

EPRA 25 September 2013

Unlocking potential

GREAT
PORTLAND
ESTATES

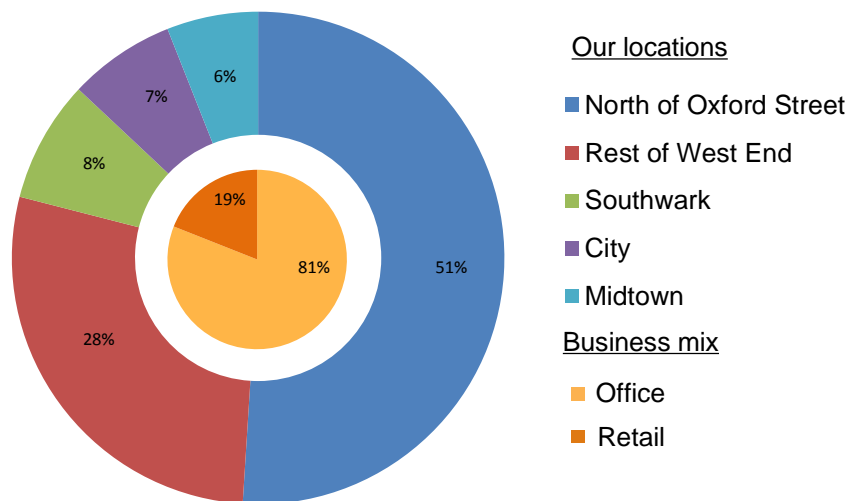


GPE – Company Overview

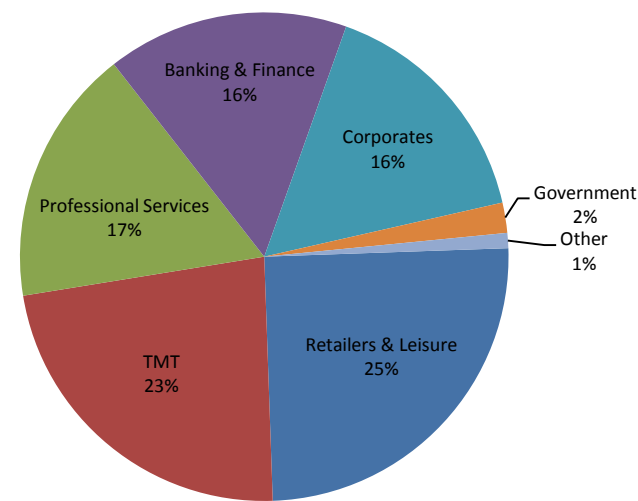


- Property investment and development REIT focused exclusively on central London
- Listed on the London Stock Exchange since the 1950s. Market cap of c£1.9 billion
- Total return focused REIT. Consistent outperformance against benchmarks
- Management team over 100 years real estate experience
- Rent roll of £94.6 million¹ (average office rent of £38 per sq ft)
- Real estate assets of £2.4 billion¹, net assets £1.6 billion¹
- Low leverage – LTV of 31.6%², at an average interest rate of only 3.5%²

Portfolio characteristics¹



GPE tenant mix (including share of joint ventures)¹



¹ As at 30 June 2013 including share of joint ventures ² Pro forma position at 30 June 2013

Strategy Overview

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Clear Counter-Cyclical Strategy

- Asset repositioning
- Recycling capital
- Central London only

Relatively Good Recession

- Net seller 2 yrs. up to Lehman
- Lowest gearing of all European REITs
- Capex commitments £8m @ Lehman

Acquisitions from 2009

- Offensive capital raise £167m May 2009
- Unlevered IRR to Sept. 2012, 18%
- Raised £140m Nov. 2012, all invested
- Invested £1billion+ since 2009

