

Interim Results Presentation 2013

# Unlocking potential

GREAT  
PORTLAND  
ESTATES



## Agenda



### Introduction

**Toby Courtauld**, Chief Executive

### Financial Results

**Nick Sanderson**, Finance Director

### Market Disposals & Acquisitions

**Toby Courtauld**, Chief Executive

### Asset Management Development

**Neil Thompson**, Portfolio Director

### Outlook

**Toby Courtauld**, Chief Executive

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## Headline Results



To September 2013	6 months	Q2	Q1	12 months
Property Valuation <sup>1</sup>	<b>+6.7%</b>	+3.3%	+3.3%	+10.9%
Portfolio ERV movement <sup>1</sup>	<b>+3.6%</b>	+1.4%	+2.1%	+6.7%
Total Property Return	<b>+8.3%</b>	+4.0%	+4.1%	+14.3%
EPRA NAV	<b>+9.2%</b>	+5.0%	+4.0%	+14.9%

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

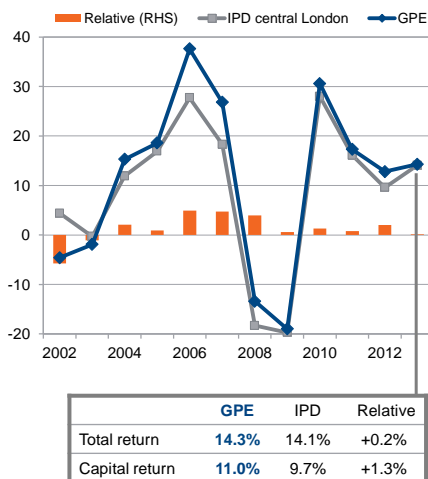
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# Outperforming

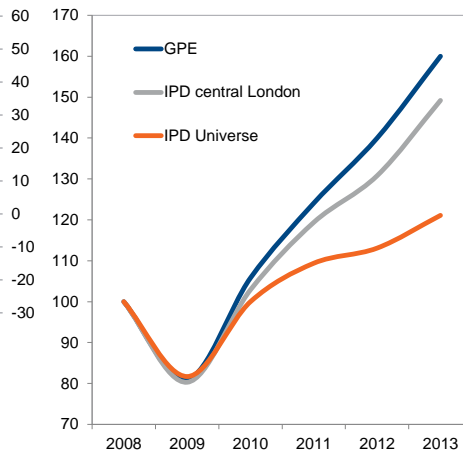
Relative returns vs IPD



TPR % pa, Years to 30 Sept



Relative TPR over 5 years (%), years to 30 Sept



Source: IPD

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# Successful Strategy is Delivering



## 1. Significant development surpluses

- 2 projects completed, 49.6% profit on cost
- 3 on-site
  - 67% pre-let
  - 37% profit on cost
  - More to come ...
- 5 schemes near term
  - 502,100 sq ft West End planning permissions
- 17 schemes longer term
- 22 scheme total pipeline, 1.9m sq ft:
  - 88% in supply-constrained West End
  - Major opportunity

## 3. Accretive recycling

- £113.5m sold<sup>2</sup>
  - 4% > book value
- £90.0m bought
  - East Oxford St regeneration
- Crystallised at Hanover Sq
  - Sold into 50:50 JV
  - £202m

## 2. Strong asset management

- 38 new lettings; £18.1m pa rent<sup>1</sup>
  - 3.2% > March ERV
  - Rental income ↑ 21%
- Since half year<sup>1</sup>
  - £2.6m leased
  - £2.4m under offer
  - 5.8% > March ERV
- Reversionary potential 18.1% (12.3% March)
- More to come
- Actively increased void rate, 4.0% today

## 4. Financial position - strong

- 3.2% average interest rate – record low
- LTV ↓ to 28.7%
- £503m firepower

Strong start – Great shape

1. Includes 100% of JV    2. Including share of JVs

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## More to Come



- |   |                                  |
|---|----------------------------------|
| <b>Market conditions supportive</b>         | - Rents to grow                  |
| <b>Investment portfolio primed</b>          | - Capture rental growth          |
| <b>Exceptional development programme</b>    | - Material surpluses             |
| <b>Entrepreneurial selling &amp; buying</b> | - Surpluses & replenish pipeline |
| <b>Financial strength</b>                   | - Exploit opportunity            |

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Asset Management  
Development

**Neil Thompson**, Portfolio Director

Outlook

**Toby Courtauld**, Chief Executive

## Financial Highlights



Balance Sheet	Sept 13	March 13	Change
Portfolio value <sup>1</sup>	£2,500m	£2,387m	6.7% <sup>3</sup>
Adjusted NAV per share <sup>2</sup>	487p	446p	9.2%
Adjusted NNAV per share <sup>2</sup>	476p	434p	9.7%
Loan-to-property value	28.7% <sup>4</sup>	32.7%	(4.0pps)

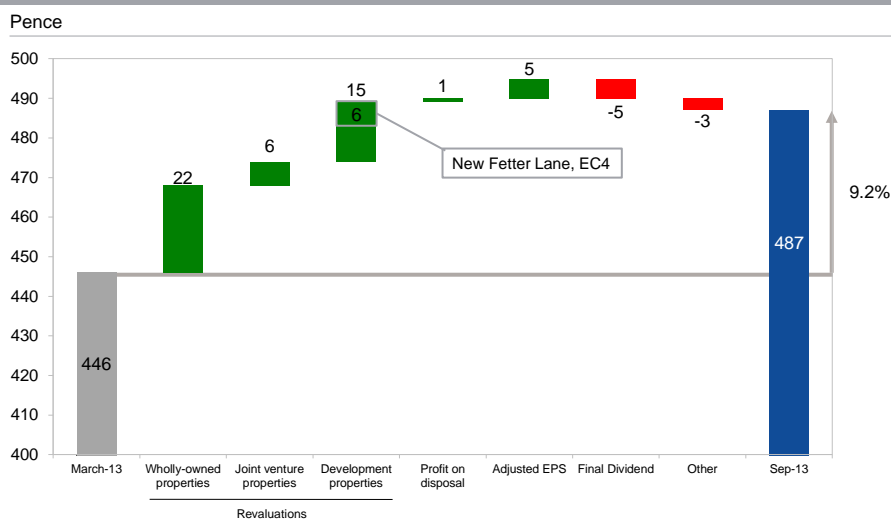
Income Statement	Sept 13	Sept 12	Change (%)
Adjusted PBT	£18.1m	£8.9m	103.4%
Adjusted EPS <sup>2</sup>	5.3p	2.9p	82.8%
Dividend per share	3.4p	3.3p	3.0%

1. Including share of JVs 2. On a diluted basis 3. Like-for-like change 4. Pro Forma for deferred consideration due on 100 Bishopsgate, EC2 sell-down and announced property sales which had not completed at period end (including creation of The GHS Limited Partnership)

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

Movement since 31 Mar 2013

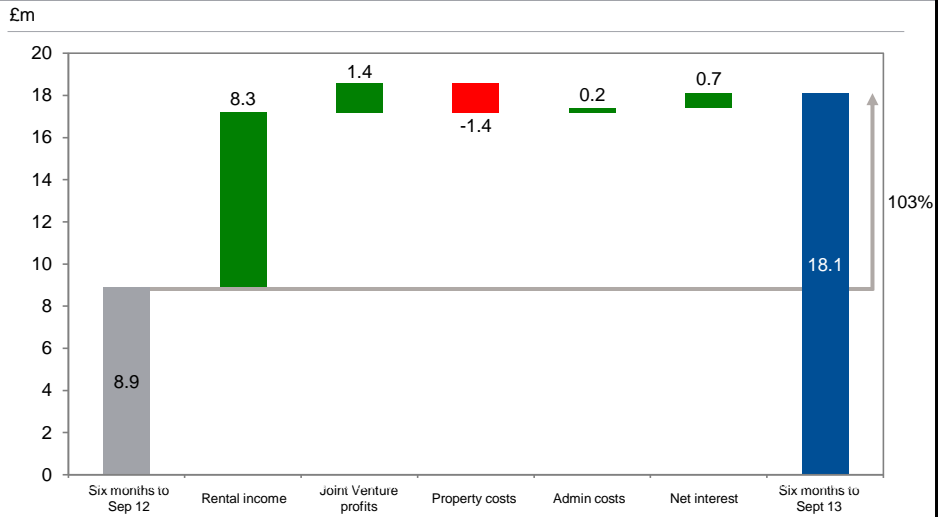


1. In accordance with EPRA guidance and adjusted to reflect £150m convertible bond at nominal value

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

6 months to Sept 2013



1. In accordance with EPRA guidance and adjusted to remove fair value movement of £150m convertible bond and the associated one-off issue costs

