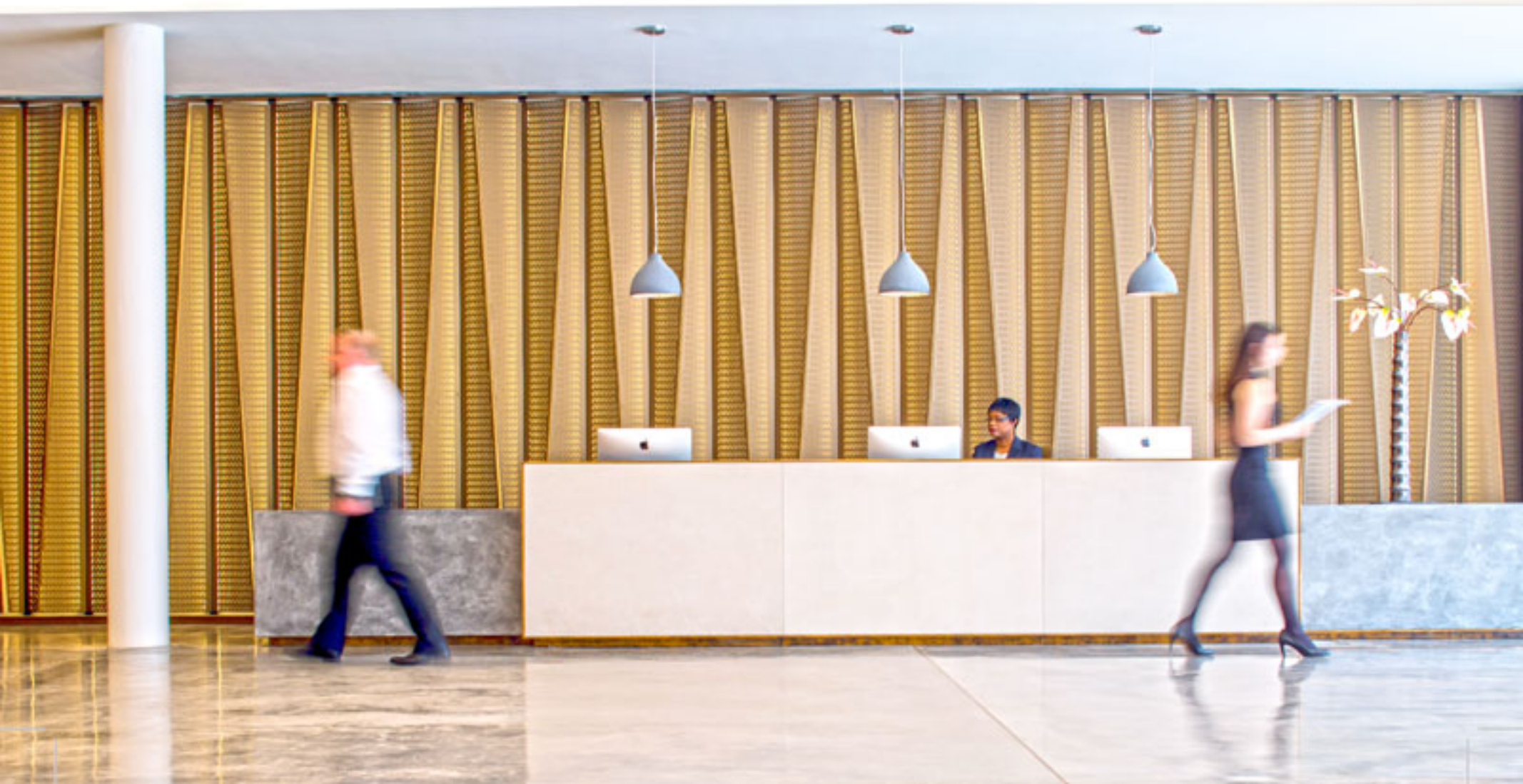


# Unlocking potential

Half Year Results 2017

GREAT  
PORTLAND  
ESTATES



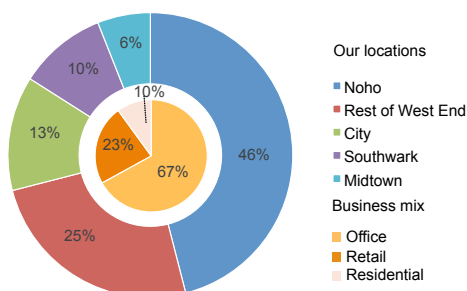
# Our Strategy is Clear



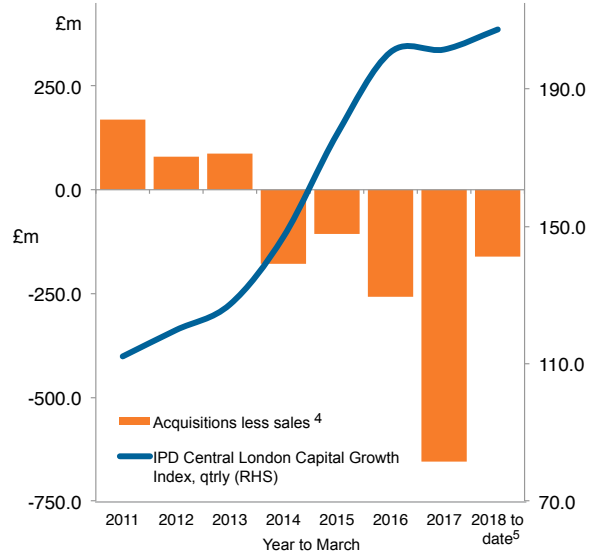
## Strategy

100% central London West End focus (71%)  
 Reposition properties Low rents (£52.80 psf)  
 Flex operational risk Execution / ready to invest  
 Low financial leverage 15.4% LTV<sup>3</sup>  
 Superior total returns 363.5% TPR<sup>1</sup>  
 (Benchmark 286.8%)

## Portfolio characteristics - £3.3 billion<sup>2</sup>



## Cycle read is key



1. Ten years to 30 September 2017 2. At 30 September 2017 – including share of joint ventures  
 3. Pro forma for remaining net deferred proceeds (£82.3m) from sale of 73/89 Oxford St, W1 and Rathbone Sq, W1 (commercial)

4. Includes share of Joint Ventures  
 5. Includes 140 of 142 exchanged units at Rathbone Sq, W1, due for completion H2

# Headline Results



**30 Sept 2017**

**6 months**

**12 months**

Property Valuation<sup>1</sup>

**+1.0%**

+0.6%

*Developments<sup>1</sup>*

**+1.6%**

+6.6%

Portfolio ERV movement<sup>1</sup>

**+0.7%**

(0.1%)

Total Property Return

**+2.4%**

+1.5%

EPRA NAV per share

**+1.8%**

0.0%

EPRA EPS

**+15.7%<sup>2</sup>**

+24.8%<sup>3</sup>

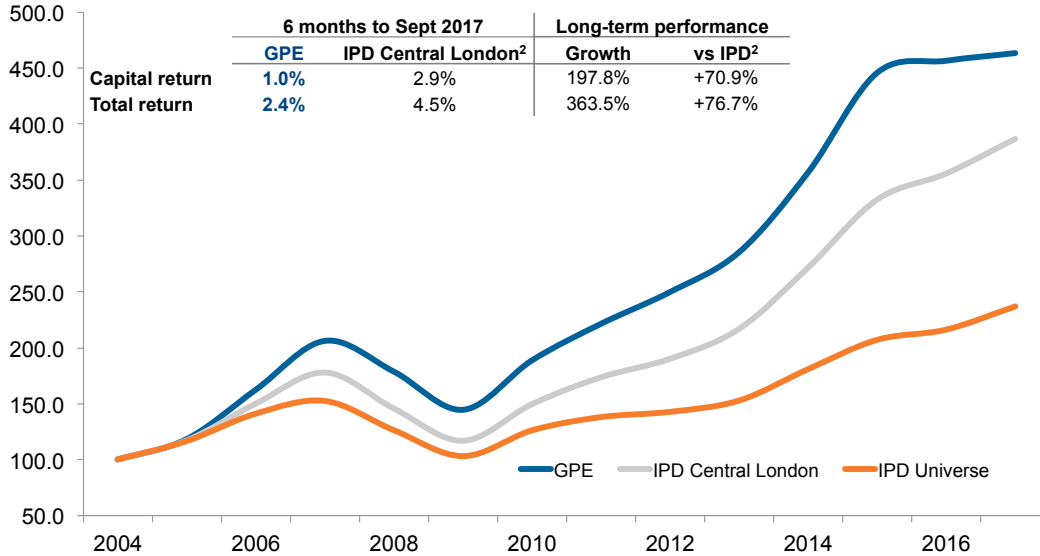
1. Like-for-like, including share of joint ventures 2. 6 months to September 2017 against 6 months to September 2016  
 3. 12 months to September 2017 against 12 months to September 2016

# Long-Term Outperformance

Relative returns vs IPD



Relative TPR % pa<sup>1</sup>



1. 2004 – first pure comparability to IPD central London 2. Central & inner London quarterly index

3

# Strong Operational Performance Highlights



## 1. Leasing successes

£11.3m<sup>1</sup> pa rent since Mar '17; 2.4%<sup>2</sup> > Mar '17 ERV  
 Record rent roll of £119.2m  
 £3.2m<sup>1</sup> let since Sept '17; 6.0%<sup>2</sup> > Mar '17 ERV  
 £6.9m<sup>1</sup> under offer: In line with Mar & Sept '17 ERVs

## 3. Good development progress

55 Wells St, W1 completed: 16% profit on cost  
 2 on-site schemes: 75% pre-let / sold  
 Larger pipeline - long and strong potential  
 - 3 near term schemes, 0.4m sq ft; 2018 starts  
 - 13 medium term schemes, 1.3m sq ft  
 - 16 pipeline schemes, 1.7m sq ft, 40% of portfolio

## 2. Capturing Reversions

£3.1m since Mar '17  
 - 21 rent reviews, 8.7% > ERV  
 17% reversionary  
 - 67% available by Mar '19  
 Low avg office rent £52.80 psf

## 4. Strong financial position

Uplift across all key measures  
 Avg interest rate low @ 2.7%  
 Special dividend  
 LTV ↓ to 15.4%<sup>4</sup>  
 Cash / facilities £497m<sup>4</sup>

Organic growth potential...

... well placed to capitalise

Income growth potential: +50%

Balance sheet strength: capacity

Significant pipeline: income producing

GPE team: strength in depth

London: Long term growth; key world city

1. 100% 2. Market lettings i.e. excluding short term lets ahead of development 3. GPE share 4. Pro forma

4

# Agenda



## Introduction

**Toby Courtauld**, Chief Executive

## Financial Results

**Nick Sanderson**, Finance Director

### Market

Disposals & Acquisitions

**Toby Courtauld**, Chief Executive

### Portfolio Management

**Steven Mew**, Portfolio Director

### Development Update

**Andrew White**, Development Director

### Outlook

**Toby Courtauld**, Chief Executive

5

# Financial Highlights



<b>Balance Sheet</b>	<b>Sept 17</b>	<b>March 17</b>	<b>Change</b>
Portfolio value <sup>1</sup>	£3,277.8m	£3,145.5m	+1.0% <sup>2</sup>
EPRA NAV per share <sup>3</sup>	813p	799p	+1.8%
EPRA NNAV per share <sup>3</sup>	804p	782p	+2.8%
Loan-to-property value	15.4% <sup>4</sup>	18.3%	(2.9pps)

<b>Income Statement</b>	<b>Sept 17</b>	<b>Sept 16</b>	<b>Change</b>
EPRA Earnings <sup>3</sup>	£31.6m	£28.3m	+11.7%
EPRA EPS <sup>3</sup>	9.6p	8.3p	+15.7%
Interim ordinary dividend per share	4.0p	3.7p	+8.1%

1. Including share of JVs 2. Like-for-like change 3. On an EPRA basis  
4. Pro forma for remaining net deferred proceeds (£82.3m) from sale of 73/89 Oxford St, W1 and Rathbone Square, W1 (commercial)

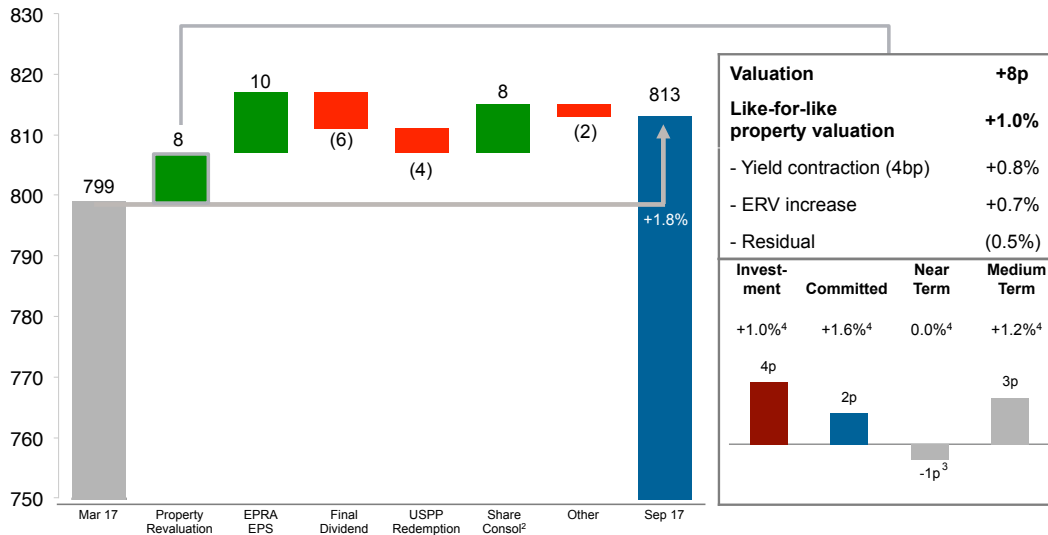
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# EPRA NAV per share<sup>1</sup>

Six months to 30 September 2017



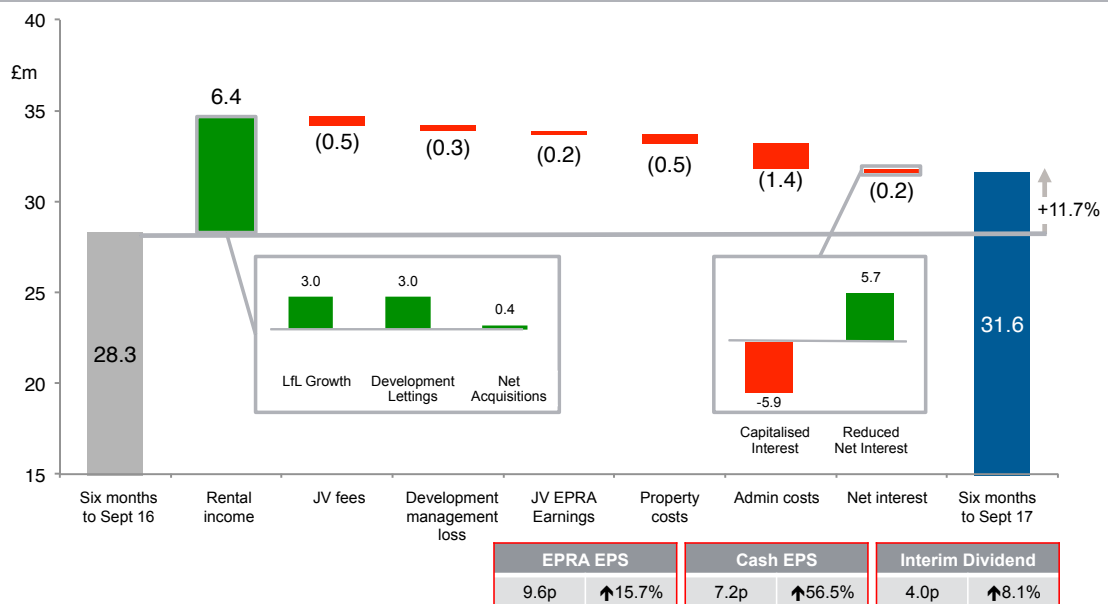
Pence per share



1. Adjusted per EPRA guidance 2. Impact of 19 for 20 share consolidation with special dividend  
3. Includes acquisition costs on purchase of Cityside & Challenger House, Whitechapel, E1 4. Like-for-like change

# EPRA Earnings<sup>1</sup>

Six months to 30 September 2017



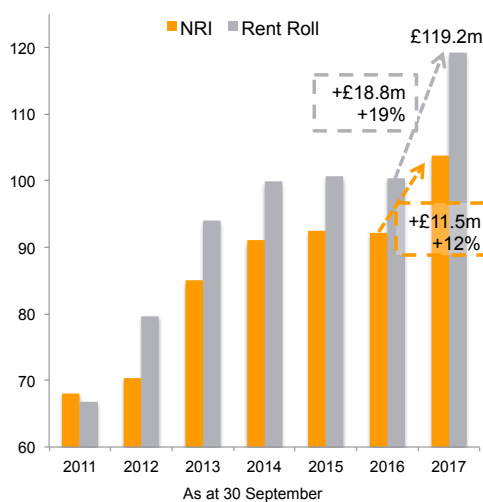
1. Adjusted per EPRA guidance

## Rent Roll Growth

Record rent roll; significant organic growth opportunity

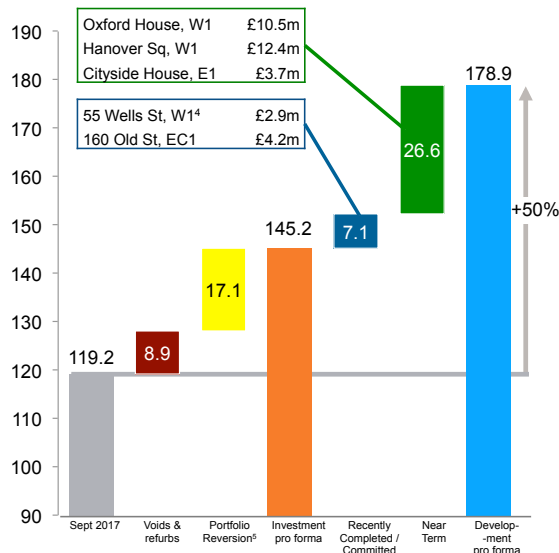


Net Rental Income and Rent Roll (£m)<sup>1</sup>



**100% cash collection in 7 days<sup>2</sup>**

Potential Additional Rent Roll (£m)<sup>3</sup>



1. Includes share of JVs, NRI trailing 12 months to 30 September 2. For September quarter 3. Includes share of JVs. CBRE rental estimates September 2017  
4. Completed November 2017 5. Excluding reversion on near term developments which are included in development pro forma