Developing from 2009

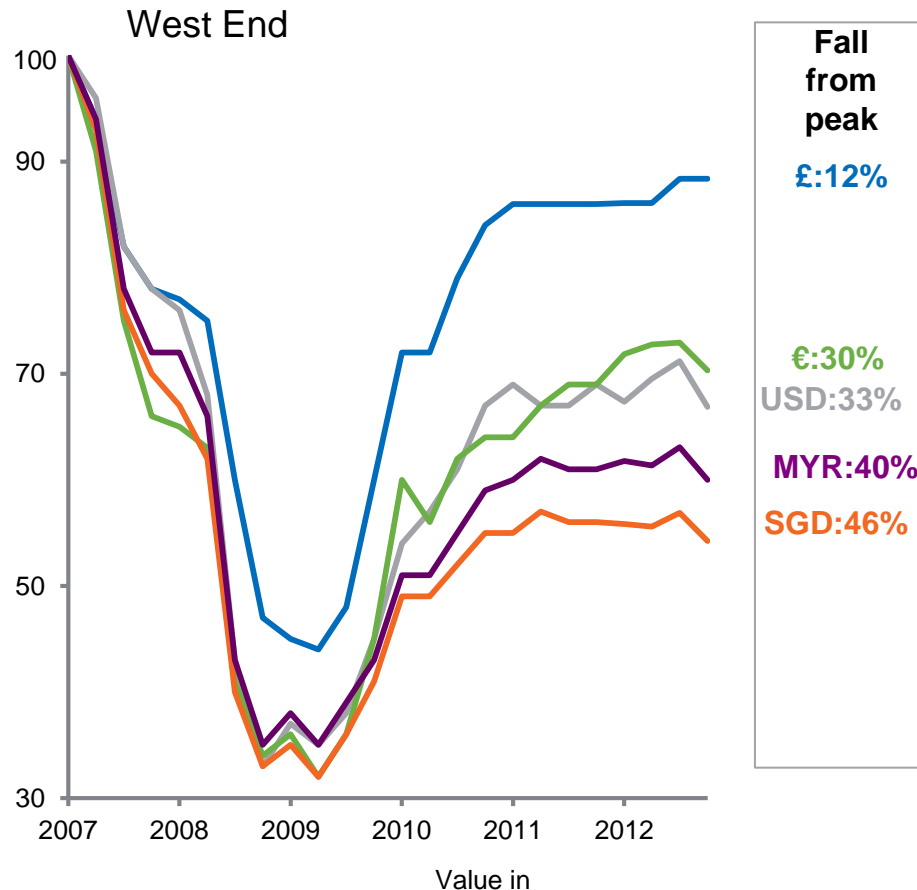
- Finished or on site 990,00 sq ft, 10 schemes
- Avg. profit on cost, unlevered, 58%
- Further 20 schemes, 1.8m sq ft in programme
- Recession acquisitions fueling development programme
- Marcol House, Rathbone Place, Jermyn Street Estate, Portman Square, Oxford Street etc

London Remains Attractive

Particularly to international capital



Capital value index, Q2 2007 – Q1 2013, June 2007 = 100



London Equity Demand and Asset Supply

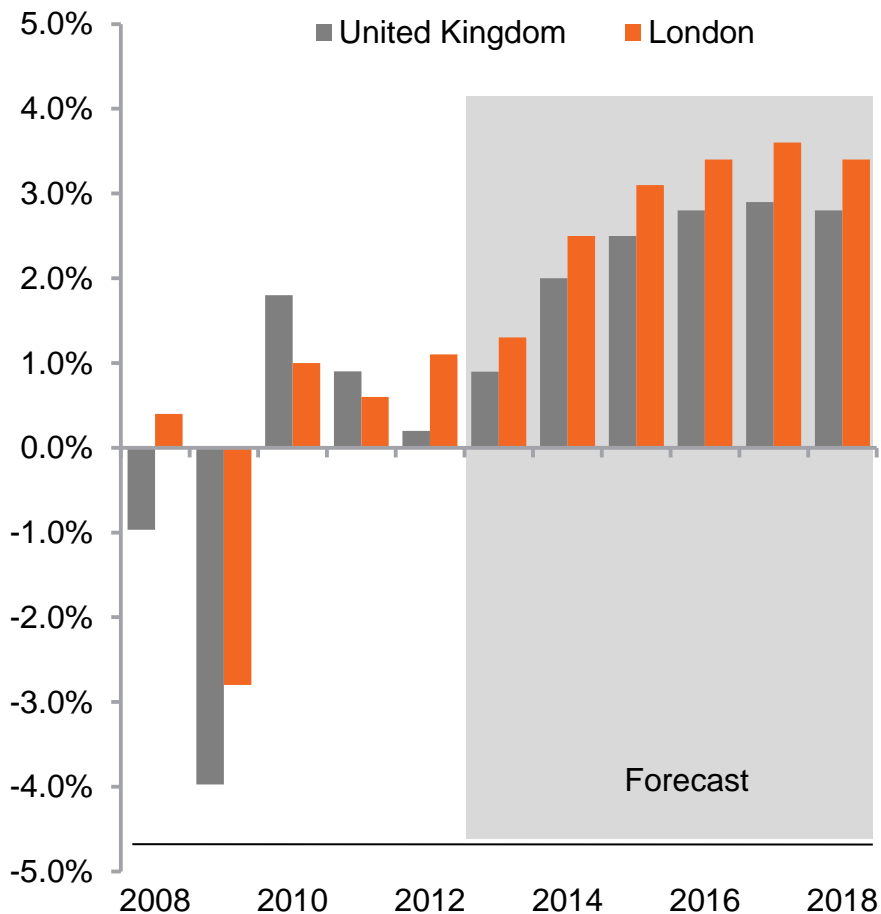
	Nov 2012	May 2013	% change
Equity Demand¹	£20.5bn	£22.5bn	+10%
Asset Supply²			
City	£2.1bn	£1.8bn	-14%
West End	£2.6bn	£0.8bn	-69%
	£4.7bn	£2.6bn	-45%
Demand Multiple	4.4x	8.7x	

