

**1 March 2018**

## **GPE successfully executes debt refinancing**

Great Portland Estates plc (“GPE”) announces that following the successful tender offer for its legacy debenture, it has agreed with certain institutional investors, subject to contract, to issue £100 million new US private placement notes.

The tender offer for the £142.9 million 5.63% secured debenture, which was issued in 1999 and matures in January 2029, achieved approximately 85% take-up (£121.0 million nominal) at a cash cost of £159.5 million.

The debenture prepayment was initially funded by proceeds from recent sales, which will be supplemented in June 2018 by the drawdown of £100 million new unsecured US private placement notes. GPE has agreed, subject to contract, to issue these notes over 10 year, 12 year and 15 year maturities (weighted average of 12.1 years) with a weighted average fixed rate coupon of c.2.8% (representing a spread to the relevant Gilts of just over 100bp).

Based on GPE’s reported debt position at 31 December 2017, the pro forma impact of this refinancing on the Group’s financial metrics is as follows:

- An annual interest saving of approximately £3.3 million, equating to a 70bp reduction in weighted average interest rate to 2.2%
- Our total debt provided on an unsecured basis increases by 12% to 89%
- Our weighted average debt maturity is maintained at more than 5.5 years
- An increase in LTV of 1.3%
- A reduction to EPRA net assets of £38.5 million

Lloyds Bank plc and Banco Santander SA acted as Dealer Managers in respect of the tender offer. Lloyds Bank plc and NatWest Markets acted as joint active agents on the new issue.

Martin Leighton, Director of Corporate Finance at GPE commented, “We are very pleased with this refinancing which replaces relatively expensive, secured debt with low cost, unsecured debt from seven existing GPE lenders following the heavily oversubscribed USPP issue. The success of this transaction is testament to our focused business strategy and conservative capital structure, and allows us to lower further our average cost of debt and increase our financial flexibility.”

**Investor/analyst event**

GPE will be hosting an event for investors and analysts today at Oxford House, 76 Oxford Street, W1. GPE will not be disclosing any new material financial information at the event and a presentation will go on our website this morning.

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This announcement contains inside information. The person responsible for arranging the release of this announcement on behalf of GPE is Desna Martin.