9

## Robust Debt Metrics

Low cost debt book



	Pro Forma <sup>1</sup>	Sept 2017	March 2017
Net debt excluding JVs (£m)	432.3	514.6	502.8
<i>Net gearing</i>	16.4%	19.5%	18.4%
Total net debt including 50% JV non-recourse debt (£m)	504.7	587.0	576.8
<i>Loan-to-property value</i>	15.4%	17.9%	18.3%
Interest cover		n/a <sup>2</sup>	n/a <sup>2</sup>
Weighted average cost of debt <sup>3</sup>		3.3%	4.0%
Weighted average interest rate <sup>4</sup>		2.7%	3.0%
% of debt fixed / hedged		90%	82%
Cash & undrawn facilities (£m)	497	415	378

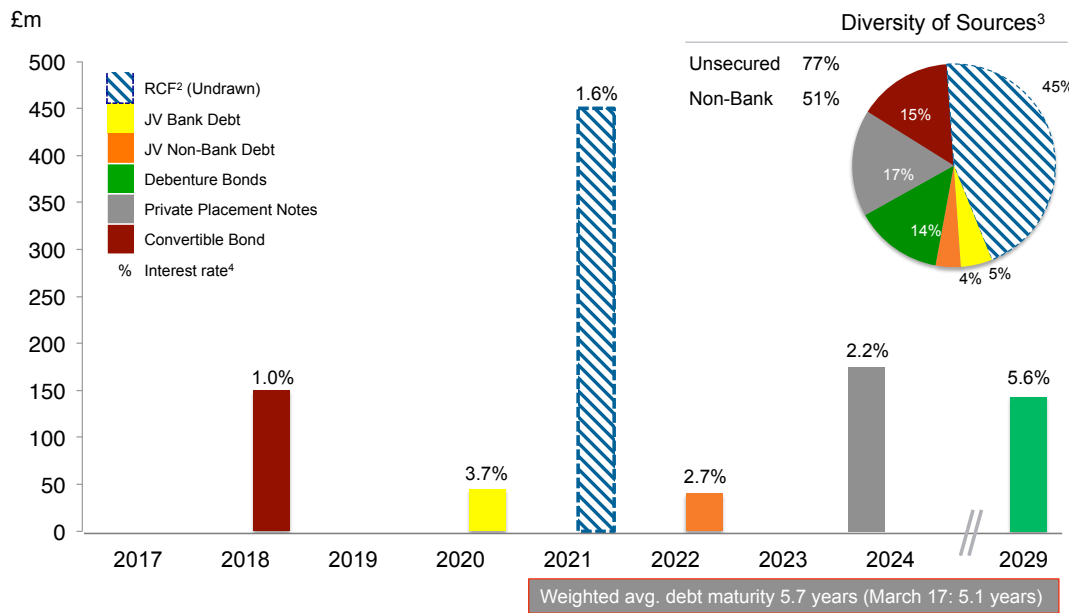
1. Pro forma for remaining net deferred proceeds (£82.3m) from sale of 73/89 Oxford St, W1 and Rathbone Square, W1 (commercial)  
2. Calculated in accordance with unsecured debt covenants which exclude capitalised interest, resulting in no net interest charge for the 12 month calculation period  
3. For the period (including costs) 4. As at balance sheet date (excluding costs)

10



# Attractive Debt Profile<sup>1</sup>

Strong liquidity position



1. JV facilities amount shown at GPE share, based on drawn positions at 30 September 2017; pro forma for remaining net deferred proceeds (£82.3m) from sale of 73/89 Oxford St, W1 and Rathbone Square, W1 (commercial) 2. Revolving credit facility 3. Based on total facilities 4. As at today

# Forecast Capex<sup>1</sup>

Significant funding capacity



1. Projected Capital Expenditure excludes sales / marketing expenses, void costs, overage arrangements and interest, including share of JVs  
2. Six months to March 2018 3. 140 units pre-sold and 2 remaining available 4. Assumes constant values and excludes development surpluses

## Key Financial Messages



### **Operational successes deliver uplift in all key financial performance measures**

- Growth in portfolio, NAV, NRI and EPS
- Ordinary dividend growth, with special dividend further enhancing returns

### **Significant rent roll growth potential**

- Reversion capture and development leasing
- Maintain progressive dividend policy

### **Exceptionally well positioned for all market eventualities**

- Balance sheet strength and low cost liquidity
- Capital allocation and balance sheet discipline to be maintained

### **In great financial shape**

### **Investor / analyst event**

- 1st March 2018

13

## Agenda



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### Portfolio Management

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### Development Update

**Andrew White**, Development Director

### Outlook

**Toby Courtauld**, Chief Executive

14

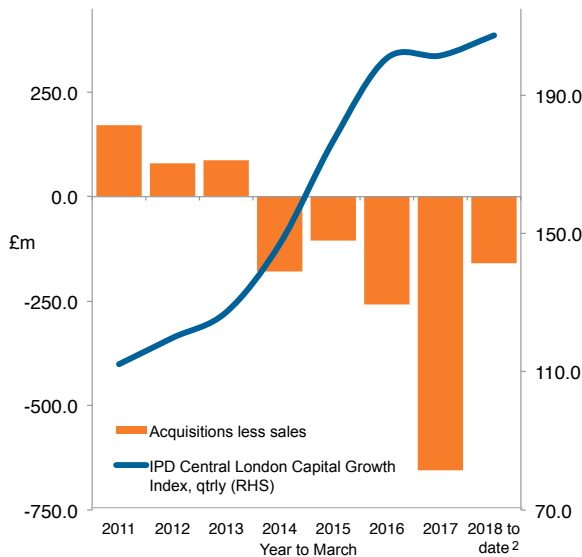


# Executing Our Strategy

Net sales → More balanced position



## GPE Acquisitions less Sales<sup>1</sup>



## Phase

- De-risk** Net seller
- Execution** Leasing  
Reversion capture  
Development starts  
Pipeline preparation
- Acquisition** Ready to invest

Conditions needed	Our view
<b>De-risk</b> Liquidity for prime	<b>Yes, but increasingly discerning</b>
<b>Execution</b> GDP growth Job growth Tenant demand	<b>Yes, stable but lower</b>
<b>Acquisition</b> Risk aversion	<b>Increasing</b>

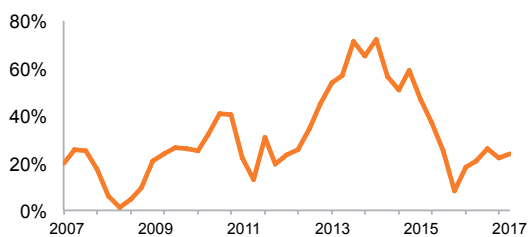
1. Includes share of Joint Ventures 2. Includes 140 of 142 exchanged units at Rathbone Sq, W1, due for completion H2

# Lower But Stable Growth

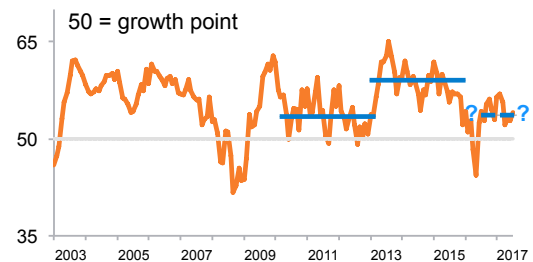
London still expected to outperform UK



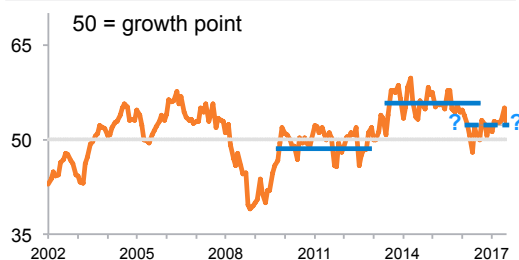
## CFO Survey: % willing to increase risk?<sup>1</sup>



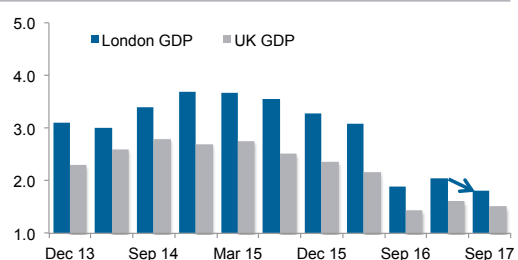
## London Economy: Activity<sup>2</sup>



## London Economy: Jobs<sup>2</sup>



## 3 Year Forward Growth %pa<sup>3</sup>



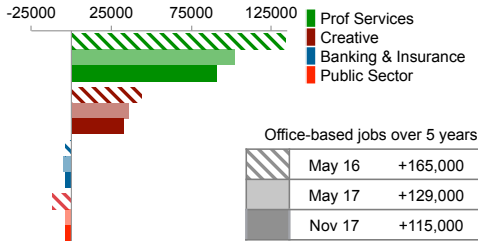
Source: 1. Deloitte 2. Markit PMI London Report 3. Oxford Economics

# Robust Demand

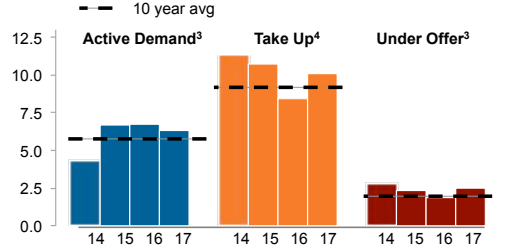
Leasing above long run average



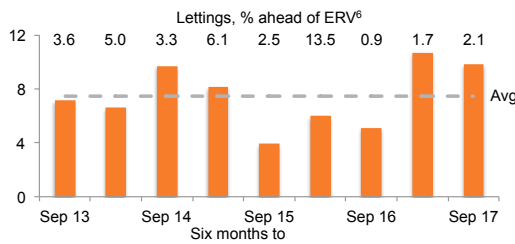
## Net Office Job Creation in London<sup>1</sup>



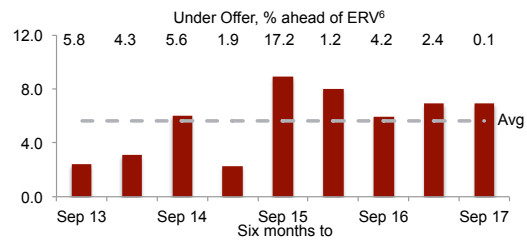
## City and West End Leasing, m sq ft<sup>2</sup>



## GPE Investment Portfolio Lettings, £m<sup>5</sup>



## GPE Space Under Offer, £m<sup>7</sup>



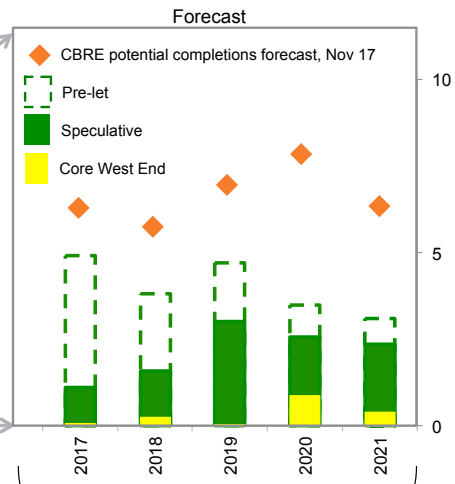
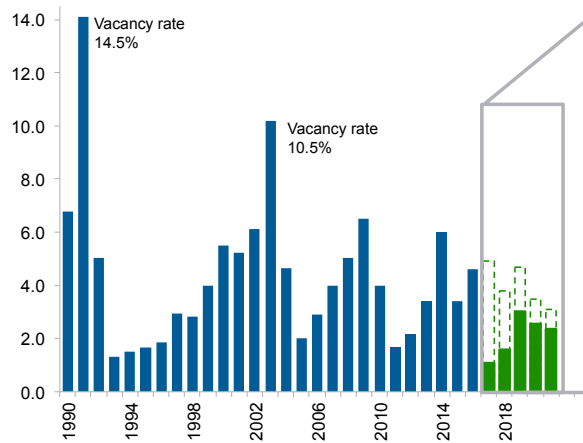
1. Oxford Economics, November 2017 2. CBRE / Knight Frank, West End and City combined 3. As at September 4. 12 months to September  
5. 100%, inc development lettings; avg for September 2013 - September 2017 6. % ahead of March ERVs excluding short-term lets ahead of development  
7. As at reporting date; avg for September 2013 - September 2017

# Supply Remains Tight

Market significantly over-estimating potential completions



## Central London Office Completions, million sq ft<sup>1</sup>



## Vacancy rates<sup>3</sup>

	May 17	2017	2018	2019	2020	2021	2022
City	5.6%	6.8%	8.3%	8.0%	7.4%	6.8%	6.2%
West End	3.9%	4.4%	5.4%	5.5%	5.3%	5.0%	4.7%

1. 45% pre-let
2. CBRE spec: 22m sq ft; GPE spec: 11m sq ft
3. West End Core spec: 1.7m sq ft; 0.6% p.a.<sup>2</sup>

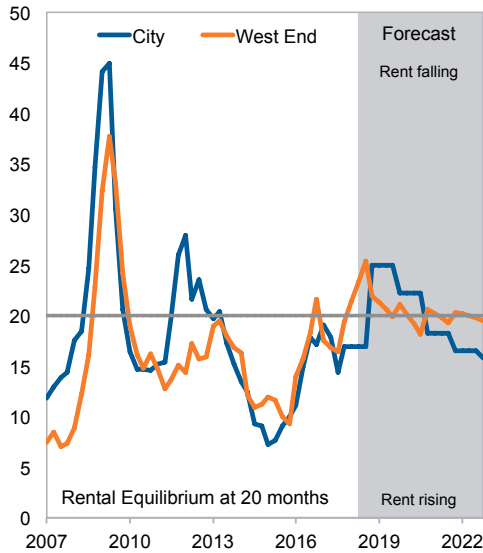
1. Source: CBRE / GPE; schemes > 20,000 sq ft 2. Includes W1 plus part Bloomsbury; of core stock 3. CBRE

# Market Balance at Equilibrium

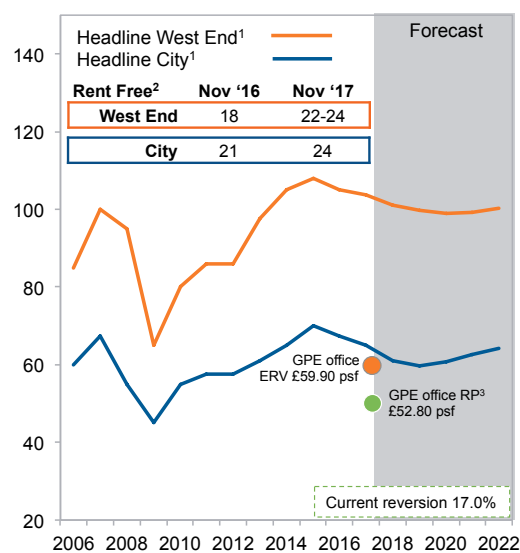
Rents set to fall; Reversion to capture



## Office Market Balance (months supply)



## Headline Rents (£ per sq ft, years to December)



Source: PMA / GPE

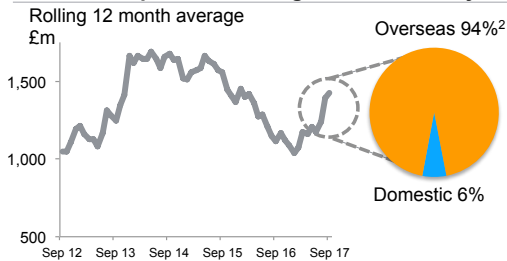
1. PMA, 95<sup>th</sup> percentile 2. GPE, months, assuming a 10 year term 3. Rent Passing 19

# Investment Market

Prime vs. Secondary



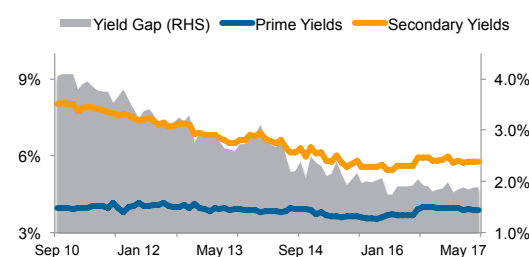
## Turnover Up: Prime selling to overseas buyers<sup>1</sup>



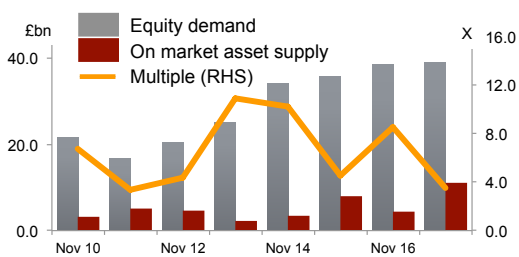
## But secondary sticking<sup>3</sup>

On Market	May 2017 <sup>4</sup>	£5.9bn
Of which	Sold	(£2.8bn) Prime selling
	Withdrawn	(£0.9bn) Overpriced assets sticking
Still available		£2.2bn
	New	£8.9bn Significant increase
On Market	Nov 2017	£11.1bn
Off Market	Nov 2017	£7.6bn

## CL Offices Yield Gap: Secondary up?<sup>1</sup>



## Demand strong but multiple down<sup>5</sup>



1. CBRE 2. Quarter to September 17 3. GPE 4. Updated to include 100% interest for sale of 20 Fenchurch St, EC3 5. CBRE & GPE

# Near Term Market Outlook

Poor visibility



Rents		Outlook		Yields		Outlook	
Driver		May 17	Today	Driver		May 17	Today
GDP / GVA growth		●	●	Rental growth		●	●
Business investment		●	●	Weight of money		●	●
Confidence		●	●	Gilts		●	●
Employment growth		●	●	BBB Bonds		●	●
Active demand / Take-up		●	●	Exchange rate		●	●
Vacancy rates		●	●	Political risk		●	●
Development completions		●	●				

GPE Portfolio					Yields	Today	Medium term	GPE Portfolio
Rental Values	Market	May '17: FY '18 Guidance	H1 2018 Actual	Nov '17: FY '18 Guidance				
Offices	➔	(7.5%) to (2.5%)	0.5%	(2.5%) to 1.5%	Prime	➔	➔	Strong medium term positioning
Retail	➔	(5%) to 0%	1.7%	c.0%	Secondary	➔	➔	
Portfolio	➔	(7.5%) to 0%	0.7%	(2.5%) to 1.5%				