London outperforming

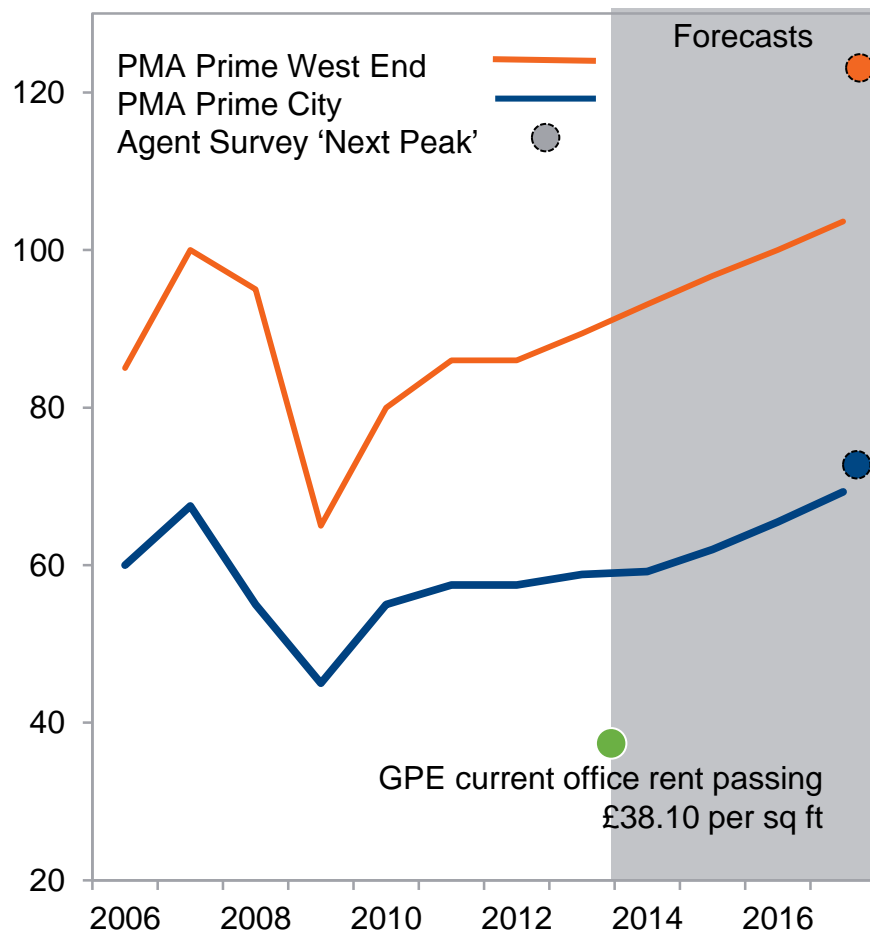
Businesses growing, space under offer increasing, constrained supply, rents increasing



