

EPRA Tour – September 2014

Unlocking potential

GREAT
PORTLAND
ESTATES

95 Wigmore Street

- 7 Bridgepoint
- 6 Bridgepoint
- 5 Bridgepoint
- 4 13,800 sqft
- 3 Lone Clark & Percock LLP
- 2 Lone Clark & Percock LLP
- 1 Lone Clark & Percock LLP

EXANE



INVEST IN A REAL FUTURE

EPRA Annual Conference (Day 1, September 23)
PROPERTY TOURS

Our Strategy is Clear

Toby Courtauld – Chief Executive

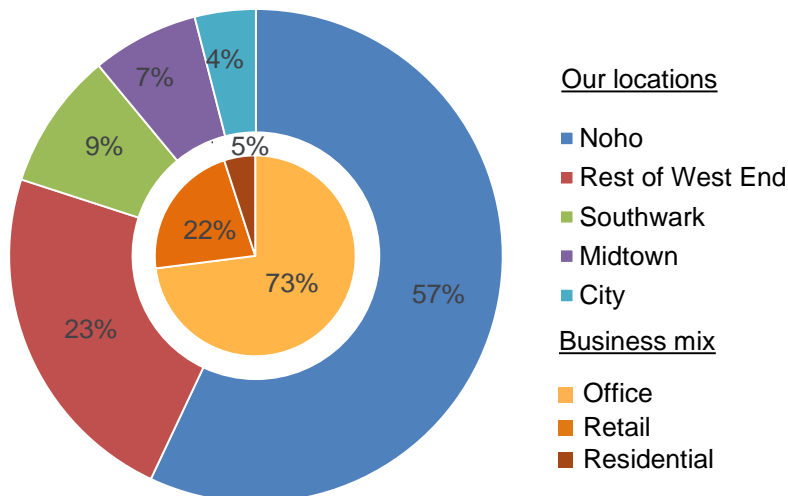


Strategy

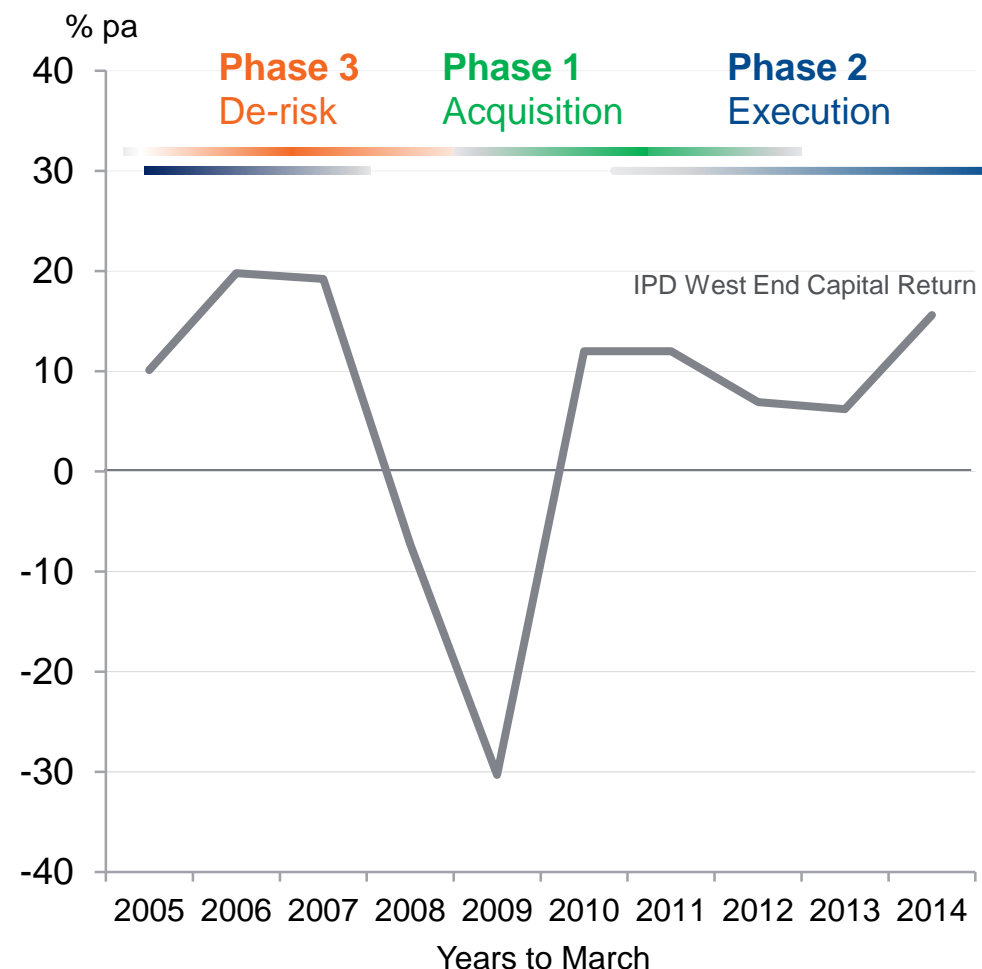
100% central London
 Reposition properties
 Flex operational risk
 Low financial leverage
 Superior total returns

West End focus (80%)
 Low rents (£43.70 psf)
 Execution phase
 25.1% LTV¹
 22.5% TPR to March 14
 (Benchmark 20.0%)

