Press Release

24 July 2012

First quarter valuation and business update

In today's Interim Management Statement, the Directors of Great Portland Estates plc ("GPE" or "Group") announce an update on trading, as well as the quarterly valuation of the Group's properties as at 30 June 2012. Details of the Group's recent valuation and rental value trends are set out in the Appendices.

Key points from the quarter[1]:

- Portfolio valuation[2] up 3.1%, 5.2% and 8.2% over 3, 6 and 12 months respectively
- Rental value growth[2] of 0.9% (1.3% West End offices, 0.4% West End retail)

- EPRA NAV[3] per share of 417 pence at 30 June 2012 up 3.5%, 8.0% and 11.2% over 3, 6 and 12 months respectively
- EPRA NNNAV[3] per share of 413 pence at 30 June 2012 up 4.6%, 8.1% and 9.8% over 3, 6 and 12 months respectively

- Purchases totalling £159.0 million since 31 March 2012, all in the West End, including the acquisition of The Jermyn Street Estate, SW1 announced on 23 July 2012
- Disposals of £140.5 million (our share: £80.5 million) since 31 March 2012
- A further £261 million (our share: £190 million) of properties in the market to sell, of which more than £187 million are currently under offer

- Five committed development schemes (651,100 sq ft) on site, expected profit on cost of 41%. Completions from autumn 2012 to spring 2014
- Major development potential increased to 17 uncommitted schemes, covering 2.7 million sq ft, all with flexible start dates. 3.4 million sq ft total development programme covering 55% of existing portfolio

- 15 new leases signed generating £1.4 million p.a. (our share: £1.3 million p.a.); market lettings at 5.6% ahead of March 2012 rental values
- EPRA vacancy level reduced to 2.7% (31 March 2012: 3.3%)

- Gearing remains conservative at 45.5%, loan to property value of 35.1%, weighted average interest rate low at 4.1%, significant cash and undrawn facilities of £370 million
- New £80.0 million (our share: £40.0 million) ten year, fixed rate non-recourse debt facility (in the Great Victoria Partnership) completed on 17 July 2012

[1] All values include share of joint ventures unless otherwise stated
[2] On a like for like basis including joint ventures, see Appendix 1
[3] In accordance with EPRA guidance

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Toby Courtauld, Chief Executive, said,

"Against a backdrop of global economic turbulence and increased central bank monetary stimulus, a significant quantity of capital from around the world continues to flow into the central London property market, resulting in yields reducing in the quarter for prime West End assets. With resilient tenant demand, minimal vacancy of Grade A space and constrained development supply, we expect further rental growth, particularly at our well-located, high quality buildings.

Following our recent off-market, accretive purchases, we will continue to capitalise on strong investor demand to crystallise surpluses on some of our mature assets, recycling the capital into our significant development pipeline. With numerous opportunities to exploit across our well-located portfolio and our strong financial position, we expect to deliver further attractive returns to our shareholders."

Portfolio valuation

Our portfolio continued to experience solid valuation growth in the quarter to 30 June 2012 as strong investor demand and rental value growth continued to support central London real estate. The valuation of the Group's properties as at 30 June 2012 was £2,106.8 million including our share of joint venture assets, a rise of £61.0 million. The net valuation uplift for the quarter was 3.1% on a like-for-like basis compared to 2.4% for the previous quarter. Further details are set out in Appendices 2 and 3.

The main drivers of the quarterly valuation uplift were our Rest of West End properties, up 3.8% and our committed development schemes which rose in value by 5.5% net of capital expenditure. In the former, our holdings in Hanover Square, W1 again performed strongly, up more than 10% on the quarter. Further details on valuation trends are set out in the Appendices. The wholly owned portfolio was valued at £1,398.9 million at 30 June (like-for-like valuation uplift of 3.1% on the quarter) and the joint venture properties (100%) at £1,266.9 million (up 2.7% on the quarter). The net impact of the movement in yields and rental values on the portfolio valuation is set out in Appendix 4.