GDP / GVA¹ (2008 -2018)



Headline rents (£ per sq ft)



1. Source: ONS, Oxford Economics

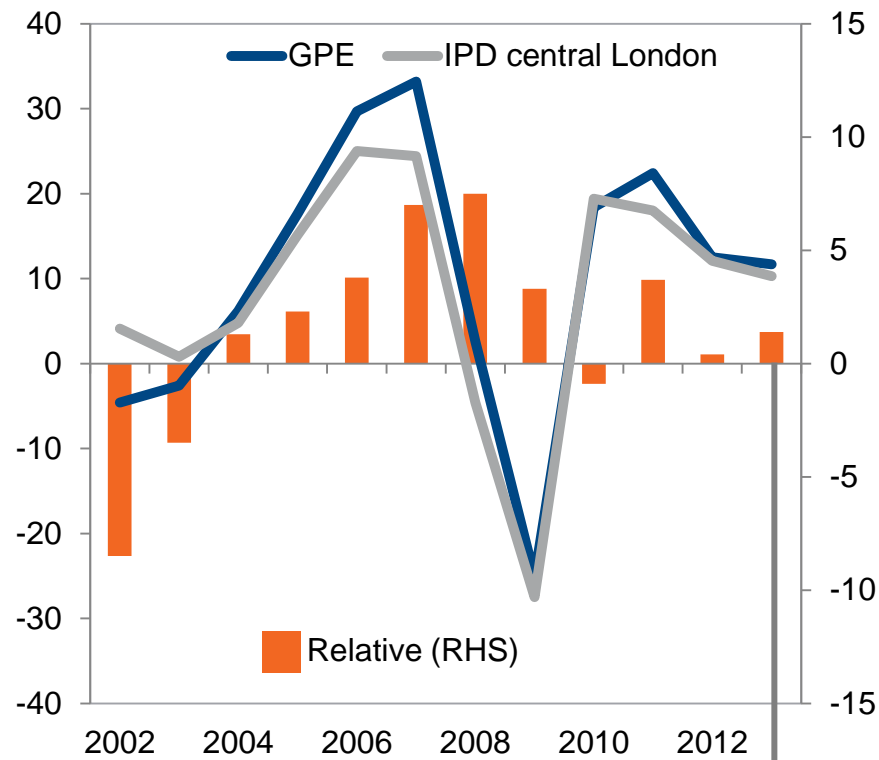
Source: PMA / GPE / JLL / KF / CBRE / DTZ