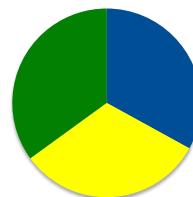
# Debt Financing

Record low cost and diversified sources<sup>1</sup>



- £150m convertible bond issued Sept 2013
  - 5 year term, flexible settlement options
  - Annual fixed coupon of 1.0%
  - Conversion price of £7.15
- £1.2bn of debt financing since summer 2010

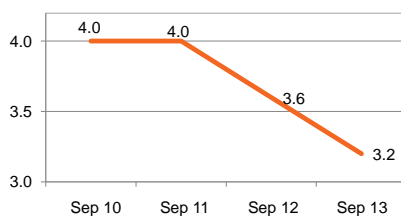
Sept 2010



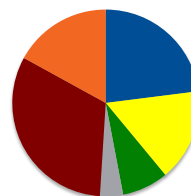
33% unsecured  
32% non-bank

- Group bank
- Debtenture
- JV Bank

Decreasing Group interest rate<sup>2</sup> (%)



Sept 2013



72% unsecured  
69% non-bank

- JV non-bank
- USPP
- Convertible

1. Drawn debt, JV shown at GPE share 2. Weighted average interest rate (including share of JV debt) at balance sheet date (excluding costs)

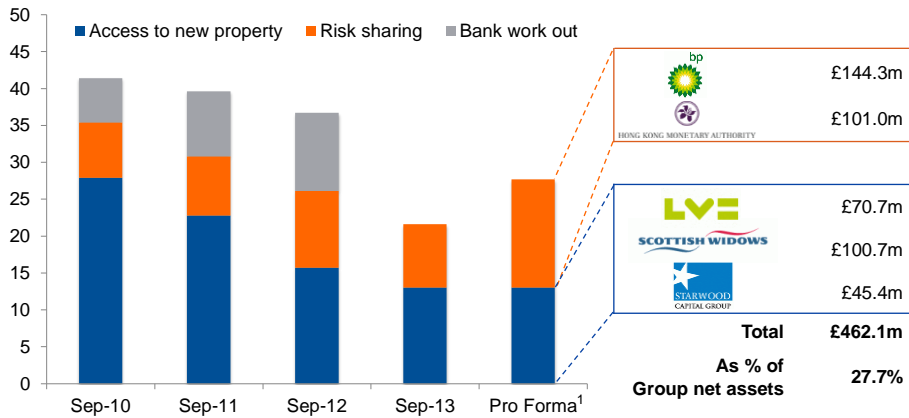
## Joint Venture Business

Contribution to Group



% of net assets held in JV

Pro forma net assets held in JV



1. Pro forma for creation of The GHS Limited Partnership

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## Debt Analysis

Strong financing metrics



	Pro Forma <sup>1</sup>	Sept 2013	March 2013
Net debt excluding JVs (£m)	589.1	782.7	658.9
<i>Net gearing</i>	35.2%	46.9%	42.8%
Total net debt including 50% JV (£m)	691.0	884.6	761.1
<i>Loan-to-property value</i>	28.7%	35.4%	32.7%
Interest cover <sup>2</sup>		2.8x	2.4x
Weighted average cost of debt <sup>3</sup>		3.7%	4.3%
% of debt fixed / hedged		78%	71%
Cash & undrawn facilities	£503m	£310m	£282m

1. Pro forma for deferred consideration due on 100 Bishopgate, EC2 sell-down and announced property sales which had not completed at period end (including creation of The GHS Limited Partnership) 2. Calculated in accordance with unsecured debt covenants 3. For the period (including costs)

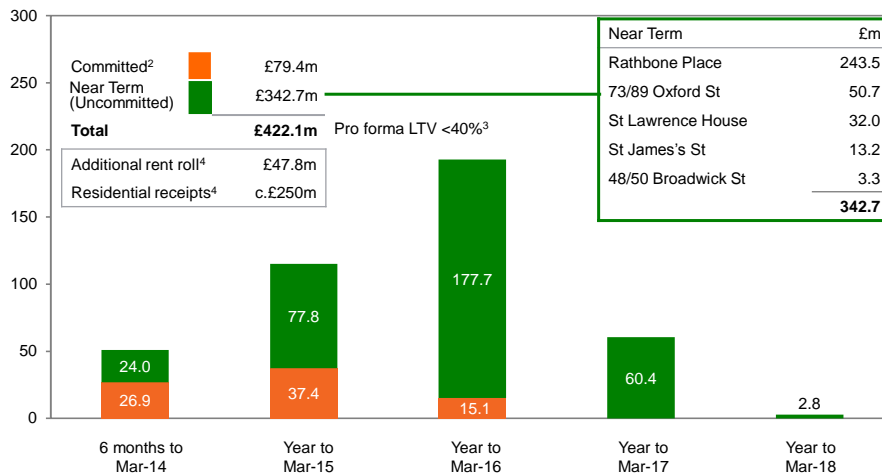
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# Capex<sup>1</sup> Forecast

## Committed and Near Term schemes



£m



1. Projected Capital Expenditure excludes sales / marketing expenses, void costs and interest, including share of JVs 2. Includes capex to come at recently completed schemes 3. Excludes development surpluses to come and potential sales receipts 4. Based on CBRE estimates at 30 Sept 2013

# Key Financial Messages



- **Sustained growth in portfolio and NAV per share**
  - Development and leasing successes continue to drive values
- **Significantly increased EPS in line with our activities and expectations**
  - Full dividend cover anticipated for current financial year
- **Record low cost of debt and further diversification of funding sources**
  - Well-timed financing activity and strategy of consistently low leverage
- **Joint ventures continue to enhance shareholder value**
  - Risk sharing, profit crystallisation, capital recycling and quality relationships
- **Strong financial position and positive outlook**
  - Firepower to deliver development programme



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# London Market

## Main messages



### Occupational market: More growth in rents

- London's economy
  - Strengthening further, outperforming UK
  - Sharp increase in business confidence
  - Jobs being created
- Demand
  - Take-up increasing
  - West End pre-lets at record level
- Supply
  - Remains tight

### Office Rents

Near term	Selective growth
Medium term	Healthy growth

### Investment market: Competitive, but yields stable

- Supply
  - Down since May
- Demand
  - Up since May

### Yields

Prime	➔
Secondary	➔

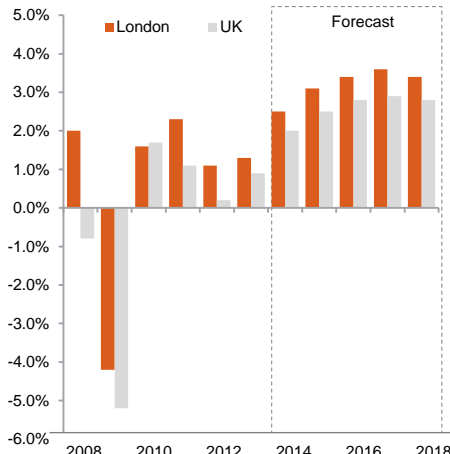
**Strong returns: Repositioning & rental growth**

# London outperforming

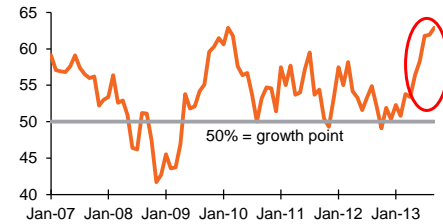
Businesses growing



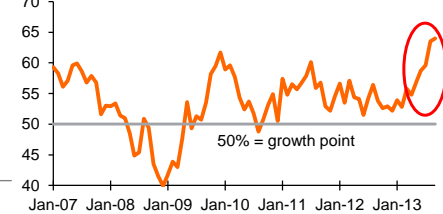
GDP<sup>1</sup> (2008-2018)



