

Interim Results 2016

# Unlocking potential

GREAT  
PORTLAND  
ESTATES





# Our Strategy is Clear

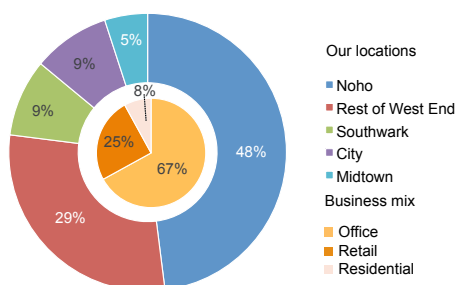


## Strategy

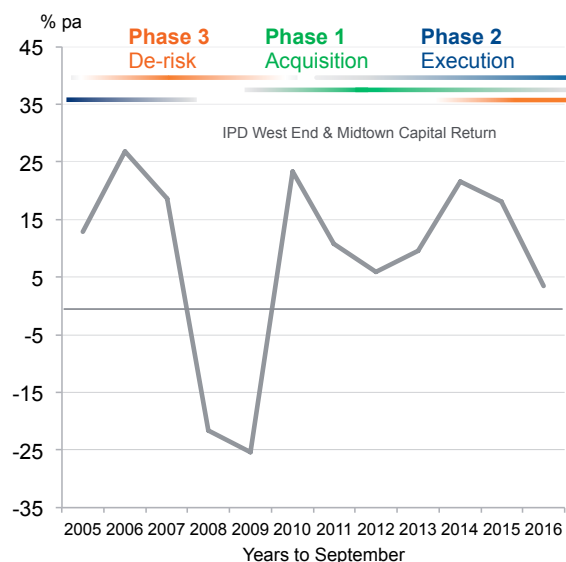
100% central London  
 Reposition properties  
 Flex operational risk  
 Low financial leverage  
 Superior total returns

West End focus (75%<sup>1</sup>)  
 Low rents (£46.20 psf)  
 Execution phase  
 16.0% LTV<sup>1</sup>  
 180.7% TPR<sup>2</sup>  
 (Benchmark 136.8%)

## Portfolio characteristics - £3.75 billion<sup>3</sup>



## Cycle read is key



1. Pro forma for sale of 73/89 Oxford St, W1 2. Ten years to 30 Sept 2016  
 3. At 30 Sept 2016 – including share of joint ventures

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# Headline Results



30 Sept 2016	6 months	12 months
Property Valuation <sup>1</sup>	(3.7%)	(0.4%)
<i>Developments<sup>1</sup></i>	(1.5%)	+5.9%
Portfolio ERV movement <sup>1</sup>	(0.5%)	+2.1%
Total Property Return	(2.2%)	+2.4%
NAV per share	(4.0%)	+0.6%

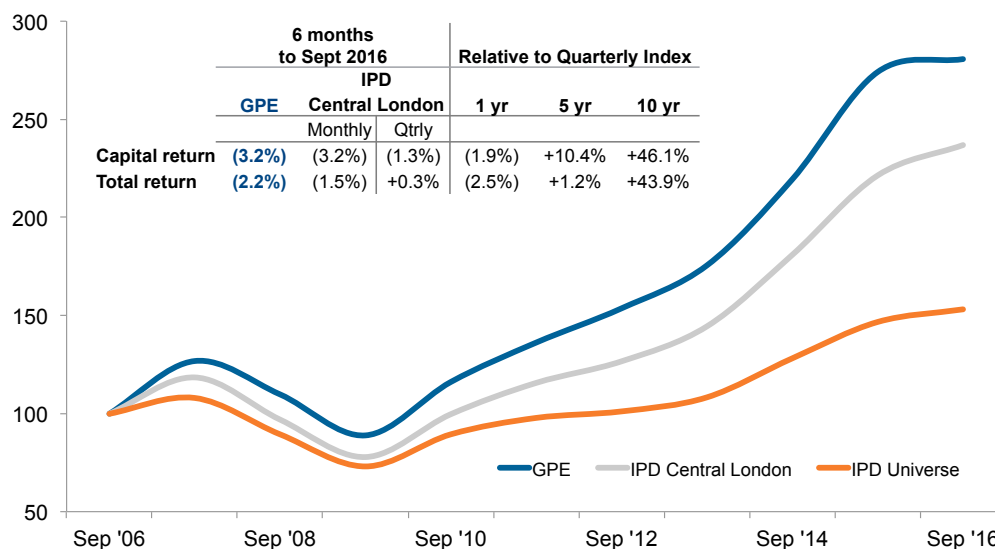
1. Like-for-like, including share of joint ventures

# Long-Term Outperformance

Relative returns vs IPD



Relative TPR % pa



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# Successfully Executing Our Strategy

Highlights



## 1. Development: Profit & Pipeline

- 2 completions, 31.6% avg profit on cost
- 5 committed – substantially de-risked
- 72% pre-let / pre-sold (March 2016: 61%)
- Long and strong potential
- 2 near term (0.3m sq ft)
- 14 pipeline projects (1.4m sq ft)

## 2. Income successes

- £12.1m<sup>1</sup> pa rent since March 2016
- 0.2%<sup>2</sup> > March 2016 ERV
- £5.9m under offer<sup>1</sup>: 4.2%<sup>2</sup> > March 2016 ERV
- Significant portfolio reversion
- £3.2m captured since March 2016
- 29% (March 2016: 33%)
- 75% by March 2019
- Low avg office rent: £46.20 psf

## 3. Net seller: Profit

- £292.5m<sup>3</sup> sold since March 2016
- 0.5% > book value
- 73/89 Oxford St, W1: £277m<sup>4</sup>
- Whole life surplus: £118m / 75%
- £71.0m acquired
- Accretive & bolt-on to existing assets
- Bond St development opportunity

## 4. Financial position stronger than ever

- Avg. interest rate ↓ to 3.3%
- Marginal rate 1.5%
- LTV ↓ to 16.0%<sup>5</sup>
- Cash / facilities £553m<sup>5</sup> = capacity for expansion

## 5. Executive Committee enlarged

- 2 hires, both started

**GPE in great shape – long term potential**

# Exceptional Long Term Potential



**May 2016: 'Whether in or out of EU... Either way, GPE well positioned'**

**Near Term:** Market uncertainty but...

- |  |                              |
|--|------------------------------|
| <b>High portfolio occupancy</b>        | - Low rents, diverse tenants |
| <b>De-risked developments</b>          | - 72% pre-let / pre-sold     |
| <b>Net seller: lowest ever gearing</b> | - Exploit market dislocation |

**Long Term:** London growing; world city. GPE strong potential

- |  |   |
|--|---|
| <b>Outstanding income growth potential</b> | - +92% = value opportunity              |
| <b>Exceptional development pipeline</b>    | - Income producing today; future growth |
| <b>GPE Team</b>                            | - Strength in depth                     |

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# Agenda



Introduction

**Toby Courtauld**, Chief Executive

## Financial Results

**Nick Sanderson**, Finance Director

Market  
Acquisitions & Disposals

**Toby Courtauld**, Chief Executive

Asset Management  
Development

**Neil Thompson**, Executive Director

Outlook

**Toby Courtauld**, Chief Executive

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# Financial Highlights



Balance Sheet	Sept 16	March 16	Change
Portfolio value <sup>1</sup>	£3,750.5m	£3,703.9m	(3.7%) <sup>2</sup>
EPRA NAV per share <sup>3</sup>	813p	847p	(4.0%)
EPRA NNNNAV per share <sup>3</sup>	792p	831p	(4.7%)
Loan-to-property value	16.0% <sup>4</sup>	17.4%	(1.4pps)

Income Statement	Sept 16	Sept 15	Change
EPRA PBT	£28.3m	£24.3m	+16.5%
EPRA EPS <sup>3</sup>	8.3p	6.9p	+20.3%
Dividend per share	3.7p	3.6p	+2.8%

1. Including share of JVs 2. Like-for-like change 3. On an EPRA basis 4. Pro forma for sale of 73/89 Oxford St, W1

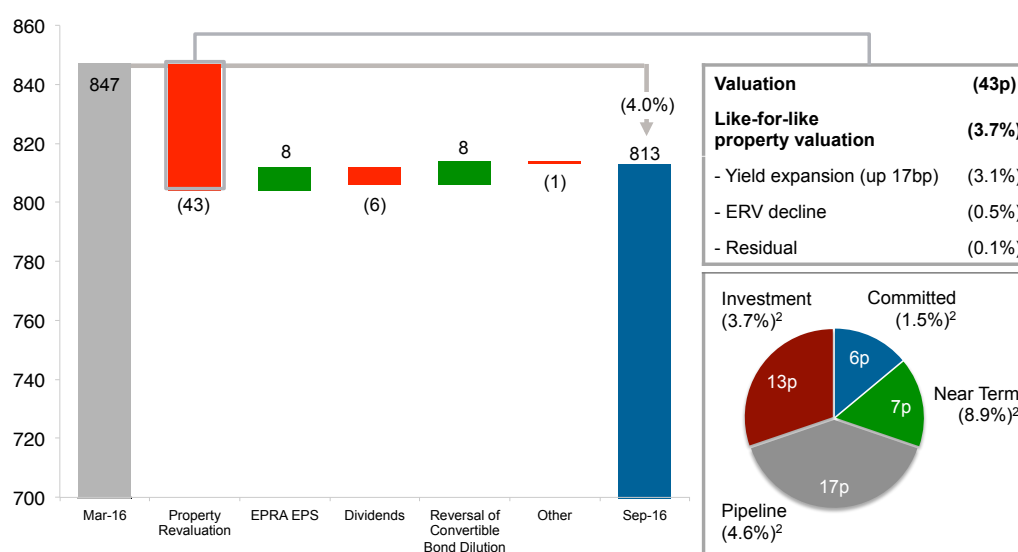
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# EPRA NAV per share<sup>1</sup>

Six months to 30 September 2016



Pence per share

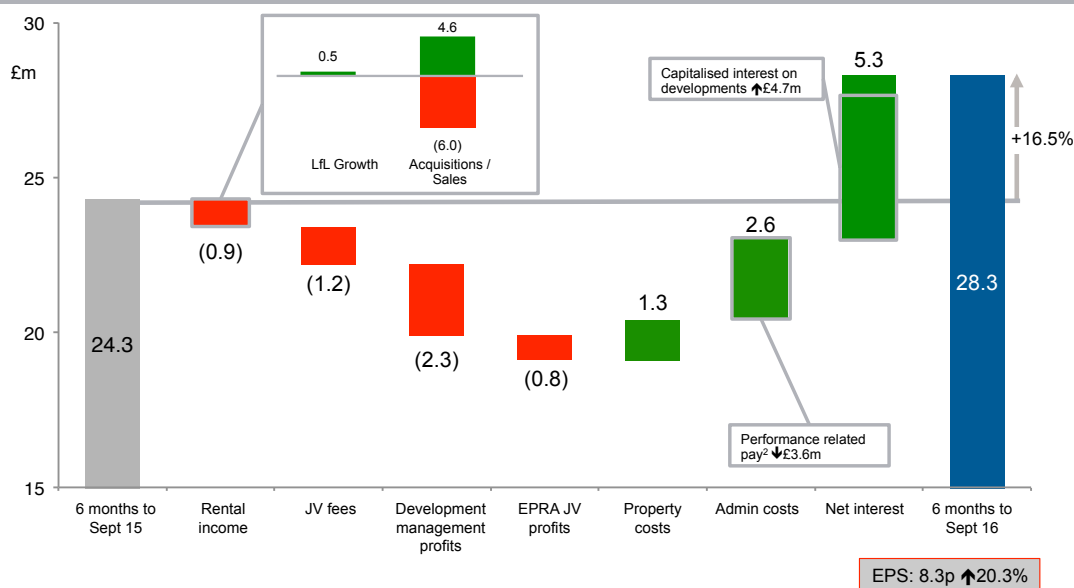


1. Adjusted per EPRA guidance 2. Like for like change

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# EPRA Profit Before Tax<sup>1</sup>

Performance for six months to 30 Sept 2016



1. Adjusted per EPRA guidance 2. Including LTIP provisions

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# Strongest Ever Debt Metrics

Exceptionally well positioned



	Pro Forma <sup>1</sup>	Sept 2016	March 2016
Net debt excluding JVs (£m)	487.1	738.5	568.0
<i>Net gearing</i>	<i>17.2%</i>	<i>26.1%</i>	<i>19.5%</i>
Total net debt including 50% JV non-recourse debt (£m)	561.2	812.6	644.1
<i>Loan-to-property value</i>	<i>16.0%</i>	<i>21.7%</i>	<i>17.4%</i>
Interest cover		n/a <sup>2</sup>	12.5x
Weighted average cost of debt <sup>3</sup>		3.9%	3.9%
Weighted average interest rate <sup>4</sup>		3.3%	3.7%
% of debt fixed / hedged		80%	100%
Cash & undrawn facilities	£553m	£301m	£472m

1. Pro forma for forward sale of 73/89 Oxford St, W1

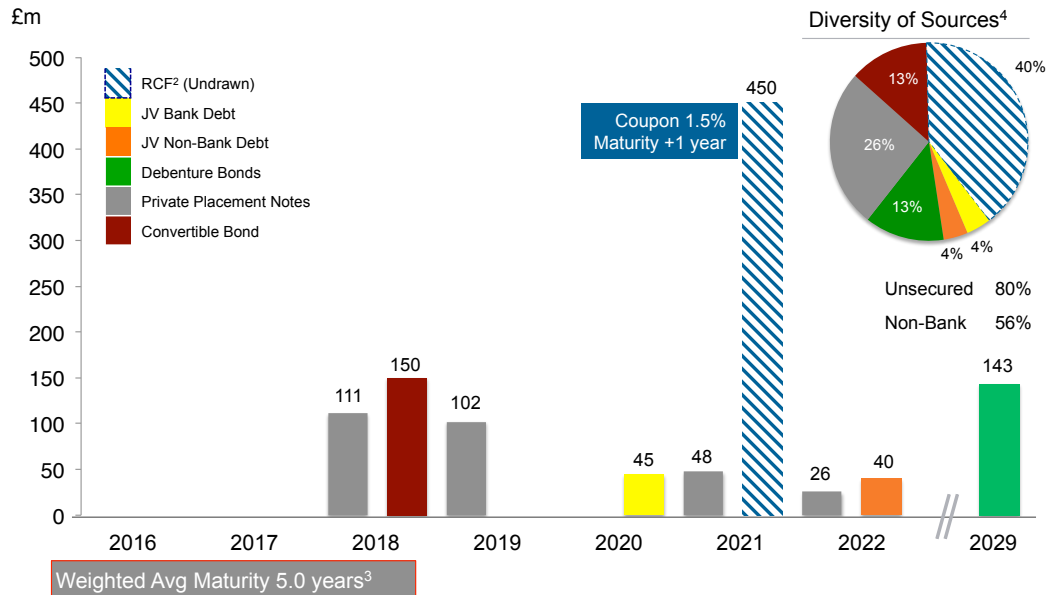
2. Calculated in accordance with unsecured debt covenants which exclude capitalised interest, resulting in no net interest charge for the 12 month calculation period 3. For the period (including costs) 4. As at balance sheet date (excluding costs)