GPE outperforming

Relative returns vs IPD

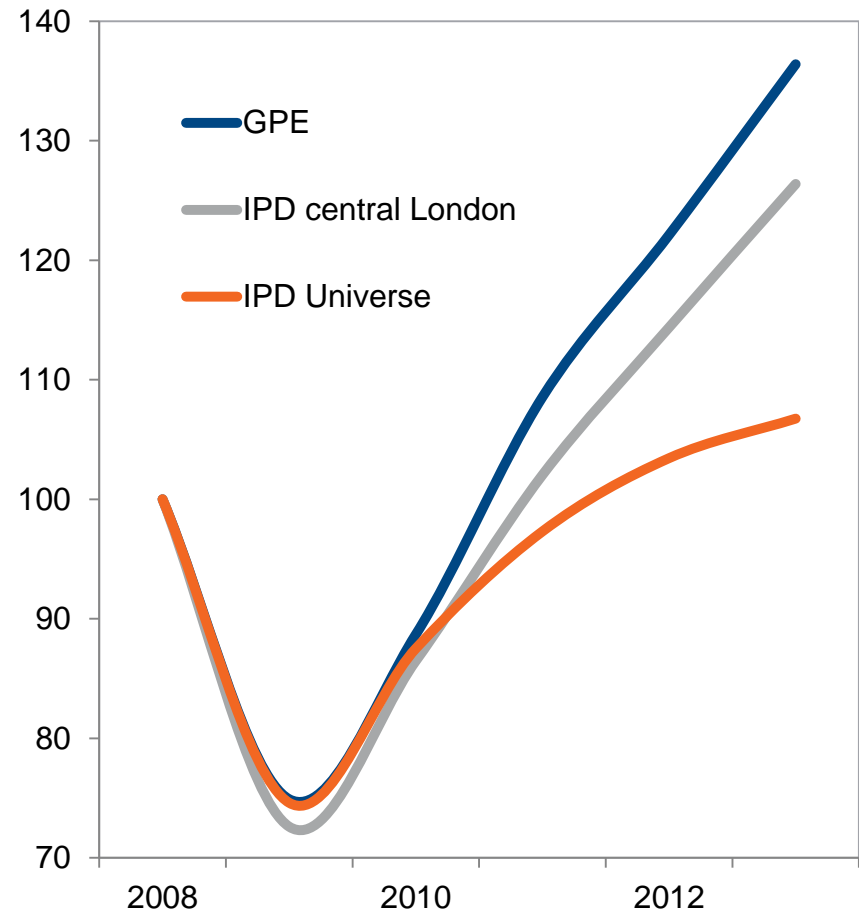


Years to 31 March



	GPE	IPD	Relative
Total return	11.7%	10.5%	+1.2%
Capital return	8.5%	6.1%	+2.4%

Relative TPR over 5 years

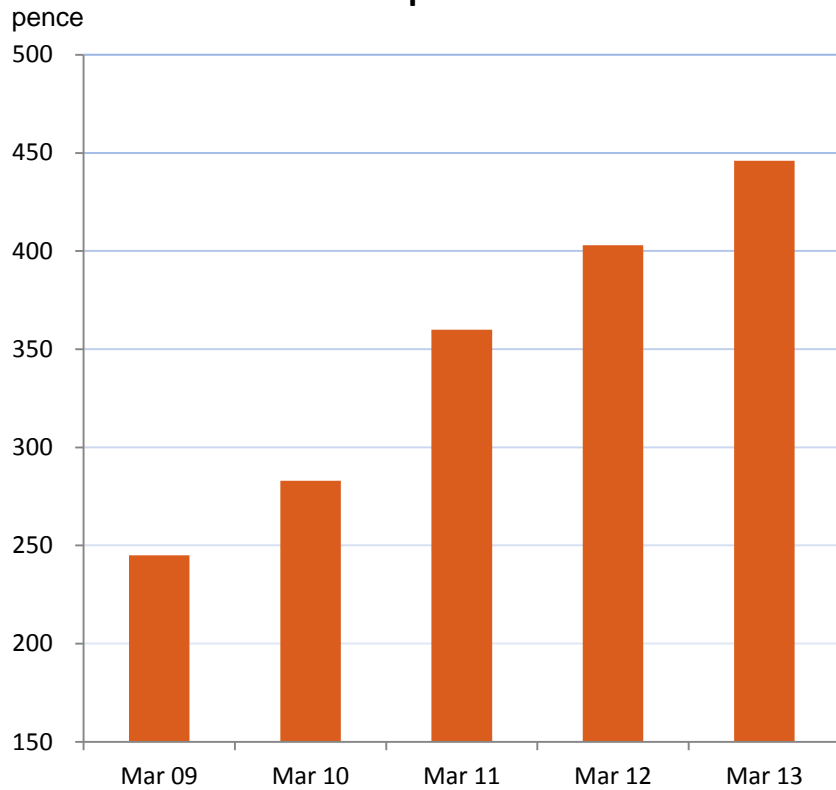


GPE delivering strong financial results