The portfolio true equivalent yield reduced 6 basis points over the quarter and now stands at 5.2%. The investment portfolio's adjusted initial yield (including contracted income still in rent free periods) was 4.2% at 30 June 2012, 10 basis points higher than at March 2012. A yield table is set out in Appendix 5.

Whilst occupiers in our markets generally remained cautious during the quarter, our continued successful letting activity demonstrates that demand exists for high quality, well-located and sensibly priced space. Indeed, our tenant retention remains strong and our EPRA vacancy level has reduced to 2.7% (31 March 2012: 3.3%). Across our portfolio, office rental values rose by 0.9% in the quarter, compared to the 4.4% increase recorded for the previous three months. West End office rental values were 1.3% higher whilst City, Midtown and Southwark office rental values were flat. Demand from retail occupiers remains robust and rental values across the West End retail portfolio rose by 0.4% in the quarter.

The Group's average office rent remains low at £36.30 per sq ft and the portfolio (including retail) was 10.8% reversionary overall at the quarter end. Rental value trends are highlighted in Appendix 6.

Estimated NAV per share and financing

The main contributor to the NAV per share movement for the quarter was the underlying uplift in the portfolio valuation of £61.0 million, due principally to yield compression of 6 basis points over the quarter and rental value growth of 0.9%, driving the revaluation of key West End assets and a strong performance from our committed development programme. The provision for potential future payments to Eurohypo under the profit share arrangement at our development properties at 33 Margaret Street and 23/24 Newman Street has increased by £3.0 million in the quarter and now totals £25.0 million (compared to a maximum potential future payment of £25.5 million under the arrangement). This increased profit share provision, combined with the final dividend payment of £16.1 million, has reduced the increase in NAV by 6 pence per share. Overall, as set out in the table below, EPRA NAV per share rose by 3.5% to 417 pence (31 March 2012: 403 pence).

Pro Forma Estimated Balance Sheet [1]			
EPRA NAV [2]	*£m*	*pence per share*	*percentage movement*
At 31 March 2012	**1,243.2**	**403**	
Valuation uplift	61.0	20	
Additional provision for potential profit share payment to Eurohypo	(3.0)	(1)	
Final dividend	(16.1)	(5)	
At 30 June 2012	**1,285.1**	**417**	*3.5%*
EPRA NNNAV			
M2M of debt & derivatives	(13.0)	(4)	
At 30 June 2012	**1,272.1**	**413**	*4.6%*
At 31 March 2012	**1,218.7**	**395**	

Note:
[1] *The pro forma balance sheet is unaudited and does not include retained earnings for the quarter*
[2] *EPRA adjustments*

The mark to market of debt of £13.0 million or 4 pence per share results in EPRA NNNAV per share of 413 pence at 30 June, a rise of 4.6% from 31 March 2012.

Net debt has increased over the quarter as a result of continued investment in the portfolio, including committed development expenditure and completion of the purchase of French Railways House and 50 Jermyn Street, SW1. Net of the impact of the increased portfolio valuation, the leverage ratios have moved up slightly and remain comfortable as shown in the table below.

Summary of Debt Statistics

	Jun-12	**Mar-12**
GPE Net Debt	£584.7m	£499.1m
GPE gearing	45.5%	40.3%
Total debt including JVs	£740.3m	£686.9m
LTV	35.1%	34.2%

On 30 May 2012 we drew down on the £127.7 million of debt finance recently raised through our second private placement note issue and the funds were immediately used to reduce amounts drawn on the Group's revolving credit facilities. As a result, at 30 June 2012 around 80% of the Group's total debt was fixed or hedged providing a weighted average interest rate at the quarter end of 4.1%. However, a significant proportion of hedged debt is subject to capped arrangements and as a result, we are benefiting from low floating rates on around 45% of our total debt. At 30 June 2012, we had significant financial firepower with undrawn facilities and cash of £370 million.