21

# Agenda



Introduction

Toby Courtauld, Chief Executive

Financial Results

Nick Sanderson, Finance Director

Market Disposals & Acquisitions

Toby Courtauld, Chief Executive

Portfolio Management

Steven Mew, Portfolio Director

Development Update

Andrew White, Development Director

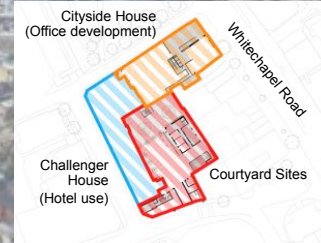
Outlook

Toby Courtauld, Chief Executive

22

# Acquisitions

Cityside and Challenger House, Whitechapel, E1



Aldgate East

Whitechapel

- 2 existing buildings & land
- **Cityside House:** major refurbishment
- **Challenger House:** Qbic Hotels; 21 years @ £1.4m pa; £24 psf
- **Land:** Courtyard sites
  - 2 planning consents; 19,000 sq ft
- 113,300 sq ft existing area
- 154,500 sq ft consented area, +36%
- £49.6m, £320 psf capital; 1.1 acres, FH
  - £250 psf for Cityside House, +41% NIA

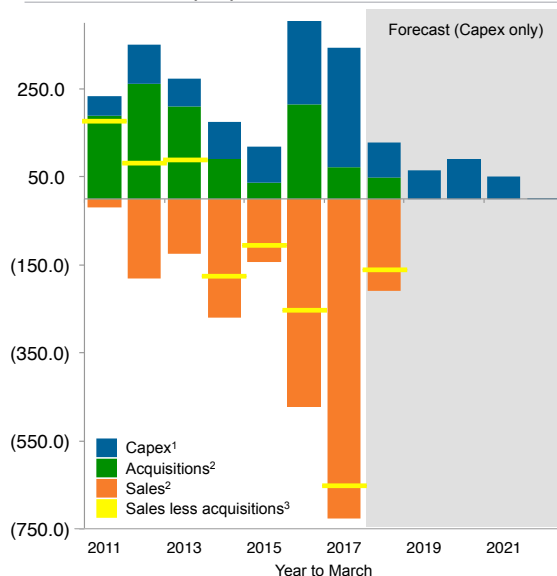
CGI of proposed GPE scheme

# Where Next?

From de-risk to more balanced position



## GPE Portfolio (£m)<sup>1</sup>



### Investment

- Likely net seller
- c.£400m in market
- Scour investment market for opportunities
- c.£1.5bn under review, limited value
- disciplined and patient

### Development

- Finish 2 committed projects
- Prepare 3 near term projects
  - 2018 starts
- Prepare 13 medium term pipeline projects
  - 4 planning applications in 2018

### Asset Management

- Capture existing reversion – 17%
- Invest in refurbishments to create further reversion
- Value-adding opportunities

**Well positioned portfolio**

1. Capex = incurred / committed / near term 2. Only includes exchanged or completed sales 3. At year end

# Agenda



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**Outlook** **Toby Courtauld**, Chief Executive

# Portfolio Management

Another period of strong progress



## Our Priorities

1. Maintaining leasing momentum
2. Capturing reversionary potential
3. Aligning leases within our pipeline

### At 30 September

- Current rent roll record high at £119.2m
- 37 lettings (H1 '17: 21 deals)
- WAULT 5.5 years
- £11.3m rent pa<sup>1</sup>
  - 2.4% > Mar '17 ERV<sup>2</sup>
- Void rate 5.4%, down from 6.8% (Mar '17)

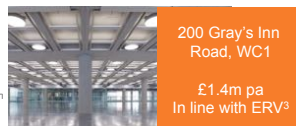
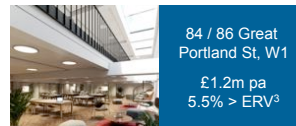
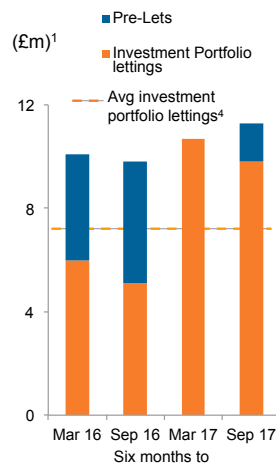
### Since 30 September

- 10 new leases, £3.2m<sup>1</sup>; 6.0% > Mar '17 ERV<sup>2</sup>
- 17 deals under offer, £6.9m<sup>1</sup>; in line with Sept '17 ERV<sup>2</sup>

### More to come

- Encouraging interest
- High quality, sensibly priced, all located in under-supplied markets

### Continued leasing success



1. At 100% 2. Market lettings (excludes short term lets ahead of developments) 3. ERV at March 2017 4. Avg for September 2013 - September 2017 26

# Portfolio Management

Another period of strong progress



## Our Priorities

1. Maintaining leasing momentum
2. Capturing reversionary potential
3. Aligning leases within our pipeline

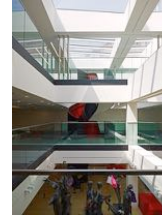
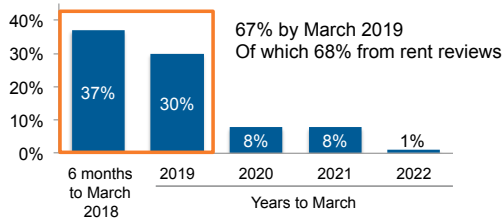
### At 30 September

- 21 rent reviews completed; £8.7m<sup>1</sup> secured
  - 8.7% premium to ERV at review
  - 42.9% above passing rent
- £3.1m<sup>2</sup> reversion captured since March 2017

### More to come

- £20.2m<sup>2</sup>, 17.0% of current rent roll

### Reversionary Profile<sup>2</sup>



**Britton St, EC1**  
+64% uplift  
£2.5m pa  
2.4% > ERV<sup>3</sup>



**New City Court, SE1**  
+59% uplift  
£1.6m pa  
8.6% > ERV<sup>3</sup>

**Excellent shape; grown income significantly**

1. At 100% 2. Includes GPE share of JV properties, ERV existing use, including development pipeline 3. ERV at review date

# Agenda



Introduction

**Toby Courtauld**, Chief Executive

Financial Results

**Nick Sanderson**, Finance Director

Market  
Disposals & Acquisitions

**Toby Courtauld**, Chief Executive

Portfolio Management

**Steven Mew**, Portfolio Director

**Development Update**

**Andrew White**, Development Director

Outlook

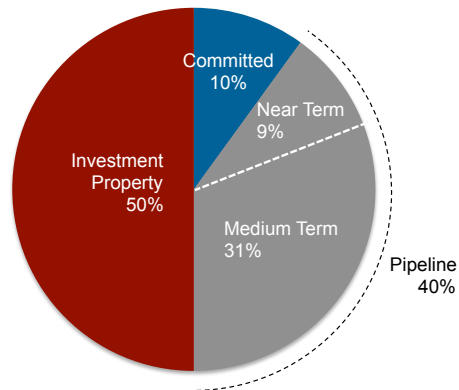
**Toby Courtauld**, Chief Executive



# Development Update



## Total Portfolio by Value (September 2017)<sup>1</sup>



### Committed Developments

- Near completion

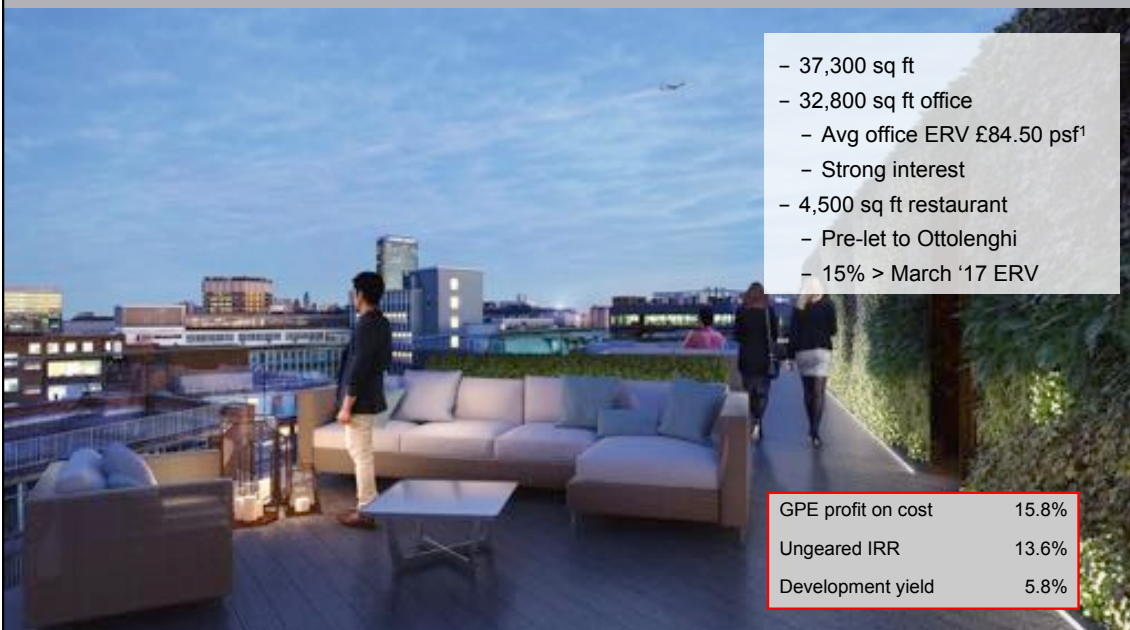
### Development pipeline

- 40% of portfolio
- 16 schemes (+2 from May)
- 1.7m sq ft potential area

1. GPE share as at November 2017

# Completed Project

55 Wells St, W1



- 37,300 sq ft
- 32,800 sq ft office
  - Avg office ERV £84.50 psf<sup>1</sup>
  - Strong interest
- 4,500 sq ft restaurant
  - Pre-let to Ottolenghi
  - 15% > March '17 ERV

GPE profit on cost	15.8%
Ungeared IRR	13.6%
Development yield	5.8%

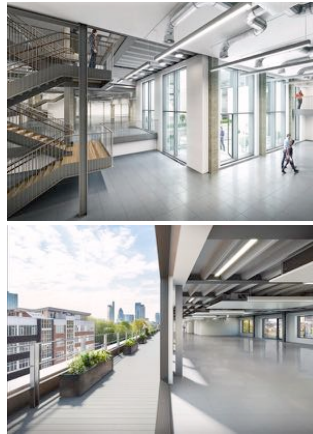
1. CBRE September 2017 ERV; excluding community use area

# Committed Projects

## Nearing Completion



Committed	Anticipated Finish	New building area sq ft	Cost to complete £m	ERV <sup>1</sup>		Income pre-let / GDV pre-sold (£m)	% let / sold <sup>2</sup>	Profit on cost <sup>3</sup>
				£m	Office avg £psf			
Rathbone Sq, W1 residential	Nov 17	151,700	7.4	n/a	n/a	270.5	95%	(1%)
160 Old Street, EC1	Apr 18	161,700	7.6	4.2	53.35	-	-	14%
<b>Committed projects</b>		<b>313,400</b>	<b>15.0</b>	<b>4.2</b>		<b>270.5</b>	<b>75%</b>	



### 160 Old Street, EC1

- 161,700 sq ft
- Anticipated PC April 18
- 155,000 sq ft office
- Avg office ERV £53.35 psf<sup>1</sup>
- 57% of building under offer for significant office pre-let
- Strong interest in retail and remaining offices

GPE profit on cost	13.8%
Ungeared IRR	10.2%
Yield on cost	6.2%

1. CBRE September 2017 ERV 2. Based on GDV of property 3. Based on CBRE estimate of completed value

31





# Near Term Pipeline

## Increased to 3 schemes



	New build area (sq ft)	Opportunity Area	Earliest Start	Next Steps
Oxford House, W1	116,500	Crossrail	2018	Planning permission for new build scheme
Hanover Square, W1	221,000	Crossrail	2018	Decision on start Q1 2018
Cityside House, E1	76,500	Crossrail	2018	Decision on start Q1 2018
<b>Near Term Total</b>	<b>414,000</b>			

### Oxford House, W1

	Refurbishment		New Build Scheme		
	<b>Offices</b>	58,700 sq ft	78,100 sq ft	+19,400 sq ft	
	ERV	£4.5m	£6.7m	+49%	
	<b>Retail</b>	30,300 sq ft	38,400 sq ft	+8,100 sq ft	
	ERV	£5.1m	£6.3m	+24%	
	<b>Total</b>	<b>89,000 sq ft</b>	<b>116,500 sq ft</b>	<b>+27,500 sq ft</b>	
	ERV	<b>£9.6m</b>	<b>£13.0m</b>	<b>+35%</b>	
					
					<ul style="list-style-type: none"> <li>- Planning submitted</li> <li>- Anticipated start H1 2018</li> </ul>

ERVs based on CBRE September 2017 valuations

32

## Near Term Pipeline

Hanover Square, W1

GREAT  
PORTLAND  
ESTATES

### Good Progress

- Signed early access agreement with Crossrail
- Started enabling works
- Significant pre-let discussions

### Next Steps

- Earliest New Bond Street construction start H1 2018
- Earliest Over Station construction start H2 2018

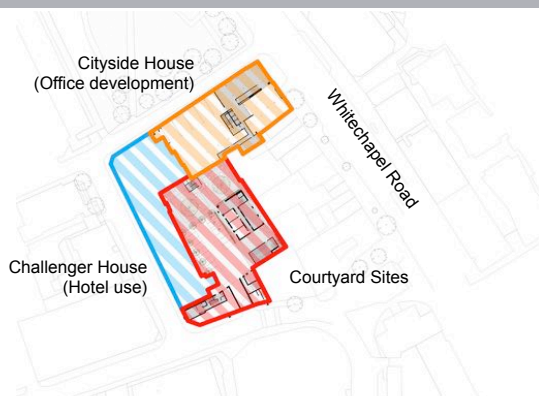
Unique Mayfair development

33

## Near Term Pipeline

Cityside House, Whitechapel, E1

GREAT  
PORTLAND  
ESTATES



### Near Term: Cityside House development

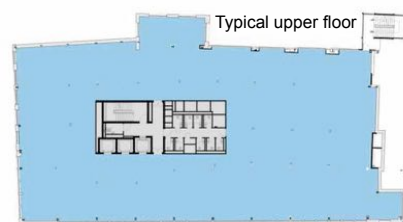
- Improve office floorplate efficiency
- Enabling works commenced
- Start construction Q1 2018
- Offices 74,200 sq ft
  - Avg office ERV £49.05 psf<sup>1</sup>
- Retail 2,300 sq ft

### Medium Term: Courtyard Sites

- 19,000 sq ft consented hotel and residential
- Feasibility underway



1. Colliers / Cushman May 2017 ERV



34



# Medium Term Pipeline

13 schemes








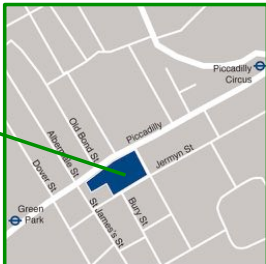


	New build area (sq ft)	Opportunity Area	Earliest Start	Next Steps
Whitechapel Courtyard Sites, E1	19,000	Crossrail	2018-19	Planning application
52/54 Broadwick St, W1 <sup>1</sup>	47,000	Crossrail	2018-20	Design
50 Finsbury Sq, EC2	126,400	Crossrail	2018-20	Planning application
City Place House, EC2	176,500	Crossrail	2018-22	Planning application
31/34 Alfred Place, WC1	37,200	Crossrail	2023-25	Masterplanning with adjoining owners
Minerva House, SE1	120,000	London Bridge	2021-22	Design
New City Court, SE1	352,000	London Bridge	2021-22	Planning application
Kingsland/Carrington House, W1	51,400	Prime Retail	2022-23	Design
Mount Royal, W1	92,100	Prime Retail	2022-23	Design
95/96 New Bond St, W1	9,600	Prime Retail	2023-24	Design
35 Portman Square, W1	73,000	Core West End	2021-22	Design
French Railways House, SW1	75,000	Core West End	2021-22	Design
Jermyn St, SW1	133,100	Core West End	2021-22	Design
<b>Medium Term Total</b>	<b>1,312,300</b>			

1. 52/54 Broadwick St & 10/16 Dufours Place, W1

# Medium Term Pipeline

Preparing for next cycle



<p><b>50 Finsbury Sq, EC2</b></p>  	<p><b>City Place House, EC2</b></p>  
<p><b>Piccadilly Buildings, W1<sup>1</sup></b></p>  	<p><b>New City Court, SE1</b></p>  

1. Jermyn St and French Railways House

# Development Outlook

Preparing for next cycle



	Projects	Existing area Sq ft	New build area Sq ft
<b>Committed</b>	2	313,400	313,400
– Strong leasing interest and delivery de-risked			
<b>Pipeline</b>	16	1,127,900	1,726,300
– <b>Near Term:</b> 3 schemes benefitting from Crossrail			
– <b>Medium Term:</b> 13 superbly located properties			
<b>Development Programme Total</b>	18	1,441,300	2,039,700

**Strong platform for growth**

37

# Agenda



Introduction **Toby Courtauld, Chief Executive**

Financial Results **Nick Sanderson, Finance Director**

Market  
Disposals & Acquisitions **Toby Courtauld, Chief Executive**

Portfolio Management **Steven Mew, Portfolio Director**

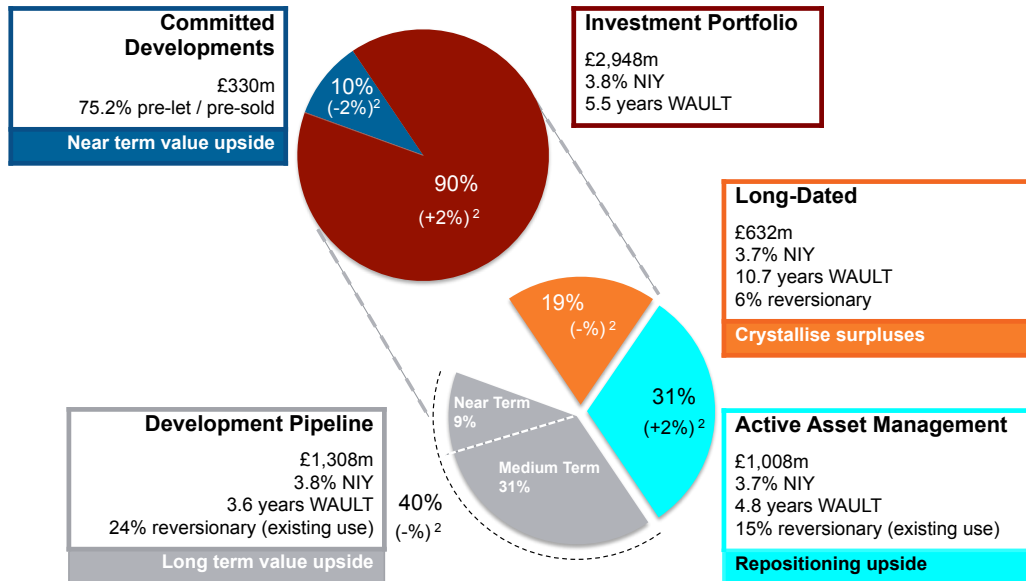
Development Update **Andrew White, Development Director**