Portfolio characteristics¹



Cycle read is key



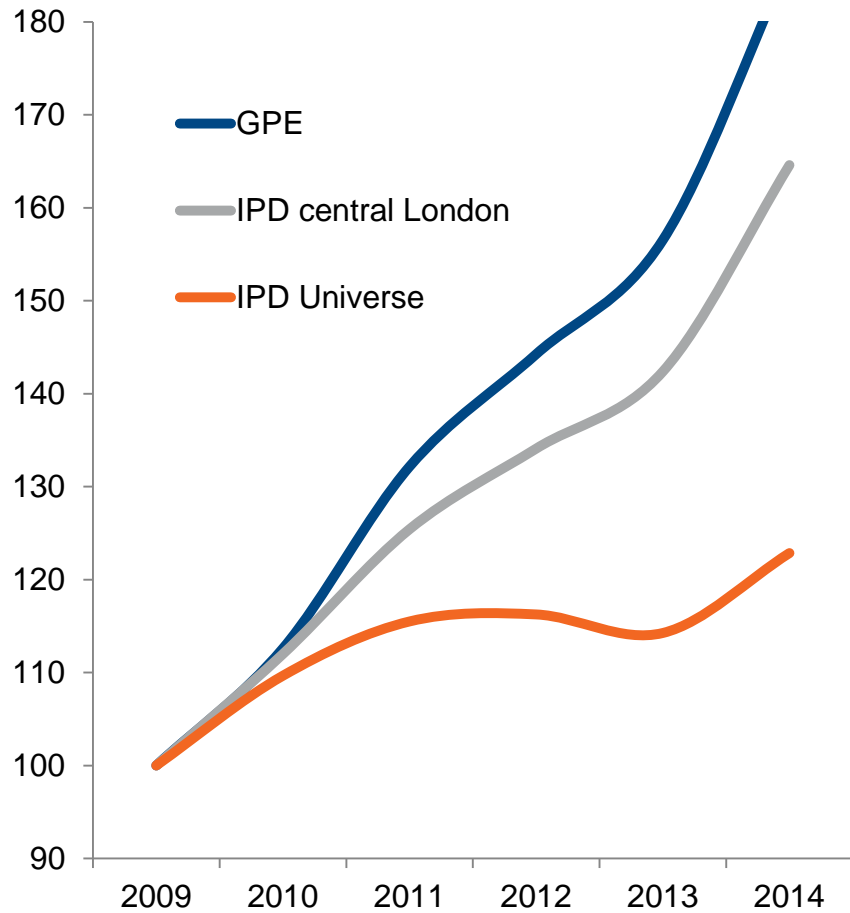
¹ As at 30 June 2014 including share of joint ventures

Outperforming

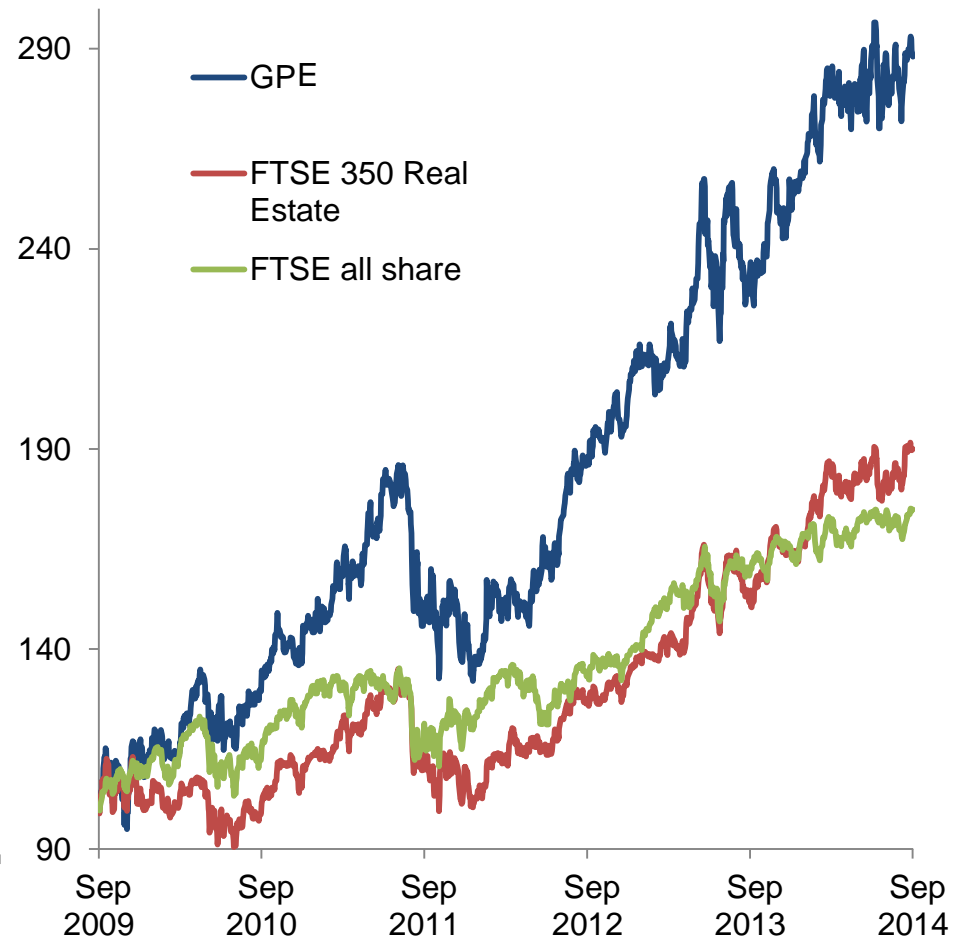
Relative returns
Toby Courtauld – Chief Executive