London Business Activity<sup>2</sup>



London New Orders<sup>2</sup>



1. Source: ONS / PMA

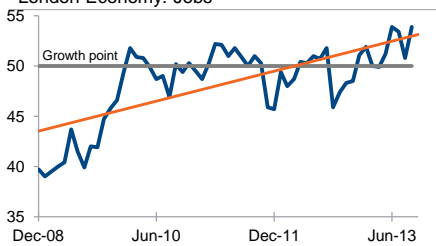
2. Source: PMI London Report

# London Employment Supportive

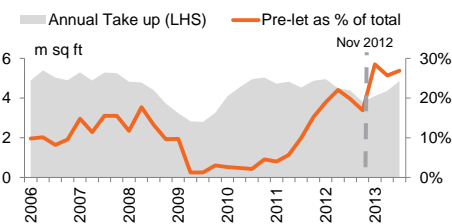
## Take Up Increasing: Pre-lets



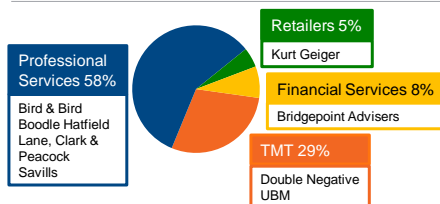
London Economy: Jobs<sup>1</sup>



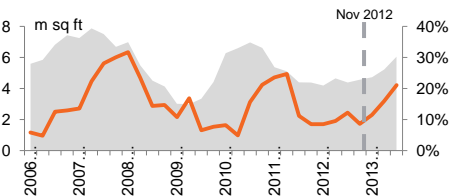
West End<sup>2</sup>



GPE pre-lets since 2009 - £33.4m pa rent<sup>4</sup>



City<sup>3</sup>



1. Source: Lloyds TSB PMI 2. Source: CBRE (including Kings Cross and west Southbank) 3. Source: CBRE (Including east Southbank)  
4. 100% GPE share £27.5m

# Tight Supply remains supportive

## Development Completions

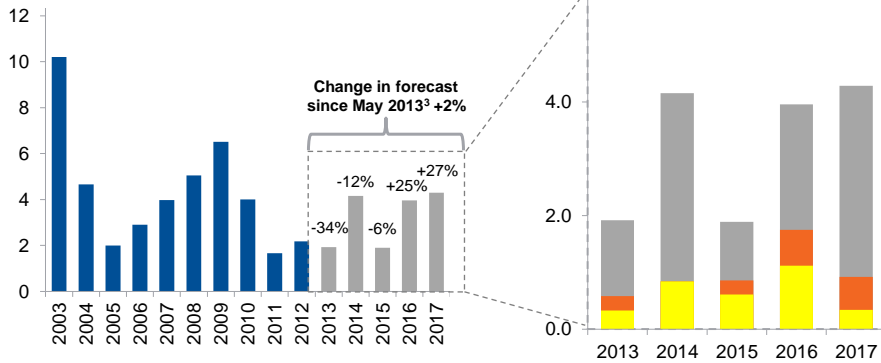


### Central London Office Potential Completions<sup>1</sup>, Million sq ft

#### Core Grade A vacancy rates

	May 13	Sep 13
City	4.3%	3.1%
West End	2.4%	1.7%

■ Completed     ■ West End  
■ GPE projections     ■ West End Core<sup>2</sup> = 3.2m sq ft / 5.5% of total stock in WE Core c.1% pa

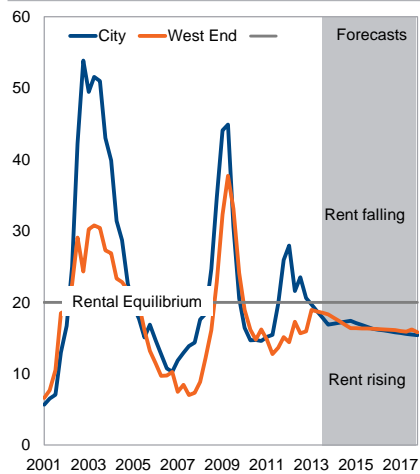


Source: CBRE / GPE 1. Excluding pre-lets 2. Includes W1 & SW1 postcodes 3. Source: GPE

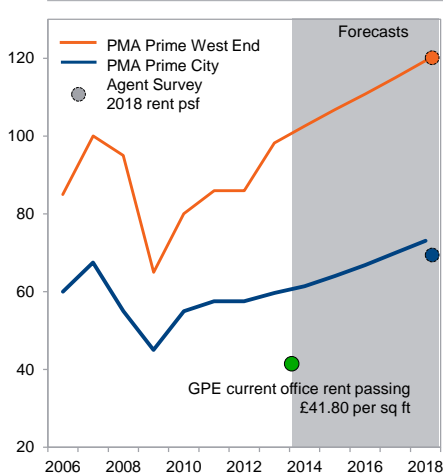
# Market Balance & Rental Forecasts



### Office Market Balance (months supply)



### Headline rents (£ per sq ft)



Source: PMA / GPE

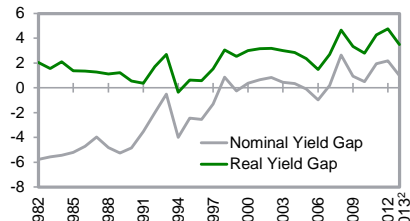
Source: PMA / GPE / JLL / KF / CBRE / DTZ

# London Remains Attractive

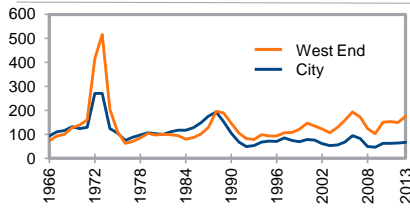
Particularly to international capital



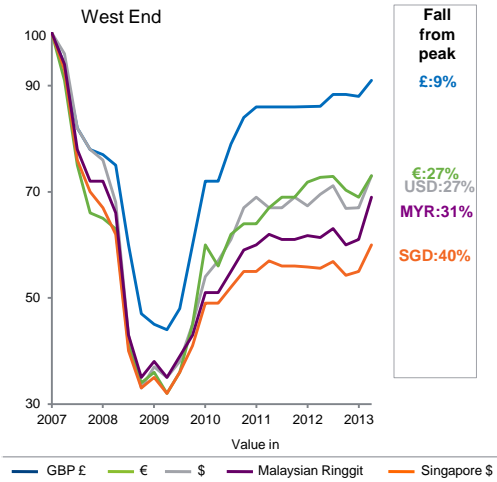
Prime West End Yields vs. Bonds (%)<sup>1</sup>



Prime Real Capital Values (£ psf)



Capital value index, Q2 2007 – Q3 2013, June 2007 = 100



1. Source: PMA 2. 2013 Year End projections

Source: Knight Frank

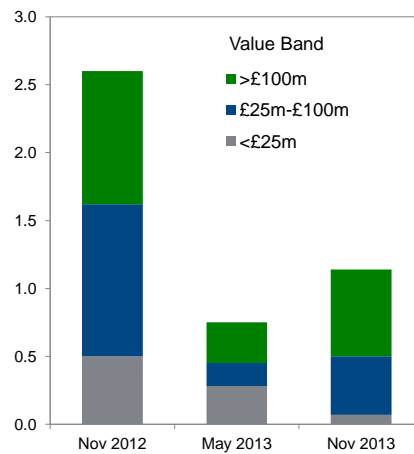
# More Investment Demand than Supply



London Equity Demand and Asset Supply

	May 2013	Sep 2013	% change
<b>Equity Demand<sup>1</sup></b>	<b>£22.5bn</b>	<b>£25.0bn</b>	<b>+11%</b>
<b>Asset Supply<sup>2</sup></b>			
City	£1.8bn	£1.2bn	-33%
West End	£0.8bn	£1.1bn	+38%
	<b>£2.6bn</b>	<b>£2.3bn</b>	<b>-12%</b>
<b>Demand Multiple</b>	<b>8.7x</b>	<b>10.9x</b>	

West End Property on the Market (£bn)



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

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Outlook **Toby Courtauld, Chief Executive**

# Disposals



## Since March 2013

- £214.5m<sup>1</sup>, 3 deals
- 7.1%<sup>1</sup> > March 2013 BV
- 2.4%<sup>1</sup> NIY
- £905psf<sup>1</sup> Capital Value

## Park Crescent West, W1

- £105m (GPE share £52.5m)
- 8.6% > March 2013 BV
- NIY c.2%
- £813 psf cap val
- Last GCP asset



## 90 Queen Street, EC4

- £61m
- 1.7% > March 2013 BV
- NIY 5.4%
- £891 psf Capital Value
- Deferred completion to Dec 2013
- 13% pa ungeared IRR since purchase



## Hanover Square, Joint Venture



1. GPE share

# GHS Partnership

A new JV for Hanover Square



## New 50:50 JV

- Own & develop Hanover Square Estate
- GPE asset & development manager
- Transfer price £202m