**Outlook** **Toby Courtauld, Chief Executive**

38

# Opportunity

Organic growth; generating value<sup>1</sup>



1. Portfolio breakdown by value as at November 2017 2. Change since May 2017

39

# Opportunity



## Strategy: Consistent and clear

- Repositioning: rental and capital growth
- Recycling: profits and investment
- Central London only: West End bias (71% today)

## London: Europe's World City

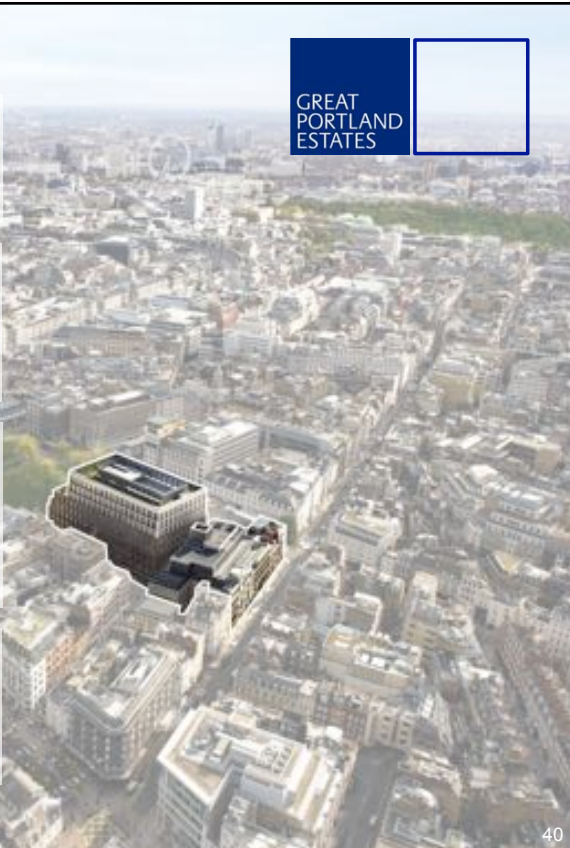
- Growing
- Long term demand
- Limited supply
- Deep investment liquidity

## Delivering our strategy

- Executing & crystallising
- Leasing well
- Preparing pipeline
- Ready to buy
- Financial strength

## More to come

- 1.7m sq ft programme, as strong as ever
- Platform from 2018 into 2020s
- Significant reversions
- Highest proximity to Crossrail: 86% within 800m



40



# Outlook



## GPE well placed

- Portfolio positioning excellent
- Cycle read feels right
- Financial strength: exploit market dislocation
- Strengthened & talented team
- Deliver ambitious plans; long-term organic growth

## Confident outlook



# Unlocking potential

Half Year Results 2017





## Disclaimer



This presentation contains certain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-looking statements.

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Information contained in this presentation relating to the Company or its share price, or the yield on its shares, should not be relied upon as an indicator of future performance.

43

## Balance Sheet

Proportionally Consolidated for Joint Ventures



£m	Group	JVs	Total	March 17
Investment property	2,407.9	594.9	<b>3,002.8</b>	2,881.5
Trading property	262.2	-	<b>262.2</b>	246.7
Other assets	101.0	0.6	<b>101.6</b>	360.5
Net debt at book value <sup>1</sup>	(517.8)	(72.4)	<b>(590.2)</b>	(586.2)
Other liabilities	(126.5)	(15.1)	<b>(141.6)</b>	(164.1)
<b>Net assets</b>	<b>2,126.8</b>	<b>508.0</b>	<b>2,634.8</b>	2,738.4
Fair value of derivatives	-	0.8	<b>0.8</b>	(27.2)
Fair value of convertible debt	3.2	-	<b>3.2</b>	9.4
Fair value of trading property	12.8	-	<b>12.8</b>	17.3
Deferred tax	(4.5)	-	<b>(4.5)</b>	(2.0)
<b>EPRA NAV (undiluted)</b>	<b>2,138.3</b>	<b>508.8</b>	<b>2,647.1</b>	2,735.9
Convertible bond	-	-	-	-
<b>EPRA NAV (diluted)</b>	<b>2,138.3</b>	<b>508.8</b>	<b>2,647.1</b>	2,735.9
<b>EPRA NAV</b>	<b>657p</b>	<b>156p</b>	<b>813p</b>	799p

1. Includes convertible bond @ fair value

44

## Income Statement

Proportionally Consolidated for Joint Ventures



£m	Group	JVs	Total	Sept 16
Rental income	44.7	8.6	53.3	47.2
Fees from Joint Ventures	1.1	-	1.1	1.6
Property and Administration costs	(15.6)	(1.8)	(17.4)	(16.2)
Trading properties cost of sale	(0.1)	-	(0.1)	(0.3)
Loss on development management contracts	(0.3)	-	(0.3)	-
Finance (costs) / income	(35.1)	(5.3)	(40.4)	33.6
(Loss) / profit before surplus on investment property	(5.3)	1.5	(3.8)	65.9
Surplus / (deficit) on investment property	16.9	9.7	26.6	(128.6)
Reported profit / (loss) before tax	11.6	11.2	22.8	(62.7)
Tax	2.5	-	2.5	-
Reported profit / (loss) after tax	14.1	11.2	25.3	(62.7)
<b>EPRA Earnings</b>				
(Loss) / profit before surplus on investment property	(5.3)	1.5	(3.8)	65.9
Less: fair value movement on debt and derivatives	(0.8)	(0.5)	(1.3)	(37.9)
Trading properties cost of sale	0.1	-	0.1	0.3
One-off debt costs	36.6	-	36.6	-
	30.6	1.0	31.6	28.3
<b>EPRA EPS</b>	9.3p	0.3p	9.6p	8.3p

45

## Income Statement

Proportionally Consolidated for Joint Ventures



£m	Group	JVs	Total	Sept 16
EPRA Earnings	30.6	1.0	31.6	28.3
Less: spreading of rent free periods	(3.1)	(0.1)	(3.2)	(2.8)
Less: capitalised interest	(4.5)	(0.8)	(5.3)	(11.0)
LTIP charge	0.8	-	0.8	1.4
	23.8	0.1	23.9	15.9
<b>Cash EPS</b>	7.2	-	7.2	4.6

46

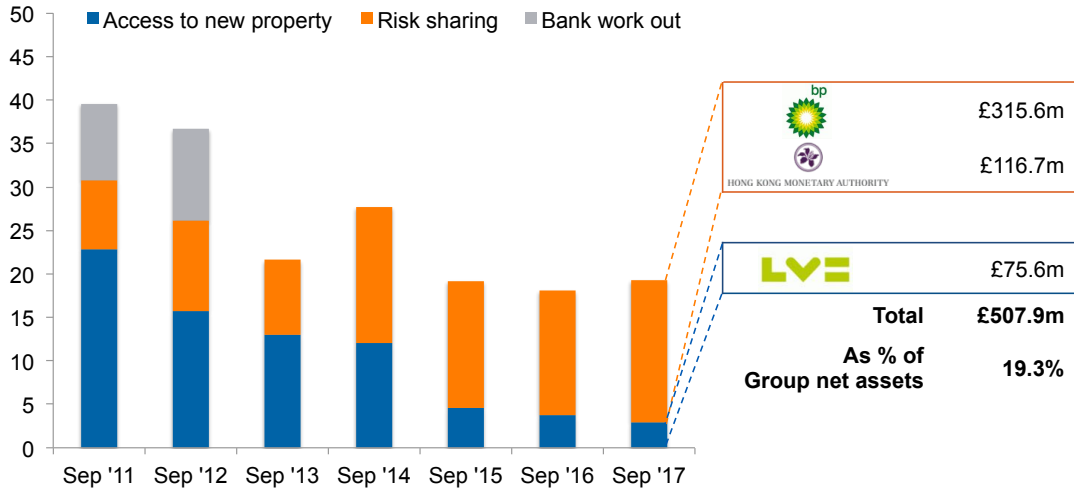
# Joint Venture Business

## Contribution to Group



% of net assets held in JV

Net assets held in JV<sup>1</sup>



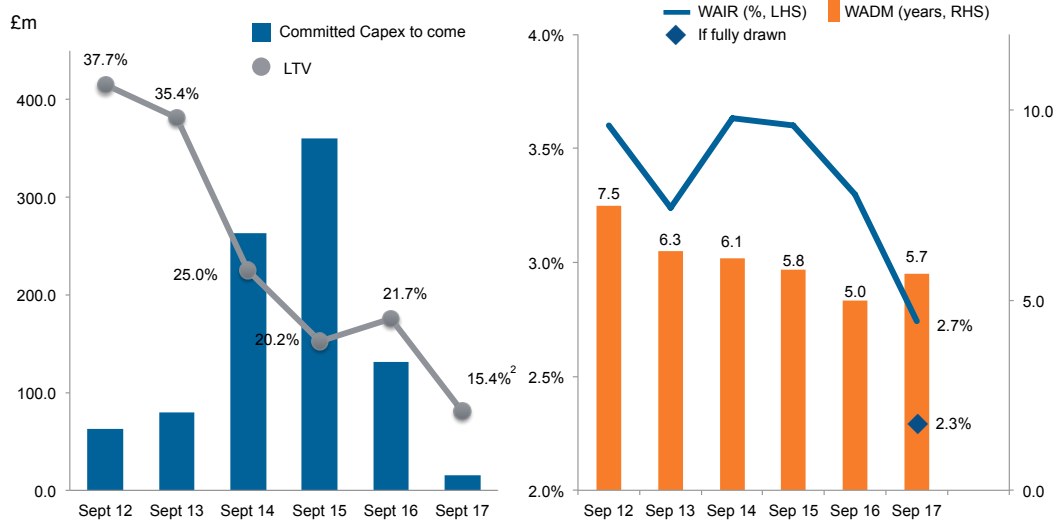
1. Active joint ventures only

# Balance Sheet Strength



LTV and Committed Capex<sup>1</sup>

Cost and Maturity of Debt (%)



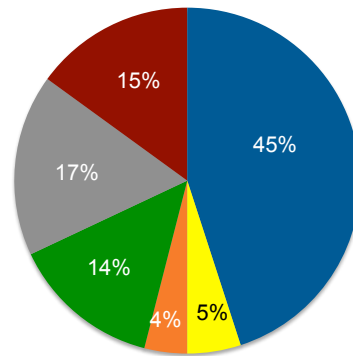
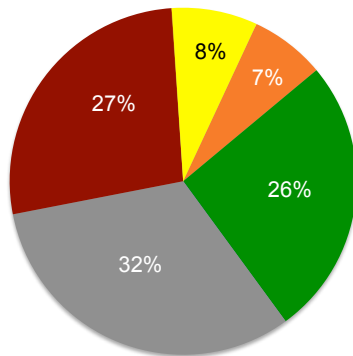
1. Based on property values at 30 Sept 2017 2. Pro forma for remaining net deferred proceeds (£82.3m) for sale of 73/89 Oxford St, W1 and Rathbone Sq, W1 (commercial)

# Sources of Debt<sup>1, 2</sup>



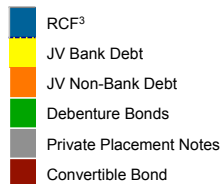
Diversity of Sources: Drawn (£553m)

Diversity of Sources: Facilities (£1,003m)



Non Bank: 92%  
Unsecured: 59%

Non Bank: 51%  
Unsecured: 77%



1. JV facilities amount shown at GPE share 73/89 Oxford St, W1 and Rathbone Sq, W1 2. Based on drawn position at 30 September 2017, pro forma for remaining net deferred proceeds (£82.3m) for sale of 73/89 Oxford St, W1 and Rathbone Sq, W1 3. Revolving credit facility

# Balance Sheet Discipline

## The Givens



### 1. Conservative Leverage – to enhance, not drive, returns

#### Significant Headroom

Maximise Flexibility	Low Cost	Liquidity	Covenants
77% unsecured <sup>1</sup> 49% / 51% bank / non-bank <sup>1</sup>	2.7% average rate <sup>2</sup> 1.6% marginal rate	£497m cash/undrawn facilities 5.9 years debt maturity (weighted avg)	c.68% value fall headroom <sup>3</sup>

### 2. Sustainable Ordinary Dividends

Progressive policy

### 3. Disciplined Capital Allocation

Asset / portfolio / corporate level

### 4. Balance Sheet Efficiency – track record of accretively raising and returning capital

#### Considerations include

Market outlook	Opportunities for growth (organic / acquisition)	Profitable recycling activity	Current / prospective debt ratios (including LTV and ICR <sup>4</sup> )

All metrics at 30 September 2017, pro forma for remaining net deferred proceeds (£82.3m) for sale of 73/89 Oxford St, W1 and Rathbone Sq, W1 (commercial)  
1: Based on total facilities 2: Weighted average as at 30 September 3: Based on values at September 2017 4: Interest cover ratio

## EPRA Performance Measures



Measure	Sept 2017	Mar 2017
EPRA net assets	£2,647.1m	£2,735.9m
EPRA NAV	813p	799p
EPRA triple net assets	£2,679.3m	£2,679.3m
EPRA NNNAV	804p	782p
	Sept 2017	Sept 2016
EPRA earnings	£31.6m	£28.3m
Diluted EPRA EPS	9.6p	8.3p
EPRA costs (by portfolio value)	1.0%	0.8%

51

## The Valuation

Including share of Joint Ventures



Biannual Valuation Movement for Total Portfolio<sup>1</sup>

To 30 September 2017	£m	Movement %	
		6 months	12 months
North of Oxford St	1,177.5	0.7%	(0.6%)
Rest of West End	828.4	1.3%	0.8%
<b>Total West End</b>	<b>2,005.9</b>	<b>1.0%</b>	<b>-</b>
<b>Total City, Midtown &amp; Southwark</b>	<b>840.7</b>	<b>0.9%</b>	<b>(0.4%)</b>
<b>Investment Portfolio</b>	<b>2,846.6</b>	<b>0.9%</b>	<b>(0.1%)</b>
Development properties <sup>2</sup>	381.6	1.6%	6.6%
<b>Properties held throughout period</b>	<b>3,228.2</b>	<b>1.0%</b>	<b>0.6%</b>
Acquisitions	49.6	(7.6%)	(7.6%)
<b>Total Portfolio</b>	<b>3,277.8</b>	<b>0.9%</b>	<b>0.5%</b>

Period	Movement %
H2 16	3.9
H1 17	(3.7)
H2 17	(0.4)
H1 18	1.0

1. Like-for-like net movement 2. Includes trading properties at valuation

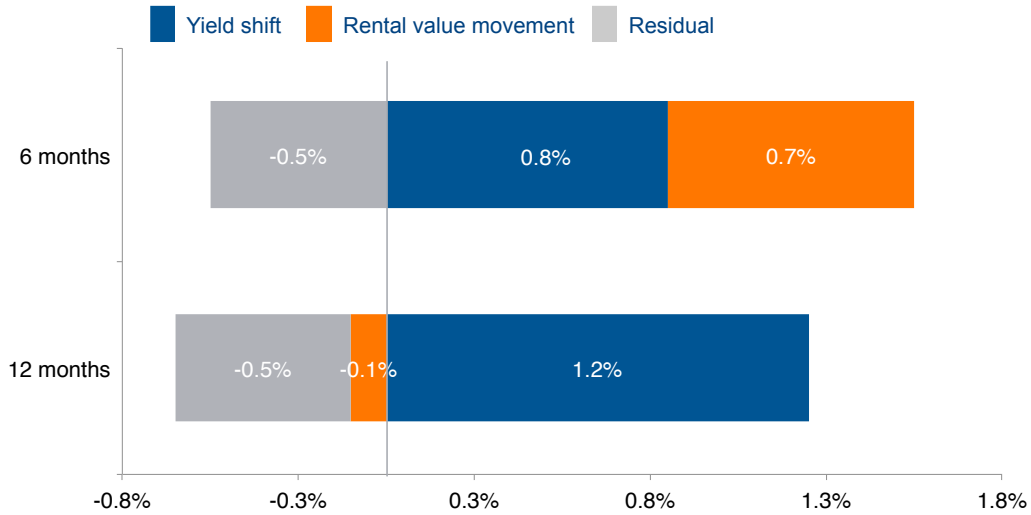
52

# The Valuation<sup>1</sup>

## Drivers of Valuation Movement



% movement



1. Including share of Joint Ventures

53

# The Valuation

## Including share of Joint Ventures



	Initial yield %	Equivalent Yield Basis point +/-		
		%	6 month	12 month
<b>North of Oxford Street</b>				
Offices	3.3%	4.5%	-2	-2
Retail	3.5%	3.8%	-3	2
<b>Rest of West End</b>				
Offices	1.8%	4.4%	-1	-1
Retail	2.9%	3.8%	-6	-15
<b>Total West End</b>	2.9%	4.2%	-2	-3
<b>City, Midtown and Southwark</b>	4.4%	5.0%	-8	-8
<b>Total let Portfolio</b>	3.4% (3.8% ex rent free)	4.5%	-4	-5

54

## The Valuation<sup>1</sup>

Including share of Joint Ventures



	Value £m	6 months to		12 months %
		Sept 2017 £m	Change %	
North of Oxford St	1,177.5	8.3	0.7%	(0.6%)
Rest of West End	828.4	10.9	1.3%	0.8%
<b>Total West End</b>	<b>2,005.9</b>	<b>19.2</b>	<b>1.0%</b>	-
<b>City, Midtown and Southwark</b>	<b>840.7</b>	<b>7.5</b>	<b>0.9%</b>	<b>(0.4%)</b>
<b>Investment portfolio</b>	<b>2,846.6</b>	<b>26.7</b>	<b>0.9%</b>	<b>(0.1%)</b>
Development properties	381.6	6.2	1.6%	6.6%
<b>Properties held throughout the period</b>	<b>3,228.2</b>	<b>32.9</b>	<b>1.0%</b>	<b>0.6%</b>
Acquisitions	49.6	(4.1)	(7.6%)	(7.6%)
<b>Total portfolio</b>	<b>3,277.8</b>	<b>28.8</b>	<b>0.9%</b>	<b>0.5%</b>