Capital Return Index¹ over 5 years



Relative TSR over 5 years (%), years to 1 Sept



1. Central and Inner London Properties: 2009 to present all March Valued Properties

Key Successes Since FY Results

Toby Courtauld – Chief Executive



Sales

- Rathbone Square
 - 125 apartments sold; £207.2 million, average £1,856 psf, 73% of scheme sold by value
 - 4 units under offer; £9.4 million, average £1,916 psf
 - 13 units remaining; £68.2 million
- Tudor House, 35 Gresse Street, W1 for £8.4 million

Exceptional development programme

- 5 committed schemes (+3 since March 14); 724,500 sq ft; expected profit on cost 20.7%
- 6 near-term schemes; 305,600 sq ft; good progress
- 14 uncommitted pipeline schemes (+1 since March 14); 1.3 million sq ft
- Total programme of 2.3 million sq ft; 54% of the existing portfolio, 75% in West End, 53% with planning permission

Letting successes

- 40 H1 lettings to date (186,900 sq ft)
 - £9.5 million p.a. (our share: £6.4 million), 2.7% premium to March 14 ERV
- Further £4.2 million] under offer, 4.0% premium to March 2014 ERV
- City Tower and 240 Blackfriars Road 75% and 84% let respectively

Forthcoming events

- Half year results: 13 November 2014

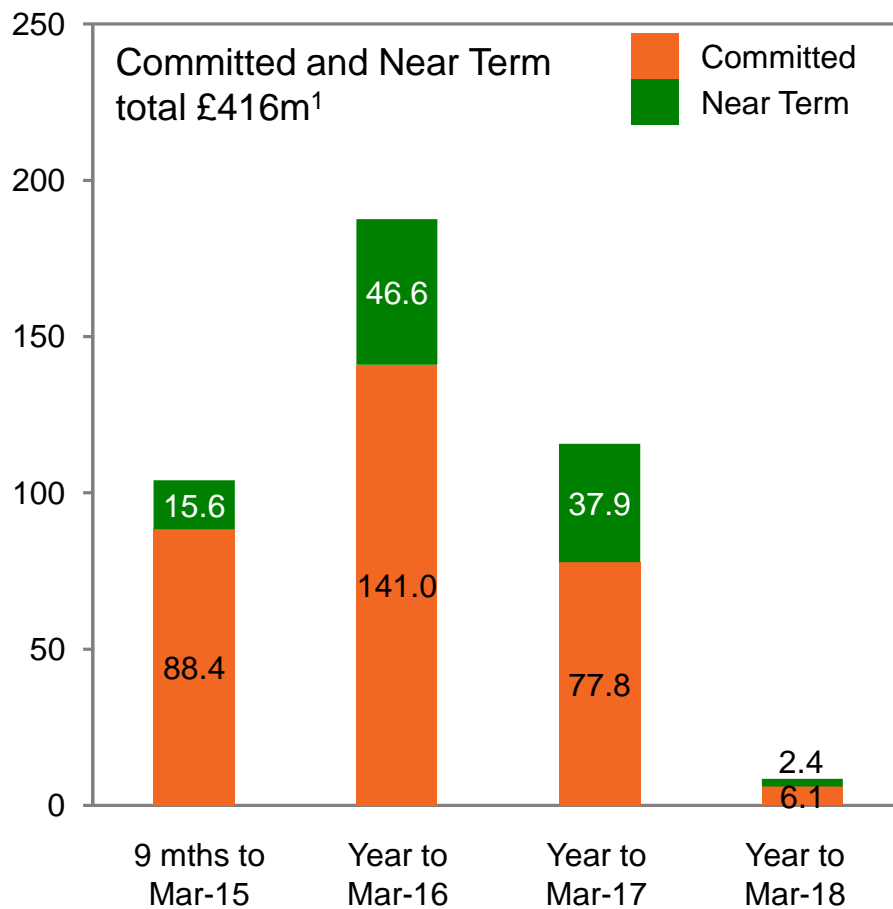
Capital Expenditure & Income Generation

As at June 2014

Toby Courtauld – Chief Executive

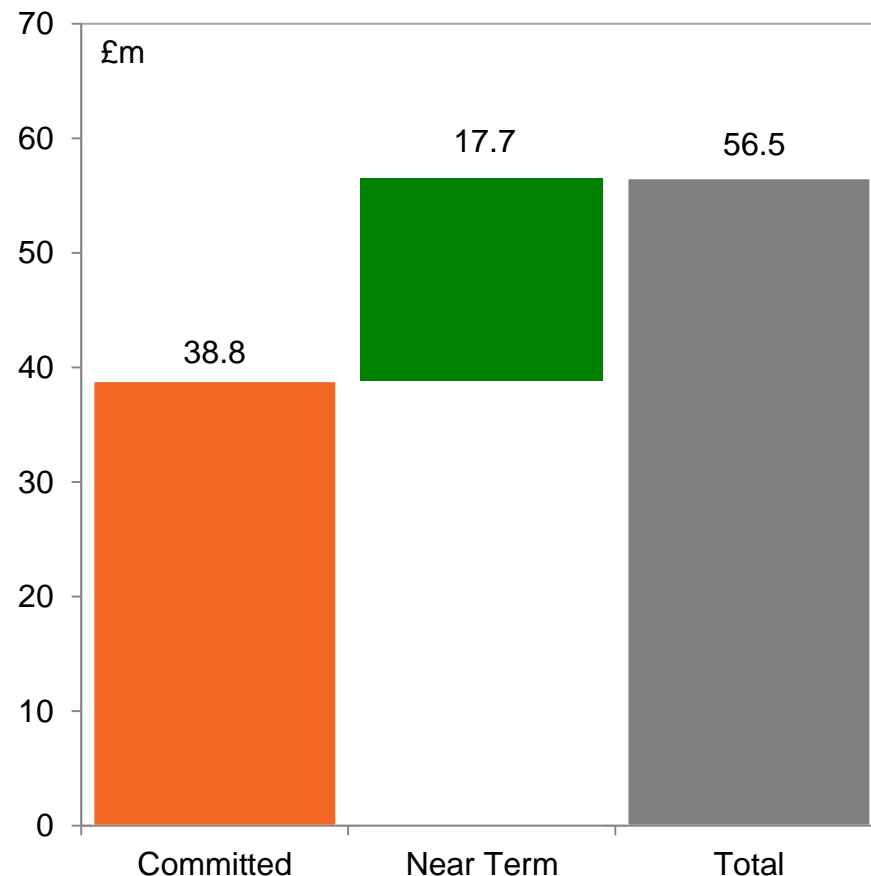


Capital Expenditure, periods to 31 March¹



Potential Annual Rent Roll²

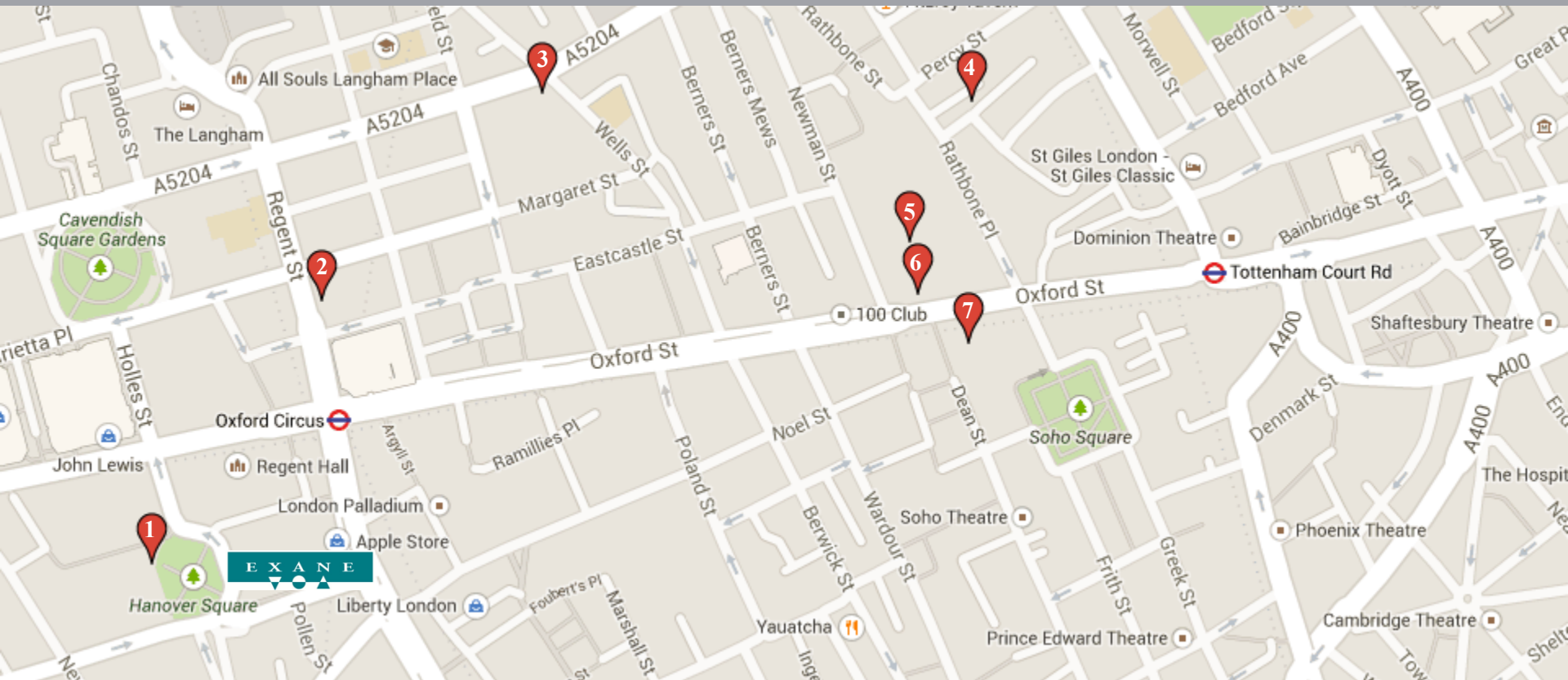
From committed / near term developments



¹ Projected Capital Expenditure excludes sales / marketing expenses, void costs and interest, including share of JVs at June 2014

