Press Release

GREAT PORTLAND ESTATES

19 July 2007

Great Portland portfolio value up over 6% in Q1

The Directors of Great Portland Estates plc ("GPE") are pleased to present the Interim Management Statement including the quarterly valuation of the Group's properties as at 30 June 2007, the details of which can be found in the attached tables (see appendix 1).

Highlights of the quarter:

- Valuation of portfolio, including share of joint ventures, up 6.1% to £1,732 million.
- Valuation of development properties[1] up 10.6%, net of capital expenditure.
- Adjusted NAV per share[2] up 8.1% to 642p.
- REIT NNNAV per share[2] up 8.8% to 645p.
- Portfolio rental value growth of £3.8 million (up 4.6% on a like-for-like basis).
- West End office rental values increased by £2.8 million, or 6.0% like-for-like.
- Strong letting activity continues with £6.6 million of new rents secured.
- Significant recycling of capital - £244 million of acquisitions[1] and £162 million of sales.
- Valuation of acquisitions, including the Great Capital Partnership ("GCP"), up 7.1% net of costs.
- Since the quarter end, further purchases totalling £159.5 million have been contracted in GCP.

[1]Includes Group's share of joint ventures.
[2]Unaudited estimate based on valuation increase and other items, see table below.

Toby Courtauld, Chief Executive of GPE said,

"We have made a good start to this financial year. The strong valuation growth over the first quarter reflects the extensive improvements we are bringing to our portfolio through refurbishment, redevelopment and astute asset management supported by good market conditions in central London.

With constrained supply of new offices, particularly in the West End where more than 80% of our portfolio is located, we expect rents to continue to rise. Our development business continues to power ahead and, with significant new acquisitions adding to our pipeline, we remain optimistic about the Group's prospects."

Valuation

The valuation of the Group's properties as at 30 June 2007 was £1,732 million including our share of joint venture assets. All properties, including acquisitions and our share of joint ventures, rose in value by £99.0 million or 6.1% since 31 March 2007. All of the investment portfolio valuation uplift was due to rental growth and asset management with no yield compression.

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Rental values grew across the portfolio by 4.6% during the quarter, broadly in line with the run rate recorded over the past twelve months. West End office rental values were 6.0% higher whilst those in the City and Southwark rose by 5.0%. The Group average office rent passing remains comparatively low at approximately £32.60 per sq ft, and, with the average office rental value at £43.60 per sq ft, the overall portfolio is 28% reversionary in its current state. The wholly owned portfolio true equivalent yield was unchanged over the quarter and stands at 4.9% (4.9% for joint venture properties).

The strongest valuation gain over the quarter came from those properties under development which rose by 10.6%, net of capital expenditure. Acquisitions made during the quarter also performed well, rising in value by 7.1%, net of acquisition costs. The valuation of properties in the Great Capital Partnership rose by 7.7% to £502.5 million between 2 April 2007 and 30 June 2007, net of set up costs.

Estimated NAV per share and financing

The portfolio valuation movement of £99.0 million for the three months to 30 June 2007 has been used to estimate the pro forma NAV per share. Adjusted NAV per share as at 30 June 2007 was estimated at 642p (up 8.1% on 31 March 2007), whilst REIT NNNAV per share was estimated at 645p (up 8.8% on March 2007), both net of a provision for the payment of the final 2007 dividend of 7.55p. Further details are set out in the table below.

Pro Forma Estimated Balance Sheet

	£m	*Pence per share*	*% Change*
Adj NAV			
At 31 March 2007	**1,076.0**	**594**	
Valuation uplift	99.0	56	
Final dividend	(13.6)	(8)	
At 30 June 2007	**1,161.4**	**642**	***8.1%***
REIT NNNAV			
Mark to Market of debt	5.1	3	
At 30 June 2007	**1,166.5**	**645**	
At 31 March 2007	**1,074.3**	**593**	***8.8%***

Note: These pro forma estimates do not include retained earnings for the quarter and are unaudited

Net debt at 30 June 2007 was £483 million, up £94 million from 31 March 2007, mainly due to the investment in the Great Capital Partnership and capital expenditure on developments. Gearing at 42% was 6% higher than the level as at 31 March 2007.

Since the quarter end the Group's debt facilities have been enhanced to support recent acquisitions and the growing development pipeline. A new £200 million five year revolving credit facility has been arranged on more advantageous terms than the smaller, shorter-term facility that it will replace.

Investment activity

The Group has continued to find a significant number of investment opportunities during the quarter completing acquisitions totalling £243.8 million (including share of joint ventures).

The Great Capital Partnership ("GCP"), a new £460 million joint venture with Capital & Counties, was completed at the start of the quarter and the integration process is progressing well. Since the quarter end, the partnership has acquired a further £159.5 million of properties in 4 separate transactions (100% values). The largest acquisition involved the purchase of 3 assets on Regent Street, W1 for a price of £111.8 million. Taken together, the properties comprise 128,100 sq ft of retail and office space, with good improvement opportunities and reversionary potential.

The remaining three acquisitions were of properties next to existing GCP assets. 54/56 Jermyn Street, SW1 has been purchased for £19.5 million and is adjacent to GCP's Piccadilly holdings. In midtown, 43 Fetter Lane, EC4 has been acquired for £20.5 million and, together with 12/14 New Fetter Lane, EC4 forms a potentially significant development scheme in a London sub market with low vacancy rates. 10/12 Park Crescent, W1 was purchased for £7.7 million providing a secure income stream with plenty of asset management opportunities.

Two further interests have been acquired by the Group during the quarter, adjacent to existing holdings in Bermondsey Street, SE1 and in Hanover Square, W1. The £162 million of disposals represent the injection of Group assets into GCP.

Letting and development

Letting activity remains healthy across the business and we continue to secure rents at or ahead of expected levels. Two of the recently refurbished floors at Kent House, W1 have been let at rents of £65.00 per sq ft and £77.50 per sq ft. The Tooley Street scheme, SE1, pre-sold last year, has been entirely prelet to Southwark Borough Council at an average rent of £38.50 per sq ft, whilst at 160 Great Portland Street, W1 the Group has restructured its lease with the existing tenant extending the lease term over 85,000 sq ft of space from 2008 to 2018 and increasing the office rent to an average of £55 per sq ft.

The near-term development pipeline is in good shape; construction work is progressing well at both 60 Great Portland Street, W1 and at the 110,000 sq ft Wells & More scheme, Mortimer Street, W1. At Blackfriars Road, SE1 we have executed a surrender arrangement with the current tenant to allow construction work to commence in January 2008, one year earlier than previously reported, lowering construction costs and delivering the 192,000 sq ft building earlier to the market.

Following the 1.1 million sq ft of planning permissions obtained during the quarter, satisfactory headway is being made in the preparation of planning applications for many of the Group's future development opportunities.

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