## Why Now?

- Pricing
- Crystallise efforts
- Reduce our risk
- HKMA: World-class partner

## Next Steps

- Detailed design
- Land buy back c.2016
- On-site c.2016



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# West End Acquisition History

- Acquisitions since Aug 2009
- East Oxford Street

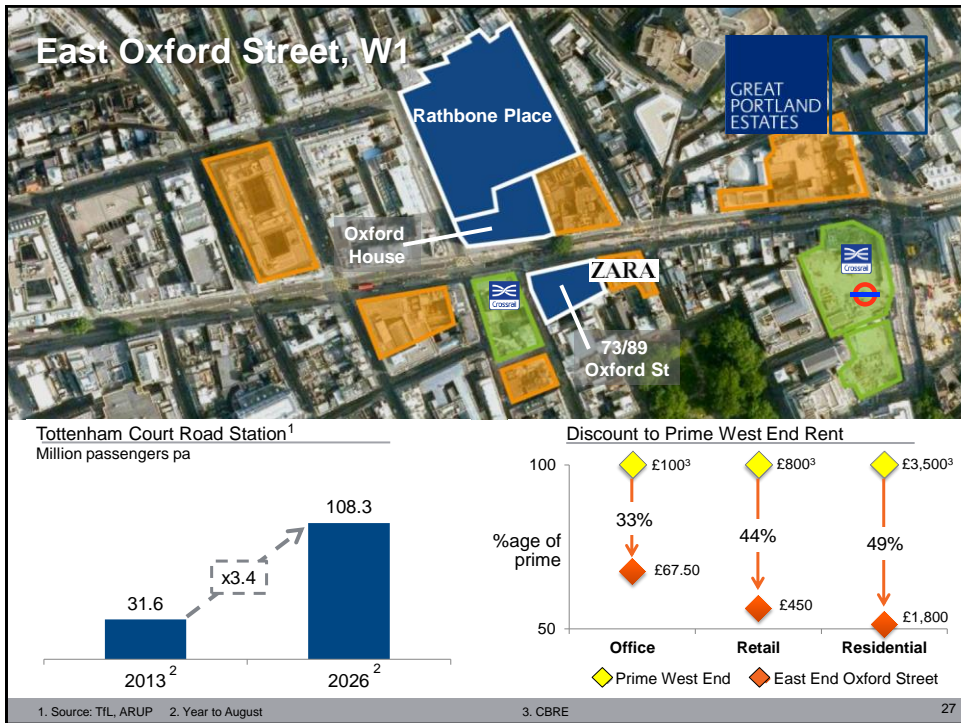


- Since Aug 2009
- £1.2bn invested
  - £847m West End
- Since Nov 2012
- £202m invested
  - 1.5x placing capital
- Overall
- 3.7x total equity capital raised
  - 53% of today's portfolio acquired
  - Blended ungeared IRR of 16.1%pa



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## Acquisitions

### Oxford House, 76 Oxford Street, W1

- £90m
- 3.5% NIY; 6% post refurb
- Office rent passing £26 psf
- Retail rent passing £238 ZA

**Short Term**

- WAULT < 1 year
- Work the income
- Refurbishment

**Medium Term**

- Post completion of Rathbone Place & Crossrail opening
- Redevelopment

1. CBRE

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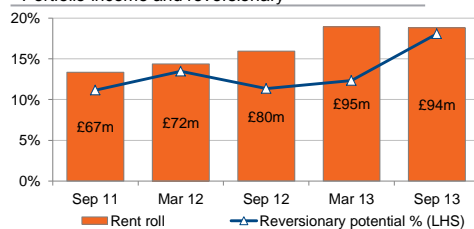
# Asset Management

## Summary six months to September 2013

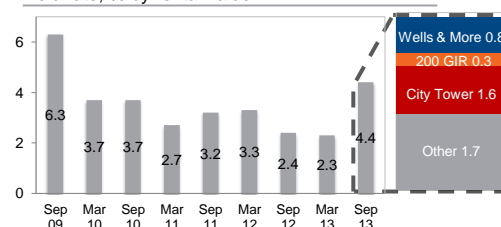


- 38 new leases
  - 33 market lettings / £14.7m new rent<sup>1&2</sup>
  - 3.2% above March 2013 ERV<sup>1</sup>
- Average office rents £41.80 psf
- Average office ERV £46.40 psf
- Reversionary potential £17.0m p.a, 18.1%
- 76 lease events
  - 97.4% tenant retained / relet / refurbishment<sup>4</sup>
- WAULT 7.1 years<sup>2</sup>
- 4.4% investment portfolio void rate<sup>2</sup> (Sept13)

Portfolio income and reversionary



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



**Growing income → Out performance**

1. Market lettings only, i.e. excludes short-term lettings ahead of developments 2. Includes GPE share of JV properties  
3. Source: CBRE/GPE 4. 12 months to 30 September 2013, by floor area, JVs at 100%



## Asset Management

200 Gray's Inn Road, WC1<sup>1</sup>



- 246,109 sq ft office building
- Acquired 2011, £455 psf  
- beneath replacement cost
- ITN and ITV occupy space 76%
- Low passing building rent £29.32 psf
- WAULT 5.8 years
- Major opportunity for income growth
  - 29,000 sq ft refurbished
  - Tech and media market
  - £46 psf ERV Sept 2013  
(£35 previous rent)
  - 9,000 sq ft under offer

**Redefining the building for income growth**

1. Excluding 214 Gray's Inn Road

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## Development Scheme Review

Completions since May 2009



Property <sup>5</sup>	PC	New build area Sq ft	Cost £m	Profit on cost <sup>1</sup> £m	Yield on cost <sup>2</sup>	Rent £m pa <sup>2</sup>	WAULT <sup>3</sup>	% Let at PC <sup>4</sup>
184/190 Oxford St, W1	Apr 2011	26,400	28.7	9.8	SOLD	SOLD	SOLD	100%
Newman St, W1 (Residential)	Oct 2011	24,900	26.4	2.8	SOLD	SOLD	SOLD	-
24 Britton St, EC1	Nov 2011	51,300	19.3	10.9	8.2%	1.6	13.0	100%
160 Great Portland St, W1	May 2012	92,900	63.3	43.2	8.2%	4.8	18.6	100%
33 Margaret St, W1	Dec 2012	103,700	65.5	91.2	8.5%	7.3	19.2	97%
95 Wigmore St, W1	Jul 2013	112,300	54.3	30.4	7.5%	4.0	11.6	92%
City Tower / Skylight, Basinghall St, EC2	Sep 2013	138,300	35.5	2.9	5.9%	3.1	1.6	24%
		549,800	293.0	191.2 <sup>2</sup> <b>67%</b>	6.7%	20.8	15.2	

**Continued strong performance**

1. Based on CBRE September 2013 valuation where held or sold 2. Rent / yield on costs for assets held only 3. WAULT based on office rents  
4. Based on ERV of property 5. In parentheses include 100% of area

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## Completed Project

95 Wigmore St, W1



- Prime 112,300 sq ft retail and office building
- Development Sept 2010 – July 2013
- Offices (100% let)
  - Rent £84.50 psf average
  - WAULT 11.6 years
  - Sept 13 ERV ↑ £88psf
- Retail 31% let / under offer
  - £155 ZA
  - Good interest

GPE profit on cost	61.4%
Ungearred IRR	29.1%
Yield on cost	7.5%

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## Completed Project

City Tower and Sky Light,  
Basinghall St, EC2

- Asset repositioning
- Refurbishment July 2012 – Sep 2013
- 138,300 sq ft offices
  - 63% refurbished
  - 37% occupied - £37.50 psf avg
- Tower
  - Refurbished 60,100 sq ft (10 floors)  
£46.25 psf avg
- Sky Light
  - Refurbished 25,400 sq ft self-contained unit
- Avg refurbished ERV £46.25 psf
- 30,000 sq ft refurbished space let / under offer

GPE profit on cost	31.5%
Ungeared IRR	25.3%
Yield on cost	5.9% <sup>1</sup>

1. Yield based on ERV for refurbished space and passing rent



## Development Committed projects



	Anticipated Finish	New building area <sup>1</sup>	Cost <sup>2</sup> £m	ERV <sup>3</sup>		Income secured £m	% let <sup>5</sup>	Profit on cost <sup>4</sup>
				£m	Office avg £psf			
Walmart House, 288/300 Regent St, W1	Jun 2014	60,300	8.8	3.8	67.25	0.3	8%	27%
240 Blackfriars Road, SE1 (GRP)	Feb 2014	236,600	13.4	5.4	48.00	3.1	57%	47%
12/14 New Fetter Lane, EC4	Sep 2015	142,500	54.3	8.3	58.25	8.3	100%	36%
<b>Committed projects</b>		<b>439,400</b>	<b>76.5</b>	<b>17.5</b>		<b>11.7</b>	<b>67%</b>	<b>37%</b>