1. Includes trading properties at valuation

55

## The Valuation<sup>1</sup>

Wholly Owned



	Value £m	6 months to		12 months %
		Sept 2017 £m	Change %	
North of Oxford St	1,061.9	7.0	0.7%	(0.5%)
Rest of West End	671.9	10.6	1.6%	3.4%
<b>Total West End</b>	<b>1,733.8</b>	<b>17.6</b>	<b>1.0%</b>	<b>1.0%</b>
<b>City, Midtown and Southwark</b>	<b>572.6</b>	<b>1.7</b>	<b>0.3%</b>	<b>(2.1%)</b>
<b>Investment portfolio</b>	<b>2,306.4</b>	<b>19.3</b>	<b>0.8%</b>	<b>(0.2%)</b>
Development properties	326.9	3.8	1.2%	6.9%
<b>Properties held throughout the period</b>	<b>2,633.3</b>	<b>23.1</b>	<b>0.9%</b>	<b>1.0%</b>
Acquisitions	49.6	(4.1)	(7.6%)	(7.6%)
<b>Total portfolio</b>	<b>2,682.9</b>	<b>19.0</b>	<b>0.7%</b>	<b>0.8%</b>

1. Includes trading properties at valuation

56



## The Valuation

Joint Ventures (100%)



	Value £m	6 months to		12 months %
		Sept 2017 £m	Change %	
North of Oxford St	231.3	2.6	1.1%	(2.1)%
Rest of West End	312.9	0.5	0.2%	(9.0)%
<b>Total West End</b>	<b>544.2</b>	<b>3.1</b>	<b>0.6%</b>	<b>(6.2)%</b>
<b>City, Midtown and Southwark</b>	<b>536.2</b>	<b>11.6</b>	<b>2.2%</b>	<b>3.5%</b>
<b>Investment portfolio</b>	<b>1,080.4</b>	<b>14.7</b>	<b>1.4%</b>	<b>(1.6)%</b>
Development properties	109.4	4.7	4.5%	4.8%
<b>Properties held throughout the period</b>	<b>1,189.8</b>	<b>19.4</b>	<b>1.7%</b>	<b>(1.1)%</b>
Acquisitions	-	-	-	-
<b>Total portfolio</b>	<b>1,189.8</b>	<b>19.4</b>	<b>1.7%</b>	<b>(1.1)%</b>

57

## The Valuation<sup>1</sup>

ERV and Reversionary Potential



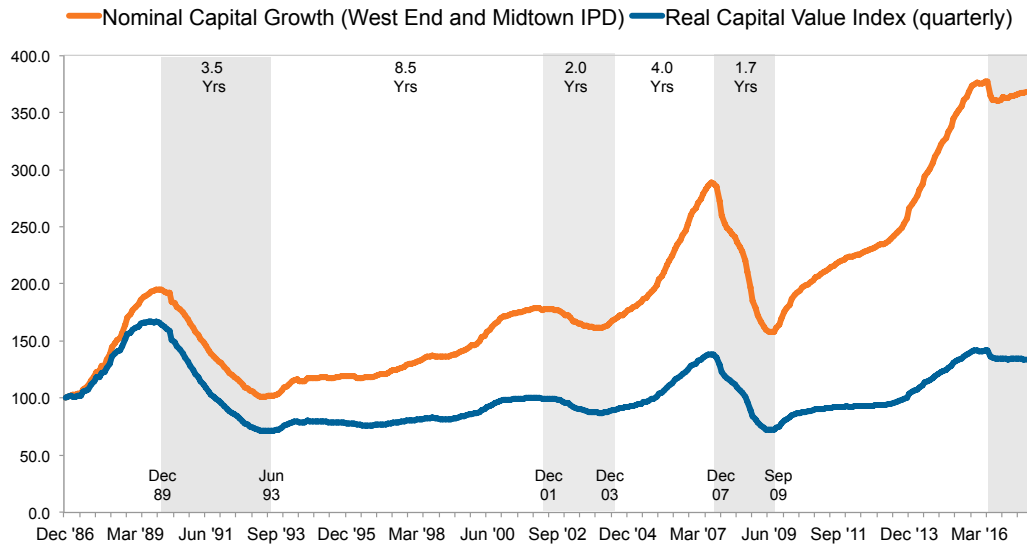
To 30 Sept 2017	Movement in ERV		12 months %	Average Office Rent Passing	Average Office ERV	Reversionary Potential
	6 months			£ per sq ft	£ per sq ft	%
	%	£m				
<b>North of Oxford St</b>						
Offices	1.0%	0.5	(0.4%)	58.40	69.80	18.2%
Retail	0.6%	0.1	(0.1%)			15.5%
<b>Rest of West End</b>						
Offices	(2.1%)	(0.5)	(3.3%)	75.90	76.30	4.9%
Retail	3.4%	0.5	4.9%			24.7%
<b>Total West End</b>	<b>0.6%</b>	<b>0.6</b>	<b>(0.2%)</b>	<b>63.60</b>	<b>71.80</b>	15.6%
<b>City, Midtown &amp; Southwark</b>						
Offices	1.0%	0.6	0.3%	44.20	50.40	19.9%
Retail	(1.3%)	-	(1.0%)			
<b>Total City, Midtown &amp; Southwark</b>	<b>0.9%</b>	<b>0.6</b>	<b>0.2%</b>			19.3%
<b>Total Let Portfolio</b>	<b>0.7%</b>	<b>1.2</b>	<b>(0.1%)</b>	<b>52.80</b>	<b>59.90</b>	<b>17.0%</b>

1. Including share of Joint Ventures

58

# The Cycles So Far

## Midtown & West End Capital Growth

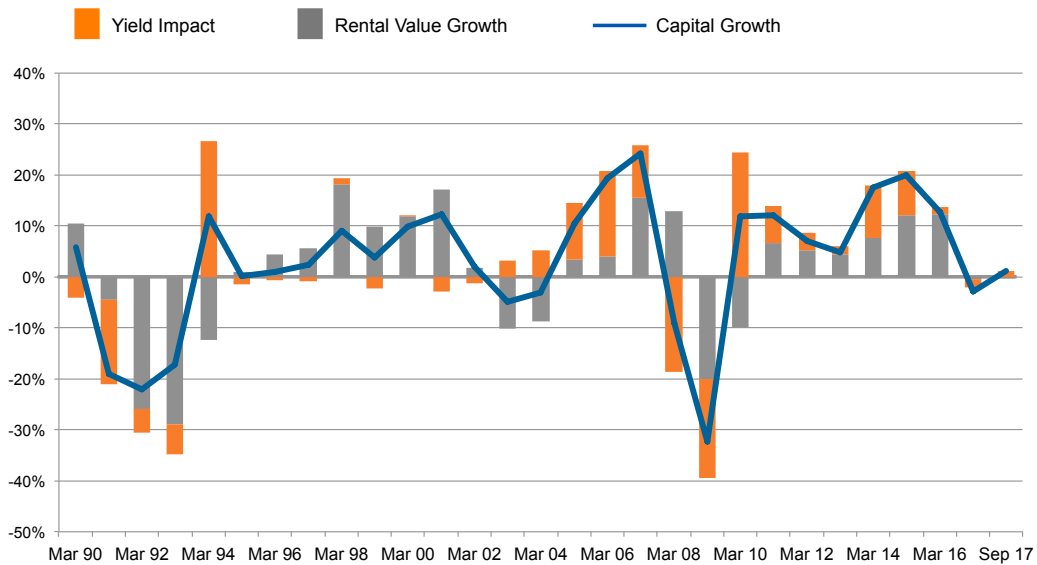


Source: MSCI. Mar 87 = 100

59

# The Cycles So Far

## Annual Capital Growth & Attribution; Midtown & West End IPD

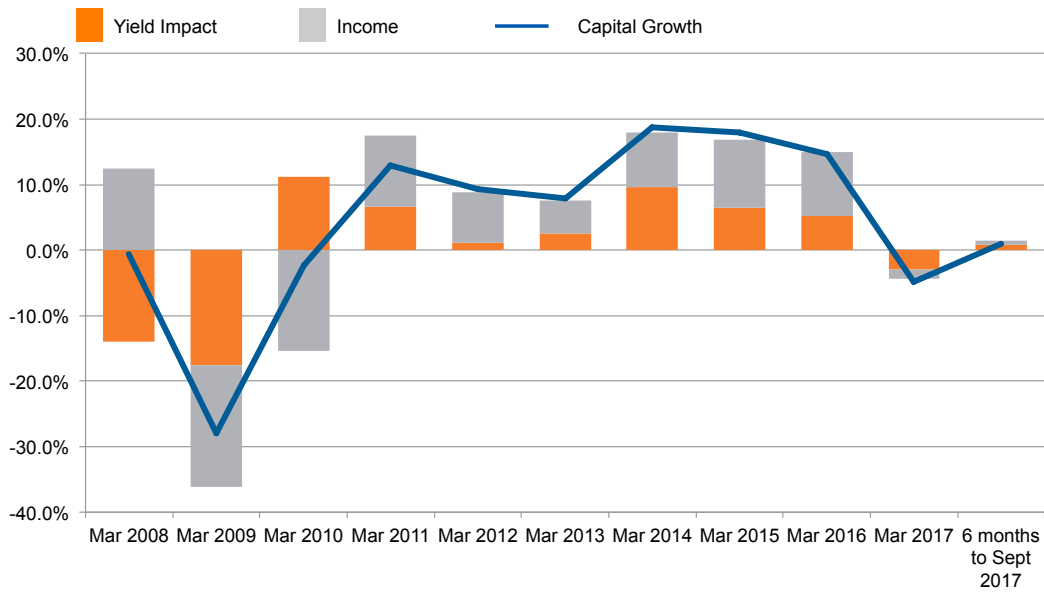


Source: MSCI: IPD UK Monthly Property Digest

60

# The Cycles So Far

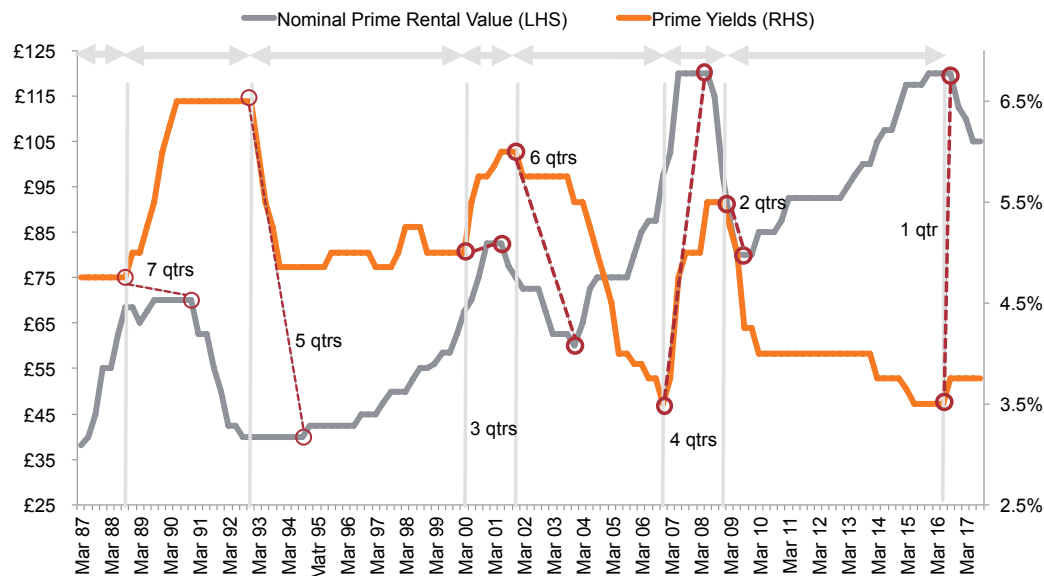
## GPE Capital Growth & Attribution



All attributions shown like for like excluding sales and purchases.

# History of rental lags to yield moves

## West End prime yields and rental growth

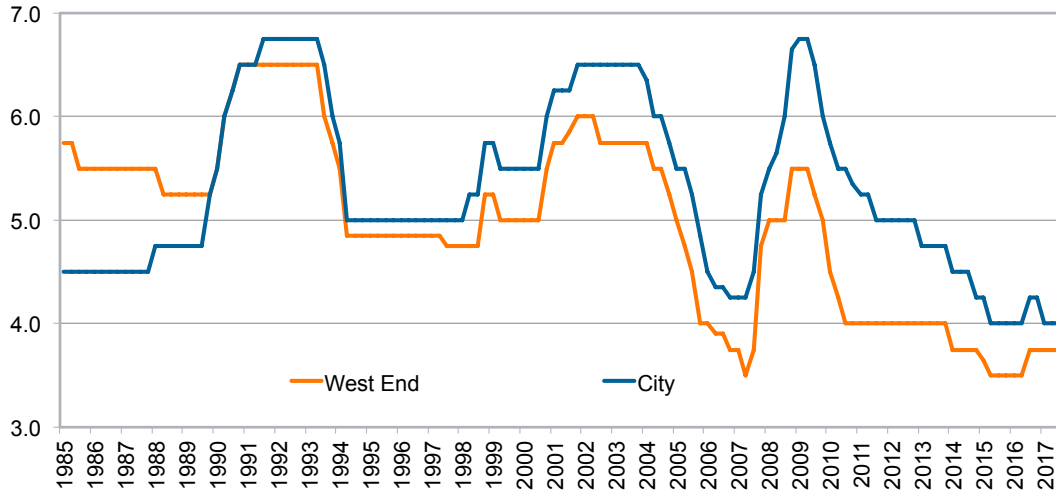


Source: CBRE, GPE

# Central London Prime Yields



Central London Prime Yields (%)