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

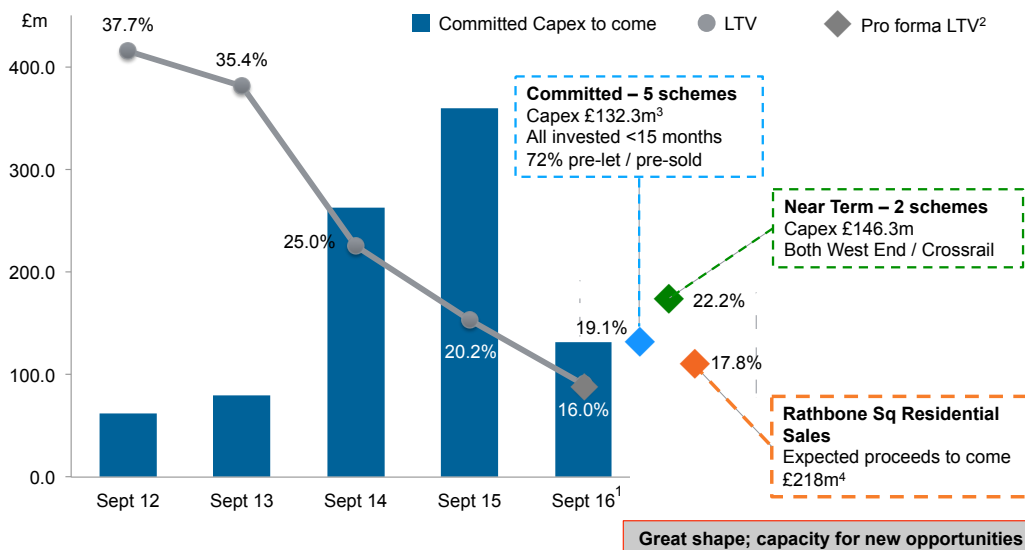
Plentiful low-cost liquidity and flexibility



1. JV facilities amount shown at GPE share, based on drawn positions at 30 Sept 2016; proforma for forward sale of 73/89 Oxford St, W1  
 2. Revolving credit facility 3. Based on drawn debt position post 1 year maturity extension of RCF 4. Based on total facilities

# Balance Sheet Strength

Excellent funding capacity for development programme



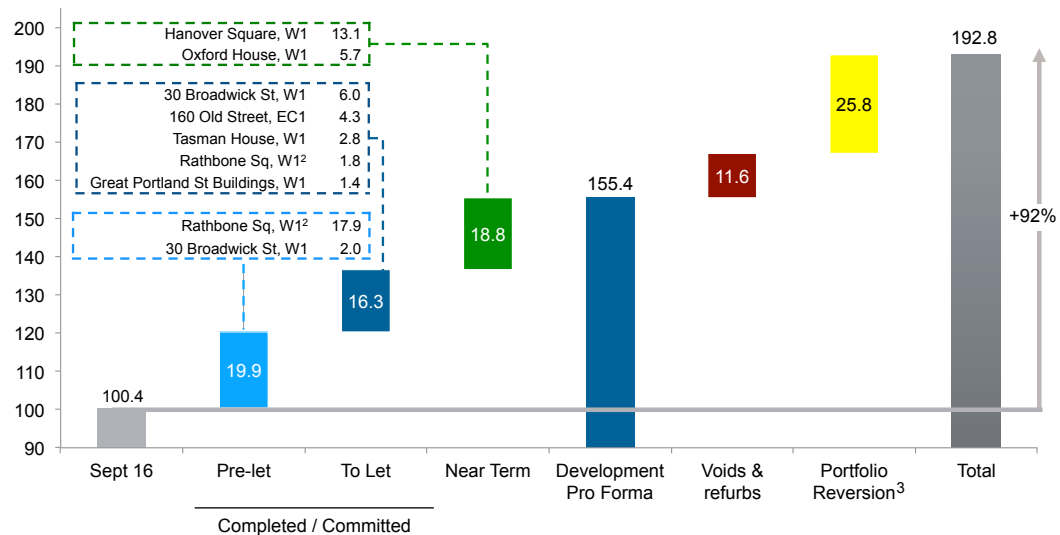
1. Based on property values at 30 Sept 2016. Pro forma for sales / acquisitions completed since 30 Sept 2016  
 2. Excludes development surpluses to come 3. Includes £3.2m capex on recently completed schemes  
 4. Based on actual sales prices achieved and CBRE estimates at Sept 2016 less deposits already received of £63m

## Potential Additional Rent Roll<sup>1</sup>

Significant organic growth opportunity



£m, CBRE rental estimates September 2016



1. Includes share of JVs, net of current rent roll from space 2. Rathbone commercial + residential head rent  
3. Excluding reversion on near term developments which are included in development pro forma

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## Key Financial Messages



### Robust operating results

- Resilient portfolio and NAV per share performance
- EPS performance in line with activities

### Significant rent roll growth potential

- Underlying rental income growth expected
- Continued dividend growth

### Strongest ever debt metrics

- Exceptionally well positioned to fund reducing development commitments and any other opportunities that emerge
- Balance sheet discipline to be maintained

Strong financial position

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Outlook

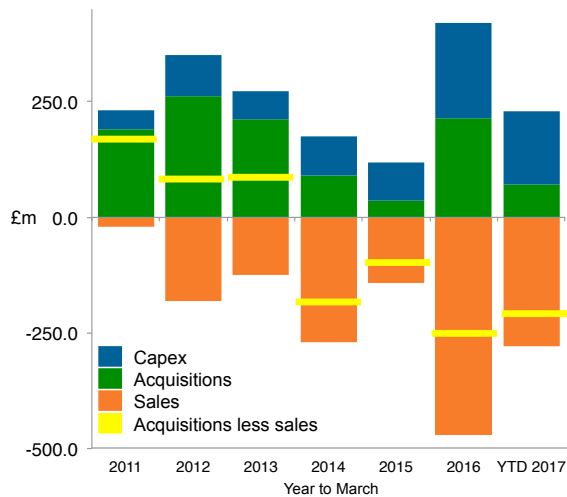
Toby Courtauld, Chief Executive

# Executing & De-Risking<sup>1</sup>

Developing / pre-letting / crystallising



**Phase 1:** Acquisition  
**Phase 2:** Execution  
**Phase 3:** De-risk



**Executing – Development completions**  
**De-Risking – Pre-lets & sales**

Conditions needed	Our view
1. GDP growth → employment growth → active tenant demand	<b>Yes, but slowing</b>
2. Liquid investment markets  Robust pricing	<b>Liquidity up, turnover down</b>  <b>More for prime than secondary</b>

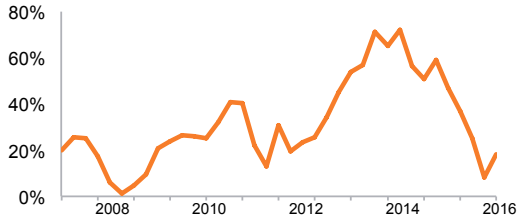
1. Includes share of Joint Ventures

# Lower Growth – Macro Uncertainties

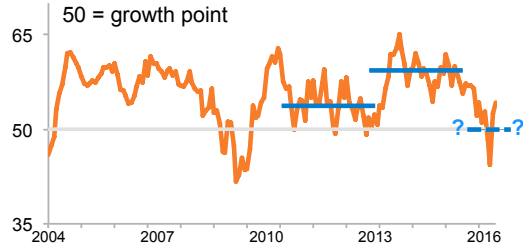
But London expected to outperform



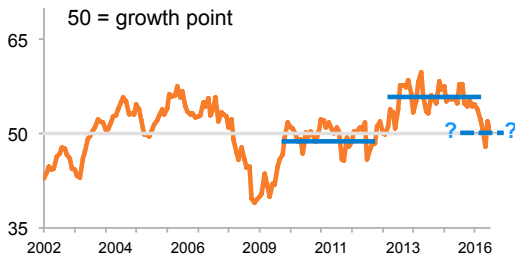
**CFO Survey: % willing to increase risk?<sup>1</sup>**



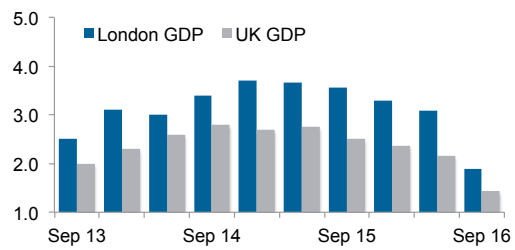
**London Economy: Activity<sup>2</sup>**



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



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



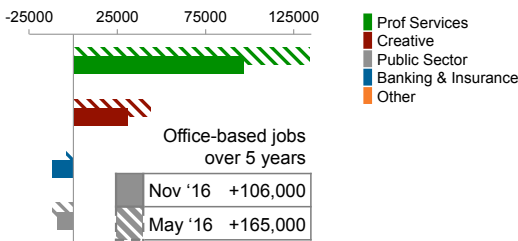
Source: 1. Deloitte 2. Markit PMI London Report 3. Oxford Economics

# Job Creation & Demand Holding Up

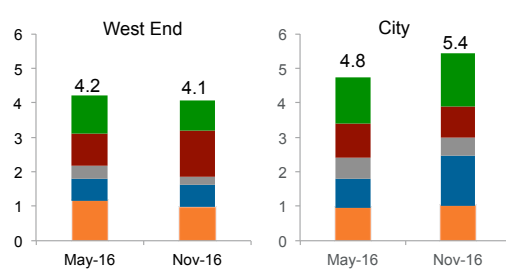
Take up & leasing at long run average



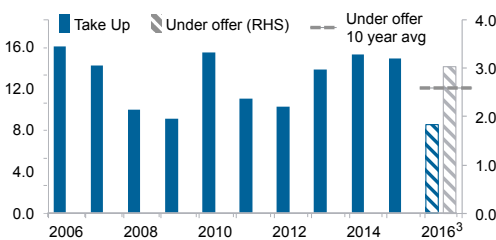
**Net London Office Job Creation<sup>1</sup>**



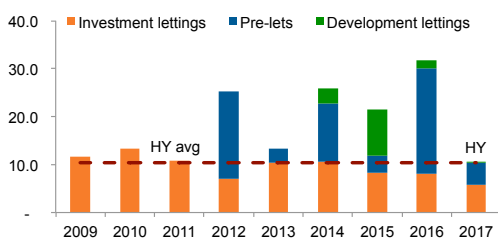
**Active Demand (Q3 2016), m sq ft<sup>2</sup>**



**Central London Take Up & Under Offer, m sq ft<sup>3</sup>**



**GPE recent leasing history (£m)**



1. Oxford Economics, Sept 2016 2. CBRE 3. CBRE, Take Up year to date; Under Offer at Sept 16



# Supply Remains Tight

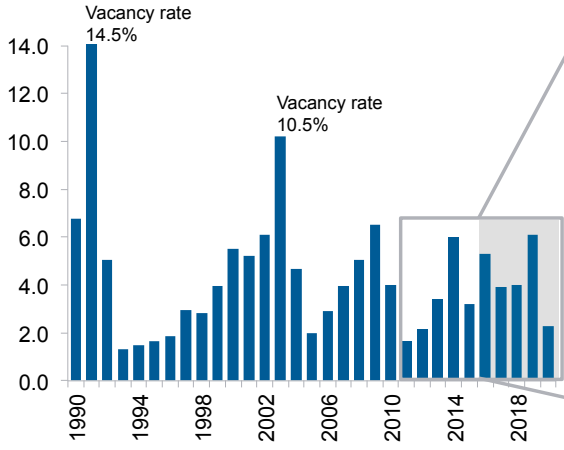
Down since May 2016



## Central London Office Completions, million sq ft

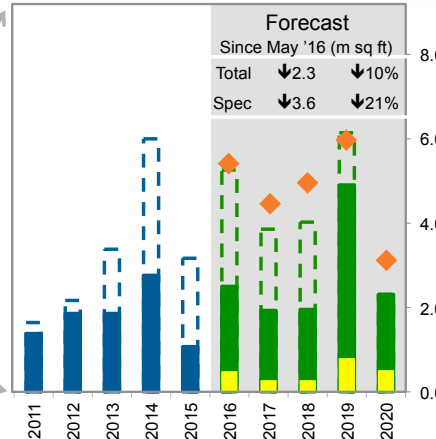
  Pre-let      Speculative  
◆ GPE forecast @ May 16

**West End Core speculative<sup>1</sup>  
2.3m sq ft, 0.8% of core stock p.a.**



## Core Grade A vacancy rates Sept 16

City	2.9%
West End	2.5%



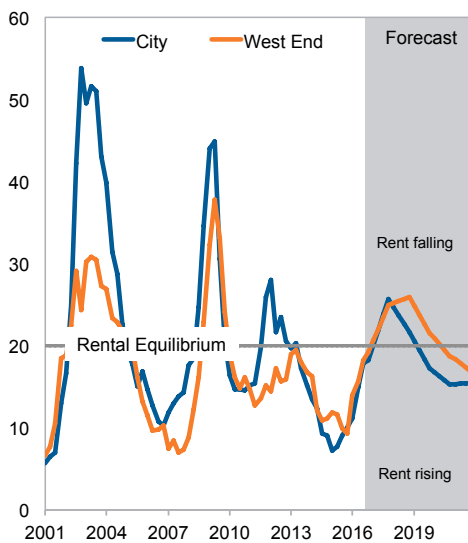
Source: CBRE / GPE 1. Includes W1 plus part Bloomsbury

# Market Balance at Equilibrium

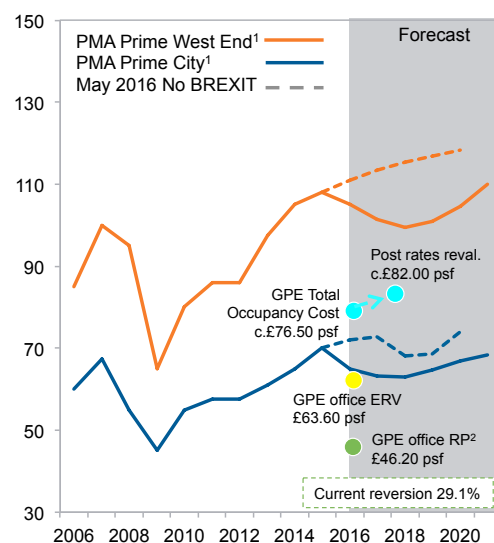
Rents set to fall; Reversion to capture



## Office Market Balance (months supply)



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



Source: PMA / GPE

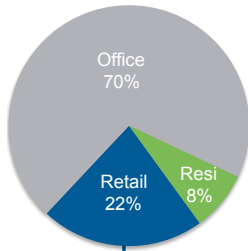
Source: PMA / GPE 1. 95<sup>th</sup> percentile 2. Rent Passing