Development value £300.5m £892 psf

Development yield 7.8%

Expected profit on cost £79.5m 37%

47.5% of expected profit taken Sept 2013<sup>6</sup>

### Profit sensitivity to shifts in yield and rent<sup>6</sup>

Rent psf <sup>1</sup>	£m	Yield		
		+0.25%	Current	-0.25%
		Current	£68.1m	£79.5m
+£2.50	£71.5m	£83.0m	£95.8m	
+£5.00	£74.9m	£86.6m	£99.5m	

1. Areas are in sq ft and at 100%. 2. Cost to complete, GPE share. JV assets shown at 50%. 3. Agreed pre-let rent or CBRE Sep 2013 ERV, shown at 50% for JV assets 4. Based on CBRE estimate of completed value 5. By ERV 6. Profit included in CBRE Sep 2013 Valuation

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## Committed Project

240 Blackfriars Road, SE1

- 57% let to date
- 236,600 sq ft prominent South Bank building
- WAULT 14.0 years
- 23,600 sq ft let to Boodle Hatfield
  - £50 psf 10 years, no break
- Good tenant interest
- Completion February 2014

GPE profit on cost	47.4%
Ungeared IRR	29.4%
Yield on cost	8.5%



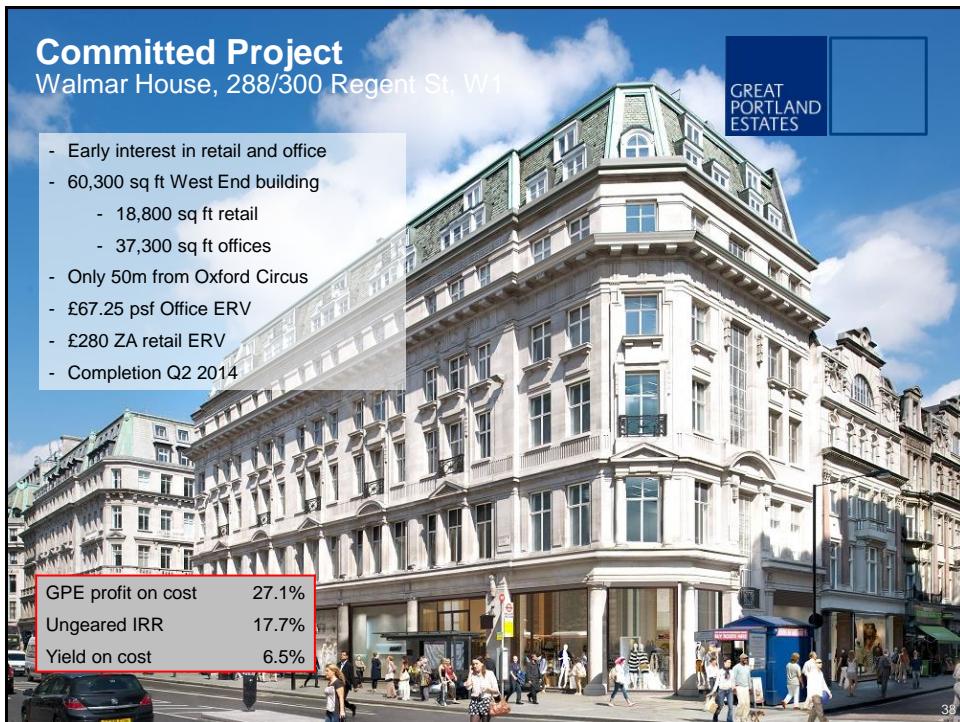
37

## Committed Project

Walmar House, 288/300 Regent St, W1

- Early interest in retail and office
- 60,300 sq ft West End building
  - 18,800 sq ft retail
  - 37,300 sq ft offices
- Only 50m from Oxford Circus
- £67.25 psf Office ERV
- £280 ZA retail ERV
- Completion Q2 2014

GPE profit on cost	27.1%
Ungeared IRR	17.7%
Yield on cost	6.5%



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## Development Near Term and Pipeline



	Planning Status	New build area (sq ft)	Start	Ownership
<b>Near Term</b>				
Rathbone Place, W1	Consented	414,000	2014	100%
48/50 Broadwick St, W1	Consented	6,500	2014	100%
St Lawrence House, 26/34 Broadwick St, W1	Application	94,000	2014	100%
73/89 Oxford St and 1 Dean St, W1	Consented	88,100	2015	100%
20 St James's St, SW1	Consented	56,600	2015	100%
<b>Pipeline</b>				
Tasman House, 59/63 Wells St, W1	Design	37,800	2014	100%
84/86 Great Portland St, W1	Design	15,100	2014	100%
Mortimer House, Mortimer St & 39/41 Wells St, W1	Design	25,000	2015	100%
78/82 Great Portland St, W1	Application	18,700	2015	100%
52/54 Broadwick St & 10/16 Dufours Place, W1	Design	47,000	2016	100%
90/92 Great Portland St, W1	Consented	8,400	2015	100%
Kingsland/Carrington House, 122/130 Regent Street, W1	Design	51,400	2015	100%
148 Old Street, EC1	Design	111,700	2015	GRP
Oxford House, 76 Oxford Street, W1	Consented	85,000	2016	100%
Hanover Square, W1	Consented	208,000	2016	GHS
103/113 Regent Street, W1	Design	65,000	2016+	GRP
35 Portman Square, W1	Design	73,000	2021	100%
40/48 Broadway & 1/11 Carteret St, SW1	Consented	82,100	2022	GVP
Jermyn St Estate, SW1	Design	132,400	2022	100%
French Railways House & 50 Jermyn St, SW1	Design	75,000	2022	100%
Mount Royal, 508/540 Oxford St, W1	Design	92,100	2022	GVP
Minerva House, 5 Montague Close, SE1	Design	120,000	2022	100%
		1,906,900	1,675,200 – 88% West End	
			55% Planning permission / applications	

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## Near Term Project Rathbone Place, W1



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## Near Term Project

Rathbone Place, W1



- Excellent progress
- Purchase Sep 2011 £120m (£289 psf)
- Delivery milestones
  - VP achieved
  - Enabling works commenced
- Planning consent achieved
  - 414,000 sq ft (+8% RMG application)
  - 217,000 sq ft offices, 34,000 sq ft floorplate
  - 155,000 sq ft residential, 162 units
  - 42,000 sq ft retail, 58% A3
  - New public square



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## Near Term Project

Rathbone Place, W1



### Next Steps

- Continue design progress
- Construction procurement
- Potential demolition Q1 2014
- Third party deals on-going
- Potential off-plan residential sales
  
- Anticipated completion Q3 2016
- Major benefit from Crossrail / GPE projects
  
- £64 psf office ERV
- £1,800 psf residential value

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## Near Term Project

73/89 Oxford St & 1 Dean St, W1

GREAT  
PORTLAND  
ESTATES

- Planning consent achieved
- 88,100 sq ft
  - 33,500 sq ft retail
  - 54,600 sq ft office
- Next to Crossrail station
- High demand for retail
  - Flexible space
  - Opportunity to pre-let
- Development  
Q1 2015 – Q2 2017



## Near Term Project

St Lawrence House, 26/34 Broadwick St, W1

GREAT  
PORTLAND  
ESTATES



Existing



Proposed



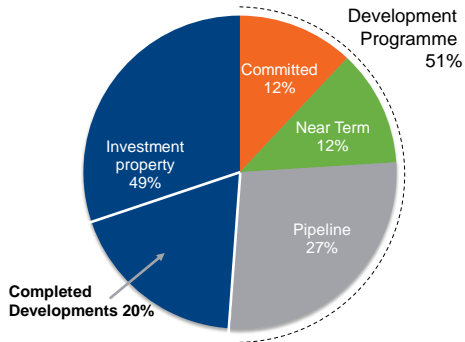
- Planning application submitted
- 94,000 sq ft (+56%)
  - Offices 83,000 sq ft
  - Retail / restaurant 11,000 sq ft
- Low supply Soho Market