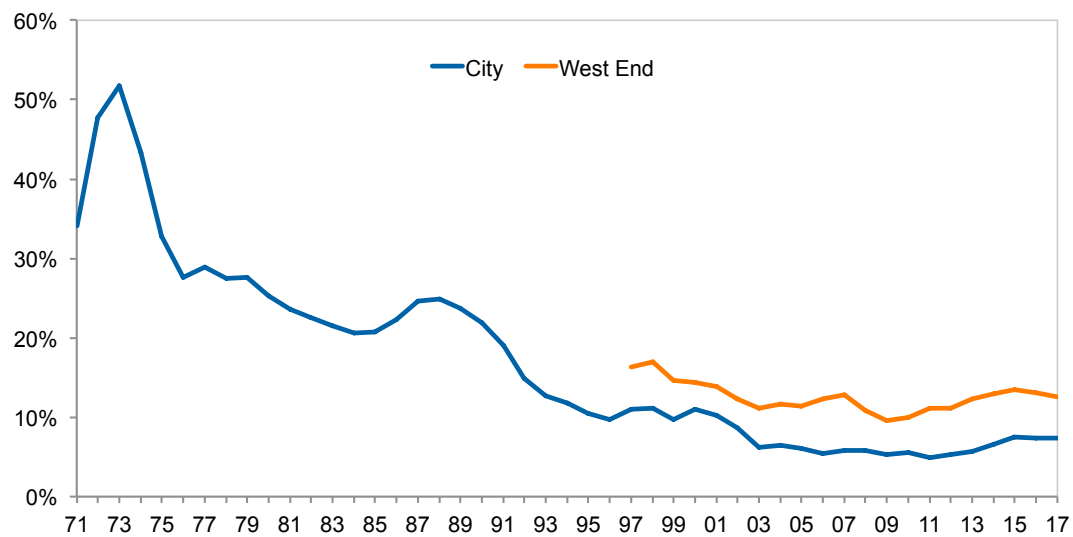
Source: CBRE

63

# Office Rent as a % of Salary Costs



Rent as % of salary



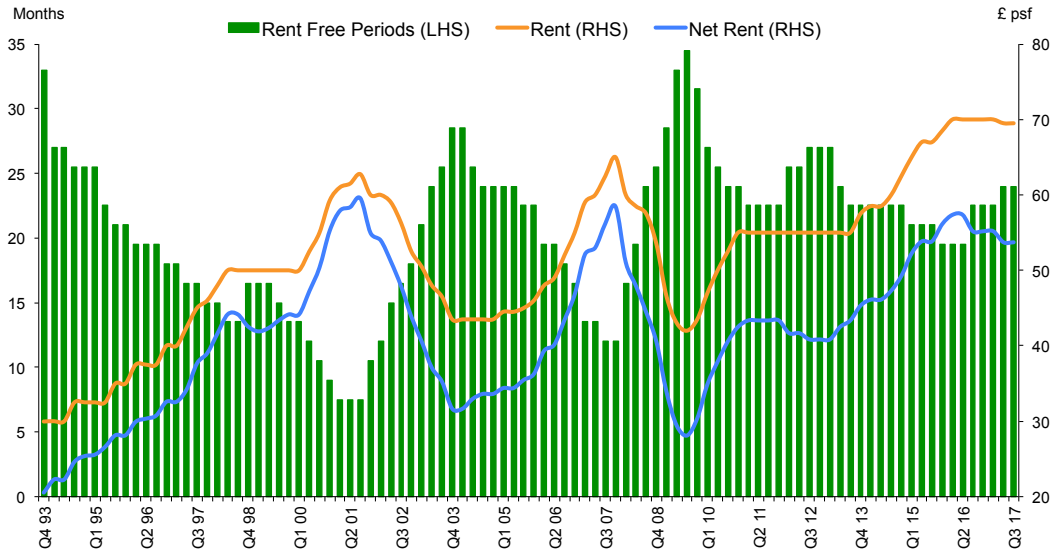
Source: ONS, PMA

64

# City Top Prime Rents vs. Rent Free Periods



Q3 2017



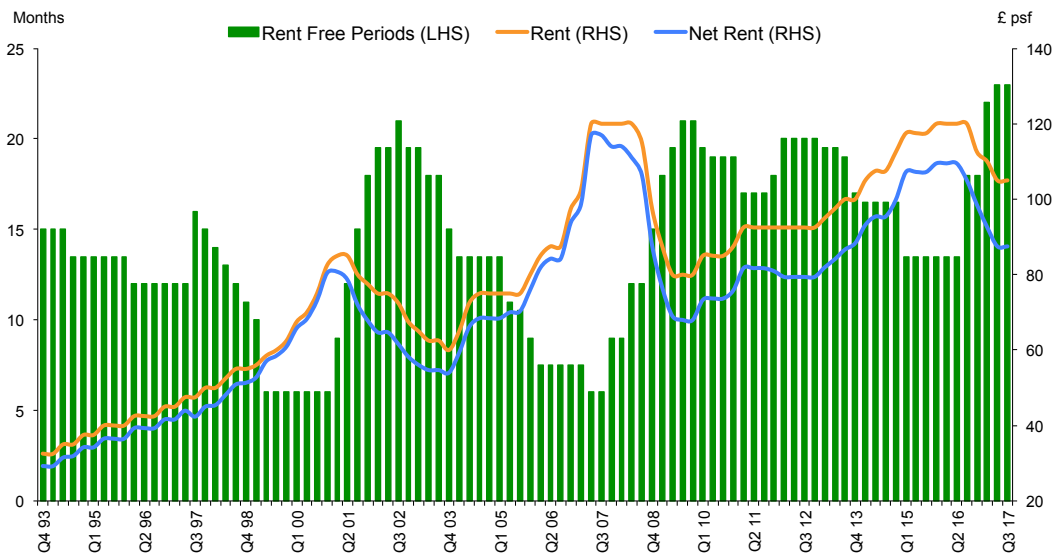
Source: CBRE

65

# West End Top Prime Rents vs. Rent Free Periods



Q3 2017



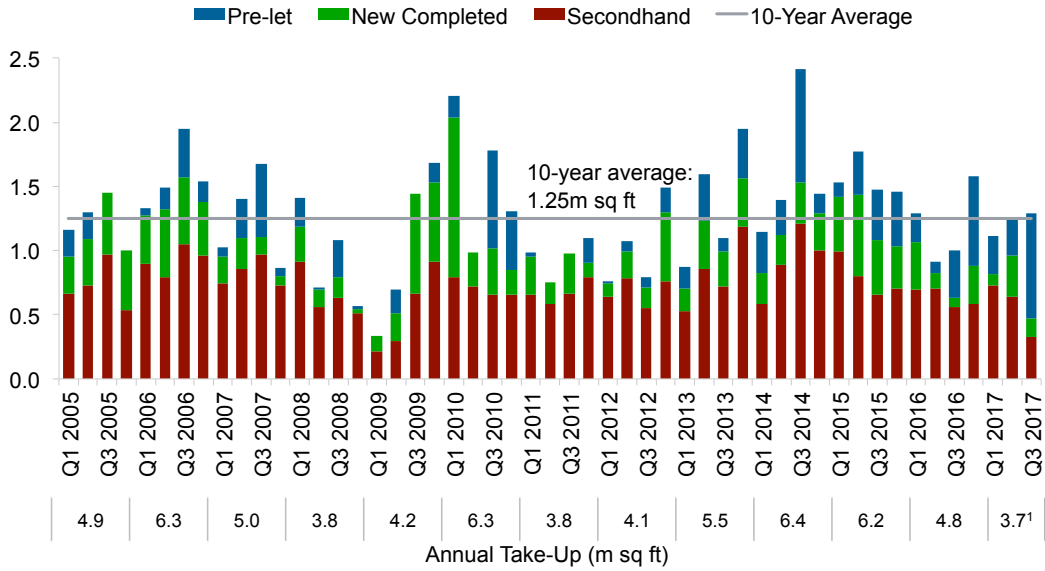
Source: CBRE

66

# City Take-Up



Million sq ft



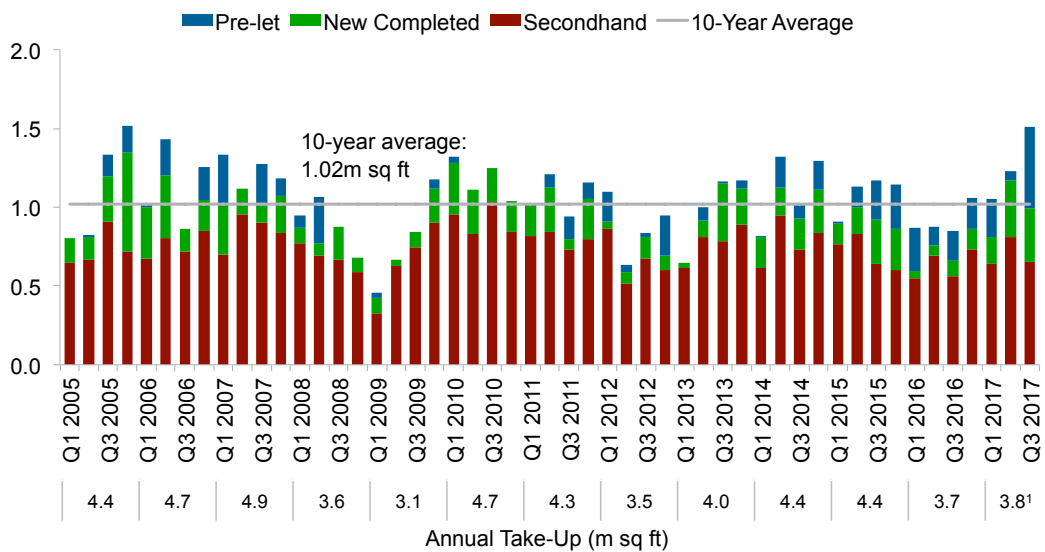
Source: CBRE 1. Q1-Q3

67

# West End Take-Up



Million sq ft



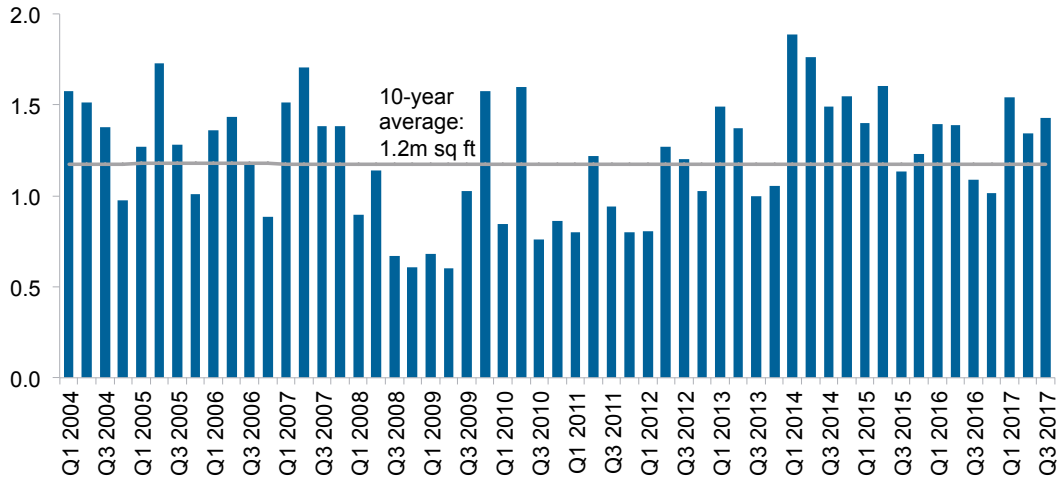
Source: CBRE 1. Q1 - Q3

68

# City Office Under Offer



Million sq ft



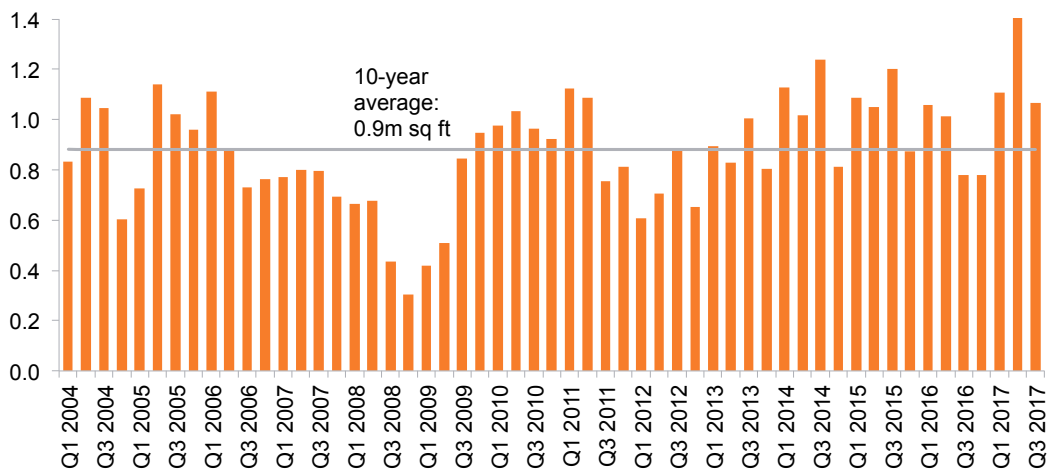
Source: CBRE

69

# West End Office Under Offer



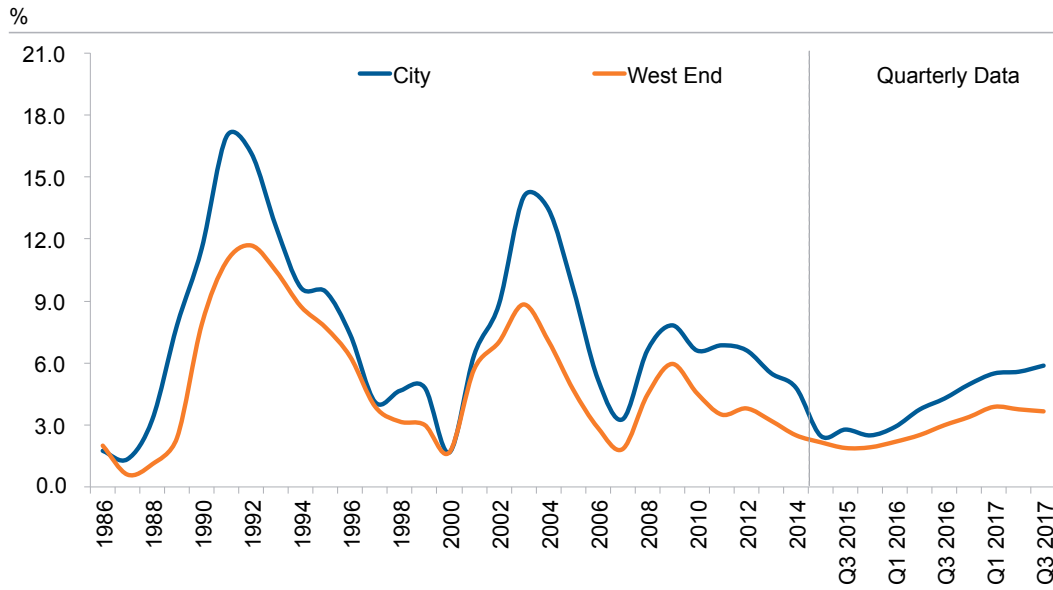
Million sq ft



Source: CBRE

70

# Void Rate: Ready to Occupy Space



Source: CBRE

71

# City Active Requirements >10,000 sq ft



000 sq ft	May 2011	Nov 2011	May 2012	Nov 2012	May 2013	Nov 2013	May 2014	Nov 2014	May 2015	Nov 2015	May 2016	Nov 2016	May 2017	Nov 2017	Change		
															12 months	1 <sup>st</sup> 6 months	2 <sup>nd</sup> 6 months
Professional Services	1,549	1,620	1,073	1,073	838	838	945	841	904	698	649	991	881	728	(27%)	(11%)	(17%)
Financial Services	1,447	955	1,139	1,197	894	1,232	1,041	435	1,310	1,352	840	631	1,468	1,202	90%	133%	(18%)
Manufacturing & Corporates	192	181	137	67	55	175	90	55	209	436	361	414	252	214	(48%)	(39%)	(15%)
Miscellaneous	266	440	350	441	423	666	497	127	344	436	328	391	262	352	(10%)	(33%)	34%
Marketing & Media	42	89	133	61	71	124	233	493	188	218	440	632	683	217	(66%)	8%	(68%)
IT & Technology	261	206	257	234	554	422	204	109	581	654	433	418	476	782	87%	14%	64%
Government	94	205	259	92	25	70	480	430	560	262	318	179	184	227	27%	3%	23%
Insurance	1,095	922	926	831	568	417	475	456	366	305	202	434	332	285	(34%)	(24%)	(14%)
<b>Total</b>	<b>4,946</b>	<b>4,618</b>	<b>4,274</b>	<b>3,996</b>	<b>3,428</b>	<b>3,944</b>	<b>3,965</b>	<b>2,946</b>	<b>4,462</b>	<b>4,361</b>	<b>3,571</b>	<b>4,090</b>	<b>4,538</b>	<b>4,007</b>	<b>(2%)</b>	<b>11%</b>	<b>(12%)</b>

Source: Knight Frank

72



## West End Active Requirements >10,000 sq ft



000 sq ft	May 2011	Nov 2011	May 2012	Nov 2012	May 2013	Nov 2013	May 2014	Nov 2014	May 2015	Nov 2015	May 2016	Nov 2016	May 2017	Nov 2017	Change		
															12 months	1 <sup>st</sup> 6 months	2 <sup>nd</sup> 6 months
Professional Services	100	165	100	110	156	206	40	20	115	281	120	353	170	55	(84%)	(52%)	(68%)
Financial Services	198	331	358	368	616	261	409	367	502	421	374	499	300	372	(25%)	(40%)	24%
Manufacturing & Corporates	256	100	155	485	445	154	319	177	376	538	512	598	447	445	(26%)	(25%)	0%
Miscellaneous	469	315	432	373	210	330	262	225	203	304	140	208	262	317	52%	26%	21%
Marketing & Media	206	82	782	810	145	163	218	360	225	538	570	418	548	720	72%	31%	31%
IT & Technology	218	175	95	172	276	207	125	130	223	234	465	284	272	298	5%	(4%)	10%
Government	270	84	109	64	83	130	17	0	0	0	180	283	131	105	(63%)	(54%)	(20%)
<b>Total</b>	<b>1,717</b>	<b>1,252</b>	<b>2,031</b>	<b>2,382</b>	<b>1,931</b>	<b>1,451</b>	<b>1,390</b>	<b>1,279</b>	<b>1,644</b>	<b>2,316</b>	<b>2,361</b>	<b>2,643</b>	<b>2,130</b>	<b>2,312</b>	<b>(13%)</b>	<b>(19%)</b>	<b>9%</b>

Source: Knight Frank

73

## Equity Demand and Supply Central London Investment & Development Property



### Equity Demand<sup>1</sup>

£bn	May 2010	Nov 2010	May 2011	Nov 2011	May 2012	Nov 2012	May 2013	Nov 2013	May 2014	Nov 2014	May 2015	Nov 2015	May 2016	Nov 2016	May 2017	Nov 2017
Private	5.0	5.0	3.5	5.0	5.0	5.0	6.0	6.5	6.5	6.5	9.0	9.0	7.5	14.0	15.5	15.5
UK REITs	3.0	3.0	3.0	2.0	2.0	2.0	2.5	2.5	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sovereign / Overseas Funds	2.0	7.0	7.0	5.5	6.0	6.5	7.5	8.5	11.5	17.0	18.0	16.0	17.3	16.0	14.0	14.5
UK Funds	2.0	2.0	1.0	0.8	0.75	1.0	1.0	1.5	2.0	2.5	4.0	3.5	2.5	1.5	1.0	1.0
US Capital	2.0	3.0	4.0	3.0	4.0	4.5	4.5	4.5	4.5	5.5	5.5	4.5	4.5	4.5	6.0	5.0
German Funds	1.5	1.5	0.5	0.5	0.75	1.5	1.0	1.5	1.3	1.5	2.5	1.8	1.0	1.5	2.0	2.0
	<b>15.5</b>	<b>21.5</b>	<b>19.0</b>	<b>16.8</b>	<b>18.5</b>	<b>20.5</b>	<b>22.5</b>	<b>25.0</b>	<b>27.8</b>	<b>34.0</b>	<b>40.0</b>	<b>35.8</b>	<b>33.8</b>	<b>38.5</b>	<b>39.5</b>	<b>39.0</b>

### Asset Supply<sup>2</sup>

	May 14	Nov 14	May 15	Nov 15	May 16	Nov 16	May 17	Nov 17	6 month % change	12 month % change
City	£0.7bn	£1.8bn	£1.0bn	£6.1bn	£3.3bn	£3.1bn	£4.2bn	£7.9bn	119%	155%
West End	£1.6bn	£1.5bn	£1.0bn	£1.8bn	£1.6bn	£1.4bn	£1.7bn	£3.2bn	88%	129%
	<b>£2.3bn</b>	<b>£3.3bn</b>	<b>£2.0bn</b>	<b>£7.9bn</b>	<b>£4.9bn</b>	<b>£4.5bn</b>	<b>£5.9bn</b>	<b>£11.1bn</b>	<b>109%</b>	<b>147%</b>