# Retail Rents

GPE well placed

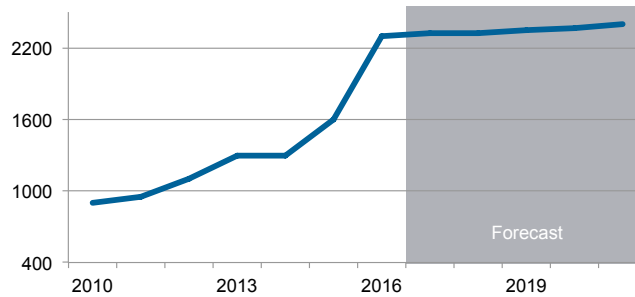


GPE Portfolio, by value<sup>1</sup>



- £767m
- c.60% Oxford St / Regent St / Bond St
- 99% within 800m of Crossrail station
- c.67% in development pipeline

Bond Street Prime Retail Rents (£ psf)<sup>2</sup>



**Positives**

- £ devaluation driving sales
- Supply low: minimal vacancy
- Demand robust: 50 requirements<sup>3</sup>

**Negatives**

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

**GPE retail**

- Great locations; low rents; development potential

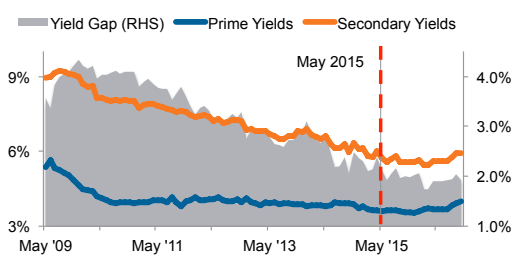
1. Post sale of 73/89 Oxford St, W1 2. CBRE, Zone A rents 3. CBRE, Oxford St, Regent St, Bond St

# Investment Market

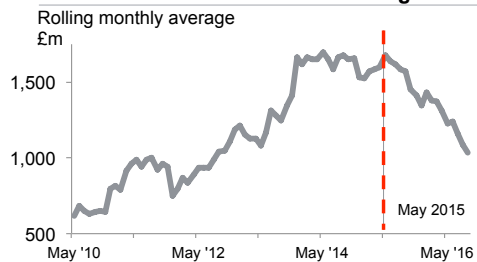
Investors: More Cautious on Pricing



Central London Offices Yield Gap<sup>1</sup>



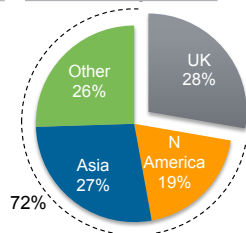
Investment Market Turnover Slowing<sup>1</sup>



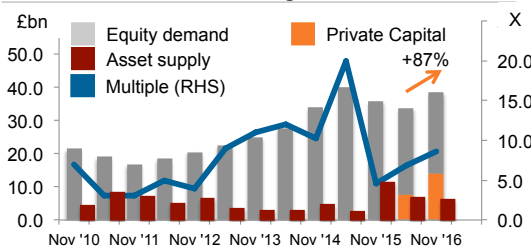
West End Capital Value Index<sup>2</sup>  
12 months to Sept '16

GBP	-4.6%
USD	-18.0%
SGD	-21.5%
RMB	-13.8%

Central London Assets Acquired<sup>3</sup>



But Demand remains Strong<sup>4</sup>



1. CBRE 2. Knight Frank 3. CBRE, 12 months to August 2016 4. CBRE & GPE

# Near Term Market Outlook

Poor visibility



## Rents

Driver	Outlook
GDP / GVA growth	●
Business investment	●
Confidence	●
Employment growth	●
Active demand / Take-up	●
Vacancy rates	●
Development completions	●

## Yields

Driver	Outlook
Rental growth	●
Weight of money	●
Gilts	●
BBB Bonds	●
Exchange rate	●
Political risk	●

### GPE Portfolio

Rental Values	Market	May '16: FY '17 Guidance <sup>1</sup>	H1 2017 Actual	Nov '16: FY '17 Guidance	Yields	Today	Medium term	GPE Portfolio
Offices	→	c.5%	(0.7%)	(5%) to 0%	Prime	→	→	Good longer term positioning
Retail	→	c.5%	0.1%	c.0%	Secondary	→	→	
Portfolio	→	c.5%	(0.5%)	(5%) to 0%				

1. Assumed UK remained in EU

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Toby Courtauld, Chief Executive

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# Acquisitions & Disposals

Net seller since March 2016



## Acquisitions

– £71.0m



**73/89 Oxford St, W1  
Freehold**



**95/96 Bond St, W1**

Combined £71.0m; May 2016

## Disposals

- £292.5m<sup>1</sup>
- £2,120 psf cap val
- 0.5% surplus to BV



**Mortimer House, W1**

£27.0m  
April 2016



**Wigmore St, W1  
Residual Assets**

£14.1m<sup>1</sup>  
June 2016

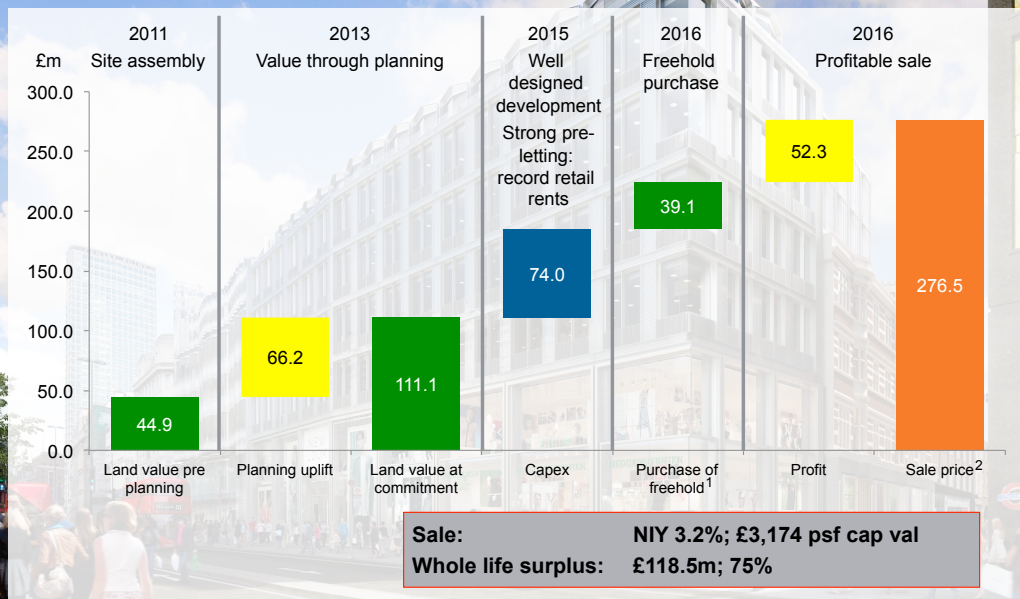


**73/89 Oxford St, W1**

£276.5m<sup>2</sup>  
Nov 2016

1. Share of JV 2. Contract price equating to £251.4m plus £25.1m capex to complete

# 73/89 Oxford St & 1 Dean St, W1 Disposal

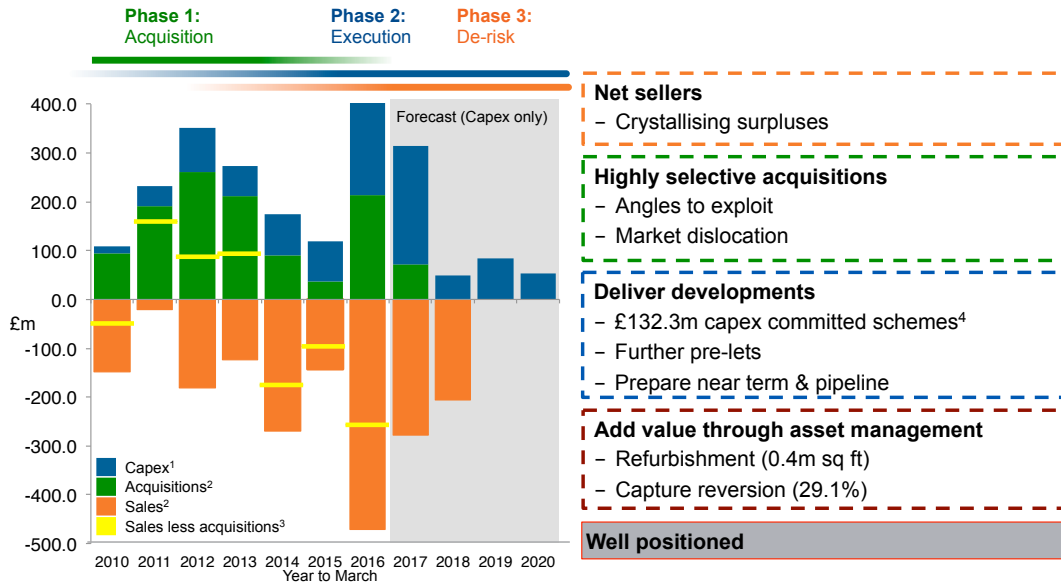


1. Includes costs 2. Contract price



# Where Next?

Developing / refurbishing / crystallising reversion & profit



1. Capex = incurred / committed / near term 2. Only includes exchanged or completed sales 3. At year end  
4. Includes £3.2m capex on recently completed schemes

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**Asset Management  
Development Update**

**Neil Thompson, Executive Director**

Outlook

Toby Courtauld, Chief Executive

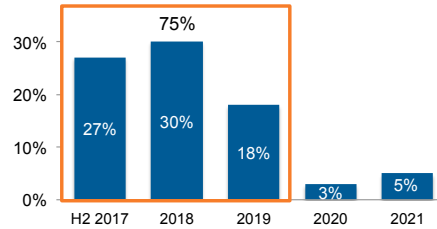
# Asset Management

## Summary 6 months to Sept 2016

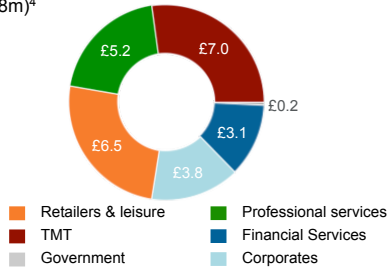


- 21 new leases; £9.8m new rent<sup>1</sup>, 1.0% below March 2016 ERV<sup>2</sup>
- Since half year: 5 new leases, £2.3m  
4.5% ahead of March 2016 ERV<sup>2</sup>
- 3.1% investment portfolio void rate<sup>3</sup> (3.6% Sept 2015)
- WAULT 5.4 years<sup>3</sup> (6.9 years including pre-lets)
- Reversionary potential £29.2m, 29.1% (£32.5m Sept 2015)
  - ERV 0.5%↓ since March 2016
  - £25.8m<sup>4</sup> investment portfolio

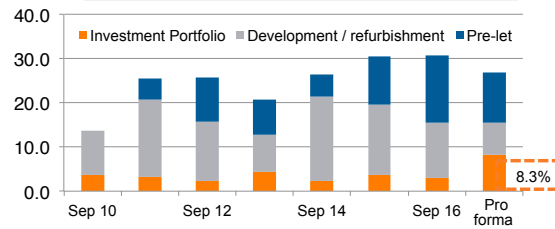
### Reversionary Profile<sup>1</sup>



### Investment Reversionary Apportionment (£25.8m)<sup>4</sup>



### Void rate, % by rental value<sup>3</sup>



**Strong leasing = Void rate↓ = Income↑**

1. At 100% 2. Market lettings only, i.e. excludes short-term lettings ahead of developments  
3. Includes GPE share of JV properties. 4. Excluding reversion on near term developments which are included in development income

# Leasing Successes

## Summary, Year to Date<sup>1</sup>



Property	Tenant	Rent (£m)	Sq ft	£ psf	Void duration (months)
30 Broadwick Street, W1	THE IVY COLLECTION EQT	£0.66	7,950	£82.50	0
		£1.30	14,600	£89.00	0
73/89 Oxford St & 1 Dean Street, W1	Money Super Market	£2.72	33,150	£82.00 - £84.00 <sup>2</sup>	0
Kent House, W1	REISS	£0.80	14,750	£54.00 (£190.00 ZA)	0
200 Gray's Inn Road, WC1	ITN	£0.75	11,950	£62.50	4 months
Other Assets	Various	£5.87	80,150	-	-
<b>Total year to date</b>		<b>£12.1m</b>	<b>162,550</b>	-	-

**Good leasing momentum maintained post referendum**

1. Share of Joint Ventures 2. Minimum uplift at year five

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

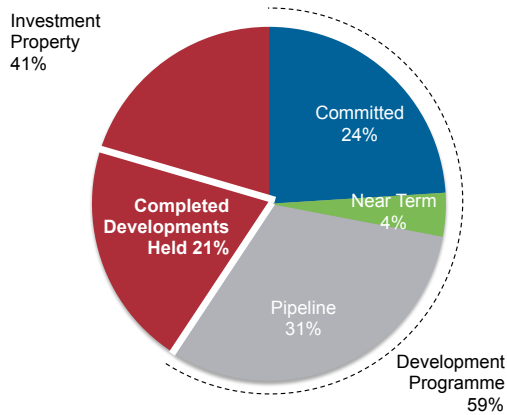
**Asset Management Development Update** **Neil Thompson, Executive Director**

Outlook **Toby Courtauld, Chief Executive**

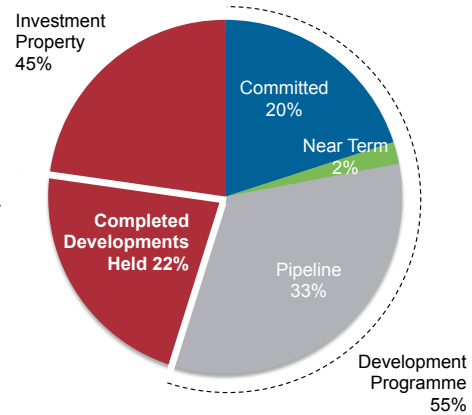
# Development Overview



Total Portfolio by Area (May 2016)<sup>1</sup>



Total Portfolio by Area (Nov 2016)<sup>1</sup>



- Strong performance continuing
- 5.9% 12 month capital return on developments

- Execution risk reduced 95% of capex fully priced
- £4.7m value accretive pre-letting in H1<sup>2</sup>

**De-risked; rich with potential**

1. Pre-development areas 2. Assets under development over last 6 months

# Completed Projects



## 90/92 Great Portland St, W1



- Retail / Affordable housing
- **Residential** planning project for Hanover Square
- **Retail:** 3,200 sq ft
- good interest

