer Street	4	Noho	FH	5,811,000	123,200
100%	Oxford House, 76 Oxford Street	5	Noho	FH	3,532,800	79,600
100%	160 Great Portland Street	6	Noho	FH	4,901,500	92,900
100%	73/89 Oxford Street	7	Rest of West End	LH	–	90,700
50%	240 Blackfriars Road	8	Southwark	FH	4,799,900	236,700
50%	Hanover Square Estate	9	Rest of West End	FH	650,150	58,500
50%	Mount Royal, 508/540 Oxford Street	10	Noho	LH	5,208,250	92,100
50%	Wigmore Street Island Site	11	Noho	FH	4,229,675	139,400
100%	60 Great Portland Street	12	Noho	FH	4,214,900	93,500
50%	200 & 214 Gray's Inn Road	13	Midtown	LH	4,556,100	291,600
£75 million – £100 million						
100%	30 Broadwick Street	14	Rest of West End	FH	136,600	92,400
100%	Walmar House, 288/300 Regent Street	15	Noho	LH	520,000	56,500
100%	Kent House, 14/17 Market Place		Noho	LH	3,246,900	59,300
100%	20/30 Great Titchfield Street		Noho	FH	3,218,900	66,900
100%	Minerva House		Southwark	FH	3,407,900	103,700
100%	35 Portman Square		Noho	LH	4,271,800	73,000

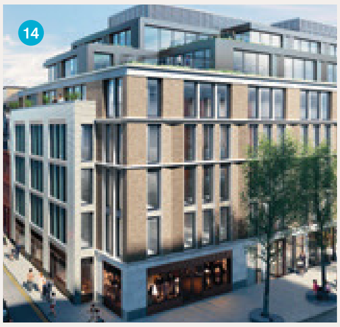


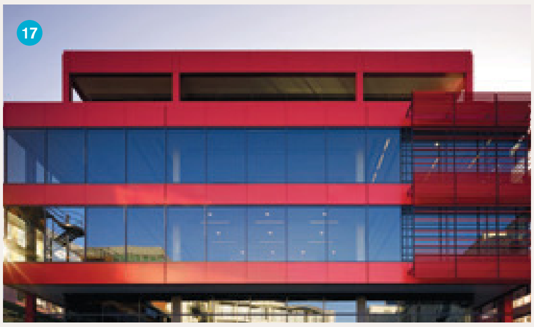
In value order (GPE share)

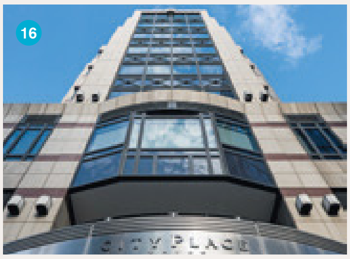
Ownership	Property name		Location	Tenure	Rent roll (GPE share) £	Net internal area sq ft
£50 million – £75 million						
100%	New City Court, 14/20 St Thomas Street		Southwark	FH	3,148,300	97,800
100%	27/41 Mortimer Street		Noho	FH	1,451,500	55,300
100%	Carrington House, 126/130 Regent Street		Rest of West End	LH	1,912,400	31,100
50%	City Place House, 55 Basinghall Street	16	City	LH	3,715,350	179,000
£40 million – £50 million						
100%	24/25 Britton Street	17	Midtown	FH/LH	1,562,200	51,400
100%	Orchard Court		Noho	LH	1,910,700	47,800
50%	City Tower, 40 Basinghall Street	18	City	LH	2,059,100	134,000
£30 million – £40 million						
100%	46/58 Bermondsey Street	19	Southwark	FH	1,341,200	46,800
100%	48/54 Broadwick Street		Rest of West End	FH	1,039,200	30,100
100%	10/12 Cork Street		Rest of West End	LH	883,300	21,400
50%	103/113 Regent Street		Rest of West End	LH	1,225,000	52,800
£20 million – £30 million						
100%	6/10 Market Place		Noho	FH	925,800	18,400
50%	148 Old Street		City	FH	1,085,000	97,800
100%	78/92 Great Portland Street		Noho	FH	300	51,000
50%	40/48 Broadway & 1/15 Carteret Street		Rest of West End	LH	655,400	73,200
100%	Percy House, 33/34 Gresse Street		Noho	FH	630,900	17,300

Our properties and tenants









In value order (GPE share)