Since 30 June 2012, our Great Victoria Partnership ("GVP") joint venture with Liverpool Victoria completed a new £80.0 million (our share: £40.0 million) ten year, non-recourse debt facility with Canada Life Investments. The loan is secured on GVP's interest at Mount Royal, Oxford Street, W1 (representing a loan to value of approximately 51%), bears a fixed interest rate of 3.74% for the full term of the loan and there is no scheduled amortisation. The funds were used to repay the existing £56.7 million of bank debt (bearing interest at 5.5%) in GVP, with the balance distributed to the partners. Following our recent purchase of The Jermyn Street Estate, SW1 from the Great Capital Partnership ("GCP"), the non-recourse bank debt in GCP will be paid down by £42.0 million to £120.0 million (our share: £60.0 million).

Investment management

We have continued our strategy of selectively acquiring assets with the potential for strong absolute and relative performance, having purchased £159.0 million of properties in two transactions since 31 March 2012, all in prime West End locations.

In June, we acquired the head leasehold interests in French Railways House and 50 Jermyn Street, SW1, for £39.0 million. The purchase price reflected a capital value of £782 per sq ft and an attractive net initial yield of 5.1% which we expect to be able to grow to around 7% over the next 24 months as a result of imminent lease events and focused asset management. Since the quarter end, we have exchanged contracts to purchase The Jermyn Street Estate, SW1 from GCP for £120.0 million (or £60.0 million for the half share GPE did not already own). The Jermyn Street Estate comprises the leasehold interests in Foxglove House, Dudley House, Egyptian House, Empire House and 54/56 Jermyn Street, which together provide 133,024 sq ft of retail and office space. The price equates to a net initial yield of 3.7%, a net reversionary yield of 6.0% and a capital value of £902 per sq ft. There are significant asset management opportunities to exploit in the near term, with longer term redevelopment potential enhanced through including the adjoining French Railways House and 50 Jermyn Street.

We have also continued to recycle capital with sales of £140.5 million (our share: £80.5 million) since 31 March 2012 (including the half share of the Piccadilly Buildings). In May, we sold Buchanan House, WC2 for £20.5 million, reflecting a premium of 2.5% to the 31 March 2012 book value and a net initial yield to the purchaser of 2.1%. We have a further £261 million (our share: £190 million) of properties in the market to sell, of which more than £187 million are currently under offer.

Asset management

After a record leasing year, we have continued with strong letting activity this quarter. In total, 15 new leases completed in the quarter generating an annual rent of £1.4 million p.a. (our share: £1.3 million p.a.). Around 46% of these lettings by value were market lettings which completed on average 5.6% ahead of the valuer's March 2012 estimates, whilst the balance were below the March 2012 ERV because they incorporate landlord's breaks to allow possible redevelopment during the next three years. 20 potential lettings are currently under offer accounting for a further £1.6 million p.a. in rent (our share: £1.5 million p.a.).

Leasing Transactions	Three months ended		
	30 June 2012	31 March 2012	30 June 2011
New leases and renewals completed			
Number	15	18	15
GPE share of rent p.a.	£1.3 million	£4.2 million	£5.8 million
Area (sq ft)	35,300	67,700	118,400
Rent per sq ft	£40	£69	£53
Rent reviews settled			
Number	2	5	5
GPE share of rent p.a.	£0.6 million	£1.1 million	£0.7 million
Area (sq ft)	11,900	25,200	23,500
Rent per sq ft (including retail)	£95	£48	£53

Note: Includes joint ventures

The Group's EPRA vacancy level reduced during the quarter to 2.7% (down from 3.3% at 31 March 2012).

Cash collection and tenant delinquencies

The cash collection performance has again been strong, with 99% of rent secured within seven working days after the quarter day (March 2012: 98%). Less than 4% of our rent roll is subject to monthly payments and none of our tenants went into administration during the quarter. The segmentation of our tenant base is shown in Appendix 8.

Development overview

With work successfully completed at our development at 160 Great Portland Street in May 2012, delivering a profit on cost of 39%, we now have five committed schemes on site – three in the West End, one in Southwark and one in the City. In addition, we have three schemes (c.595,000 sq ft) that could start in the next 12 months. Beyond that, our pipeline includes a further 14 uncommitted projects giving us a total programme of 3.4 million sq ft, covering 55% of GPE's existing portfolio.