GPE profit on cost	(1.5%)
Ungeared IRR	3.7%
Yield on cost	2.4%

## 30 Broadwick St, W1



- 25% let; further 33% under offer
- Offices: 79,900 sq ft (Avg ERV £87.45 psf)
- Retail: 7,950 sq ft let
- PC Nov 2016; minor delay
- On budget / contractors accounts agreed

GPE profit on cost	33.1%
Ungeared IRR	17.6%
Yield on cost	6.0%

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# Development

Committed projects... de-risked



	Anticipated Finish	New building area sq ft	Cost to complete £m	ERV <sup>1</sup>		Income / GDV pre-let / forward sold £m	% let / sold <sup>2</sup>	Profit on cost <sup>3</sup>
				£m	Office avg £psf			
Rathbone Square, W1	Mar 2017	268,000	83.2	19.7	73.35	17.8	91%	18%
- Commercial	Jun 2017	151,700				262.1	93%	
78/82 Great Portland St, W1	Jan 2017	18,300	2.4	0.3	n/a	0.0	0%	15%
84/86 Great Portland St, W1 <sup>5</sup>	Feb 2017	23,200	4.6	1.0	57.25	0.0	0%	2%
160 Old Street, EC1	Feb 2018	160,600	23.5	4.3	53.35	0.0	0%	12%
65 Wells St, W1	Oct 2017	37,300	15.4	2.8	84.15	0.0	0%	13%
<b>Committed projects</b>		<b>659,100</b>	<b>129.1</b>	<b>28.1</b>			<b>72%</b>	<b>16.8%</b>

£17.9m secured

53% Nov 2015

Development value £895.7m £1,472psf

Development yield 6.6%

Expected profit on cost £128.9m 16.8%

69.1% of expected profit taken Sept 2016<sup>4</sup>

72% GDV secured

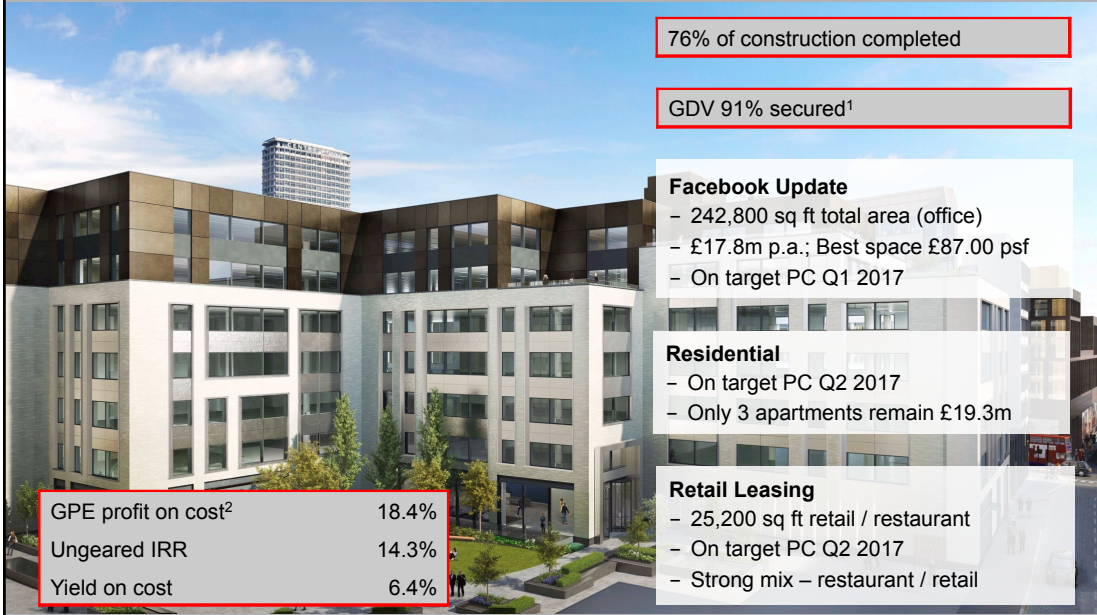
1. Agreed pre-let rent or CBRE Sept 2016 ERV 2. Based on GDV of property as at Sept 2016 3. Based on CBRE estimate of completed value 4. Profit included in CBRE Sept 2016 Valuation 5. Consolidated

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# Rathbone Square, W1

Reducing risk and crystallising performance



76% of construction completed

GDV 91% secured<sup>1</sup>

**Facebook Update**

- 242,800 sq ft total area (office)
- £17.8m p.a.; Best space £87.00 psf
- On target PC Q1 2017

**Residential**

- On target PC Q2 2017
- Only 3 apartments remain £19.3m

**Retail Leasing**

- 25,200 sq ft retail / restaurant
- On target PC Q2 2017
- Strong mix – restaurant / retail

GPE profit on cost <sup>2</sup>	18.4%
Ung geared IRR	14.3%
Yield on cost	6.4%

1. Pre-let or forward sold 2. Pre-tax

# 160 Old St, EC1

Project Update



- On target PC Q1 18
- 160,600 sq ft (Avg office ERV £53.35 psf<sup>1</sup>)
- Small cost increase
- Good early leasing interest
- Strong tenant demand in this location

GPE profit on cost	12.2%
Ung geared IRR	10.6%
Yield on cost	6.3%

1. Excluding affordable workspace

## Near Term



**Oxford House, Oxford St, W1**

	sq ft
Offices	55,700
Retail	32,500
	<b>88,200</b>

- Target start Q3 2017
- Valuers ERV £575 ZA
- <£707 ZA for Benetton at 73/89 Oxford St, W1



**Hanover Sq, W1**

- Target early access 2017

	sq ft
Offices	170,300
Retail	40,900
Residential	12,400
	<b>223,600</b>

- Phase I Demolition complete end 2016
  - Phase II Re-build New Bond St
  - Phase III Over-station development
- } Ongoing negotiations

**Both schemes: Excellent retail pre-letting prospects**

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## Development Pipeline

Flexibility and optionality



Opportunity Area	Development	Income Status	Existing Area	Target Development Area (sq. ft.)	Earliest Start	Planning Application
Crossrail	City Place House, EC2	100%	417,200	472,100	2018-22	2018-20
	50 Finsbury Sq, EC2	100%				
	52/54 Broadwick St, W1	100%				
	31/34 Alfred Place, W1	67%				
	Elm House, WC1	0%				
London Bridge Quarter <sup>1</sup>	New City Court, SE1	100%	203,000	423,700	2021-22	2017-18
	Minerva House, SE1	100%				
Prime West End Retail	Mount Royal, W1	100%	141,900	153,500	2022-23	2017-18
	Kingsland /	100%				
	Carrington House, W1	100%				
	95/96 New Bond St, W1	100%				
Core West End	35 Portman Square, W1	85%	260,300	280,800	2021-22	2017-18
	Jermyn St Estate, SW1	81%				
	French Railways House &	100%				
	50 Jermyn St, SW1	100%				
Other	40/48 Broadway, SW1	100%	73,400	82,100	2018	2018
Pipeline Total			1,095,800	1,412,200		

1. London Bridge Quarter – regeneration area

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# Development Outlook

Programme de-risked and crystallising performance



	Projects	Existing area Sq ft	New build area Sq ft
Committed	5	659,100 <sup>1</sup>	659,100
Near Term	2	79,400	311,800
Pipeline	14	1,095,800	1,412,200
<b>Development Programme Total</b>	<b>21</b>	<b>1,843,300</b>	<b>2,383,100</b>

- Committed Projects: Delivery De-risked
  - Delivery 95% capex secured
  - Pre-letting / forward sale
- Increasing pipeline

**More potential for the future**

1. Current development area included

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# Agenda



Introduction

**Toby Courtauld**, Chief Executive

Financial Results

**Nick Sanderson**, Finance Director

Market  
Acquisitions & Disposals

**Toby Courtauld**, Chief Executive

Asset Management  
Development

**Neil Thompson**, Executive Director

**Outlook**

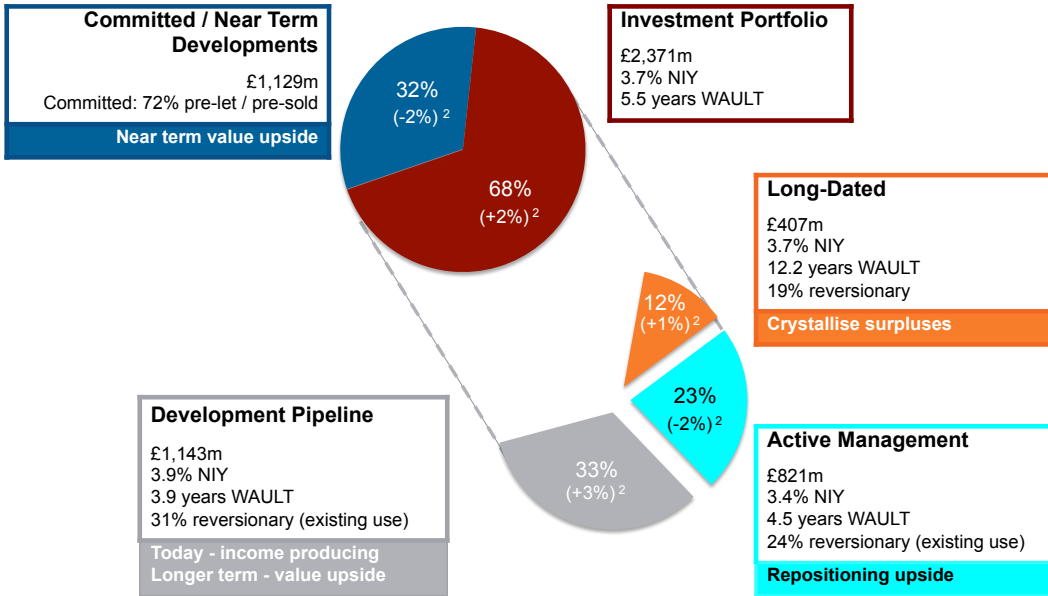
**Toby Courtauld**, Chief Executive

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# Opportunity

Long term organic growth<sup>1</sup>



1. Portfolio breakdown by value; pro forma for sales since 30 Sept 2016 2. Change since March 2016 41

## Opportunity

**Strategy: Consistent and clear**

- Relocating: long term rental and capital growth
- Recycling in tune with the cycle
- Central London only: West End bias (75% today)

**London: Europe's World City**

- Growing
- Healthy long term demand
- Supply to remain tight
- Liquid investment market

**Delivering the strategy**

- Executing & crystallising
- Leasing well
- Preparing portfolio for next cycle
- Unprecedented financial strength

**More to come**

- 1.7m sq ft pipeline as strong as ever
- Platform into 2020s
- Significant reversions
- Highest proximity to Crossrail: 80% within 800m

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# Outlook



**GPE well placed, post-BREXIT**

- Portfolio positioning excellent
- Positioning in cycle right
- Financial strength, lowest-ever gearing: exploit market dislocation
- Deep & talented team
- Deliver ambitious plans for long-term organic growth

**Confident outlook**



Interim Results 2016

# Unlocking potential



## 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.

Any forward-looking statements made by or on behalf of Great Portland Estates plc ("GPE") speak only as of the date they are made and no representation or warranty is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared. GPE does not undertake to update forward-looking statements to reflect any changes in GPE's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

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.

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## Balance Sheet

Proportionally Consolidated for Joint Ventures



£m	Group	JVs	Total	March 16
Investment property	2,921.4	595.0	<b>3,516.4</b>	3,509.4
Trading property	232.1	-	<b>232.1</b>	172.4
Other assets	67.7	0.8	<b>68.5</b>	40.7
Net debt at book value	(747.7)	(74.1)	<b>(821.8)</b>	(663.6)
Other liabilities	(157.3)	(11.1)	<b>(168.4)</b>	(146.7)
<b>Net assets</b>	<b>2,316.2</b>	<b>510.6</b>	<b>2,826.8</b>	2,912.2
Fair value of derivatives	(52.7)	2.1	<b>(50.6)</b>	(23.1)
Fair value of convertible debt	9.2	-	<b>9.2</b>	19.5
Fair value of trading property	2.0	-	<b>2.0</b>	22.2
Deferred tax	(1.2)	-	<b>(1.2)</b>	(1.3)
<b>EPRA net assets (undiluted)</b>	<b>2,273.5</b>	<b>512.7</b>	<b>2,786.2</b>	2,929.5
Convertible bond	-	-	-	150.0
<b>EPRA net assets (diluted)</b>	<b>2,273.5</b>	<b>512.7</b>	<b>2,786.2</b>	3,079.5
<b>EPRA net assets per share</b>	<b>664p</b>	<b>149p</b>	<b>813p</b>	847p

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## Income Statement

Proportionally Consolidated for Joint Ventures



£m	Group	JVs	Total	Sept 15
Rental income	38.3	8.9	<b>47.2</b>	47.8
Fees from Joint Ventures	1.6	-	<b>1.6</b>	2.8
Property and Administration costs	(13.7)	(2.5)	<b>(16.2)</b>	(18.6)
Trading properties cost of sale	(0.3)	-	<b>(0.3)</b>	(0.4)
Profit on development management contracts	-	-	-	(13.8)
Finance income / (costs)	39.6	(6.0)	<b>33.6</b>	(3.1)
Profit before surplus on investment property	65.5	0.4	<b>65.9</b>	14.7
(Deficit)/surplus on investment property	(90.3)	(38.3)	<b>(128.6)</b>	356.1
Reported (loss)/profit before tax	(24.8)	(37.9)	<b>(62.7)</b>	370.8
<b>EPRA PBT</b>				
Profit before surplus on investment property	65.5	0.4	<b>65.9</b>	14.7
Less: fair value movement on debt and derivatives	(38.7)	0.8	<b>(37.9)</b>	9.2
Trading properties cost of sale	0.3	-	<b>0.3</b>	0.4
	27.1	1.2	<b>28.3</b>	24.3

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## EPRA Performance Measures



Measure	Sept 2016	Mar 2016
EPRA net assets	£2,786.2m	£3,079.5m
EPRA net assets per share	813p	847p
EPRA triple net assets	£2,713.7m	£3,022.6m
EPRA triple net assets per share	792p	831p
	<b>Sept 2016</b>	<b>Sept 2015</b>
EPRA earnings	£28.3m	£24.3m
Diluted EPRA earnings per share	8.3p	6.9p
EPRA costs (by portfolio value)	0.8%	1.0%

