Press Release

8 July 2010

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 despite the volatile market conditions; in the 12 months to 31 March 2010, adjusted net assets per share were up 15.5%, EPRA earnings per share increased by 11% and our total shareholder return was almost 82%, well ahead of the FTSE 350 Real Estate benchmark of 60%.

Just as we took pre-emptive action ahead of the worst of the downturn through net property sales and limiting our development exposure, last year we began to prepare for the next upturn;

- First, we raised £166 million net from shareholders to invest in new properties at an opportune point in the cycle. Since then, we have committed £322 million in 9 transactions giving the Group a variety of new opportunities to create substantial further value. Indeed, the acquisitions made before the year end increased in value by 24% in their average hold period of only 5 months.
- Second, we worked hard to bring forward our exciting development programme with a view to starting on site at various central London locations during 2010 and delivering new buildings of the highest quality into what we believe will be supply constrained markets come 2012.

We started two schemes during the year, both in the West End, with a total project cost of approximately £78 million and we have a further seven schemes in our near term programme giving us almost 1.6 million sq. ft. that could be delivered in the next few years. Beyond that, the team is working on a further 15 projects and, taken together, we have one of the most exciting programmes in the sector covering up to 2.8 million sq. ft. or 53% of GPE's existing portfolio. As in the last cycle, we will be timing our developments as best we can to coincide with supply shortages and with periods of economic expansion.

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As the economy emerged from recession, so demand levels from prospective tenants have recovered from last year's low point, leading to stronger take up, reducing vacancy rates and, latterly, rental growth in selected buildings. It will be important to monitor the effects on London's businesses of the fiscal tightening proposed by the new coalition government and, in the short term at least, we expect sentiment to remain relatively volatile as the effects of the financial crisis continue to unwind. Looking two or three years ahead, however, we maintain our confidence in London as a global financial centre and, with a prospective supply/demand balance that favours the landlord, we can expect rents to rise over this timescale.

In London's investment markets, we have seen a significant rebound from the lows at the time of our opportunistic rights issue 14 months ago. Whilst we continue to find examples of value, we do not expect last year's rate of valuation increases to persist. For prices to appreciate from here, rental growth will need to take over from yield compression as the dominant influence.

With some strong acquisitions behind us, a first class development programme ahead of us and low financial gearing giving us plenty of capacity for further expansion, we look to the future with confidence.

We will be publishing our first quarter valuation along with our Interim Management Statement on 22 July 2010."

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