- £36.50 psf passing rent → £64.00 psf office ERV
- Valuation ↑ space on planning
- Development Q2 2014 – Q4 2015

## Development Summary



Total portfolio 3.61m sq ft



- Completed projects
  - 67% profit on cost
- Leasing strategy delivering results
- Committed projects
  - 67% pre-let
  - 37% profit on cost
- Pre-letting has continued
- Joint ventures / forward selling
- Valuable planning permissions
- Exceptional programme

Significant shareholder value to come

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## Agenda



Introduction

Toby Courtauld, Chief Executive

Financial Results

Nick Sanderson, Finance Director

Market  
Portfolio  
Disposals & Acquisitions

Toby Courtauld, Chief Executive

Asset Management  
Development

Neil Thompson, Portfolio Director

Outlook

Toby Courtauld, Chief Executive

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# Crystallising the Opportunity



## Strategy: Consistent and clear

- Repositioning: Off low rents & low capital values
- Central London only: West End bias (82% today)
- Recycling: Crystallise profits, replenish pipeline
- Read the cycle:
  - Bought 53% of portfolio @ opportune pricing
  - Position Group for maximum advantage

## Markets supporting Strategy

- Supply to remain tight
- Demand for GPE space is strong
- Investment market competitive
  - Pricing support, yields stable

## Portfolio primed for further growth

- Reversions to capture: beating ERVs
- Asset management to exploit: ERVs higher
- Near term development profits
- Exceptional pipeline
  - Total programme covers 51% of portfolio
  - 88% in West End

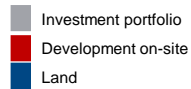
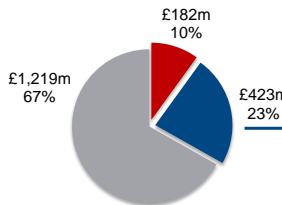


# Crystallising the Opportunity

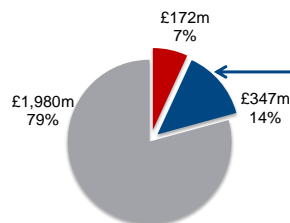
## Portfolio split by Value



### Sept 2011

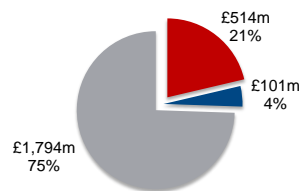


### Sept 2013



**Performance**  
+26%  
+£142m<sup>1</sup>

### If we commit to Near Term schemes



1. Net valuation surplus post capex, including profit on sale

# Outlook



GREAT PORTLAND ESTATES

Strategy is delivering results  
- Continue to beat IPD

Portfolio positioning excellent

Growth opportunity is material

Rents and capital values to rise

Financial strength

Confident outlook

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Interim Results Presentation 2013

# Unlocking potential



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## 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



	30 September 2013			
£m	Group	JVs	Total	March 13
Investment property	2,022.6	476.9	2,499.5	2,328.7
Other assets	123.8	3.0	126.8	71.5
Net debt <sup>1</sup>	(782.7)	(101.9)	(884.6)	(761.1)
Other liabilities	(57.2)	(16.2)	(73.4)	(101.4)
<b>Net assets</b>	<b>1,306.5</b>	<b>361.8</b>	<b>1,668.3</b>	<b>1,537.7</b>
<b>Adjusted net assets per share<sup>2</sup></b>	<b>382p</b>	<b>105p</b>	<b>487p</b>	<b>446p</b>

1. Excludes fair value element of convertible bond. 2. On a diluted basis

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## Income Statement

Proportionally Consolidated for Joint Ventures



£m, 30 September 2013	Group	JVs	Total	September 12
Rental income	34.9	10.0	44.9	37.1
Fees from Joint Ventures	3.7	-	3.7	3.8
Property and Administration costs	(16.1)	(1.3)	(17.4)	(16.6)
Finance costs	(29.3)	(2.7)	(32.0)	(27.2)
(Loss) / profit before surplus on investment property	(6.8)	6.0	(0.8)	(2.9)
Surplus on investment property	113.3	34.4	147.7	79.6
Reported profit before tax	106.5	40.4	146.9	76.7
<b>Adjusted PBT</b>				
(Loss) / profit before surplus on investment property	(6.8)	6.0	(0.8)	(2.9)
Remove: fair value movement on derivatives	17.2	(1.6)	15.6	11.8
Remove: convertible bond issue costs	3.3	-	3.3	-
	13.7	4.4	18.1	8.9

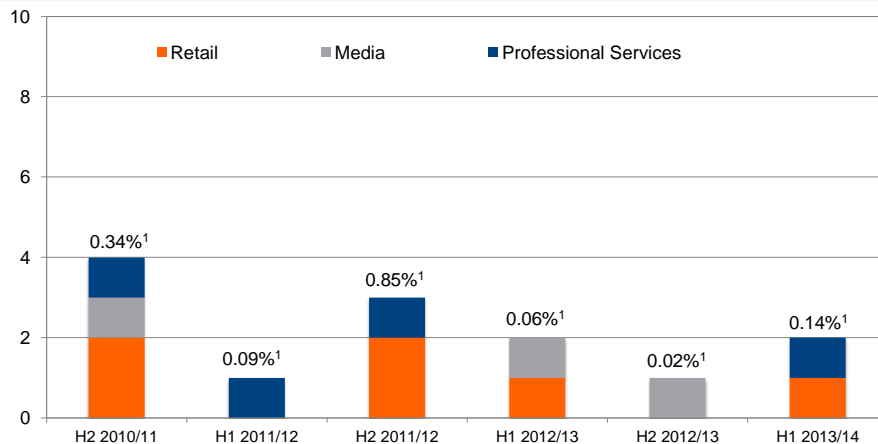
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## Tenant Delinquencies

Six month periods



### Number of delinquencies

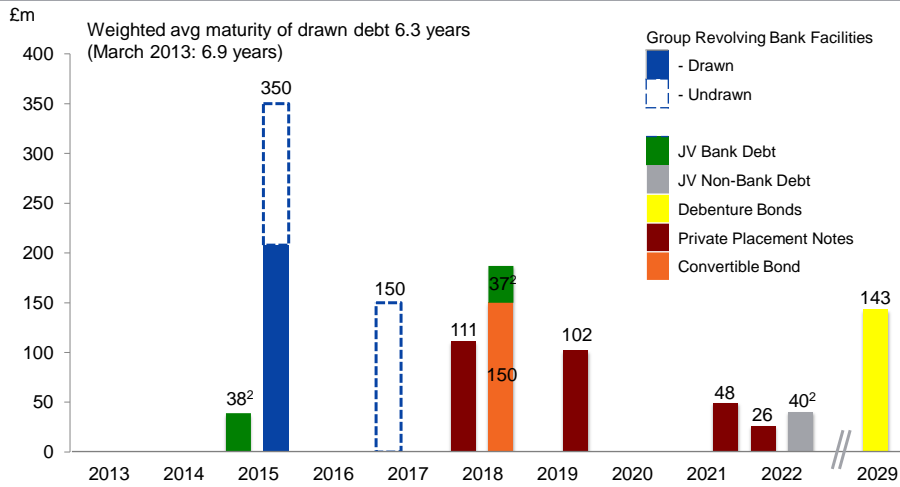


1. Value of delinquencies as % of Rent Roll (including 100% of JV properties)

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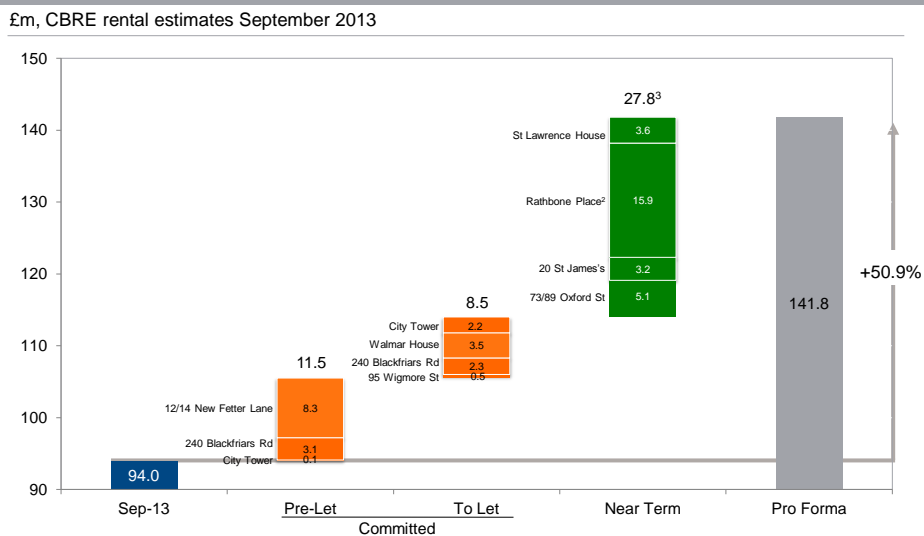