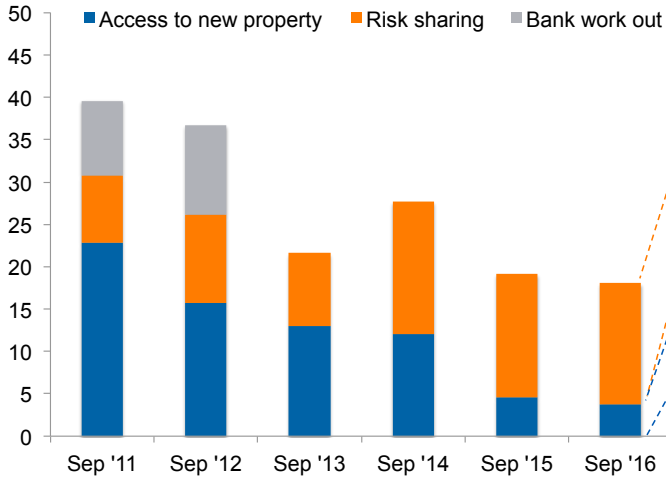
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# Joint Venture Business

## Contribution to Group



% of net assets held in JV



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

	£278.8m
	£124.4m
	£103.6m
	£3.8m
<b>Total</b>	<b>£510.6m</b>
<b>As % of Group net assets</b>	<b>18.1%</b>

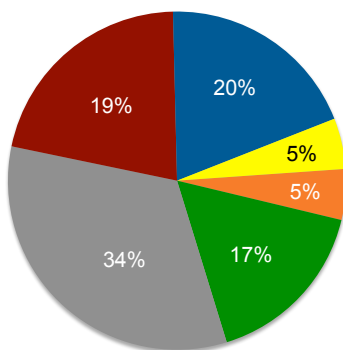
1. Active joint ventures only

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

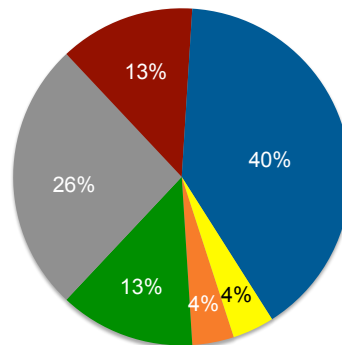


Diversity of Sources: Drawn<sup>3</sup> (£834m)

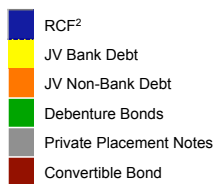


Non Bank: 74%  
Unsecured: 73%

Diversity of Sources: Facilities (£1,115m)



Non Bank: 56%  
Unsecured: 80%



1. JV facilities amount shown at GPE share. 2. Revolving credit facility 3. Based on drawn position at 30 September 2016

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## Debt Covenant Levels

Significant headroom over financial covenants  
As at 30 September 2016



	Covenant	Actual
<b>GPE bank facilities and private placements<sup>1</sup></b>		
Gearing (net debt / net equity)	≤1.25x	0.26x
Inner Borrowing <sup>2</sup>	≥1.66x	3.64x
Interest Cover	≥1.35x	n/a
<b>JV loans</b>		
GRP debt	LTV	≤60%
	Interest Cover	≥150%
GVP debt	LTV	≤65%
	Interest Cover	≥160%

1. Convertible bond does not have any covenants; debenture includes substitution rights which facilitate covenant compliance  
2. Ratio of unencumbered assets to unsecured borrowings

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## Balance Sheet Discipline

The Givens



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

Significant Headroom<sup>4</sup>

Maximise Flexibility	Low Cost	Liquidity	Covenants
80% unsecured <sup>1</sup> 44% / 56% bank / non-bank <sup>1</sup>	3.3% average rate <sup>2</sup> 1.5% marginal rate	£553m cash/undrawn facilities 5.0 years maturity <sup>2</sup>	c.65% value fall headroom <sup>3</sup> n/a income 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>5</sup> )
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Metrics at 30 Sept 2016; post 1 year maturity extension of RCF 1. Based on total facilities 2. Weighted average.  
3. Based on values/rent roll at Sept 2016 4. Pro forma for forward sale of 73/89 Oxford St, W1 5. Interest cover ratio

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## Taxation Summary



### 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

### Tax-exempt investment property sales

*73-89 Oxford Street, W1 (completed in year ending March 2017)*

- Sold during November 2016 whilst undergoing a major redevelopment
- The chargeable gain is tax-exempt as the sale took place prior to the major redevelopment reaching practical completion

### Non tax-exempt trading property sales

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

- As trading properties, any profits crystallised on sale completions taxable at main rate of corporation tax (19% from April 2017)
- EPRA NNAV at 30 September 2016 reflects estimated tax charge of £0.4 million (based on current market value)

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## The Valuation Including share of Joint Ventures



Biannual Valuation Movement for Total Portfolio

To 30 Sept 2016	£m	Movement %	
		6 months	12 months
North of Oxford St	1,130.6	(4.4%)	(2.8%)
Rest of West End	638.7	(4.4%)	(2.7%)
<b>Total West End</b>	<b>1,769.3</b>	<b>(4.4%)</b>	<b>(2.7%)</b>
<b>Total City, Midtown &amp; Southwark</b>	<b>832.3</b>	<b>(5.1%)</b>	<b>(3.4%)</b>
<b>Investment Portfolio</b>	<b>2,601.6</b>	<b>(4.6%)</b>	<b>(2.9%)</b>
Development properties	1,116.6	(1.5%)	5.9%
<b>Properties held throughout period</b>	<b>3,718.2</b>	<b>(3.7%)</b>	<b>(0.4%)</b>
Acquisitions	32.3	(1.5%)	(1.5%)
<b>Total Portfolio</b>	<b>3,750.5</b>	<b>(3.7%)</b>	<b>(0.4%)</b>

Period	Valuation Movement (%)
H2 15	8.5
H1 16	10.5
H2 16	3.9
H1 17	-3.7

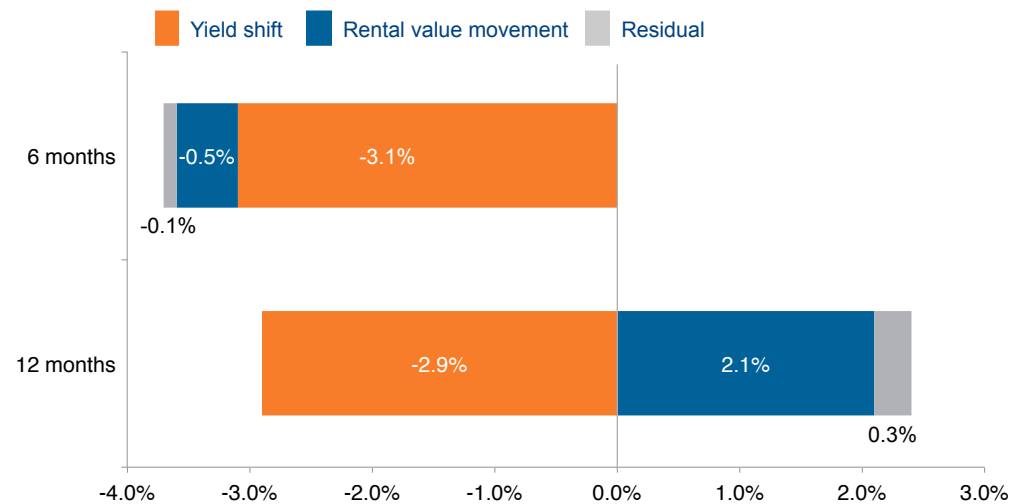
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# The Valuation<sup>1</sup>

## Drivers of Valuation Movement



% movement



1. Including share of Joint Ventures

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# The Valuation

## Including share of Joint Ventures



	Initial yield	Equivalent Yield		
		Basis point +/-		
		6 month	12 month	
	%	%		
<b>North of Oxford Street</b>				
Offices	3.1%	4.5%	+20	+20
Retail	3.3%	3.8%	+2	-
<b>Rest of West End</b>				
Offices	2.2%	4.5%	+21	+24
Retail	3.0%	4.1%	+16	+11
<b>Total West End</b>	3.0%	4.3%	+16	+16
<b>City, Midtown and Southwark</b>	3.7%	5.1%	+18	+13
<b>Total let Portfolio</b>	3.1% (3.5% ex rent free)	4.5%	+17	+15

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## The Valuation

Including share of Joint Ventures



	Value £m	6 months to		12 months %
		Sept 2016 £m	Change %	
North of Oxford St	1,130.6	(52.0)	(4.4%)	(2.8%)
Rest of West End	638.7	(29.2)	(4.4%)	(2.7%)
<b>Total West End</b>	<b>1,769.3</b>	<b>(81.2)</b>	<b>(4.4%)</b>	<b>(2.7%)</b>
<b>City, Midtown and Southwark</b>	<b>832.3</b>	<b>(45.0)</b>	<b>(5.1%)</b>	<b>(3.4%)</b>
<b>Investment portfolio</b>	<b>2,601.6</b>	<b>(126.2)</b>	<b>(4.6%)</b>	<b>(2.9%)</b>
Development properties	1,116.6	(17.2)	(1.5%)	5.9%
<b>Properties held throughout the period</b>	<b>3,718.2</b>	<b>(143.4)</b>	<b>(3.7%)</b>	<b>(0.4%)</b>
Acquisitions	32.3	(0.5)	(1.5%)	(1.5%)
<b>Total portfolio</b>	<b>3,750.5</b>	<b>(143.9)</b>	<b>(3.7%)</b>	<b>(0.4%)</b>

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## The Valuation

Wholly Owned



	Value £m	6 months to		12 months %
		Sept 2016 £m	Change %	
North of Oxford St	1,008.7	(49.3)	(4.7%)	(2.8%)
Rest of West End	454.0	(11.2)	(2.4%)	(0.8%)
<b>Total West End</b>	<b>1,462.7</b>	<b>(60.5)</b>	<b>(4.0%)</b>	<b>(2.2%)</b>
<b>City, Midtown and Southwark</b>	<b>576.7</b>	<b>(35.6)</b>	<b>(5.8%)</b>	<b>(4.5%)</b>
<b>Investment portfolio</b>	<b>2,039.4</b>	<b>(96.1)</b>	<b>(4.5%)</b>	<b>(2.9%)</b>
Development properties	1,083.8	(13.7)	(1.3%)	6.5%
<b>Properties held throughout the period</b>	<b>3,123.2</b>	<b>(109.8)</b>	<b>(3.4%)</b>	<b>0.2%</b>
Acquisitions	32.3	(0.5)	(1.5%)	(1.5%)
<b>Total portfolio</b>	<b>3,155.5</b>	<b>(110.3)</b>	<b>(3.4%)</b>	<b>0.2%</b>

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## The Valuation

Joint Ventures (100%)



	6 months to			
	Value £m	Sept 2016 £m	Change %	12 months %
North of Oxford St	243.8	(5.4)	(2.2%)	(2.7%)
Rest of West End	369.5	(35.9)	(8.9%)	(7.0%)
<b>Total West End</b>	<b>613.3</b>	<b>(41.3)</b>	<b>(6.3%)</b>	<b>(5.3%)</b>
<b>City, Midtown and Southwark</b>	<b>511.2</b>	<b>(19.0)</b>	<b>(3.6%)</b>	<b>(0.7%)</b>
<b>Investment portfolio</b>	<b>1,124.5</b>	<b>(60.3)</b>	<b>(5.1%)</b>	<b>(3.3%)</b>
Development properties	65.5	(7.0)	(9.6%)	(9.8%)
<b>Properties held throughout the period</b>	<b>1,190.0</b>	<b>(67.3)</b>	<b>(5.4%)</b>	<b>(3.6%)</b>
Acquisitions	-	-	-	-
<b>Total portfolio</b>	<b>1,190.0</b>	<b>(67.3)</b>	<b>(5.4%)</b>	<b>(3.6%)</b>

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

ERV and Reversionary Potential



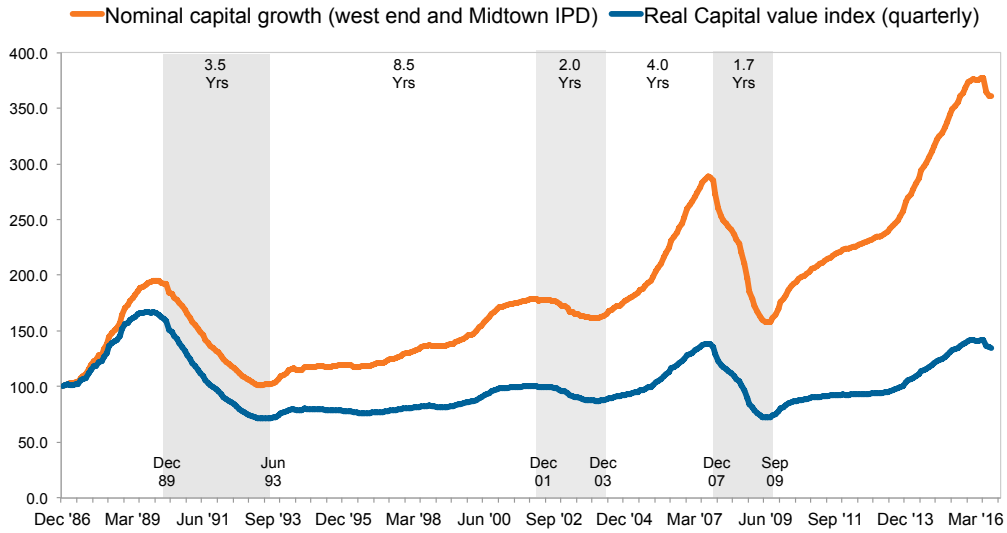
	Movement in ERV			Average Office Rent Passing	Average Office ERV	Reversionary Potential
	6 months		12 months %	£ per sq ft	£ per sq ft	%
	%	£m				
To 30 Sept 2016						
<b>North of Oxford St</b>						
Offices	(0.9%)	(0.5)	1.3%	54.70	70.30	28.5%
Retail	0.1%	-	4.2%			18.8%
<b>Rest of West End</b>						
Offices	(0.3%)	(0.1)	3.9%	52.10	79.20	39.1%
Retail	0.1%	-	1.6%			26.5%
<b>Total West End</b>	<b>(0.5%)</b>	<b>(0.6)</b>	<b>2.4%</b>	<b>54.00</b>	<b>72.90</b>	<b>27.5%</b>
<b>City, Midtown &amp; Southwark</b>						
Offices	(0.6%)	(0.4)	1.4%	40.30	53.00	32.1%
Retail	(0.4%)	-	-			
<b>Total City, Midtown &amp; Southwark</b>	<b>(0.6%)</b>	<b>(0.4)</b>	<b>1.4%</b>			<b>31.7%</b>
<b>Total Let Portfolio</b>	<b>(0.5%)</b>	<b>(1.0)</b>	<b>2.1%</b>	<b>46.20</b>	<b>63.60</b>	<b>29.1%</b>