² CBRE Rental Estimates, includes share of JVs, net of current rent roll from space

Tour Agenda



1. Hanover Square, W1
2. Walmar House, W1
3. Wells & More, W1

4. Rathbone Square Marketing Suite
5. Rathbone Square, W1
6. Oxford House, W1
7. 73/89 Oxford Street, W1

Hanover Square

Recent transactions

Ben Chambers – Investment Director



Hanover Square

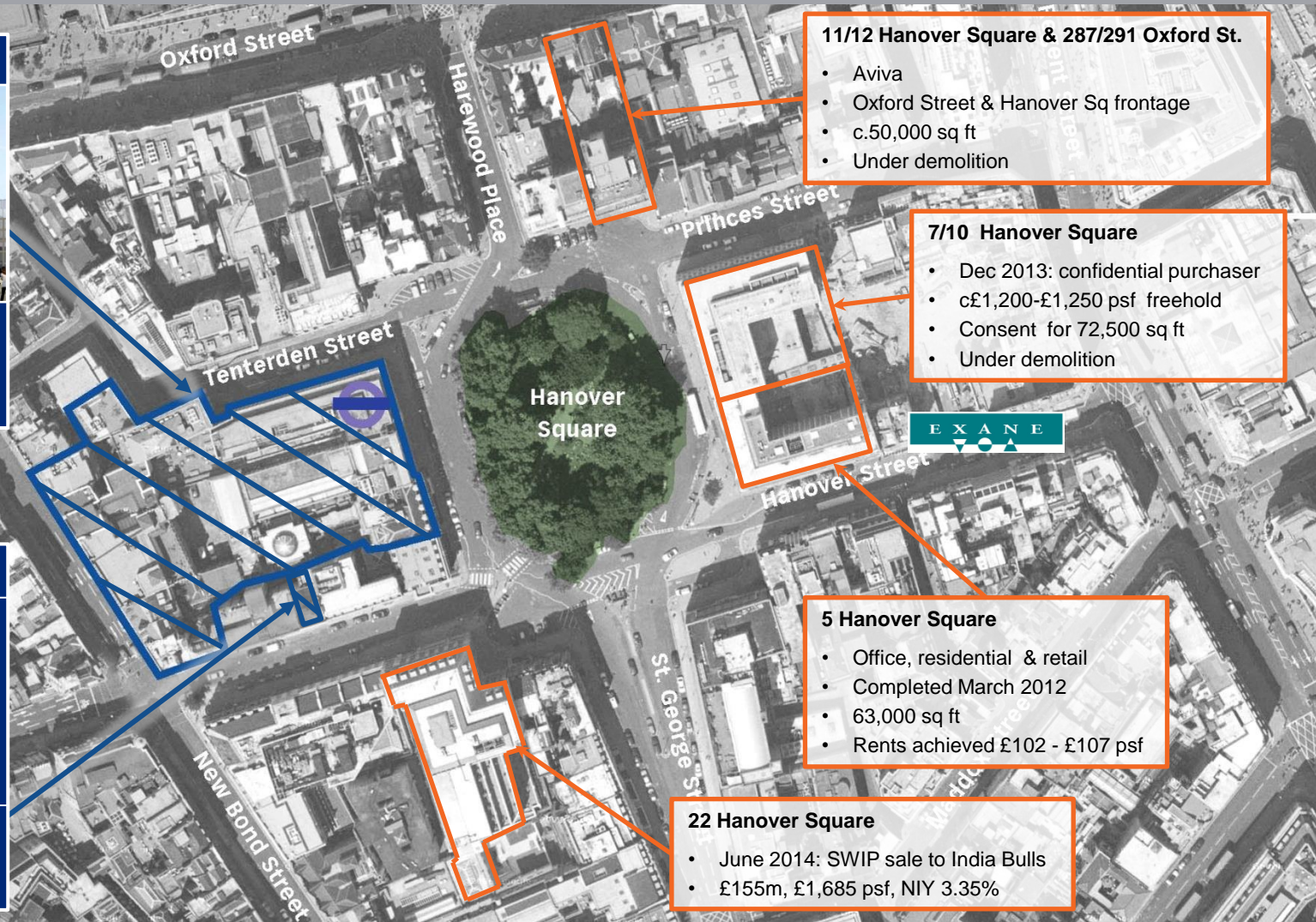


- Pipeline development
- Crossrail station
- 207,200 sq ft
- Est. start date: 2016

6 Brook Street



- Bought Sept 2014
- 3,630 sq ft
- £7.6 million



Development Pipeline

Hanover Square, W1

Ben Chambers – Investment Director



- 2011: Planning consent achieved for 207,200 sq ft development incorporating new Crossrail Station
 - 163,500 sq ft offices
 - 31,900 sq ft retail / restaurant
 - 11,800 sq ft residential, 6 units
- 2013: 50:50 JV with the Hong Kong Monetary Authority
- 2016: Anticipated development start