Schemes on site

Construction work is scheduled to complete in November 2012 at 33 Margaret Street, W1 prior to Savills taking occupation in early 2013. Construction work is progressing well both at our prime mixed use scheme at Wigmore Street, W1 with practical completion set for June 2013, and our 47% pre-let office development at 240 Blackfriars Road, SE1 with completion expected by March 2014.

Since 31 March 2012, we have commenced work at City Tower, EC2, our grade A office refurbishment scheme owned in 50:50 joint venture with Starwood Capital. At Walmar House, W1, our mixed use refurbishment on Regent Street, we are currently stripping out the property ahead of the commencement of refurbishment works.

Project preparation and pipeline

At 100 Bishopsgate, EC2 (held in our 50:50 joint venture with Brookfield), enabling works will complete shortly and negotiations are ongoing with a preferred party on the proposed sell down of our interests.

We are making good progress on the proposals for our major development scheme at our 2.3 acre freehold West End site at Rathbone Place, W1 and expect to submit our planning application in the first quarter of 2013. We also continue to prepare 20 St James's Street, SW1 and Fetter Lane, EC4 for potential starts over the next 12 months.

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Forward Looking Statements

This document may contain 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 of results expressed or implied by such forward-looking statements.
Any forward-looking statements made by or on behalf of 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 document relating to GPE or its share price, or the yield on its shares, should not be relied upon as an indicator of future performance.

Appendix 1
Headline Results

To 30 June 2012	3 months	6 months	12 months
Property Valuation[1]	**3.1%**	5.2%	8.2%
Portfolio ERV movement[1]	**0.9%**	5.6%	7.4%
EPRA NAV	**3.5%**	8.0%	11.2%

1 On a like-for-like basis, including share of joint ventures

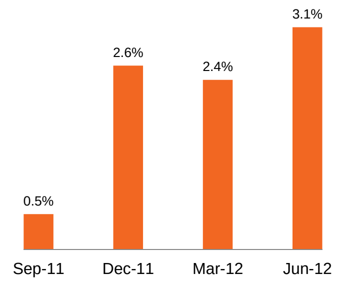
Appendix 2
The Valuation
Including share of Joint Ventures

	Value	Movement 3 months to June 2012		Percentage Movement	
	£m	£m	Change	6 months	12 months
North of Oxford St	864.2	22.7	2.7%	5.2%	8.1%
Rest of West End	558.6	20.2	3.8%	6.7%	9.6%
West End Total	1,422.8	42.9	3.1%	5.8%	8.7%
West End Office	*1,094.2*	*37.3*	*3.5%*	*5.2%*	*8.3%*
West End Retail	*328.6*	*5.6*	*1.7%*	*7.5%*	*9.9%*
City, Midtown & Southwark	303.8	2.4	0.8%	0.9%	1.9%
Investment Portfolio	**1,726.6**	**45.3**	**2.7%**	**4.9%**	**7.4%**
Development properties	341.2	17.7	5.5%	7.2%	12.1%
Properties held throughout the period	**2,067.8**	**63.0**	**3.1%**	**5.2%**	**8.2%**
Acquisitions	39.0	(2.0)	(5.0)%	(5.0)%	(5.0)%
Total portfolio	**2,106.8**	**61.0**	**3.0%**	**5.0%**	**7.9%**

Appendix 3
The Valuation
Including share of Joint Ventures

	Value £m	Quarterly Change %
North of Oxford St	864.2	2.7%
Rest of West End	558.6	3.8%
West End Total	1,422.8	3.1%
City, Midtown & Southwark	303.8	0.8%
Investment Portfolio	**1,726.6**	**2.7%**
Development properties	341.2	5.5%
Properties held throughout the period	**2,067.8**	**3.1%**
Acquisition	39.0	(5.0)%
Total portfolio	**2,106.8**	**3.0%**