Ownership	Property name	Location	Tenure	Rent roll (GPE share) £	Net internal area sq ft
£10 million – £20 million					
100%	Kingsland House, 122/124 Regent Street	Rest of West End	LH	669,500	8,700
100%	Tasman House, 59/63 Wells Street	Noho	FH	–	25,300
100%	31/34 Alfred Place	Noho	LH	–	42,750
100%	32/36 Great Portland Street	Noho	FH	484,500	12,900
50%	Elm House	Midtown	FH	–	48,800
Below £10 million					
100%	6 Brook Street	Rest of West End	LH	242,500	3,600
100%	183/190 Tottenham Court Road	Noho	LH	342,600	12,000
100%	23/24 Newman Street	Noho	FH	192,900	25,100

FH = Freehold or Virtual Freehold.
LH = Leasehold.

Top ten tenants

	Tenant	Rent roll (our share) £m	% of rent roll (our share)
1	Savills plc	7.0	7.2
2	Double Negative	4.8	5.0
3	The Engine Group	3.8	3.9
4	New Look	3.8	3.9
5	UBM plc	2.5	2.5
6	Ipsos Mori UK	2.0	2.1
7	Standard Chartered Bank	1.7	1.7
8	Fallon London Limited	1.6	1.7
9	Lane Clark & Peacock	1.5	1.6
10	Carlton Communications	1.5	1.6
	Total	**30.2**	**31.2**

Portfolio statistics at 31 March 2015

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	35.4	8.4	43.8	3.5	0.2	3.7	47.5
		Retail	7.8	2.9	10.7	5.9	1.1	7.0	17.7
	Rest of West End	Office	9.4	2.9	12.3	1.1	0.8	1.9	14.2
		Retail	6.6	2.3	8.9	1.5	0.9	2.4	11.3
	Total West End		**59.2**	**16.5**	**75.7**	**12.0**	**3.0**	**15.0**	**90.7**
	City, Midtown and Southwark	Office	9.2	3.1	12.3	16.2	4.9	21.1	33.4
		Retail	0.3	–	0.3	–	–	–	0.3
	Total City, Midtown and Southwark		**9.5**	**3.1**	**12.6**	**16.2**	**4.9**	**21.1**	**33.7**
Total let portfolio			**68.7**	**19.6**	**88.3**	**28.2**	**7.9**	**36.1**	**124.4**
Voids					2.4			1.0	3.4
Premises under refurbishment					42.0			2.8	44.8
Total let portfolio					**132.7**			**39.9**	**172.6**

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	52.5	9.0	2.0	100.0	10.1	–
		Retail	31.6	4.5	–	88.1	7.3	–
	Rest of West End	Office	11.5	2.5	3.6	22.1	2.7	0.7
		Retail	61.8	5.9	0.5	82.6	10.1	–
	Total West End		**44.3**	**7.0**	**2.0**	**85.1**	**8.1**	**0.1**
	City, Midtown and Southwark	Office	55.7	6.2	–	43.7	5.8	3.9
		Retail	85.4	15.1	–	100.0	14.7	53.8
	Total City, Midtown and Southwark		**56.5**	**6.4**	–	**43.8**	**5.8**	**4.1**
Total let portfolio			**46.0**	**6.9**	**1.8**	**61.4**	**6.8**	**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	54	65	84	88	2.7	4.4	2.4	4.2
		Retail	45	57	101	119	2.7	4.1	4.0	4.2
	Rest of West End	Office	54	73	19	33	2.8	4.6	0.9	3.9
		Retail	76	110	44	68	3.4	4.3	1.6	3.9
	Total West End		**54**	**62**	**63**	**75**	**2.8**	**4.4**	**2.4**	**4.1**
	City, Midtown and Southwark	Office	33	44	37	50	3.9	4.9	2.3	5.1
		Retail	25	26	42	43	5.0	5.1	2.8	4.7
	Total City, Midtown and Southwark		**33**	**42**	**37**	**49**	**3.9**	**5.0**	**2.3**	**5.1**
Total let portfolio			**50**	**59**	**45**	**57**	**2.9**	**4.5**	**2.4**	**4.6**

Notice of meeting

Notice is hereby given that the 58th Annual General Meeting of Great Portland Estates plc will be held at Asia House, 63 New Cavendish Street, London W1, on Wednesday, 8 July 2015 at 11.30am, for the purposes set out below, with the Board available from 11am to meet shareholders and answer questions.