Completed Project

Walmar House, 288/300 Regent Street, W1

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Completed Project

Walmar House, 288/300 Regent Street, W1
Helen Hare – Project Manager



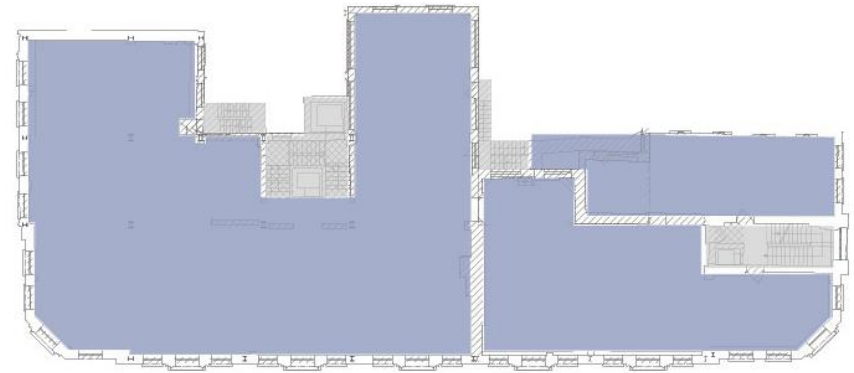
Construction overview

- Start: June 2012
- Completion: Sept 2014
- Size: 60,300 sq ft
- Construction contract sum: £14 million

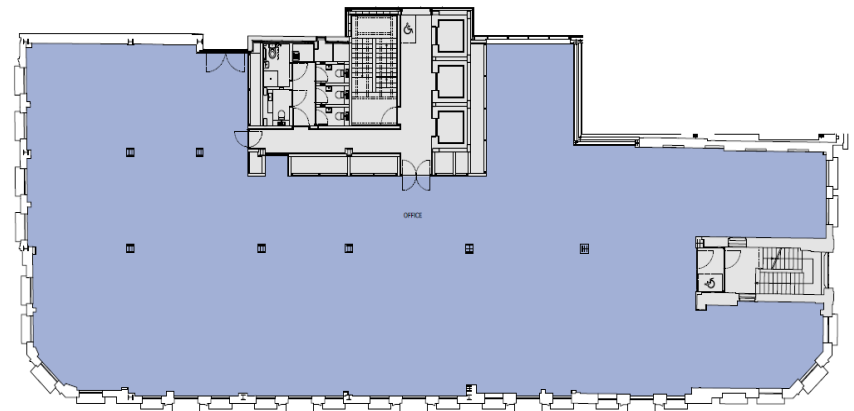
Key objectives

- Maximise the footprint of the building
- Infill light wells to increase area
- New single core to provide open floorplates
- Improved reception & retail configuration

Before



After



Completed Project

Walmar House, 288/300 Regent St, W1
Andrew White – Head of Development



- First rate West End location – Oxford Circus
- 60,300 sq ft
 - 18,800 sq ft retail (38% ERV)
 - 37,300 sq ft offices (62% ERV)
 - 4,200 sq ft residential - Sold
- Low supply
- £68.50 psf office (March 2014)
- £82.00 psf retail (March 2014)
- Strong leasing interest

GPE profit on cost	53.8%
Ungearred IRR	26.6%
Yield on cost	7.5%




Asset management

Wells & More, 45 Mortimer Street, W1

Hugh Morgan – Head of Investment Management

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- 
- Completed Q1 2009
 - 116,000 sq ft office, retail & residential
 - Let quickly in slow leasing market:
 - New Look: 61,400 sq ft, £49.50
 - Brown Foreman: 10,300 sq ft, £43.00
 - Double Negative: 21,970 sq ft, £39.50

Asset management

Wells & More, 45 Mortimer Street, W1
Hugh Morgan – Head of Investment Management



2012: Double Negative

- Wells & More → 160 Great Portland St
- 21,970 sq ft → 89,300 sq ft
- £39.50 psf → £58.50 psf

Opportunity created to prove higher rents

2013/2014: New lettings:

- New Look: £70.00 psf, 6,150 sq ft
- Lions Gate: £75.00 psf, 15,700 sq ft

2014: Rent reviews:

- New Look: £49.50 → £62.50 psf
- Brown Foreman: November 2014

2009-2014: Performance:

- 37% increase in rent roll
- £1.5 million reversion captured, so far
- 84% value uplift



Active management → capture reversion → adding value

Rathbone Square, W1

Residential Marketing Suite

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Committed development

Rathbone Square, W1 – residential
Rebecca Williams – Marketing Manager



Sales Summary:	Units	<i>Exch.</i>	<i>£ psf</i>	<i>Avail.</i>	<i>£ psf</i>
Apartments	121	118	1,816	3	1,734
Rathbone collection	12	7	2,309	5	2,463
Penthouses	9	0	<i>n/a</i>	9	2,711
	142	125	1,856	17	2,535

Oxford House

East End of Oxford Street

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Delivering into the Occupational Cycle