1. CBRE, preliminary figures 2. GPE. Net of assets withdrawn and under offer

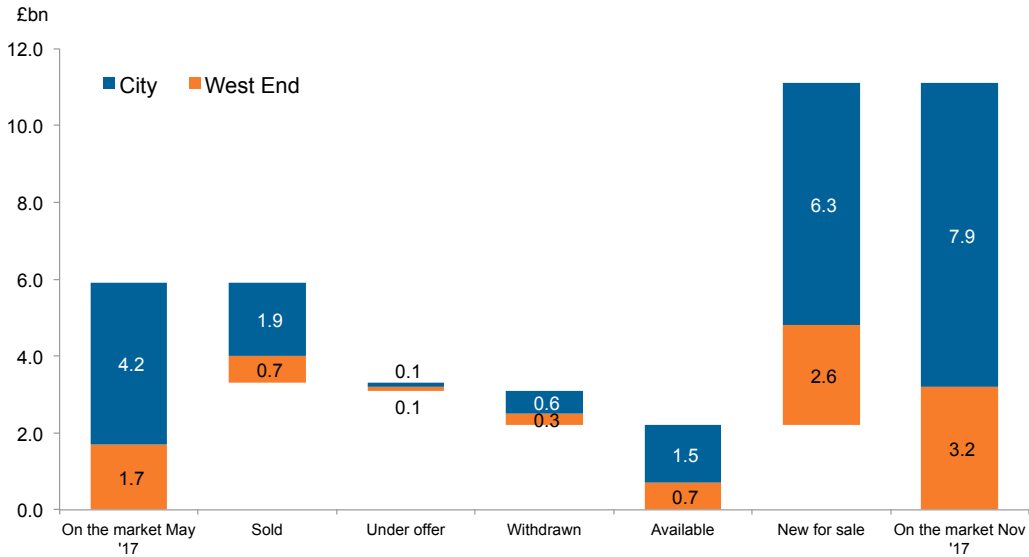
74

# Investment Activity

## West End & City



Available assets May '17 to Nov '17

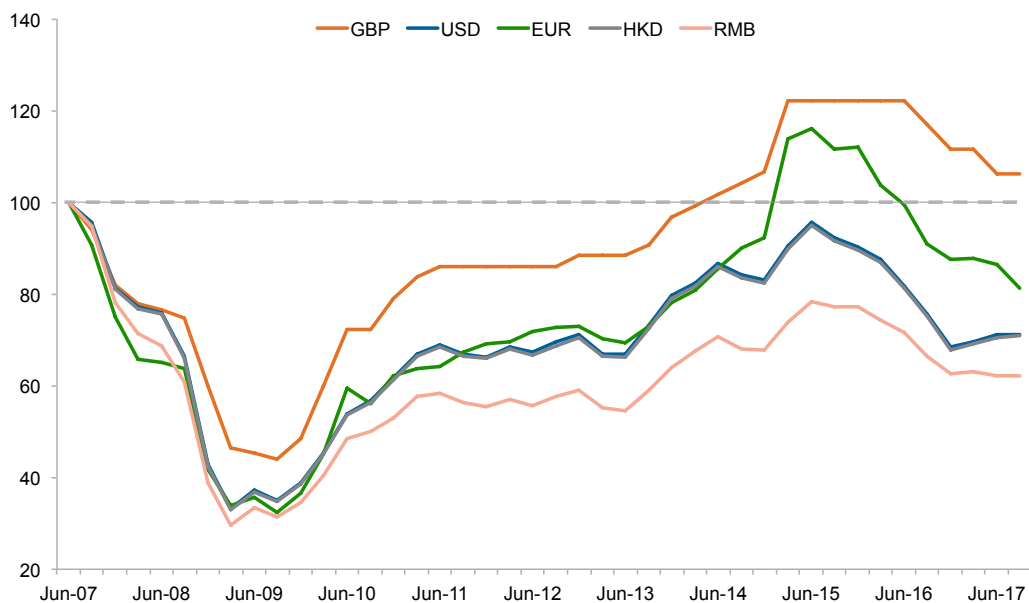


Source: GPE

75

# West End Capital Value Index

## Weaker Sterling supportive for global capital



Source: Knight Frank

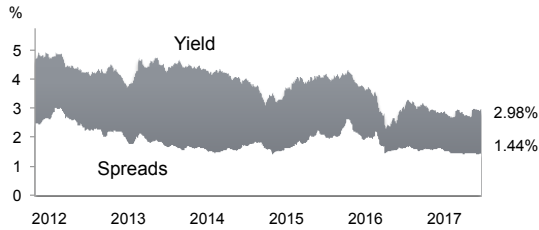
76

# Credit Market Update

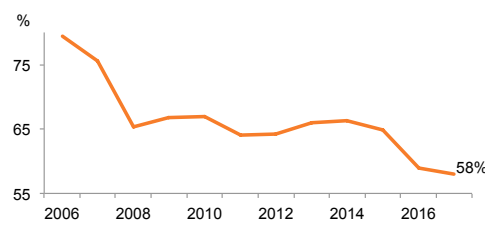
## Bonds and secured property lending



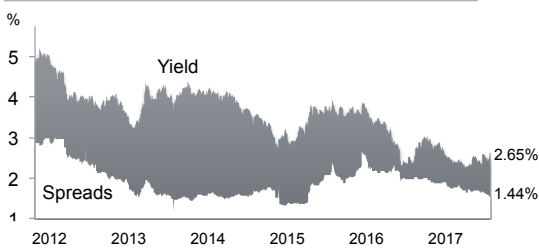
### GBP BBB Bonds (ex Financials)<sup>1</sup>



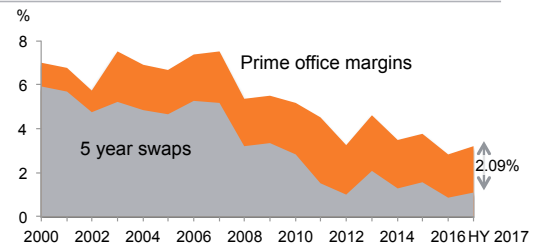
### Prime UK Office New Lending (Avg LTV)<sup>3</sup>



### GBP Real Estate Bonds<sup>2</sup>



### Lower debt costs<sup>3</sup>



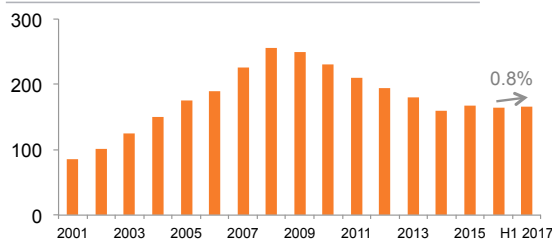
1. iBoxx GBP BBB Bonds Non Financial yields and spreads 2. JP Morgan  
3. PMA

# Credit Market Update (cont'd)

## De Montfort Survey H1 2017



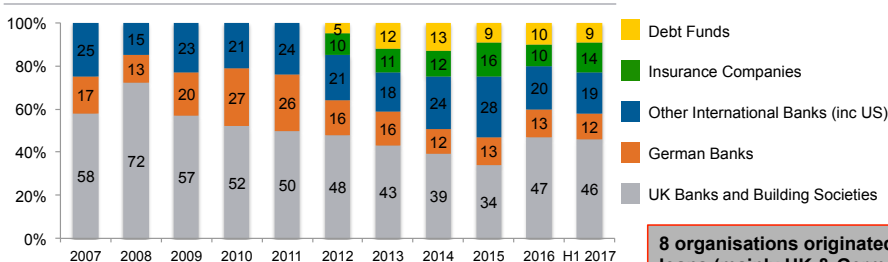
### UK Commercial Property Loans (£bn)



### Key Trends

	H1 2017	2016
Loan origination	↓ £17.6bn	£21.4bn <sup>1</sup>
Of which		
- for acquisitions	↑ 49.0%	38.8% <sup>2</sup>
- for commercial development	↑ 10%	5% <sup>2</sup>
LTV < 70%	↑ 93.0%	89.0% <sup>2</sup>
Syndicated loans	↓ £0.8bn	£1.3bn <sup>1</sup>
% Distressed loans	↓ 1.3%	1.6% <sup>2</sup>

### New Loan Origination Market Share



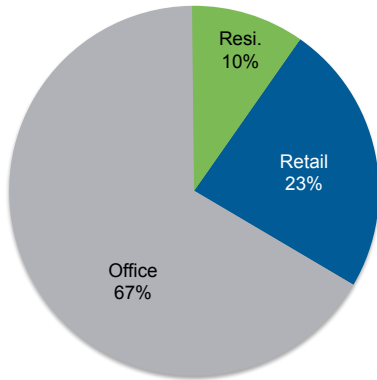
1. Half year 2016 2. Year end 2016

# GPE Portfolio Mix<sup>1</sup>

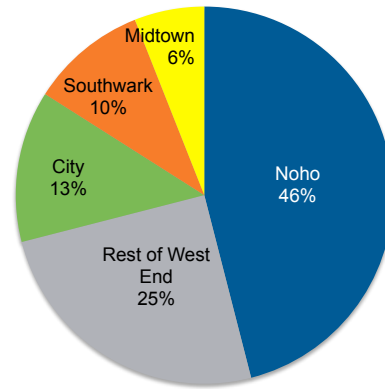
At 30 September 2017



By Type (By value £m)



By Location (By value £m)



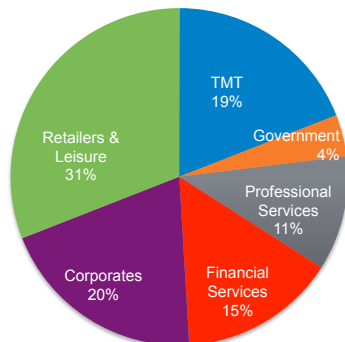
1. Includes share of Joint Ventures

# GPE Tenants<sup>1</sup>

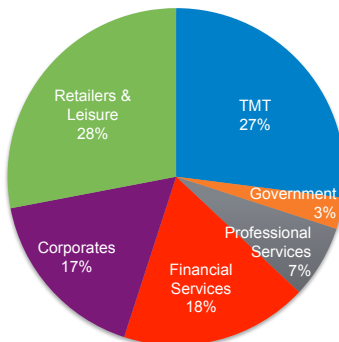
By Sector



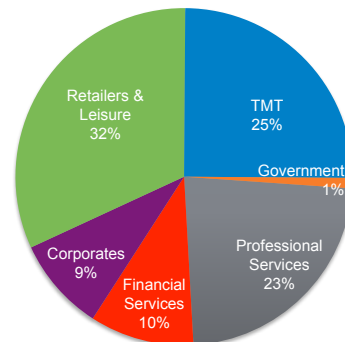
30 Sept 2007



30 Sept 2012



30 Sept 2017



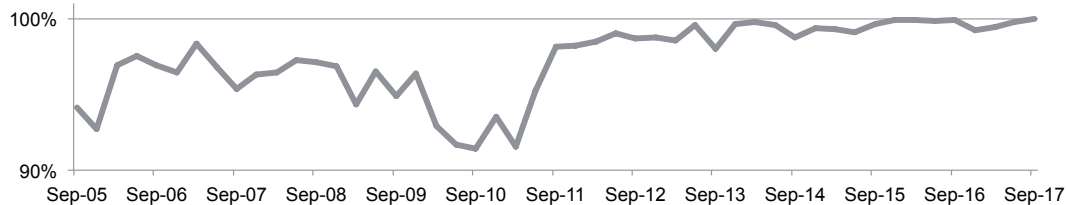
1. Includes share of Joint Ventures

# Resilient Tenant Base<sup>1</sup>

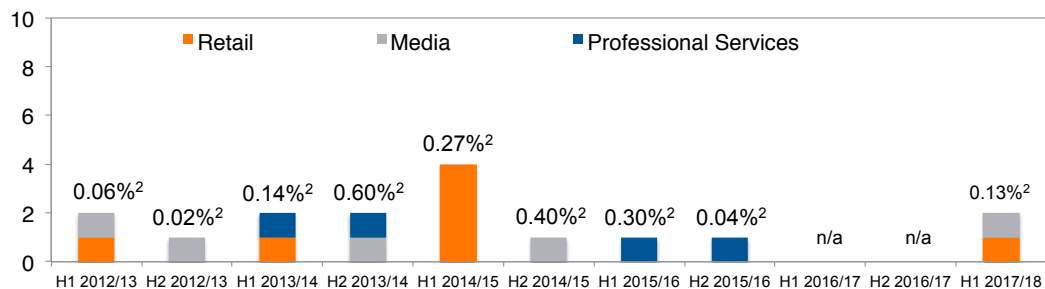
Six month periods



100% of rent collected within 7 working days



Number of delinquencies



1. Includes share of Joint Ventures 2. Value of delinquencies as % of Rent Roll (including 100% of JV properties)

# Top Tenants<sup>1</sup>

30 September 2017



Tenant	Sector	£m		
Bloomberg	TMT	5.7	Top 10	26.0%
Double Negative	TMT	4.8		
New Look	Retailers & Leisure	3.8		
Cleary Gottlieb Steen & Hamilton	Professional Services	2.8		
Richemont	Retailers & Leisure	2.6		
Boston Consulting Group	Professional Services	2.5		
Kurt Geiger	Retailers & Leisure	2.5		
UBM	TMT	2.5		
Carlton Communications	TMT	2.1		
Superdry	Retailers & Leisure	2.1		
Winckworth Sherwood	Professional Services	1.8	Top 20	39.3%
Guy's and St Thomas's NHS Foundation Trust	Government	1.6		
Independent Television News	TMT	1.6		
Dennis Publishing	TMT	1.6		
Sinclair Knight Merz (Europe)	Professional Services	1.4		
Next	Retailers & Leisure	1.4		
M&G Real Estate	Financial Services	1.4		
Heineken	Corporate	1.3		
EQT	Financial Services	1.3		
Qbic Hotels	Retailers & Leisure	1.3		

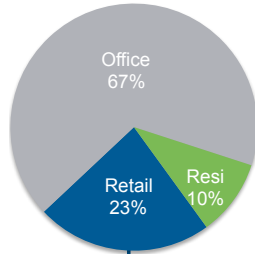
1. Includes share of Joint Ventures

# Retail Rents

GPE well placed

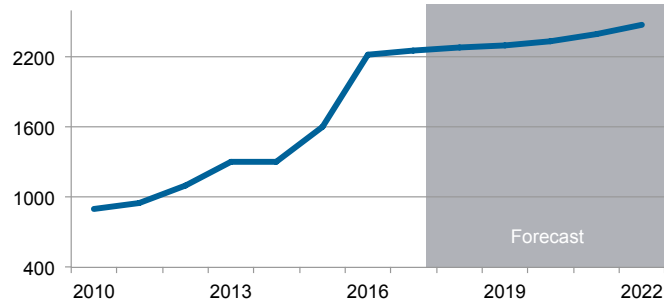


GPE Portfolio, by value



- £746m
- c.60% Oxford St / Regent St / Bond St
- c.99% within 800m of Crossrail station
- 1.4% capital value growth in six months

Bond Street Prime Retail Rents (£ psf)<sup>1</sup>



**Positives**

- £ devaluation supporting sales
- Supply low: minimal vacancy

**Negatives**

- High rents and rates revaluation
- Imported inflation = real wages↓

**GPE retail**

- Great locations; low rents; development potential

1. CBRE, Zone A rents

# Asset Management

Movement in Reversions<sup>1</sup>



	6 months to	
	30 Sept 2017	31 March 2017
At beginning of period	£23.3m	£29.2m
Portfolio activity	(£0.4m)	(£0.1m)
Reversion capture	(£3.1m)	(£2.8m)
Disposals / acquisitions	£0.1m	(£1.2m)
ERV movement	£0.3m	(£1.8m)
At end of period	£20.2m	£23.3m

1. Includes share of Joint Ventures

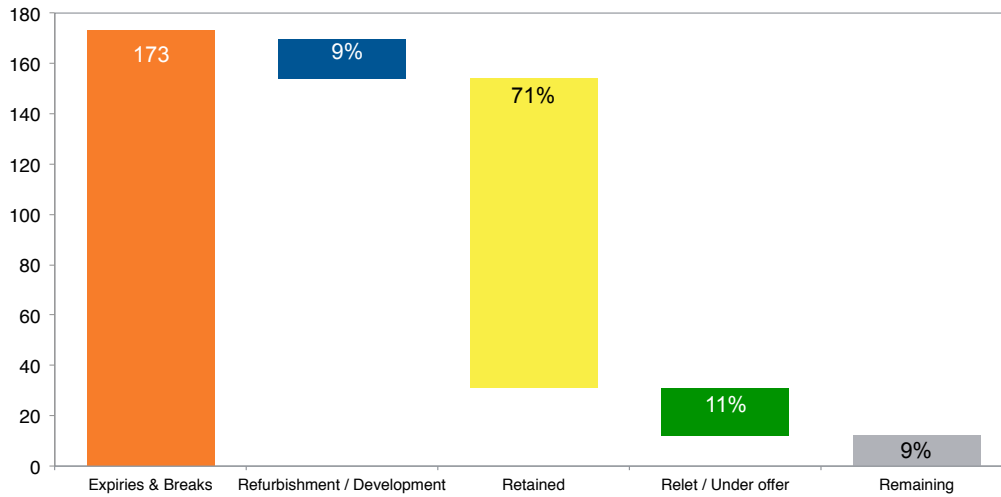


# Asset Management

Tenant retention, 12 months to September 2017<sup>1</sup>



Area (000 sq ft)