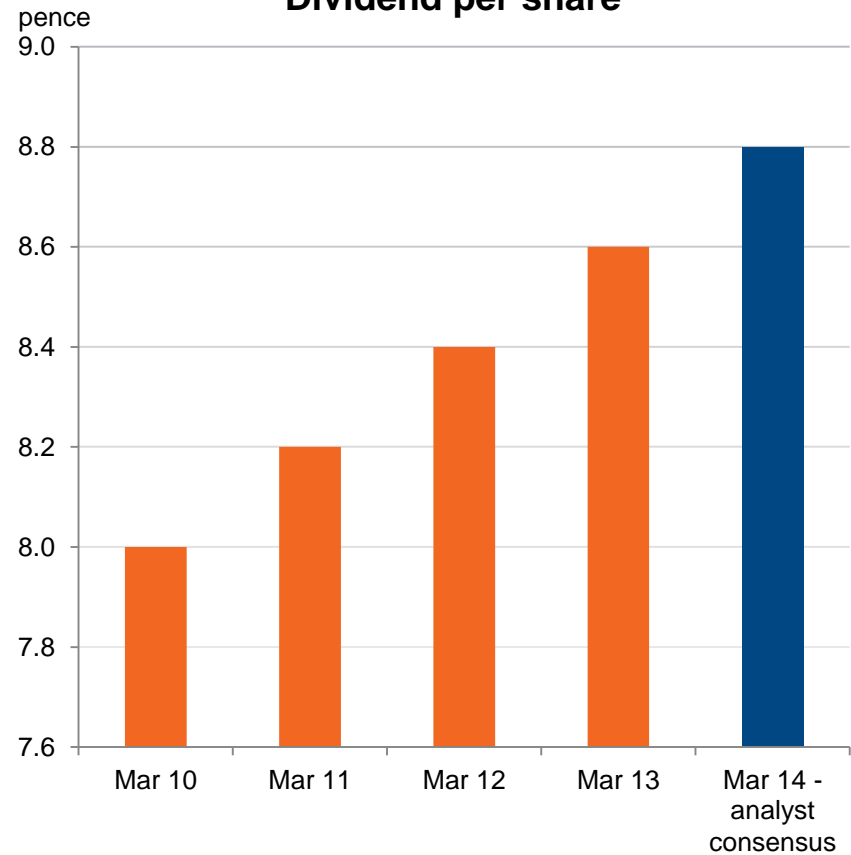
NAVPS up 4.0% in Q1



NAV per share

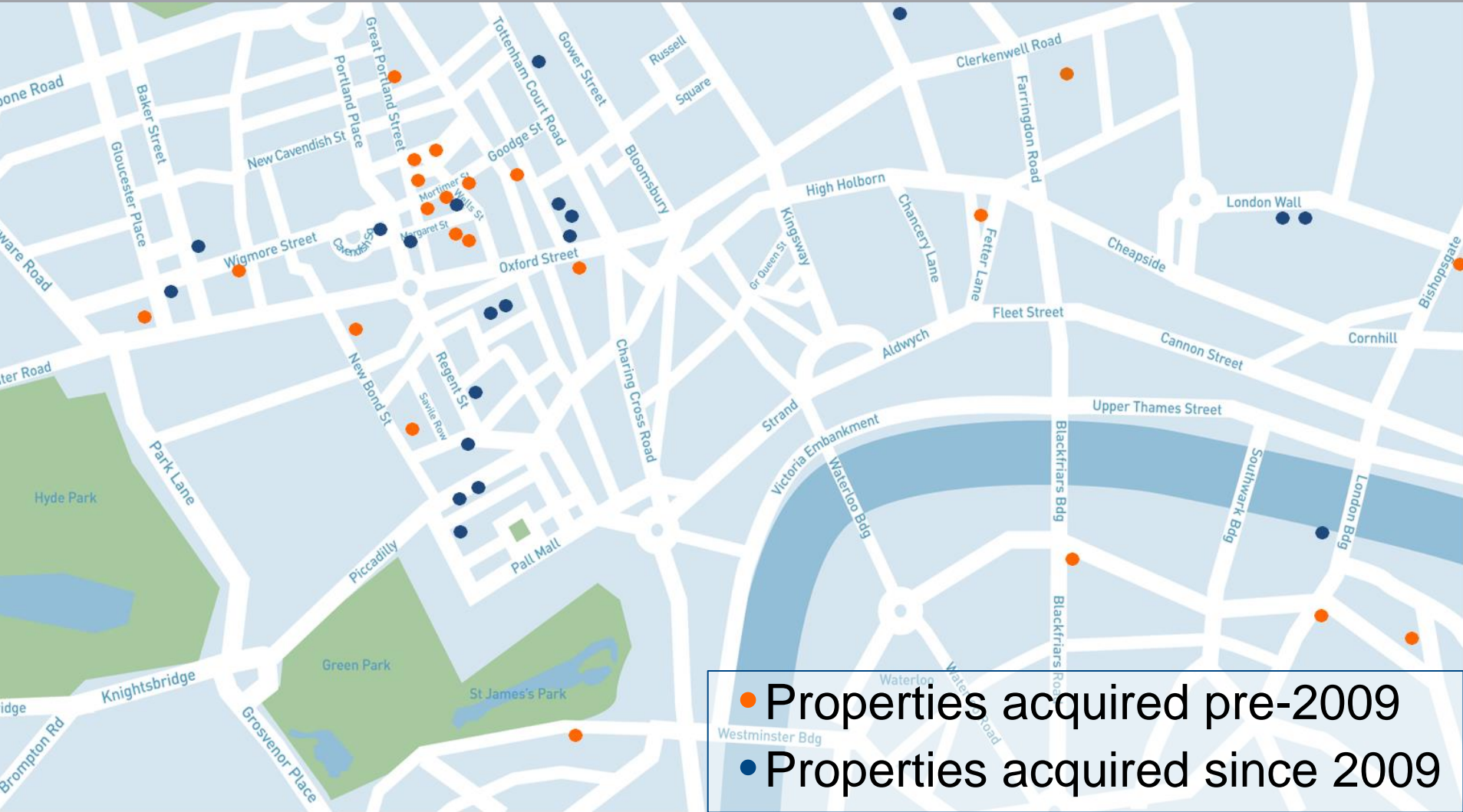


Dividend per share



GPE portfolio summary

55% acquired since 2009



Completed Project

33 Margaret St, W1

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- Purchase Nov 2009
- Profit share arrangement with EuroHypo / Istithmar
- Development Sept 2010 - Dec 2012
- 103,700 sq ft – retail / office
- Rent £7.3m pa (Office £73.25 psf)
- Offices let to Savills plc
- 20 year lease, no break
- Profit share arrangements closed