# Attractive debt maturity profile<sup>1</sup>



1. Based on drawn positions at 30 September 2013  
 2. JV facilities amount shown at GPE share

# Potential additional rent roll<sup>1</sup> from Committed / Near-Term Developments



1. Includes share of JVs 2. Commercial Space only 3. Excludes 48/50 Broadwick St, W1, as potentially residential

## Convertible Bonds 2018



### Key Terms

- £150m unsecured convertible bonds due 2018
- 1.0% coupon
- 35% conversion premium
- Flexible settlement – Cash, shares or a combination of both at GPE's discretion

### Accounting under IFRS

- **Balance sheet**
  - Held as debt at fair value through profit and loss (no bifurcation)
- **Income statement**
  - 1.0% coupon expensed
  - Fair value movement included in finance costs
  - Issue costs written off at inception

	Net Assets		Earnings	
	£m	Per share (p)	£m	Per share (p)
EPRA (diluted)	1,677.7	487	14.3	4.2
Remove: Fair value of convertible bond	0.5	-	0.5	0.1
Remove: Issue costs of convertible bond	-	-	3.3	1.0
Adjusted diluted	1,678.2	487	18.1	5.3

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## EPRA Performance Measures



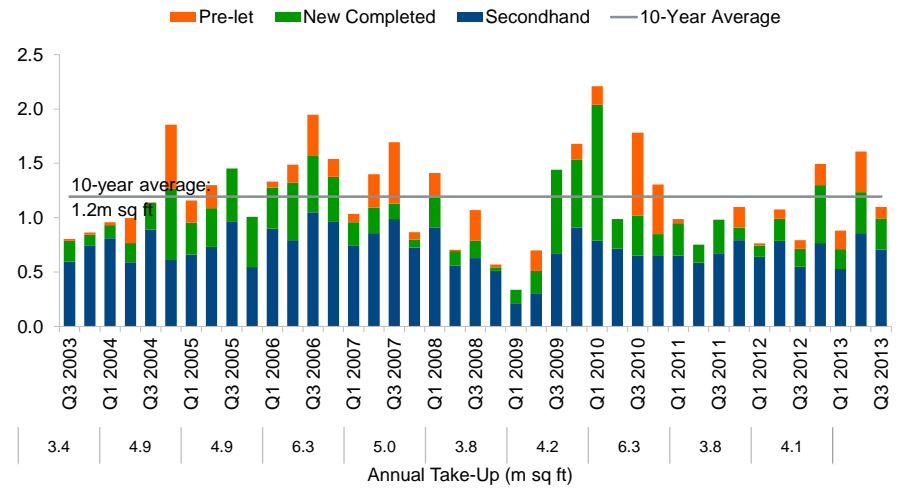
Measure	Sept 13	Mar 2013
EPRA net assets	£1,677.7m	£1,533.9m
EPRA net assets per share	487p	446p
EPRA triple net assets	£1,642.5m	£1,491.4m
EPRA triple net assets per share	476p	434p
	Sept 13	Sept 12
EPRA earnings	£14.3m	£8.9m
EPRA earnings per share	4.2p	2.9p

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# City Take-Up



Million sq ft



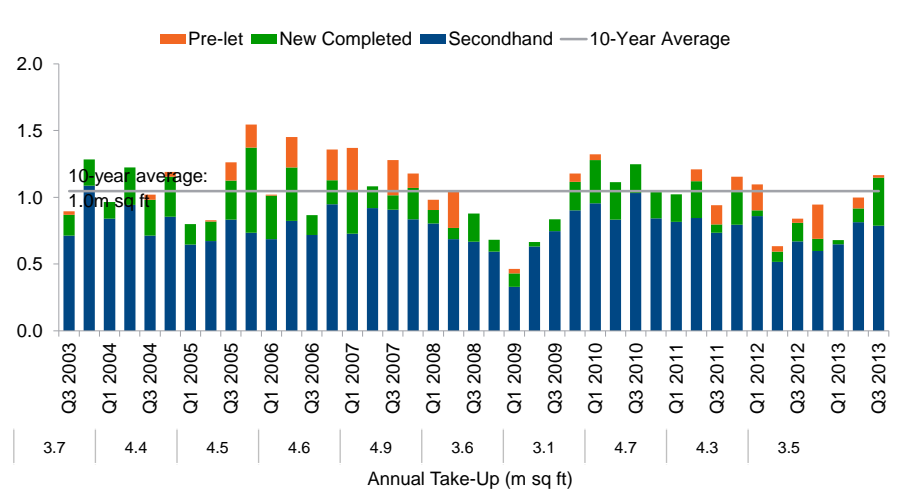
Source: CBRE

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# West End Take-Up



Million sq ft



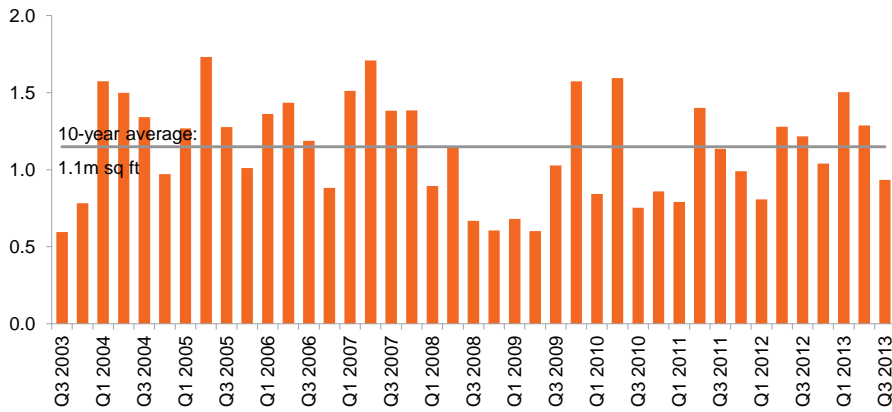
Source: CBRE

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## City Office Under Offer



Million sq ft



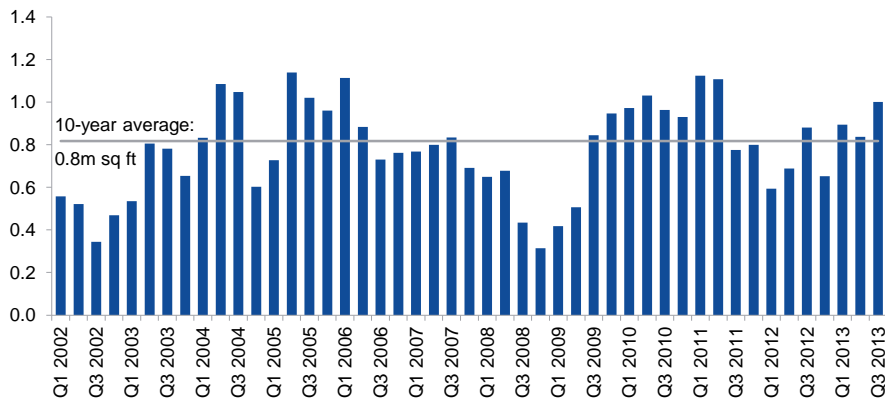
Source: CBRE

61

## West End Office Under Offer



Million sq ft



Source: CBRE

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## City Active Requirements >10,000 sq ft



000 sq ft	Nov 2010	May 2011	Nov 2011	May 2012	Nov 2012	May 2013	Nov 2013	Change		
								12 months	1st 6 months	2nd 6 months
Professional Services	455	1,549	1,620	1,073	1,073	838	838	-22%	-22%	0%
Financial Services	1,038	1,447	955	1,139	1,197	894	1,232	3%	-25%	38%
Manufacturing & Corporates	42	192	181	137	67	55	175	161%	-18%	218%
Miscellaneous	217	266	440	350	441	423	666	51%	-4%	57%
Marketing & Media	424	42	89	133	61	71	124	103%	16%	75%
IT & Technology	210	261	206	257	234	554	422	80%	137%	-24%
Government	94	94	205	259	92	25	70	-24%	-73%	180%
Insurance	570	1,095	922	926	831	568	417	-50%	-32%	-27%
<b>Total</b>	<b>3,050</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>-1%</b>	<b>-14%</b>	<b>15%</b>