Ordinary resolutions

1. To receive and adopt the audited financial statements together with the directors' and auditor's reports for the year ended 31 March 2015.
2. To authorise the payment of a final dividend for the year ended 31 March 2015.
3. To approve the Directors' remuneration report as set out on pages 92 to 116, other than the part containing the Directors' remuneration policy that appears on pages 108 to 116, for the year ended 31 March 2015.
4. To re-elect Toby Courtauld as a director of the Company.
5. To re-elect Nick Sanderson as a director of the Company.
6. To re-elect Neil Thompson as a director of the Company.
7. To re-elect Martin Scicluna as a director of the Company.
8. To re-elect Elizabeth Holden as a director of the Company.
9. To re-elect Jonathan Nicholls as a director of the Company.
10. To re-elect Charles Philipps as a director of the Company.
11. To re-elect Jonathan Short as a director of the Company.
12. To reappoint Deloitte LLP as auditor.
13. To authorise the Audit Committee to agree the remuneration of the auditors.

As special business, to consider and, if thought fit, to pass the following Resolution 14 as an ordinary resolution, and those numbered 15 to 17 inclusive as special resolutions. The items of special business are explained in more detail in the Report of the directors on pages 119 and 120.

14. That:
    (a) the directors be authorised to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company:
        (i) in accordance with Article 9 of the Company's Articles of Association (the Articles), up to a maximum nominal amount of £14,330,256 (such amount to be reduced by the nominal amount of any equity securities (as defined in Article 10 of the Articles) allotted under paragraph (ii) below in excess of £14,330,256); and
        (ii) comprising equity securities (as defined in Article 10 of the Articles), up to a maximum nominal amount of £28,660,512 (such amount to be reduced by any shares allotted or rights granted under paragraph (i) above) in connection with an offer by way of a rights issue (as defined in Article 10 of the Articles);
    (b) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, or, if earlier, at the close of business on 1 October 2016; and
    (c) all previous unutilised authorities under section 551 of the Companies Act 2006 shall cease to have effect (save to the extent that the same are exercisable pursuant to section 551(7) of the Companies Act 2006 by reason of any offer or agreement made prior to the date of this resolution which would or might require shares to be allotted or rights to be granted on or after that date).

Special resolutions

15. That:
    (a) in accordance with Article 10 of the Company's Articles of Association (the Articles), the directors be given power to allot equity securities for cash;
    (b) the power under paragraph (a) above (other than in connection with a rights issue, as defined in Article 10 of the Articles) shall be limited to the allotment of equity securities having a nominal amount not exceeding in aggregate £2,149,538;
    (c) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 1 October 2016; and
    (d) all previous unutilised authorities under sections 570 and 573 of the Companies Act 2006 shall cease to have effect.
16. That, in accordance with the Companies Act 2006, the Company be and it is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693 of the Companies Act 2006) of its shares on such terms and in such manner as the directors may determine, provided that:
    (a) the maximum number of shares which may be purchased is 51,554,530;
    (b) the maximum price at which shares may be purchased shall not be more than the higher of an amount equal to 5% above the average of the middle market quotations for the shares as taken from the London Stock Exchange Daily Official List for the five business days preceding the date of purchase and the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003, and the minimum price shall be 12.5 pence, being the nominal value of the shares, in each case exclusive of expenses;
    (c) the authority conferred by this resolution shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or at the close of business on 1 October 2016, whichever is the earlier, save that the Company may before such expiry enter into a contract or contracts for purchase under which such purchase may be completed or executed wholly or partly after the expiration of this authority and may make a purchase of shares in pursuance of any such contract; and

(d) all existing authorities for the Company to make market purchases of its shares are revoked, except in relation to the purchase of shares under a contract or contracts concluded before the date of this resolution and which has or have not yet been executed.