Like for Like Quarterly Valuation Movement



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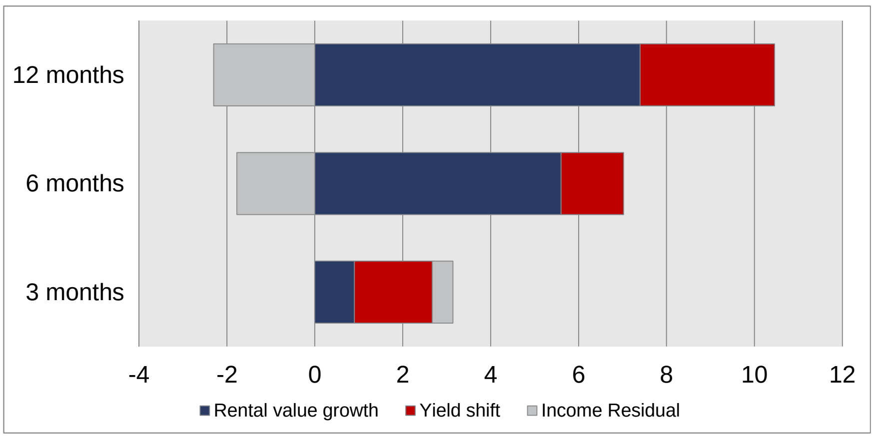
Appendix 4
The Valuation[1]
Drivers of Valuation Movement

% movement



1 Including share of Joint Ventures

4

Appendix 5
The Valuation[1]
Yield Profile[2]

30 June 2012	Initial Yield %	True Equivalent Yield %	Basis Point +/- like-for-like 3 months	6 months	12 months
North of Oxford Street					
Offices	3.3%	5.1%	-7	1	-4
Retail	4.5%	5.1%	-2	8	9
Rest Of West End					
Offices	2.6%	4.9%	-5	-8	-12
Retail	3.2%	4.7%	-10	-15	-18
Total West End	**3.2%**	**5.0%**	**-6**	**-3**	**-6**
City, Midtown & Southwark	5.4%	6.1%	-2	-1	0
Total Portfolio	**3.6% (*4.2%*[3])**	**5.2%**	**-6**	**-2**	**-5**

1 Including share of Joint Ventures
2 Excludes development properties
3 Initial yield post expiry of rent frees under contracted leases

Appendix 6
The Valuation[1]
ERV and Reversionary Potential

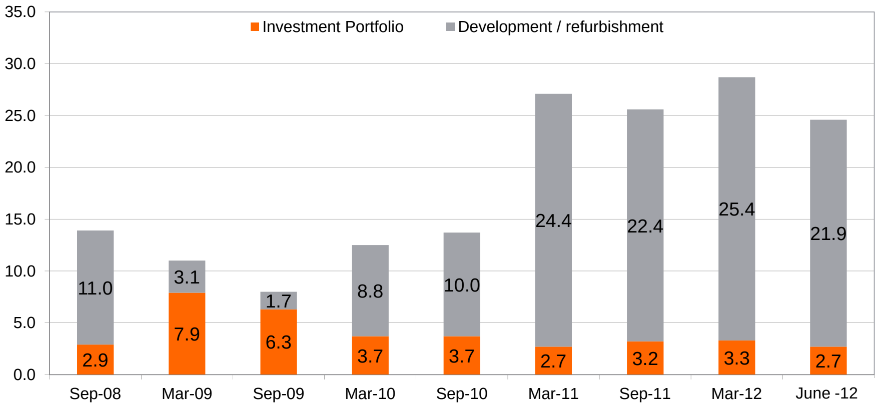
To 30 June 2012	Reversion £m	Movement in ERV 3 mth	6 mth	12 mth	Average Office Rent Passing £ per sq ft	Average Office ERV £ per sq ft	Reversionary Potential (inc. retail) %
North of Oxford St							
Offices	1.8	1.2%	4.8%	7.8%	36.40	42.80	5.9%
Retail	0.8	0.3%	10.1%	11.1%			9.5%
Rest of West End							
Offices	3.5	1.6%	10.9%	12.5%	37.30	47.70	24.4%
Retail	1.7	0.5%	2.9%	5.2%			22.1%
Total West End	**7.8**	**1.1%**	**6.4%**	**8.7%**	**36.70**	**44.20**	**12.7%**
City, Midtown & Southwark							
Offices	0.8	0.1%	2.6%	3.4%	35.20	37.80	4.9%
Retail	(0.1)	-	(2.1)%	(5.1)%			
Total City, Midtown & Southwark	**0.7**	**0.1%**	**2.4%**	**3.0%**			**4.2%**
Total Portfolio	**8.5**	**0.9%**	**5.6%**	**7.4%**	**36.30**	**42.10**	**10.8%**