GPE profit on cost	79.8%
Ungearred IRR	49.8%
Yield on cost	8.5%

Near Term Project

Rathbone Place, W1



Future Project

Hanover Square Estate



ST JAMES PARK

BUCKINGHAM PALACE

THE RITZ HOTEL

GREEN PARK

HYDE PARK

PICCADILLY

THE ROYAL ACADEMY
OF ARTS

BERKELEY SQUARE

PARK LANE

CLARIDGE'S HOTEL

NEW BOND STREET

SOHO

HANOVER SQUARE

REGENT STREET

OXFORD STREET

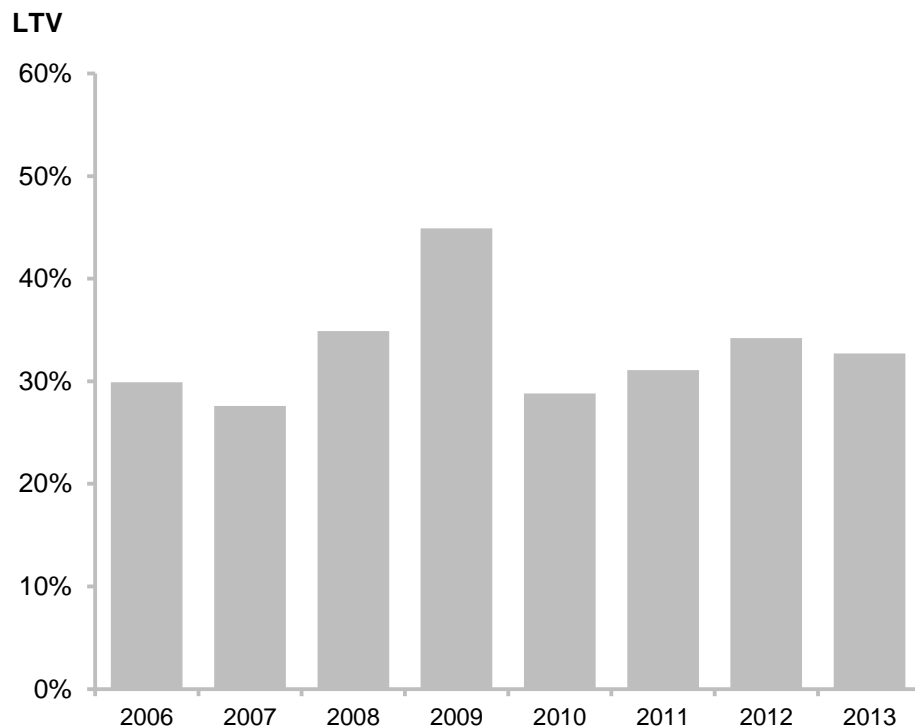
OXFORD CIRCUS

GPE debt position

Conservative low cost debt financing

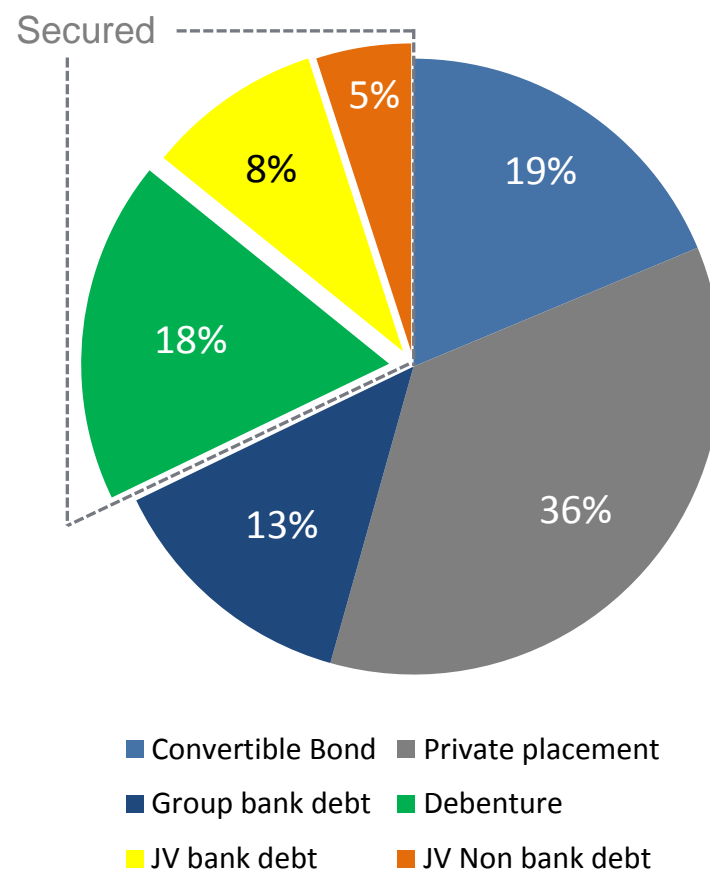


Leverage metrics



Weighted average interest rate	3.5% ¹
Weighted average maturity	6.9 years ¹

Debt diversity¹ – 78% from non-bank sources



Note 1: 30 June 2013 pro forma for £31.6 million deferred consideration at 100 Bishopsgate, sales and purchases contracted but not yet completed and the Sept 2013 convertible bond

More than £1 billion of financings since July 2010



£140m Equity Placing November 2012

- Issued at 6% premium to NAV, 2% discount to share price
- Book of demand c. 2.1x covered at issue price of 450 pence
- Existing shareholders allocated 93% of book
- Proceeds 1.5x invested by July 2013 in four acquisitions

£150m Convertible Bond September 2013

- 1% coupon - lowest ever for a UK issuer
- 35% conversion premium – highest ever for a European property company
 - 54% premium to NAVPS at June 2013
- 5 year maturity, can be settled in cash or shares at the company's discretion
- Book of demand c4.0x covered at the issued terms
- Shares outperformed on day, 88% of book allocated to 'buy and hold' investors
- Low fixed coupon funding for development programme

Opportunity

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Markets are supportive

- Supply to remain tight
- Demand for GPE space strong
- Investment market competitive

Strategy is clear

- Repositioning: low rents, low capital values
- Central London only: West End bias (83% today)
- Recycling: crystallising profits, replenish pipeline
 - Good buying track record
 - 55% of portfolio bought since 2009

Portfolio primed for growth

- Reversions to capture – beating ERVs
- Asset management to exploit: mark ERVs higher
- Near term development profits
 - 20 scheme pipeline
 - 2.5m sq ft total programme, 55% of portfolio