17. That, in accordance with the Company's Articles of Association, a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

Registered office:
33 Cavendish Square
London W1G 0PW

By order of the Board
Registered Number: 596137

Desna Martin Company Secretary
20 May 2015

Notes to notice of meeting

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. In order to be valid an appointment of proxy must be returned by one of the following methods:
   – in hard copy form by post, by courier or by hand to the Company's Registrar at the address shown on the form of proxy; or
   – online by following the instructions for the electronic appointment of a proxy at www.capitashareportal.com; or
   – in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below,
   and in each case must be received by the Company's Registrar not less than 48 hours before the time of the meeting.
2. The return of a completed proxy form, online proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 8 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so. A shareholder must inform the Company's Registrar in writing of any termination of the authority of a proxy.
3. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
4. The statement of rights of shareholders in relation to the appointment of proxies in paragraph 1 above does not apply to Nominated Persons. The rights described in this paragraph can only be exercised by shareholders of the Company.
5. Nominated persons are reminded that they should contact the registered holder of their shares (and not the Company) on matters relating to their investments in the Company.
6. As at 19 May 2015 (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital consists of 343,926,149 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 19 May 2015 are 343,926,149.
7. Copies of all directors' contracts and the Company's Articles of Association are available for inspection at 33 Cavendish Square, London W1G 0PW during normal business hours on any weekday (English public holidays excepted) and will be available at the place of the Annual General Meeting for at least 15 minutes prior to and during the Annual General Meeting.
8. (a) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual on the Euroclear website (www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
   (b) In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID: RA10) by the latest time(s) for receipt of proxy appointments specified in the Notice of Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
   (c) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
   (d) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company specifies that only those shareholders registered in the Register of Members of the Company as at 6pm on 6 July 2015 (or in the event of any adjournment, at 6pm on the date which is two days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time and changes to the Register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
10. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
11. Under section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditors' Report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the members requesting such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006, and it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on its website.
12. A member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
13. A copy of this notice, and other information required by section 311A of the Companies Act 2006 can be found at www.gpe.co.uk/investors/agm/
14. You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the form of proxy) to communicate with the Company for any other purposes other than those expressly stated.
15. Voting on all resolutions will be conducted by way of a poll rather than on a show of hands. This will result in a more accurate reflection of the views of shareholders by ensuring that every vote is recognised, including all votes of shareholders who are unable to attend the meeting but who appoint a proxy for the meeting. On a poll, each shareholder has one vote for every share held.

Glossary

Building Research Establishment Environmental Assessment Methodology (BREEAM)
Building Research Establishment method of assessing, rating and certifying the sustainability of buildings.

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 – Investment property
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 March annual 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, convertible bonds at nominal value 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 Group borrowings (including the convertible bonds at nominal value) less short-term deposits and cash as a percentage of equity shareholders' funds, calculated in accordance with our bank covenants.

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.

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

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

Total Property Return (TPR)
Capital growth in the portfolio plus net rental income derived from holding these properties plus profit on sale of disposals expressed as a percentage return on the period's opening value.

Total Shareholder Return (TSR)
The growth in the ordinary share price as quoted on the London Stock Exchange plus dividends per share received for the period expressed as a percentage of the share price at the beginning of the period.

Triple net asset value (NNNAV)
NAV adjusted to include the fair value of the Group's financial liabilities on a diluted basis.

True equivalent yield
The constant capitalisation rate which, if applied to all cash flows from an investment property, including current rent, reversions to current market rent and such items as voids and expenditures, equates to the market value having taken into account notional purchaser's costs. Assumes rent is received quarterly in advance.

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.

Five year record

Based on the Group financial statements for the years ended 31 March

Balance sheet

	2011 £m	2012 £m	2013 £m	2014 £m	**2015 £m**
Property portfolio	1,049.5	1,366.0	1,899.5	1,972.7	**2,348.2**
Joint ventures	449.8	538.2	348.3	524.8	**636.7**
Trading property	–	–	–	93.3	**115.9**
Loans and borrowings	(352.1)	(507.4)	(666.0)	(623.5)	**(638.5)**
Other liabilities	(34.5)	(158.5)	(44.1)	(35.4)	**(71.4)**
Net assets	**1,112.7**	**1,238.3**	**1,537.7**	**1,931.9**	**2,390.9**

Financed by

	£m	£m	£m	£m	**£m**
Issued share capital	39.1	39.1	43.0	43.0	**43.0**
Reserves	1,073.6	1,199.2	1,494.7	1,888.9	**2,347.9**
Total equity	**1,112.7**	**1,238.3**	**1,537.7**	**1,931.9**	**2,390.9**

Net assets per share	**359p**	**402p**	**451p**	**564p**	**701p**
Net assets per share – EPRA	**360p**	**403p**	**446p**	**569p**	**709p**