1. Including share of Joint Ventures

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# The Cycles So Far

## Midtown & West End Capital Growth

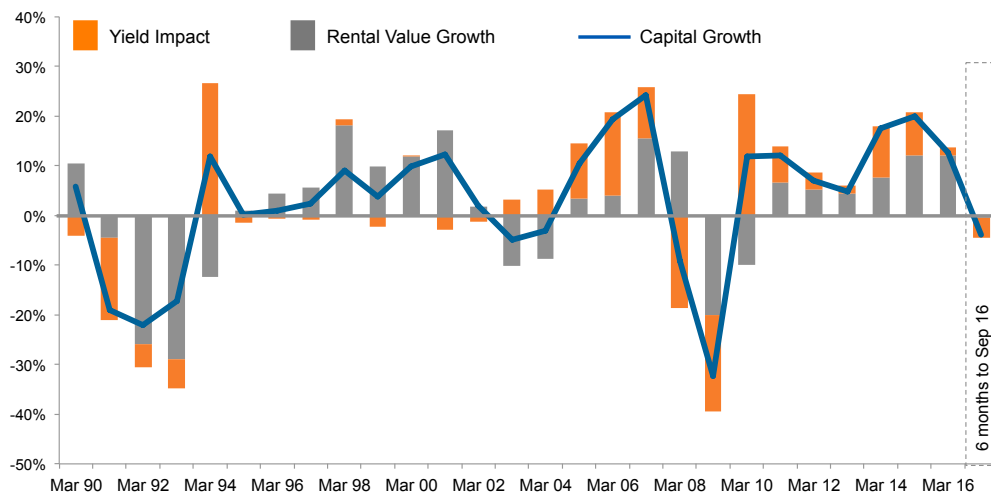


Source: MSCI. Mar 87 = 100

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# The Cycles So Far

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



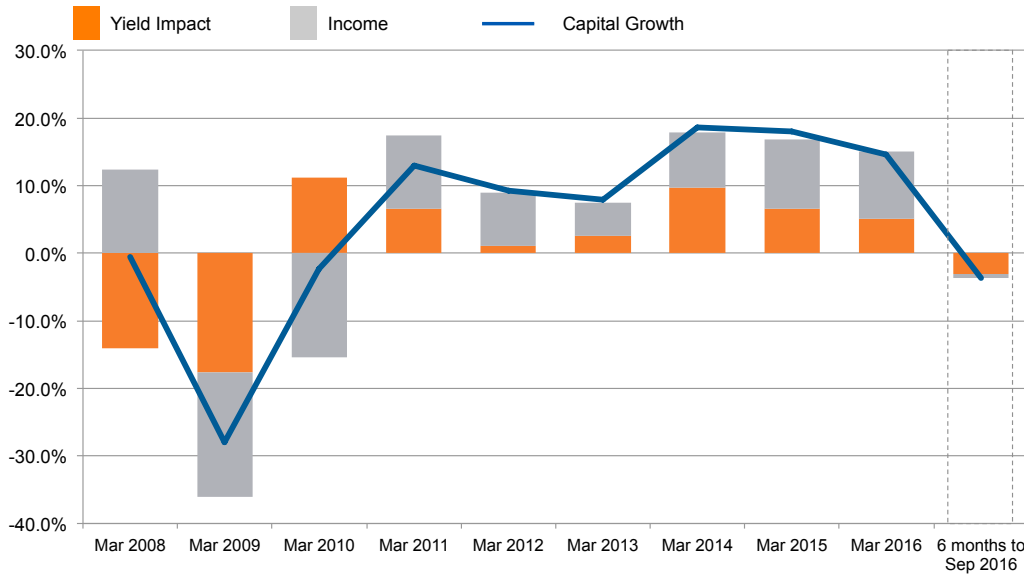
Source: MSCI: IPD UK Monthly Property Digest

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# The Cycles So Far

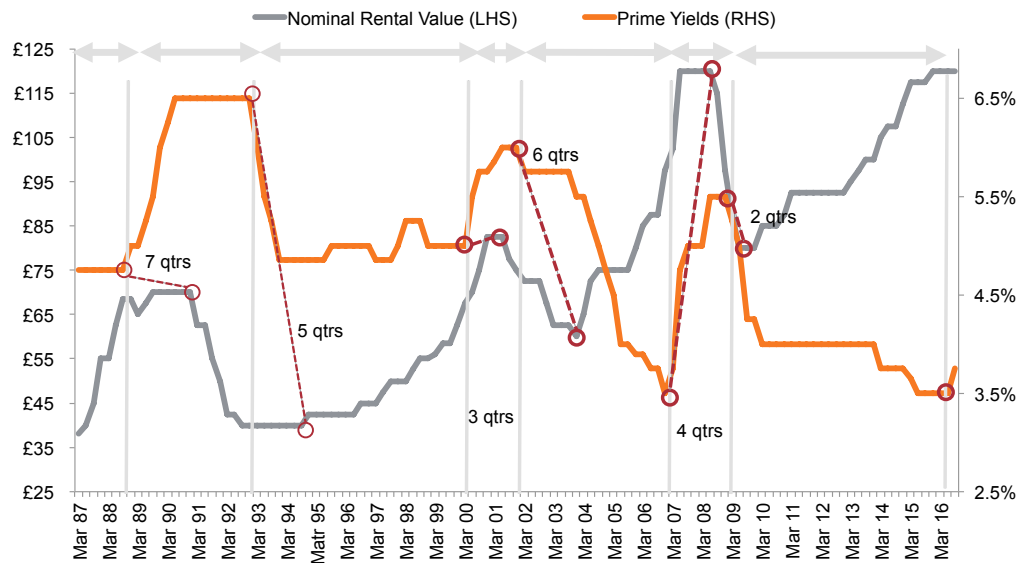
## GPE Capital Growth & Attribution



Income attribution excludes step change on developments. All attributions shown like for like excluding sales and purchases.

# History of rental lags to yield moves

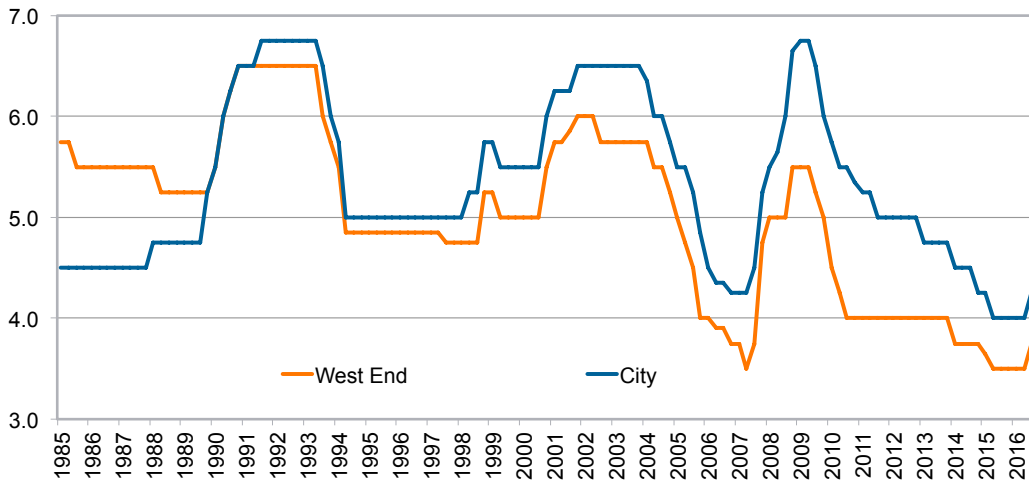
## West End prime yields and rental growth



# Central London Prime Yields



Central London Prime Yields (%)