1. Joint Ventures at 100%

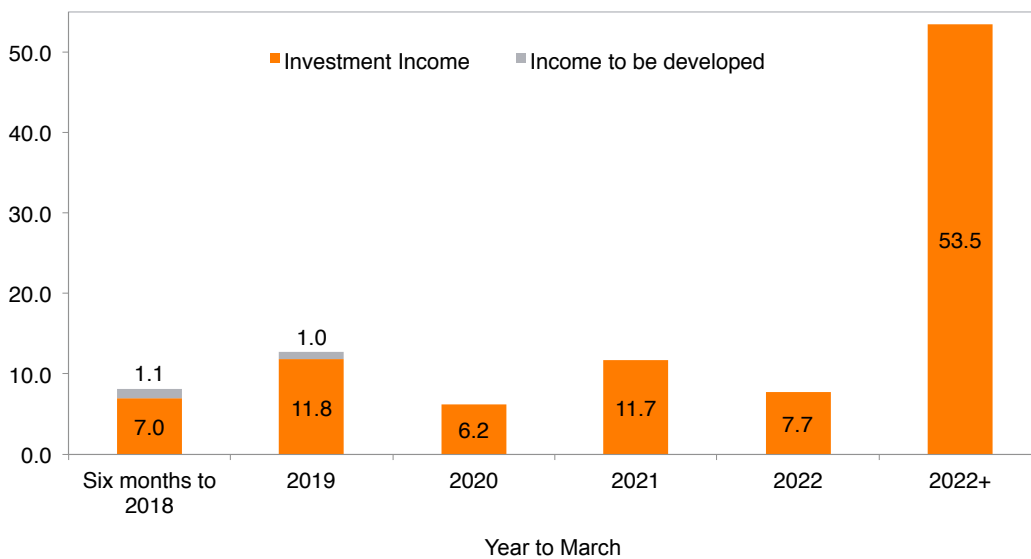
85

# Asset Management

Expiry profile<sup>1</sup>



% by total rental income subject to lease expiry or break



1. Includes share of Joint Ventures

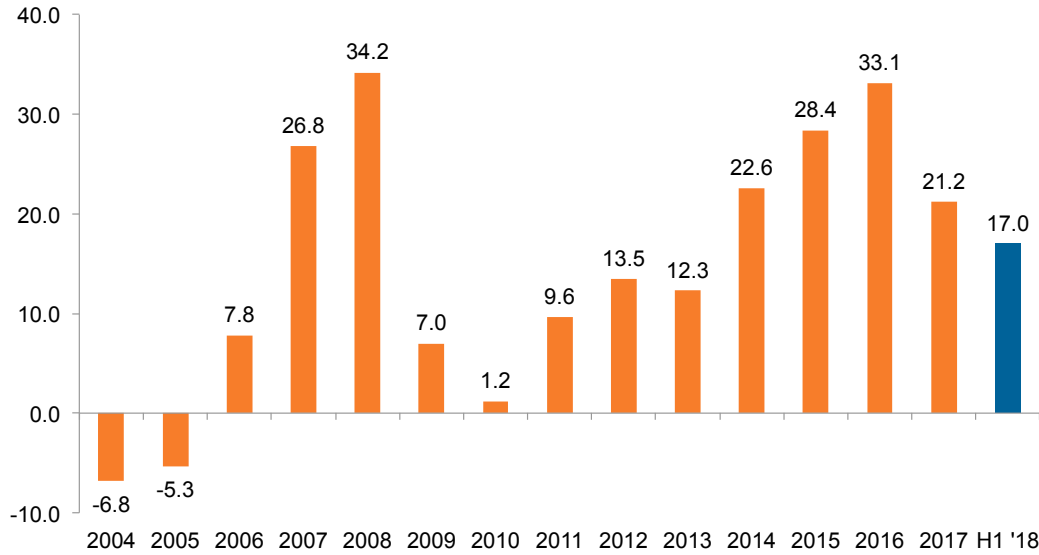
86

# Asset Management

## Portfolio Reversion<sup>1</sup>



% , year to March



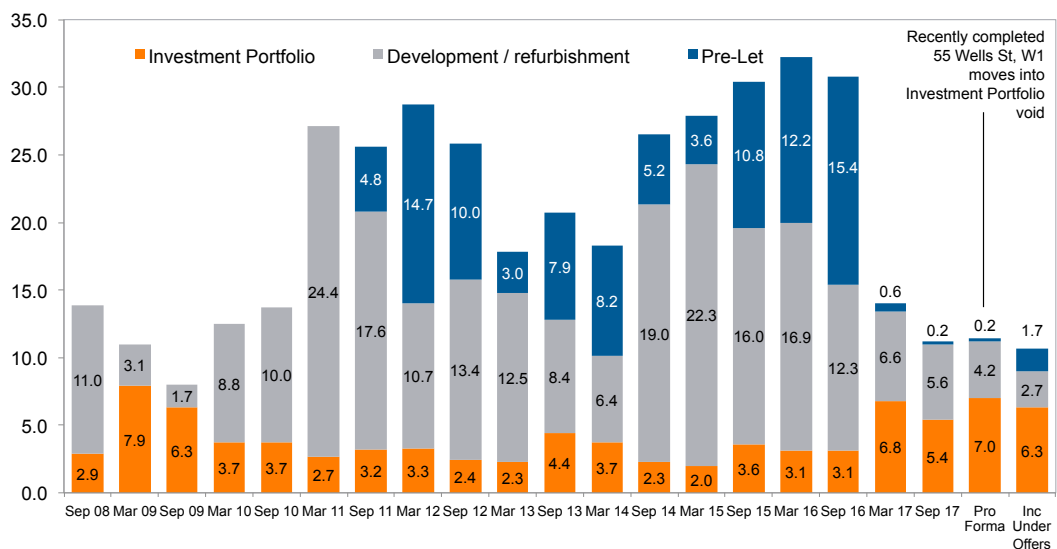
1. Includes share of Joint Ventures

# Asset Management

## Void rate, % by rental value<sup>1</sup>



% by rental value



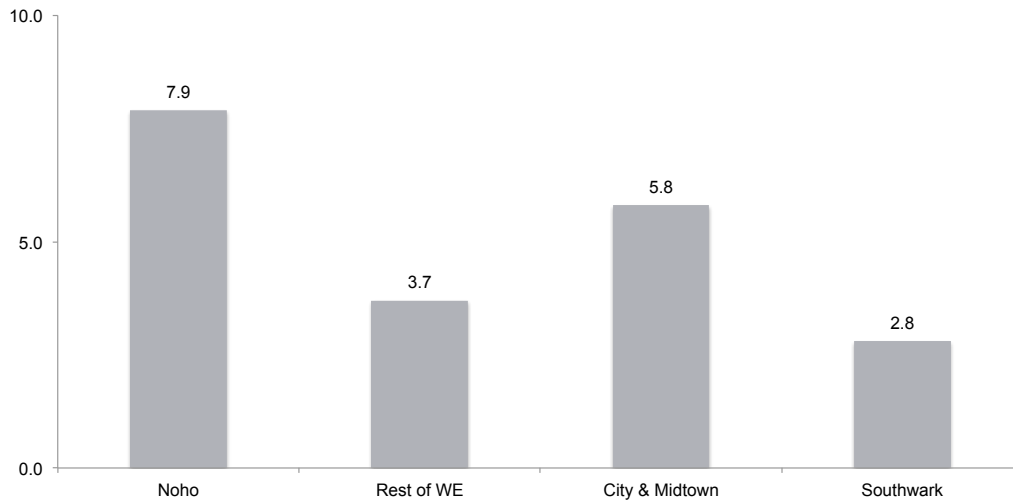
1. Includes share of Joint Ventures

# Asset Management

## Reversionary Potential by Location



### Reversion by location (£m)<sup>1</sup>



1. Includes GPE share of JV properties, ERV existing use

89

# Rating Revaluation 2017

## Impact on GPE portfolio



### Summary

- Business rates are based on the Rateable Value (RV) as at April 2015
- Rates increases from April 2017 around 20-25% for GPE office properties
- Rates rarely come up in leasing negotiations with GPE
- Occupiers are more aware of total occupancy costs

### GPE portfolio (post April 2017 Rating Revaluation)

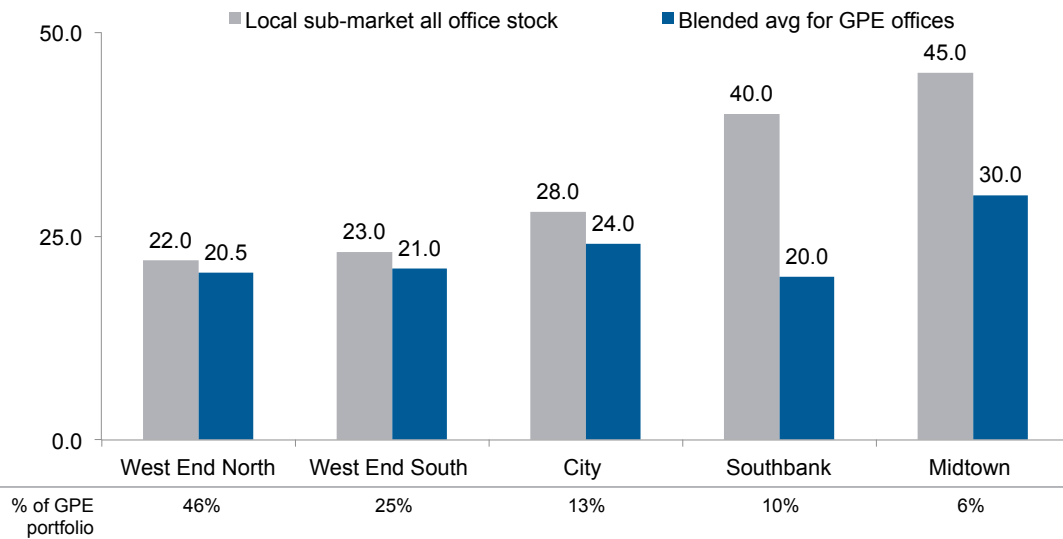
	2016	2017	Increase
GPE Portfolio Total Occupancy Cost	£76.50 psf	£86.10 psf	+12.5%

90

# Impact of Rating Revaluation 2017



Avg impact of ratings valuation increase for office sub-markets (%)<sup>1</sup>



1. CBRE

91

# Development Scheme Review

Completions since May 2009



	PC	New build area sq ft	Cost £m <sup>1</sup>	Profit on cost £m <sup>1</sup>	Yield on cost <sup>2</sup>	Rent £m pa <sup>1,2</sup>	% let at PC <sup>3</sup>
184/190 Oxford St, W1	Apr 2011	26,400	28.7	7.1	SOLD	SOLD	100%
23 Newman St, W1 (Residential)	Oct 2011	24,900	26.4	0.8	SOLD	SOLD	n/a
24 Britton St, EC1	Nov 2011	51,300	19.3	6.4	8.2%	1.6	100%
160 Great Portland St, W1	May 2012	92,900	63.3	26.8	8.2%	4.8	100%
33 Margaret St, W1	Dec 2012	103,700	91.0	52.1	SOLD	SOLD	97%
95 Wigmore St, W1 (GWP)	Jul 2013	112,200	54.8	34.2	SOLD	SOLD	92%
City Tower / Sky Light, 40 Basinghall St, EC2 (GSP)	Sep 2013	138,200	35.6	11.8	5.4%	3.1	24%
240 Blackfriars Road, SE1 (GRP)	Apr 2014	236,700	67.6	37.7	8.5%	5.4	57%
Walmar House, 288/300 Regent St, W1	Oct 2014	60,300	59.6	32.1	7.4%	4.2	12%
12/14 New Fetter Lane, EC4	Nov 2015	142,300	49.6	51.9	SOLD	SOLD	100%
48/50 Broadwick St, W1 (Residential)	Feb 2016	6,500	8.6	1.1	n/a	SOLD	n/a
90/92 Great Portland St, W1	Aug 2016	8,600	5.0	(0.1)	2.4%	0.1	0%
30 Broadwick St, W1	Nov 2016	92,300	132.4	47.4	6.1%	8.0	25%
73/89 Oxford St & 1 Dean St, W1	Jul 2017	90,200	200.4	51.0	SOLD	SOLD	91%
Rathbone Square, commercial, W1	Mar 2017	268,900	292.8	83.1	SOLD	SOLD	91%
78/80 Great Portland St, W1	May 2017	18,100	20.7	2.6	2.3%	0.2	2%
84/86 Great Portland St, W1	May 2017	22,700	28.3	4.2	6.4%	1.2	100%
55 Wells St, W1	Nov 2017	37,300	51.1	8.0	5.8%	2.9	10%
		1,533,500	1,235.2	458.2	6.6%	31.5	
				As at completion 37%			

1. GPE share 2. Rent / yield on costs for assets held only 3. Based on ERV of property

92

# Development Capex<sup>1</sup>

Committed and near term pipeline projects



## Committed projects

	New building area sq ft	Capex to date £m	Capex to come £m	Total Capex £m
Rathbone Square, W1 (residential)	151,700	146.8	7.4	154.2
160 Old Street, EC1 <sup>2</sup>	161,700	27.3	7.6	34.9
<b>Committed projects</b>	<b>313,400</b>	<b>174.1</b>	<b>15.0</b>	<b>189.1</b>
<b>Market value at 30 September 2017</b>			<b>329.7</b>	
<b>Total commitment</b>			<b>344.7</b>	

## Near term projects

	New building area sq ft	Capex to come £m
Hanover Square, W1 <sup>3</sup>	221,000	112.4
Oxford House, W1	116,500	95.3
Cityside House, E1	76,500	25.6
<b>Near term projects</b>	<b>414,000</b>	<b>233.3</b>
<b>Market value at 30 September 2017</b>		<b>277.7</b>
<b>Potential commitment</b>		<b>511.0</b>

1. Capex excludes coverage arrangements, finance costs, sales and letting fees, assumed void costs and marketing expenses 2. GPE share  
3. GPE share including land buy back

93

# Development



	Next Steps	New build area (sq ft)	Earliest Start	Ownership
<b>Committed (2 projects)</b>		<b>313,400</b>		
<b>Near Term</b>				
Oxford House, 76 Oxford Street, W1	Planning Permission	116,500	2018	100%
Hanover Square, W1	Consented	221,000	2018	GHS
Cityside House, E1	Consented	76,500	2018	100%
<b>Near Term Total</b>		<b>414,000</b>		
<b>Medium Term</b>				
Whitechapel Courtyard Sites, E1	Planning Application	19,000	2018-19	100%
52/54 Broadwick St, W1 <sup>1</sup>	Design	47,000	2018-20	100%
50 Finsbury Sq, EC2	Planning Application	126,400	2018-20	100%
City Place House, EC2	Planning Application	176,500	2018-22	100%
31/34 Alfred Place, WC1	Masterplanning	37,200	2023-25	100%
Minerva House, SE1	Design	120,000	2021-22	100%
New City Court, SE1	Planning Application	352,000	2021-22	100%
Kingsland/Carrington House, W1	Design	51,400	2022-23	100%
Mount Royal, W1	Design	92,100	2022-23	GVP
95/96 New Bond St, W1	Design	9,600	2023-24	100%
35 Portman Square, W1	Design	73,000	2021-22	100%
French Railways House, SW1	Design	75,000	2021-22	100%
Jermyn St, SW1	Design	133,100	2021-22	100%
<b>Pipeline Total</b>		<b>1,312,300</b>		
<b>Development Pipeline</b>		<b>1,726,300</b>		
<b>Total Development Programme (18 projects)</b>		<b>2,039,700</b>		

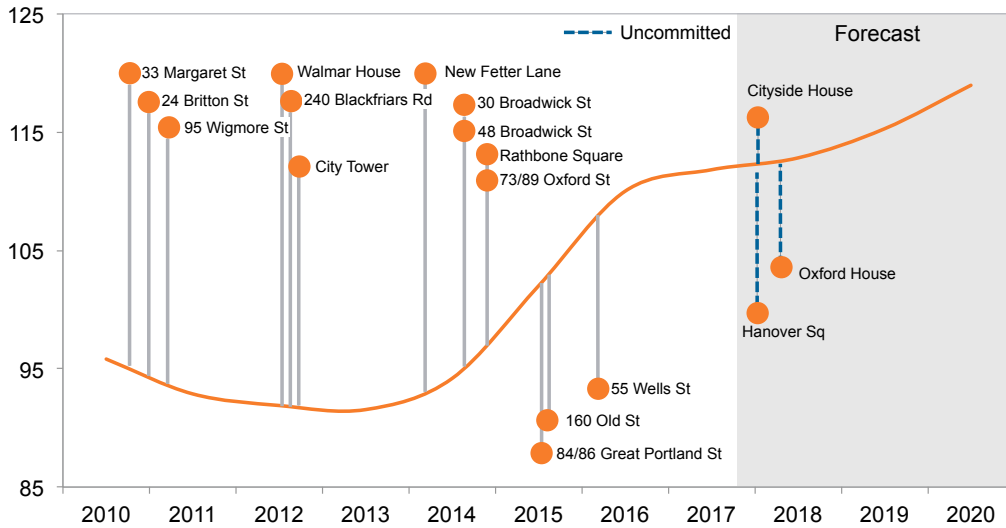
94

# Delivering the Developments

## Managing Construction Costs: Inflation



### Average Construction Inflation<sup>1</sup>



1. Based on Arcadis, Alinea, Aecom and Gardiner and Theobald London indices

# GPE recognised for Sustainability



#### GRESB annual sustainability performance index:

GPE:

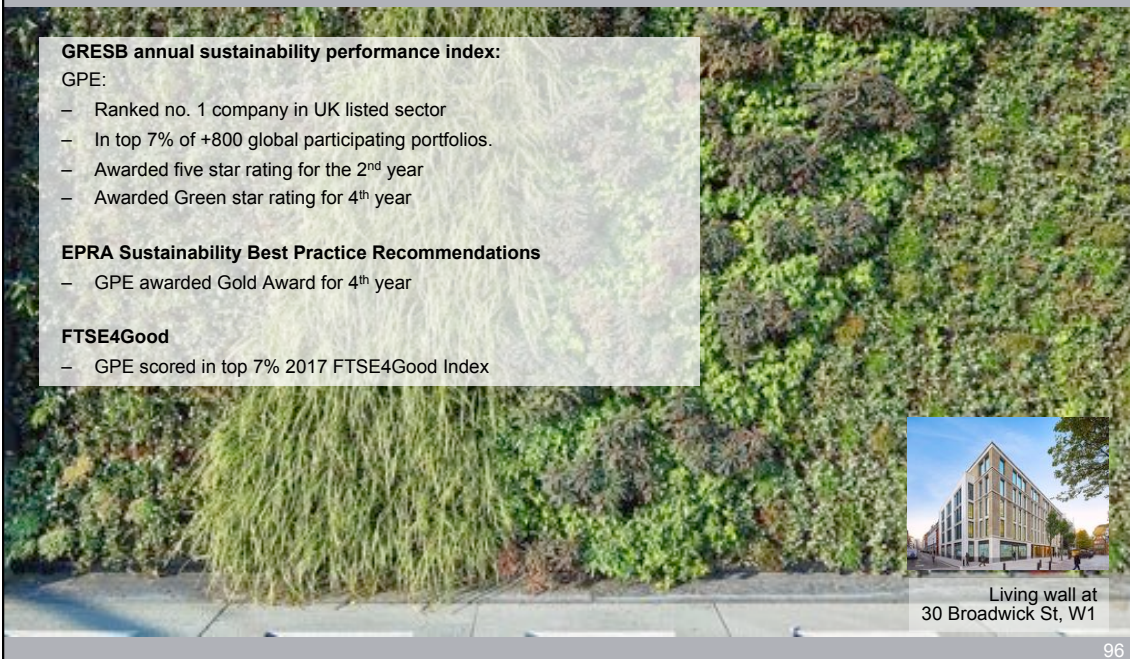
- Ranked no. 1 company in UK listed sector
- In top 7% of +800 global participating portfolios.
- Awarded five star rating for the 2<sup>nd</sup> year
- Awarded Green star rating for 4<sup>th</sup> year

#### EPRA Sustainability Best Practice Recommendations

- GPE awarded Gold Award for 4<sup>th</sup> year

#### FTSE4Good

- GPE scored in top 7% 2017 FTSE4Good Index



Living wall at  
30 Broadwick St, W1





## Overview

- Exempt from corporation tax in respect of our property rental business as a UK REIT
- Rental profits and chargeable gains typically tax-exempt but exemption does not extend to:
  - gains on sale of investment properties which underwent major redevelopment which completed within preceding 3 years, or
  - profits on trading properties

## Non tax-exempt trading property sales

*Rathbone Square, W1 residential (expected to complete in year ending March 2018)*

- As trading properties, any profits crystallised on sale completions taxable at main rate of corporation tax of 19%
- EPRA NNAV at 30 September 2017 reflects estimated tax charge of £2.4 million (based on current market value)

# Our Integrated Team



## Executive Committee

Chief Executive <b>Toby Courtauld</b>	Finance Director <b>Nick Sanderson</b>	Portfolio Director <b>Steven Mew</b>
Development Director <b>Andrew White</b>	Leasing Director <b>Marc Wilder</b>	Investment Director <b>Robin Matthews</b>

## Senior Management

Head of Projects <b>James Pellatt</b>	Head of Investment Management <b>Hugh Morgan</b>	Head of Asset Management <b>James Mitchell</b>
Head of Corporate Finance <b>Martin Leighton</b>	Head of Financial Reporting & IR <b>Stephen Burrows</b>	Company Secretary <b>Desna Martin</b>
Head of HR <b>Sally Learoyd</b>	Head of Sustainability <b>Janine Cole</b>	Head of IT <b>Richard Moran</b>