Income statement

	£m	£m	£m	£m	**£m**
Net rental income	63.7	46.4	57.1	69.7	**66.0**
Joint venture fee income	4.1	5.6	6.1	6.9	**4.2**
Rental and joint venture fee income	67.8	52.0	63.2	76.6	**70.2**
Property and administration expenses	(21.3)	(26.2)	(29.3)	(32.3)	**(27.8)**
Trading property – cost of sales	–	–	–	(1.6)	**(4.8)**
Development management profits	–	–	–	–	**1.7**
	46.5	25.8	33.9	42.7	**39.3**
Surplus on investment property	131.3	97.2	99.0	325.6	**380.6**
Share of results of joint ventures	97.9	50.0	61.2	105.6	**84.7**
Loss on disposal of joint ventures	–	–	(0.5)	–	**–**
Operating profit	**275.7**	**173.0**	**193.6**	**473.9**	**504.6**
Finance income	2.2	5.1	8.4	9.9	**11.8**
Finance costs	(13.8)	(21.4)	(21.4)	(61.6)	**(9.0)**
Non-recurring items	(3.1)	(1.5)	–	–	**–**
Profit before tax	**261.0**	**155.2**	**180.6**	**422.2**	**507.4**
Tax	(0.9)	–	–	–	**0.8**
Profit for the year	**260.1**	**155.2**	**180.6**	**422.2**	**508.2**

Earnings per share – basic	**83.8p**	**50.2p**	**56.3p**	**123.4p**	**148.3p**
Earnings per share – diluted	**83.8p**	**50.2p**	**56.3p**	**122.5p**	**147.4p**
Earnings per share – EPRA diluted	**16.0p**	**5.6p**	**6.9p**	**11.0p**	**12.7p**
Dividend per share	**8.2p**	**8.4p**	**8.6p**	**8.8p**	**9.0p**

Shareholders' information

Shareholder enquiries

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

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU
Tel: 0871 664 0300
Email: ssd@capitaregistrars.com

(Calls cost 10 pence per minute plus network extras; lines are open 8.30am–5.30pm Monday to Friday.)

If you are calling from overseas please dial +44 20 8639 3399

Unsolicited telephone calls – Boiler room scams

Over the last year, some of our shareholders have received unsolicited telephone calls or correspondence concerning investment matters from organisations or persons claiming or implying that they have some connection with the Company.

These are typically from overseas based 'brokers' who target UK shareholders offering to sell them shares that often turn out to be worthless or non-existent, or an inflated price for shares they own. These operations are commonly known as 'boiler rooms'. Shareholders are advised to be very wary of any offers of unsolicited advice, discounted shares, premium prices for shares they own or free reports into the Company. If you receive any unsolicited investment advice:

– ensure you get the correct name of the person and firm;
– check that the firm is on the Financial Conduct Authority (FCA) Register to ensure they are authorised at **www.fsa.gov.uk/register/home.do**
– use the details on the FCA Register to contact the firm;
– call the FCA Consumer Helpline (0800 111 6768) if there are no contact details in the Register or you are told they are out of date; and
– if the calls persist, hang up.

If you use an unauthorised firm to buy or sell shares, you will not have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme.

Payment of dividends

If you would like your dividends/interest paid directly into your bank or building society account, you should write to Capita Registrars, including details of your nominated account. Although this will enable your dividend/interest to be paid directly into your account, your tax voucher will still be sent to your registered address.

Tax consequences of REIT status

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 – 0871 664 0364

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

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 copies of all press announcements released over the last 12 months. The site can be found at www.gpe.co.uk

Company Secretary

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Fax: 020 7016 5500
Registered number: 596137

Financial calendar

2015	
28 May	Ex-dividend date for 2014/2015 final dividend
29 May	Registration qualifying date for 2014/2015 final dividend
8 July	Annual General Meeting
13 July	2014/2015 final dividend payable
11 Nov	Announcement of 2015/2016 interim results
19 Nov	Ex-dividend date for 2015/2016 interim dividend (provisional)[1]
20 Nov	Registration qualifying date for 2015/2016 interim dividend (provisional)[1]

2016	
4 Jan	2015/2016 interim dividend payable (provisional)[1]
18 May	Announcement of 2015/2016 full year results (provisional)[1, 2]

1. Provisional dates will be confirmed in the Half Year results announcement 2015.
2. The timetable for the potential final dividend will be confirmed in the 2016 Annual Report.

Design and production by Radley Yeldar | ry.com

Board and people photography by Andy Wilson

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