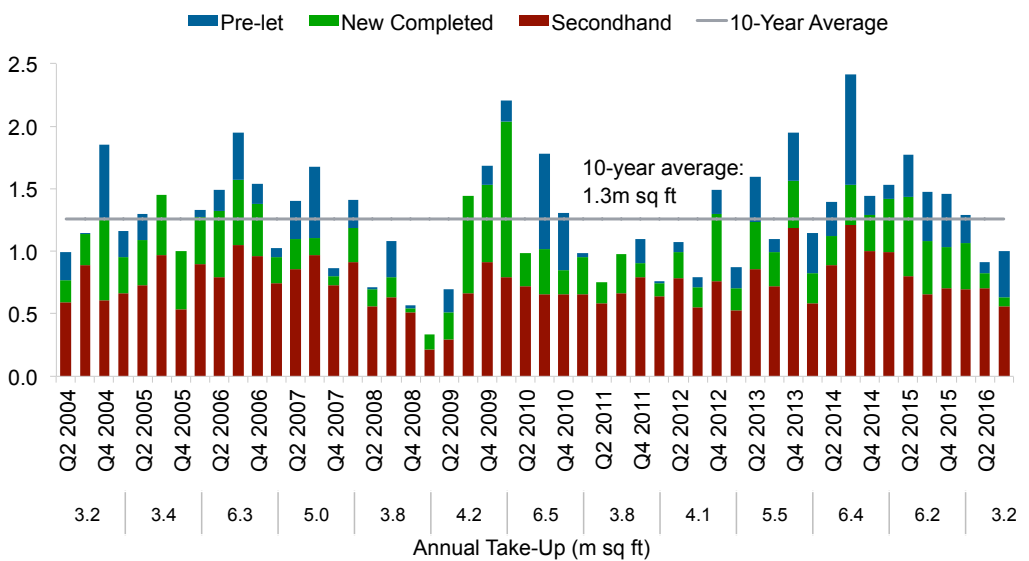
Source: CBRE

65

# City Take-Up



Million sq ft



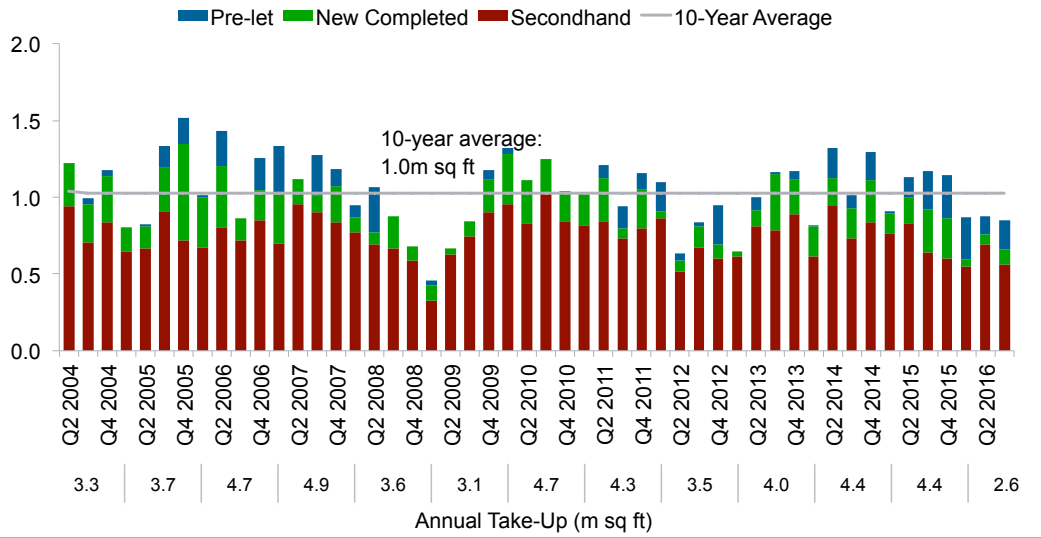
Source: CBRE

66

# West End Take-Up



Million sq ft



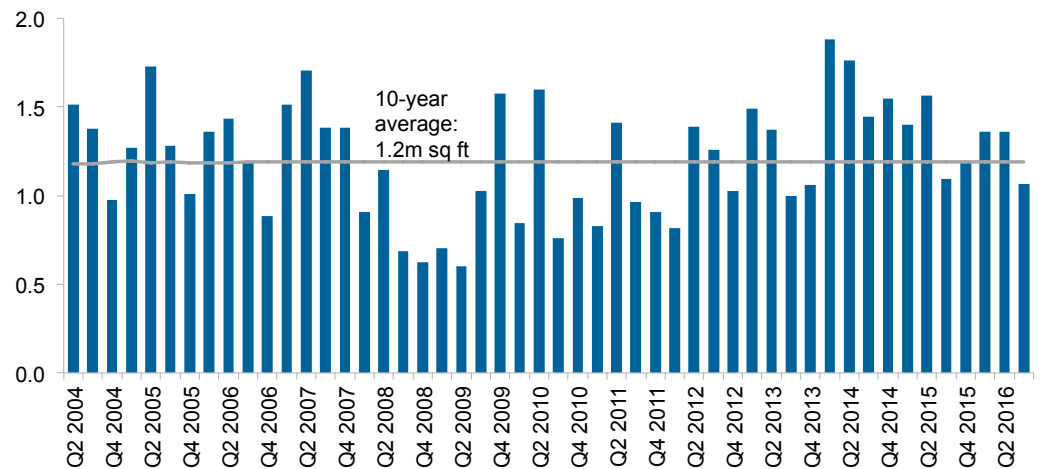
Source: CBRE

67

# City Office Under Offer



Million sq ft



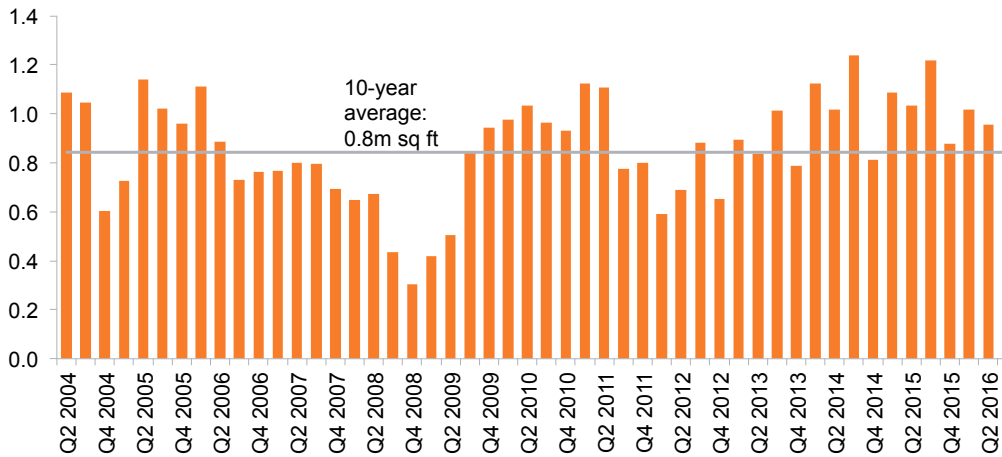
Source: CBRE

68

# West End Office Under Offer



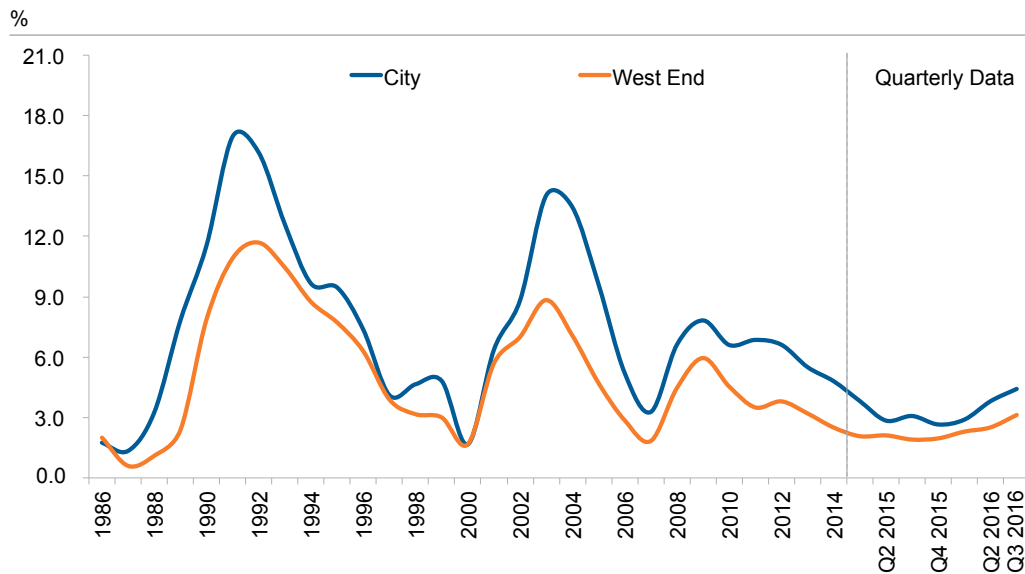
Million sq ft



Source: CBRE

69

# Void Rate: Ready to Occupy Space



Source: CBRE

70



## 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	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	42%	-7%	53%
Financial Services	1,447	955	1,139	1,197	894	1,232	1,041	435	1,310	1,352	840	631	-53%	-38%	-25%
Manufacturing & Corporates	192	181	137	67	55	175	90	55	209	436	361	414	-5%	-17%	15%
Miscellaneous	266	440	350	441	423	666	497	127	344	436	328	391	-10%	-25%	19%
Marketing & Media	42	89	133	61	71	124	233	493	188	218	440	632	190%	102%	44%
IT & Technology	261	206	257	234	554	422	204	109	581	654	433	418	-36%	-34%	-3%
Government	94	205	259	92	25	70	480	430	560	262	318	179	-32%	21%	-44%
Insurance	1,095	922	926	831	568	417	475	456	366	305	202	434	42%	-34%	115%
<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>	-6%	-18%	15%

Source: Knight Frank

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## 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	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	26%	-57%	194%
Financial Services	198	331	358	368	616	261	409	367	502	421	374	499	19%	-11%	33%
Manufacturing & Corporates	256	100	155	485	445	154	319	177	376	538	512	598	11%	-5%	17%
Miscellaneous	469	315	432	373	210	330	262	225	203	304	140	208	-32%	-54%	49%
Marketing & Media	206	82	782	810	145	163	218	360	225	538	570	418	-22%	6%	-27%
IT & Technology	218	175	95	172	276	207	125	130	223	234	465	284	21%	99%	-39%
Government	270	84	109	64	83	130	17	0	0	0	180	283	-	-	57%
<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>	14%	2%	12%

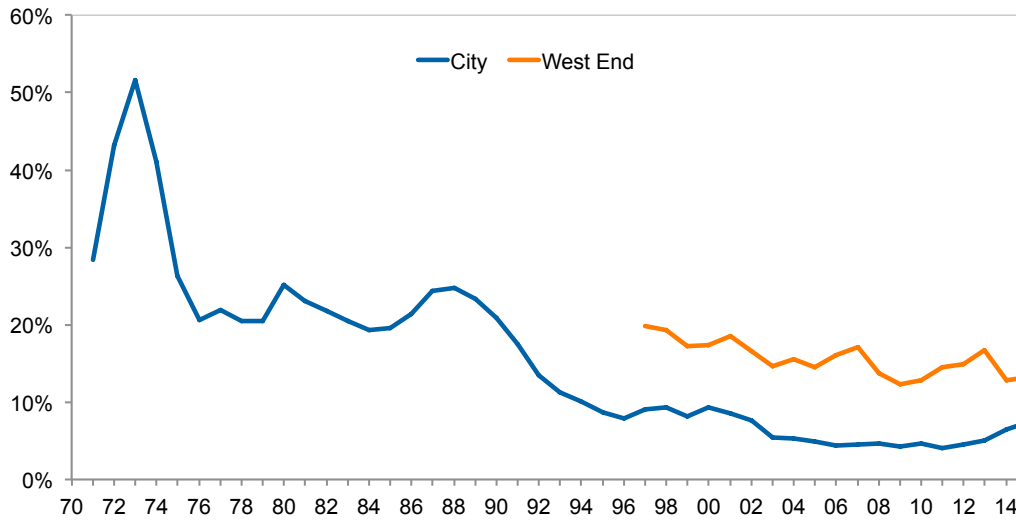
Source: Knight Frank

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# Office Rent as a % of Salary Costs



Rent as % of salary



Source: ONS, PMA

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# Rating Revaluation 2017

## Impact on GPE portfolio



### What We Know

- Business rates, post April 2017, will be based on the Rateable Value (RV) as at April 2015
- Draft RVs were issued at the end of September 2016
- Due to rental growth since 2009, London will see largest RV increases; Central London office RVs up 23 %
- Prime retail is likely to see largest increases in rates payable; Central London prime retail RVs up sometimes by 100 %
- Phasing of rates increases to help occupiers
- Consultation ongoing but phasing likely only for smaller occupiers, or those who have large rates hikes (> 45% rise in rates payable)
- Rates are non-negotiable, so rarely come up in leasing negotiations with GPE
- Tenants are more focused on total occupancy costs than just rent or rates £ psf

### What We Don't Know

- Phasing of increases yet to be confirmed
- Unified Business Rate multiplier will not be known until nearer April 2017, but likely to be 50p-55p
- Therefore, the exact increase in rates payable or Total Occupancy Costs is unknown

### GPE portfolio increase after 2017 Rating Revaluation

	2016	2017	Increase
GPE Portfolio Total Occupancy Cost <sup>1</sup>	£76.50 psf	£82.00 psf	+7.2%

1. Estimated for 2016 and post 2017 revaluation assuming static rents

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# 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
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
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
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
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
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
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
	<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>

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

	May 14	Nov 14	May 15	Nov 15	May 16	Nov 16	6 month % change	12 month % change
City	£0.7bn	£1.8bn	£1.0bn	£6.1bn	£3.3bn	£3.1bn	(6%)	(49%)
West End	£1.6bn	£1.5bn	£1.0bn	£1.8bn	£1.6bn	£1.4bn	(13%)	(22%)
	<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>(8%)</b>	<b>(43%)</b>

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

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# Investment Activity

## West End & City



### Available Assets (£bn)



Source: GPE

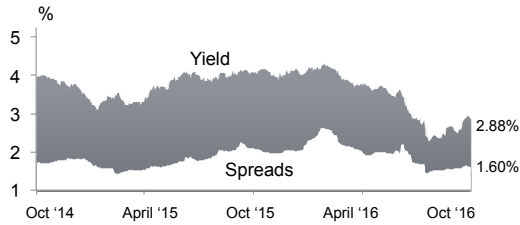
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# Credit Market Update

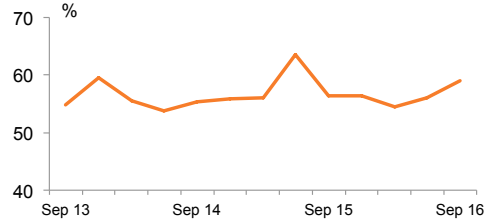
## Bonds and secured lending



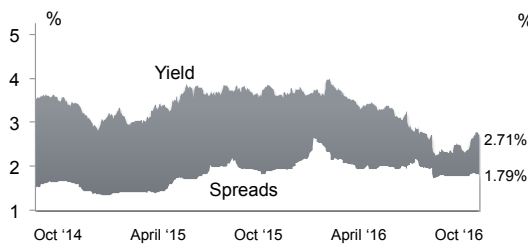
### GBP BBB Bonds (ex Financials)<sup>1</sup>



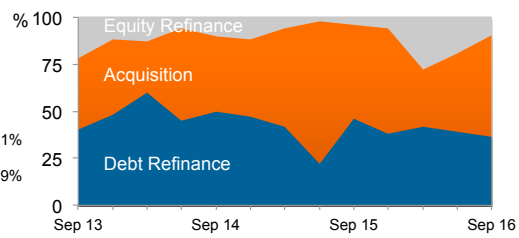
### UK Real Estate Lending (LTV)<sup>3</sup>



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



### Loan Purpose<sup>3</sup>



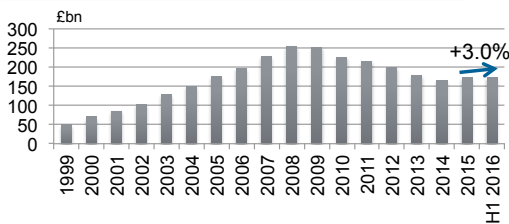
1. iBoxx GBP BBB Bonds Non Financial yields and spreads, 20 Oct 2014 – 20 Oct 2016 2. JP Morgan, 20 Oct 2014 – 20 Oct 2016  
3. Laxfield UK CRE Debt Market Barometer – Issue 7; Based on finance requests per period

# Credit Market Update (Cont'd)

## De Montfort Survey H1 2016



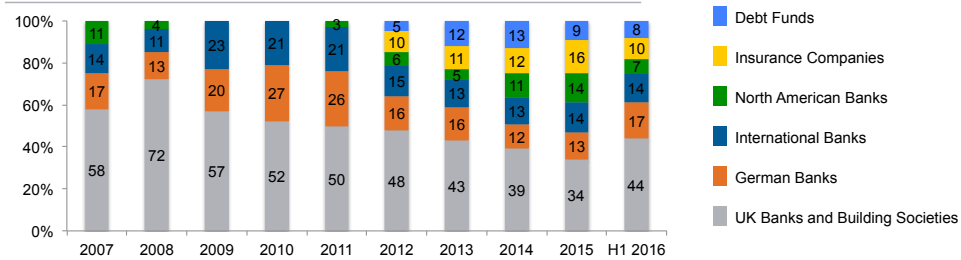
### UK Commercial Property Loans



### Key Trends

	H1 2016	2015
Loan origination	↓ £21.4bn	£24.7bn <sup>1</sup>
Acquisition loans	↓ 49.0%	55.6% <sup>2</sup>
Development lenders	↓ 11	18 <sup>1</sup>
LTV < 70%	↑ 89.0%	87.5% <sup>2</sup>
Distressed loans	↓ £4.5bn	£12.1bn <sup>2</sup>

### New Loan Origination Market Share



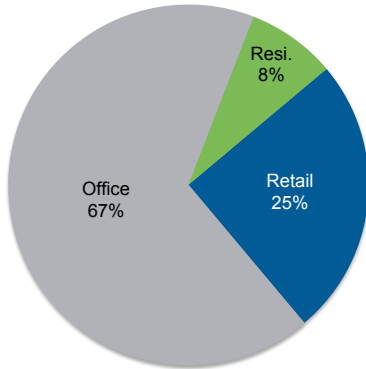
1. H1 2015 2. Year End 2015

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

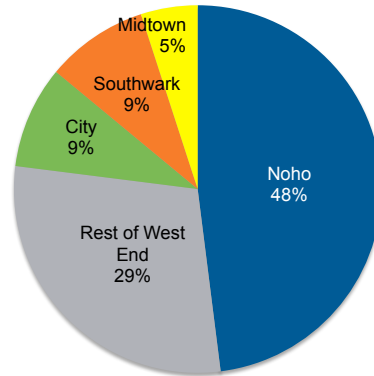
At 30 September 2016



By Type (By value £m)



By Location (By value £m)



1. Includes share of Joint Ventures

# GPE Tenants<sup>1</sup>

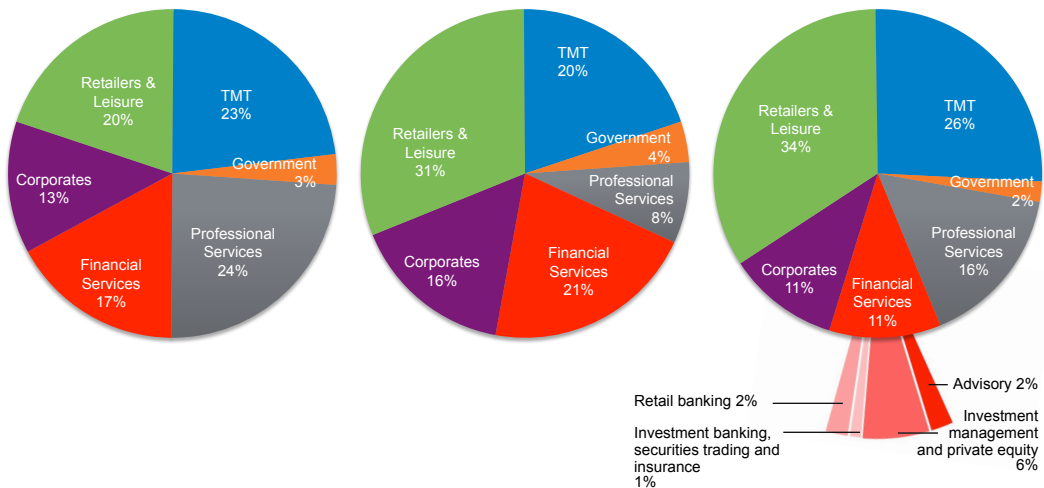
By Sector



30 Sept 2006

30 Sept 2011

30 Sept 2016



1. Includes share of Joint Ventures

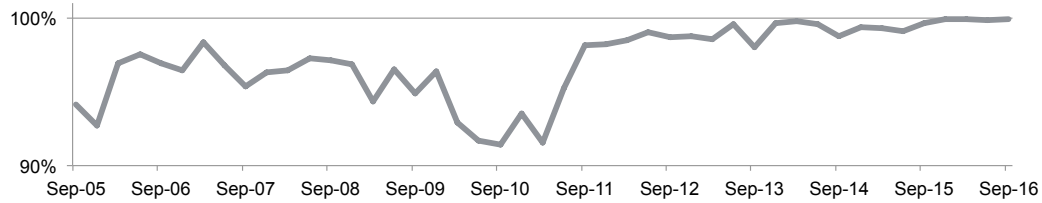


# Resilient Tenant Base<sup>1</sup>

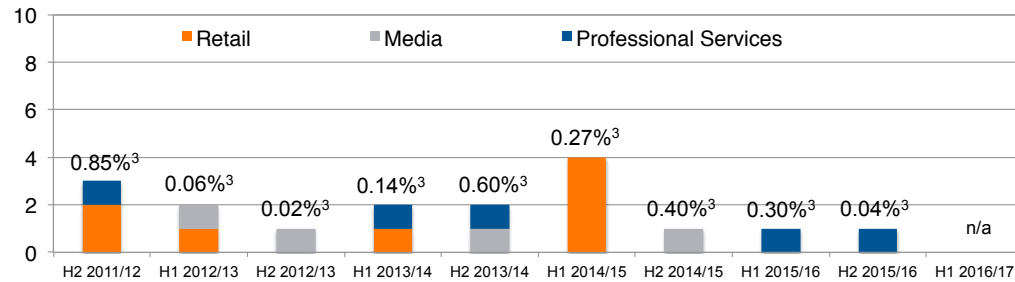
Six month periods



99.9% of rent collected within 7 working days<sup>2</sup>



Number of delinquencies



1. Includes share of Joint Ventures 2. 99.9% of rent secured within 7 working days of the September quarter day  
3. Value of delinquencies as % of Rent Roll (including 100% of JV properties)