East End of Oxford Street
Neil Thompson – Portfolio Director



73/89
Oxford St

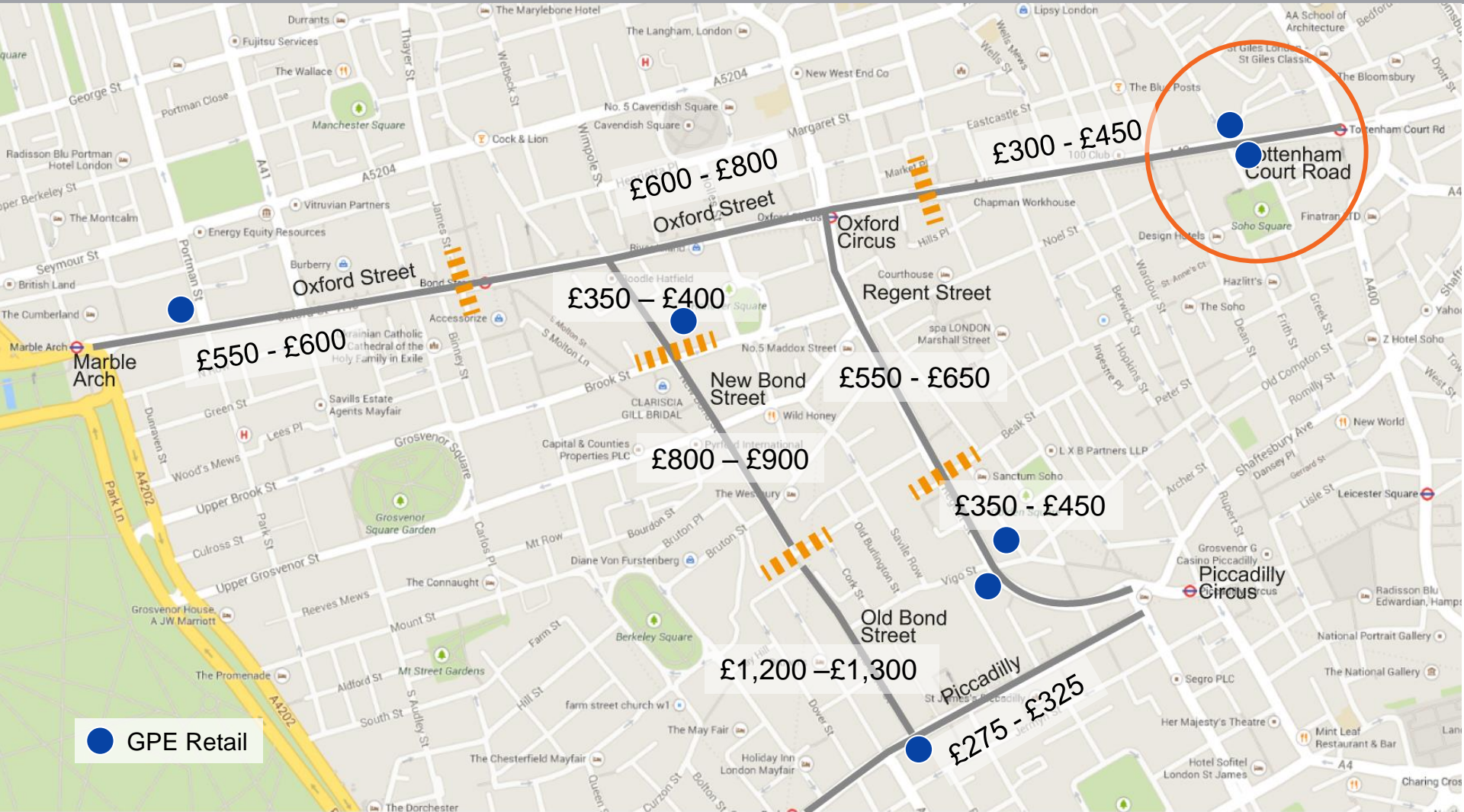
- Crossrail sites
- Other schemes

Delivering into the Occupational Cycle

West End Retail

Relative Prime Zone A rents psf

Neil Thompson – Portfolio Director



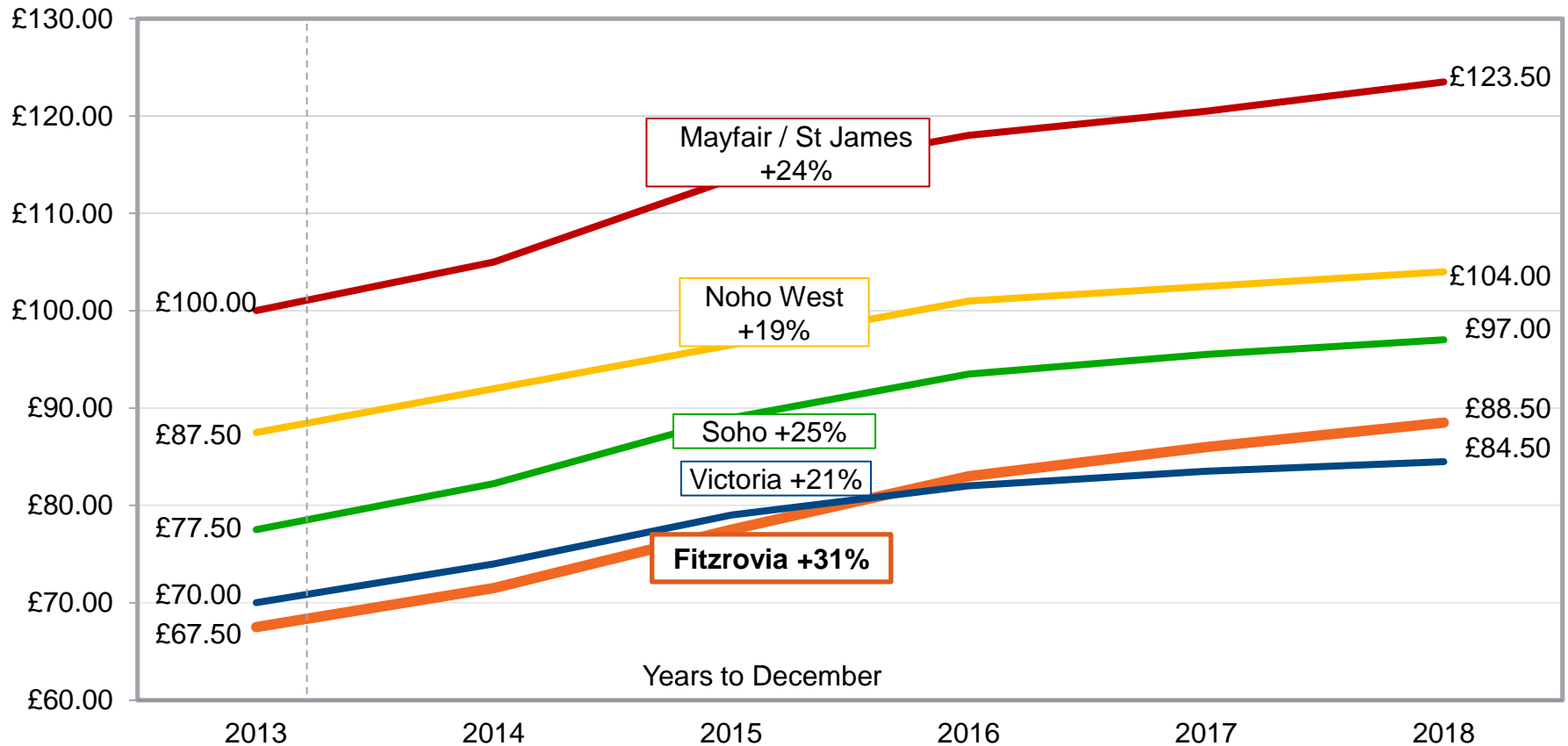
Delivering into the Occupational Cycle

West End Office Rental Growth Forecasts

Neil Thompson – Portfolio Director



Rental Growth Forecast (£ psf)



Fitzrovia set to outperform other sub-markets

Committed Project

Rathbone Square, W1

Neil Thompson – Portfolio Director

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Planning consent achieved

- 411,800 sq ft
- 214,800 sq ft offices
 - ERV £67.90
 - Opportunity to pre-let
- 154,500 sq ft residential
 - Off-plan sales commenced
- 42,500 sq ft retail
 - 58% A3
 - ERV £51.80
- Forecast profit on cost 16%

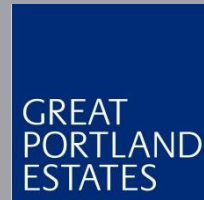
Place making / Public realm



Committed Project

Rathbone Square, W1

Neil Thompson – Portfolio Director



- Residential
- Office

Committed Project

Rathbone Square, W1

Neil Thompson – Portfolio Director

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Site progress

- Demolished to ground floor
- Piling commenced
- Working on utility diversions
- Lend Lease pre construction services started

Next Steps

- Construction tender - Q4 2014
- Office pre-let campaign - Q1 2015
- Anticipated completion – Q1 2017

Development Pipeline

Oxford House, 76 Oxford Street, W1
Neil Thompson – Portfolio Director

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- Major refurbishment
- Vacant possession Q2 2016