1 Including share of Joint Ventures

Appendix 7
Asset Management
Void rate, % by rental value

GREAT PORTLAND ESTATES

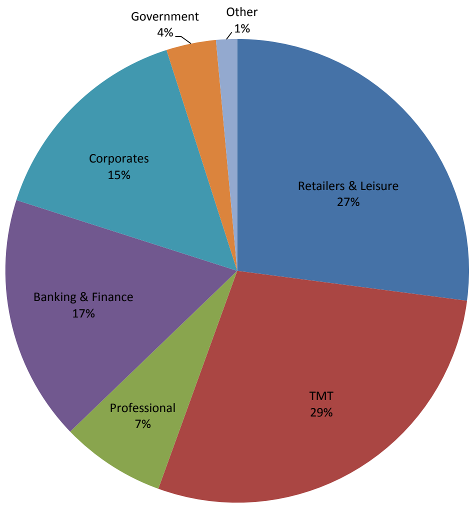
% by rental value



7

Appendix 8
GPE tenants
Including joint ventures at 30 June 2012

GREAT PORTLAND ESTATES



8

Appendix 9
The Valuation
Wholly-owned

	Value	Movement 3 months to June 2012		Percentage Movement	
	£m	£m	Change	6 months	12 months
North of Oxford St	720.2	19.2	2.7%	3.6%	6.4%
Rest of West End	414.7	18.6	4.7%	8.1%	11.0%
West End Total	1,134.9	37.8	3.4%	5.2%	8.1%
West End Office	*954.0*	*33.1*	*3.6%*	*5.1%*	*7.8%*
West End Retail	*180.9*	*4.7*	*2.7%*	*5.8%*	*9.3%*
City, Midtown & Southwark	186.4	2.4	1.3%	1.4%	4.6%
Investment Portfolio	**1,321.3**	**40.2**	**3.1%**	**4.6%**	**7.6%**
Development properties	38.6	0.8	2.2%	7.7%	7.7%
Properties held throughout the period	**1,359.9**	**41.0**	**3.1%**	**4.7%**	**7.6%**
Acquisitions	39.0	(2.0)	(5.0)%	(5.0)%	(5.0)%
Total portfolio	**1,398.9**	**39.0**	**2.9%**	**4.4%**	**7.2%**

Appendix 9
The Valuation
Joint ventures at 100%

	Value	Movement 3 months to June 2012		Percentage Movement	
	£m	£m	Change	6 months	12 months
North of Oxford St	288.2	7.0	2.5%	13.9%	17.0%
Rest of West End	287.7	3.2	1.1%	2.9%	5.9%
West End Total	575.9	10.2	1.8%	8.1%	11.2%
West End Office	*280.4*	*8.2*	*3.0%*	*6.4%*	*11.7%*
West End Retail	*295.5*	*2.0*	*0.6%*	*9.7%*	*10.6%*
City, Midtown & Southwark	234.9	-	-	-	(2.2)%
Investment Portfolio	**810.8**	**10.2**	**1.3%**	**5.6%**	**7.0%**
Development properties	456.1	22.7	5.3%	5.5%	6.9%
Properties held throughout the period	**1,266.9**	**32.9**	**2.7%**	**5.6%**	**7.0%**
Acquisitions	-	-	-	-	-
Total portfolio	**1,266.9**	**32.9**	**2.7%**	**5.6%**	**7.0%**