Press Release

7 July 2011

AGM Statement

Martin Scicluna, Chairman of Great Portland Estates plc, will make the following comments at today's AGM, to be held at 50 Stratton Street, London W1.

"Great Portland Estates has had an excellent year. For the 12 months to 31 March 2011 adjusted net assets per share were up 27.2% driven by healthy rental growth of 10.8% and our total shareholder return was almost 24%, significantly ahead of the FTSE 350 Real Estate benchmark of 12.8%.

Having weathered the recession relatively well with our low gearing and minimal development exposure, two years ago we laid the foundations for the next phase of the company's growth. Today, it is clear that we are reaping the early benefits of this positioning across all of our activities:

- Since raising £166m net for acquisitions in June 2009, we have committed £370 million to new properties, meaning that we have bought around 25% of the portfolio at or close to the bottom of the cycle, generating an exceptional annualised Internal Rate of Return of 37% so far.
- Our significant development programme is well under way with 5 schemes on site and a further 11 in the near term programme covering a total of 2.2m sq ft. Including an additional 800,000 sq ft in our longer term pipeline, our total programme covers more than 50% of the Group's portfolio by area giving us the potential to generate significant surpluses over the next few years.
- Our focus on quality assets in the core of London, off low starting rents and with angles for improvement, will enable us to generate healthy future rental growth.

The Group's funding position remains healthy with cash and undrawn facilities totalling £518 million and gearing low at 31%. During the year, we raised new debt capital of £550 million, including a maiden private placement bond issue of £160 million which completed this month, ensuring we have the financial capacity to deliver our investment and development ambitions. We are also delighted to

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have recruited our new Finance Director and we look forward to Nick Sanderson joining the board later this month.

Despite the uncertain UK economic backdrop, conditions in London continue to strengthen with positive implications for the Capital's property markets; demand from prospective tenants for prime office premises continues to improve at a slow but steady pace and, in the context of a rapidly diminishing supply of office space to let and with a limited forward supply, we can expect rents to continue their upward trajectory in the near to medium term.

In London's investment markets, there remains a significant surplus of equity seeking properties to buy over and above assets for sale. With prices some 25% above their trough valuations, we are seeing a more discerning approach by investors when buying. However, with only £6 billion of assets being openly marketed in London versus almost £20 billion of equity demand, this imbalance increasingly favours the seller.

To that end, whilst we will find further interesting acquisitions, much of our focus has shifted towards the delivery of our exciting development plans and, with low financial gearing giving us the capacity to exploit these opportunities and an exceptional team, we look to the future with confidence.

We will be publishing our first quarter valuation along with our interim management statement on 21 July."

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