- 91,200 sq ft
 - Revise planning application 2014
- 33,200 sq ft retail
 - ↑ 88% from existing
- Opposite Crossrail

East Oxford St regeneration

Near Term

73/89 Oxford St & 1 Dean St, W1
Neil Thompson – Portfolio Director

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- Planning consent achieved
- 88,100 sq ft
 - 33,500 sq ft retail
 - 54,600 sq ft office
- Retail ERV 55%
- Next to Crossrail station

East Oxford St regeneration

Near Term

73/89 Oxford St & 1 Dean St, W1
Neil Thompson – Portfolio Director



Next steps:

- VP Q1 2015
- Progress detailed design
- Procurement ongoing
- Anticipated completion: Q2 2017

Office floorplate/reception



Near Term

73/89 Oxford St & 1 Dean St, W1
Marc Wilder – Head of Leasing

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- 33,500 sq ft modern retail unit
- Flexible unit options
- High demand for retail
- Opportunity to pre-let
- Early engagement with retailers



Summary

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Strategy: Consistent and clear

- Repositioning: off low rents and low capital values
- Central London only: West End bias (80% today)
- Low financial leverage; superior total returns

Delivering the strategy – Execution phase

- Bought well: 55% of today's portfolio
- Executing well: strong development returns
- Selling well: 73% of Rathbone residential exchanged

Market supporting strategy

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

Excellent development programme

- Material organic growth
 - 2.3m sq ft development programme
 - 54% of portfolio, into 2020s
- £416m near-term capex: strong returns
- 86% within 800m of Crossrail