# Top Tenants

30 September 2016



Tenant	Sector	£m	
Bloomberg	TMT	5.7	Top 10 29.6%
Double Negative	TMT	4.8	
New Look	Retailers & Leisure	3.8	
Cleary Gottlieb Steen & Hamilton	Professional Services	2.8	
Richemont	Retailers & Leisure	2.6	
UBM	TMT	2.5	
Superdry	Retailers & Leisure	2.1	
Winckworth Sherwood	Professional Services	1.9	
Guy's and St Thomas's NHS Foundation Trust	Government	1.8	
Independent Television News	TMT	1.7	
Fallon	TMT	1.5	Top 20 42.0%
Kurt Geiger	Retailers & Leisure	1.5	
Next	Retailers & Leisure	1.4	
M&G Real Estate	Financial Services	1.4	
Carlton Communications	TMT	1.2	
Ahli United Bank	Financial Services	1.2	
Lions Gate	TMT	1.2	
Knight Capital	Financial Services	1.1	
Heineken	Corporate	1.0	
Sinclair Knight Merz	Professional Services	1.0	

## Asset Management

### Movement in Reversions<sup>1</sup>



	6 months to	
	30 Sept 2016	31 March 2016
At beginning of period	£32.1m	£32.5m
Asset management	(£2.5m)	(£1.1m)
Disposals / acquisitions	£0.4m	(£0.3m)
ERV movement	(£0.8m)	£1.0m
At end of period	£29.2m	£32.1m

1. Includes share of Joint Ventures

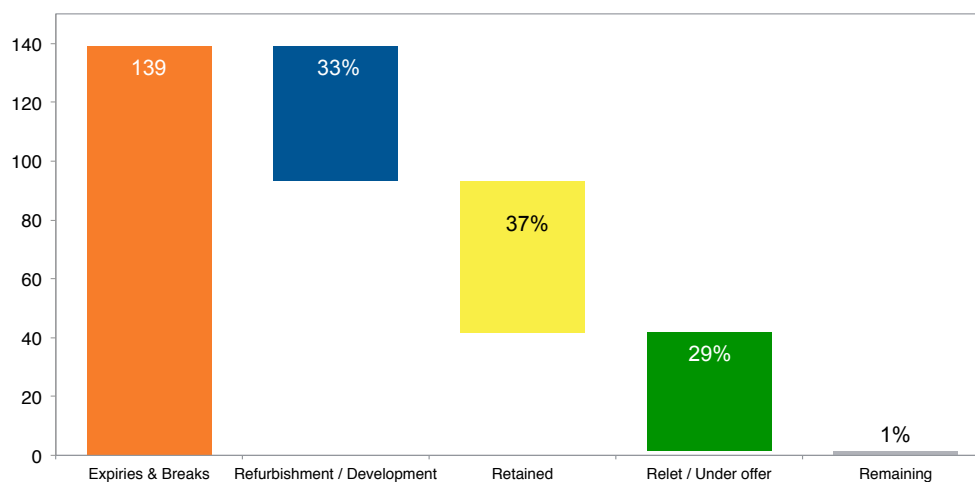
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## Asset Management

### Tenant retention, 12 months to September 2016<sup>1</sup>



Area (000 sq ft)



1. Joint Ventures at 100%

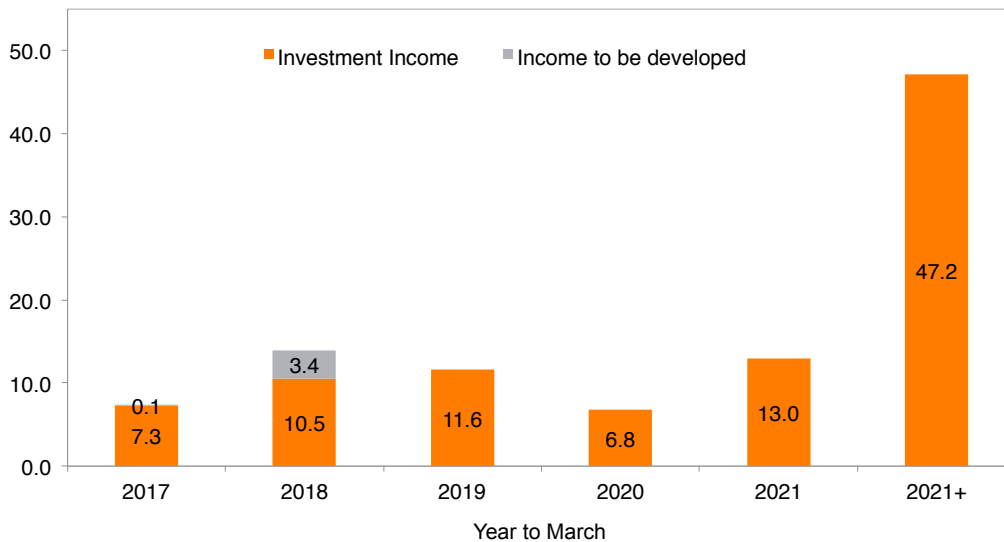
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# Asset Management

## Expiry profile<sup>1</sup>



% by total rental income subject to lease expiry or break



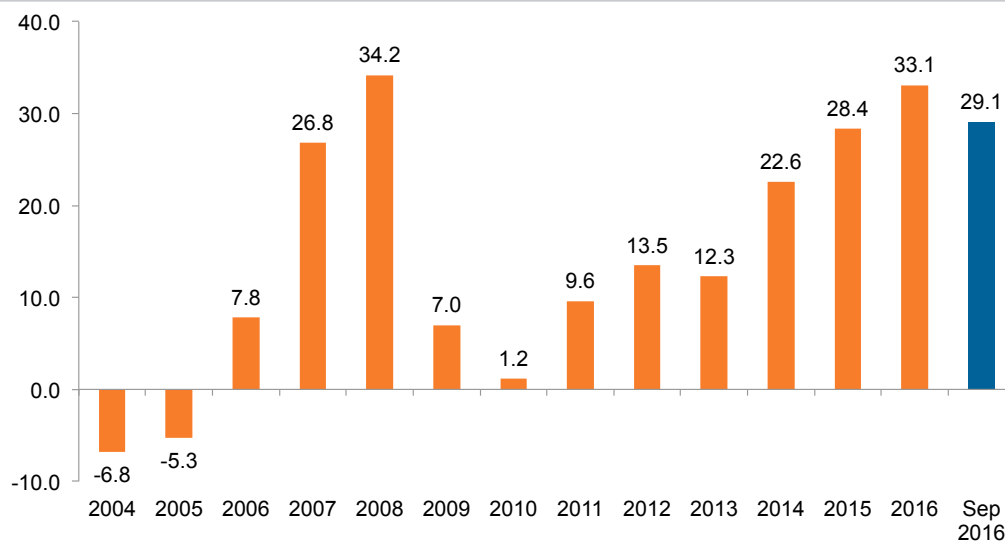
1. Includes share of Joint Ventures

# Asset Management

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



%, year to March



1. Includes share of Joint Ventures

# 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	Dec 2015	142,300	49.6	51.9	SOLD	SOLD	100%
48/50 Broadwick St, W1 (Residential)	Feb 2016	6,500	8.6	5.9	n/a	n/a	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	134.0	44.4	6.0%	7.9	25%
73/89 Oxford St & 1 Dean St, W1	Jun 2017	90,200	199.1	52.3	SOLD	SOLD	91%
		1,186,500	842.6	363.4	7.1%	27.1	
				As at completion 43%			

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

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# Development Capex<sup>1</sup>

## Committed and near term projects



### Committed projects

	New building area sq ft	Capex to date £m	Capex to come £m	Total Capex £m
Rathbone Square, W1	419,700	205.5	83.2	288.7
78/82 Great Portland St, W1	18,300	7.9	2.4	10.3
84/86 Great Portland St, W1	23,200	6.8	4.6	11.4
160 Old Street, EC1 <sup>2</sup>	160,600	9.3	23.5	32.8
65 Wells St, W1	37,300	9.9	15.4	25.3
<b>Committed projects</b>	<b>659,100</b>	<b>239.4</b>	<b>129.1</b>	<b>368.5</b>
<b>Book value at 30 Sept 2016</b>			<b>699.7</b>	
<b>Total commitment</b>			<b>828.8</b>	

### Near term projects

	New building area sq ft	Capex to come £m
Hanover Square, W1 <sup>3</sup>	223,600	110.5
Oxford House, W1	88,200	35.8
<b>Near term projects</b>	<b>311,800</b>	<b>146.3</b>
<b>Book value at 30 September 2016</b>		<b>262.7</b>
<b>Potential commitment</b>		<b>409.0</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

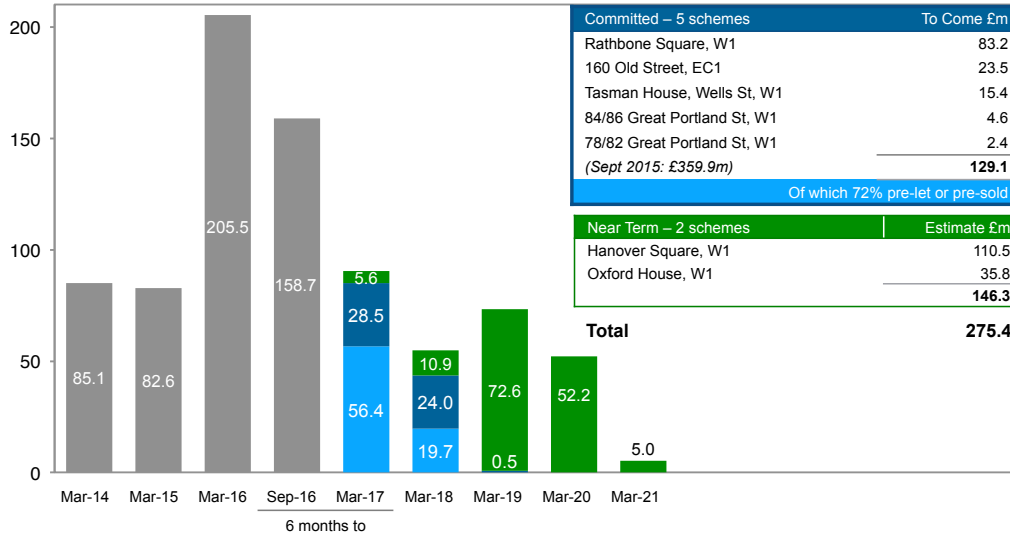
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# Development Capex<sup>1</sup>

Capex to come is significantly de-risked and relatively short-dated



£m, Years to March



1. Projected Capital Expenditure excludes sales / marketing expenses, void costs, overage arrangements and interest, including share of JVs

## Committed 65 Wells St, W1

- 37,300 sq ft
- Office / Retail
- Oct 2017 completion
- ERV £2.8m / £84.15 psf avg office
- Demolition completed

GPE profit on cost	12.8%
IRR	12.2%
Development yield	5.6%



# Committed

84 / 86 Great Portland St W1



- 23,200 sq. ft
- Self-contained office/Residential for sale
- Feb 2017 completion
- ERV £1.0m / £57.25 psf avg office
  - room to grow
- Marketing started

GPE profit on cost	2.2%
IRR	6.7%
Development yield	4.2%

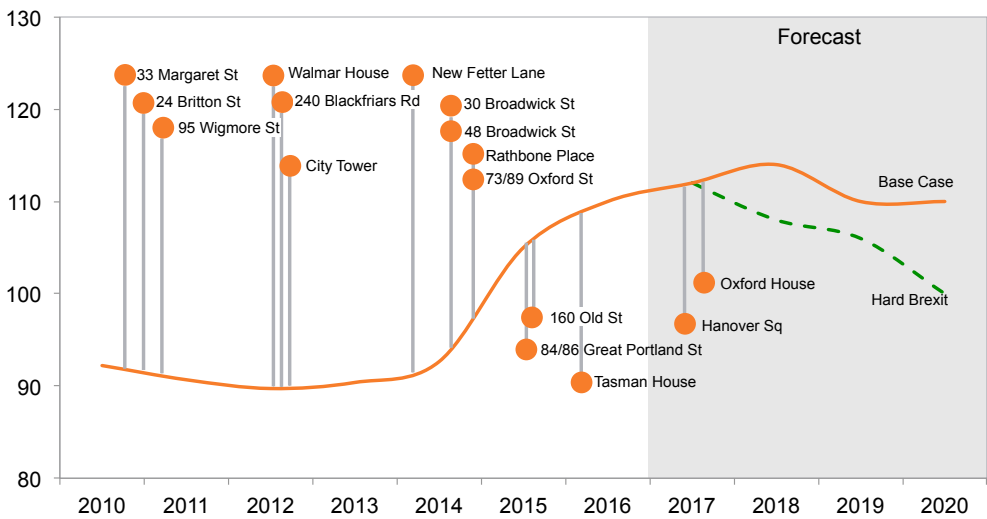


# Delivering the Developments

## Managing Construction Costs: Inflation



Average Construction Inflation<sup>1</sup>



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

# Our Integrated Team



## Executive Committee

Chief Executive <b>Toby Courtauld</b>	Finance Director <b>Nick Sanderson</b>	Executive Director <b>Neil Thompson</b>	
Development Director <b>Andrew White</b>	Leasing Director <b>Marc Wilder</b>	Investment Director <b>Robin Matthews</b>	Portfolio Director <b>Steven Mew</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>	Company Secretary <b>Desna Martin</b>
Head of Corporate Finance <b>Martin Leighton</b>	Head of Financial Reporting & IR <b>Stephen Burrows</b>	Head of Sustainability <b>Janine Cole</b>	Head of IT <b>Richard Moran</b>
Head of HR <b>Sally Learoyd</b>			