# Press Release

GREAT PORTLAND ESTATES

**3 July 2008**

## AGM Statement

Richard Peskin, Chairman of Great Portland Estates plc, will make the following comments at today's AGM, to be held at 50 Stratton Street, London, W1.

"The year to March 2008 was full of challenges for the property industry with capital values falling significantly since the summer of 2007 and sentiment deteriorating across the sector. Your company's results have been impacted by these more difficult conditions, with the portfolio valuation and NAV per share reducing from levels seen at the beginning of the year.

However, compared to our listed peers and to property portfolios in central London, GPE has performed well. Our Total Property Return, growth in our NAV per share and our Total Shareholder Return have all exceeded their relevant benchmarks over both one and five years.

Our outperformance last year was driven by our numerous operational successes across the business. During the year, 85 lettings were completed with an annual rent roll of £25 million compared to the previous year's total of £10 million. The leasing of developments was particularly successful, with tenants secured at 60 Great Portland Street, W1, 180 Great Portland Street, W1 and 160 Tooley Street, SE1. In our development business, we have achieved practical completion at 60 Great Portland Street and 79/83 Great Portland Street, both in W1, and at Met Wharf, E1 and Tooley Street, SE1. Although the overall development pipeline is substantial at 2.8 million sq ft, today, we have limited current speculative exposure, with only three schemes on site requiring around a further £20 million to reach completion.

Since the year end we have completed 15 leases across the portfolio at rents 6% higher than our valuers' March 2008 estimated rental values and, although the quantity of viewings is lower than last year's peak, we continue to generate interest from prospective tenants in the limited amount of space we have to let whilst the portfolio void rate, at 3.2%, remains unchanged from the year end.

Central London investment markets continue to be subdued as debt remains scarce and investor sentiment poor. Despite these conditions, we have been able both to sell assets successfully and to

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raise fresh debt at attractive margins.  Since the year end, we have agreed to sell 202/288 Regent Street, W1, the only asset in our second joint venture with Liverpool Victoria.  The price of £96.6 million is broadly in line with the March 2008 book value and will crystallise a 91% return on equity during our 3 years of joint ownership.

Looking ahead, we remain cautious about the trends affecting our markets.  The wider financial sector continues to suffer from liquidity and asset impairment problems, which may further impact real estate values.  Occupational trends are harder to predict.  Our core market of the West End remains relatively well balanced: tenant demand, although lower than last year, is running at a rate consistent with the long run average, whilst the supply of new space remains constrained.  The outlook for rents, therefore, will depend on the health of the UK and international economies and their impact on both central London employment levels and take-up.

Within this uncertain environment, GPE remains well placed offering both defensive characteristics in the short term and a portfolio full of growth potential for the longer term.  Over 80% of our properties are in core West End locations, let at low current rents, and with substantial upside to aim for.  We have little speculative development on site but a long pipeline of future projects and a strong balance sheet with substantial liquidity.  We are in good shape and we face the future confident about our long term prospects.

We will be publishing our first quarter valuation along with our Interim Management Statement on 22 July 2008 and look forward to telling you more about our progress then".

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