Source: Knight Frank

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## West End Active Requirements >10,000 sq ft

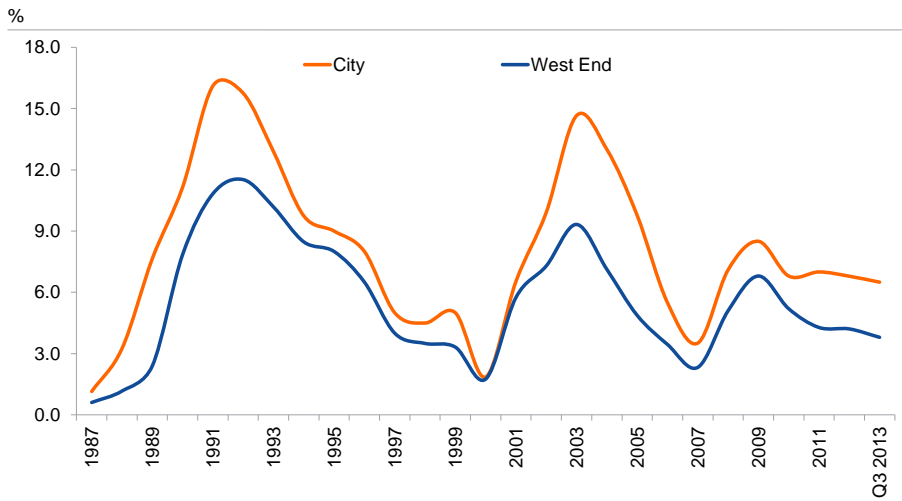


000 sq ft	Nov 2010	May 2011	Nov 2011	May 2012	Nov 2012	May 2013	Nov 2013	Change		
								12 months	1st 6 months	2nd 6 months
Professional Services	100	100	165	100	110	156	206	87%	42%	32%
Financial Services	283	198	331	358	368	616	261	-29%	67%	-58%
Manufacturing & Corporates	262	256	100	155	485	445	154	-68%	-8%	-65%
Miscellaneous	485	469	315	432	373	210	330	-12%	-44%	57%
Marketing & Media	225	206	82	782	810	145	163	-80%	-82%	12%
IT & Technology	130	218	175	95	172	276	207	20%	60%	-25%
Government	422	270	84	109	64	83	130	103%	30%	57%
<b>Total</b>	<b>1,907</b>	<b>1,717</b>	<b>1,252</b>	<b>2,031</b>	<b>2,382</b>	<b>1,930</b>	<b>1,451</b>	<b>-39%</b>	<b>-19%</b>	<b>-25%</b>

Source: Knight Frank

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## Void Rate: Ready to Occupy Space



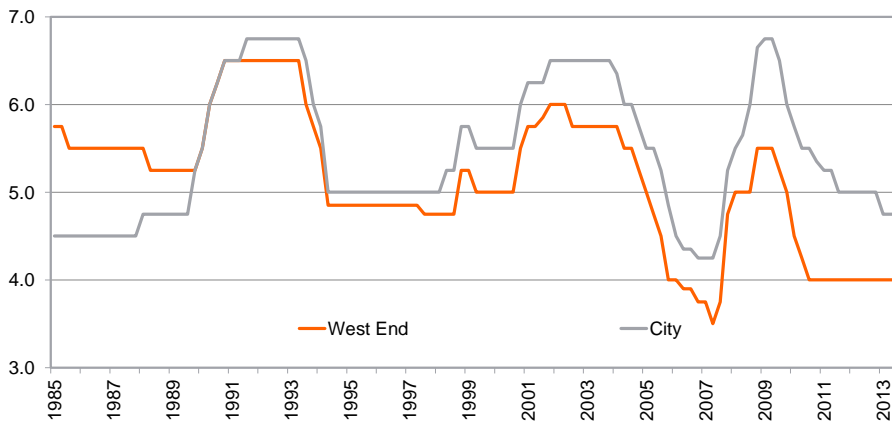
Source: CBRE

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## Central London Prime Yields



Central London Prime Yields (%)



Source: CBRE

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# Equity Demand



£bn	May 2010	Nov 2010	May 2011	Nov 2011	May 2012	Nov 2012	May 2013	Nov 2013
Private	5.0	5.0	3.5	5.0	5.0	5.0	6.0	6.5
UK REITs	3.0	3.0	3.0	2.0	2.0	2.0	2.5	2.5
Sovereign	2.0	7.0	7.0	5.5	6.0	6.5	7.5	8.5
UK Funds	2.0	2.0	1.0	0.8	0.75	1.0	1.0	1.5
US Opp Funds	2.0	3.0	4.0	3.0	4.0	4.5	4.5	4.5
German Funds	1.5	1.5	0.5	0.5	0.75	1.5	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>

Source: CBRE

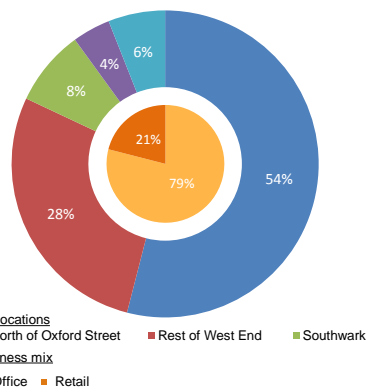
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# Portfolio overview

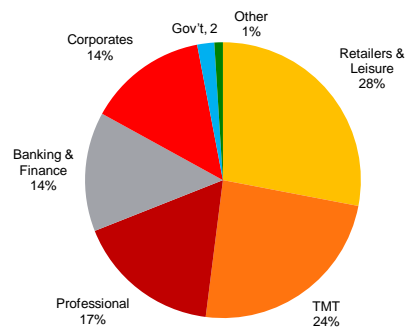
Including share of joint ventures at 30 September 2013



## Portfolio characteristics



## Tenant mix



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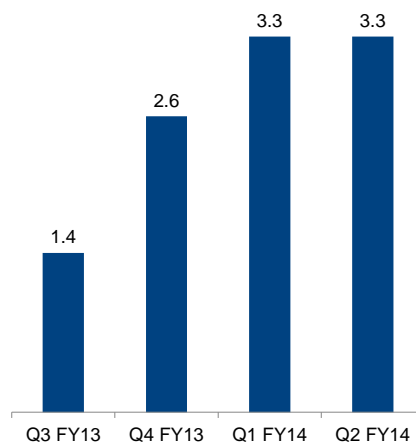
## The Valuation

Including share of Joint Ventures



To 30 September 2013	Movement %	
	£m	6 months
North of Oxford St	1,041.3	5.7%
Rest of West End	691.5	5.7%
<b>Total West End</b>	<b>1,732.8</b>	<b>5.7%</b>
<b>Total City, Midtown &amp; Southwark</b>	<b>307.5</b>	<b>2.8%</b>
<b>Investment Portfolio</b>	<b>2,040.3</b>	<b>5.2%</b>
Development properties	366.8	15.8%
<b>Properties held throughout period</b>	<b>2,407.1</b>	<b>6.7%</b>
Acquisitions	92.4	(1.7%)
<b>Total Portfolio</b>	<b>2,499.5</b>	<b>6.4%</b>

Quarterly Valuation Movement for Total Portfolio<sup>1</sup>



1. On a like-for-like basis

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## The Valuation

Including share of Joint Ventures



	Value £m	6 months to			
		30 Sept 13 £m	Change %	3 months %	12 months %
North of Oxford St	1,041.3	56.0	5.7%	3.9%	11.6%
Rest of West End	691.5	37.4	5.7%	3.9%	9.9%
<b>Total West End</b>	<b>1,732.8</b>	<b>93.4</b>	<b>5.7%</b>	<b>3.9%</b>	<b>10.9%</b>
<i>West End Office</i>	<i>1,284.8</i>	<i>58.4</i>	<i>4.7%</i>	<i>3.1%</i>	<i>8.4%</i>
<i>West End Retail</i>	<i>448.0</i>	<i>35.0</i>	<i>8.5%</i>	<i>6.2%</i>	<i>18.9%</i>
<b>City, Midtown and Southwark</b>	<b>307.5</b>	<b>8.3</b>	<b>2.8%</b>	<b>1.2%</b>	<b>3.8%</b>
<b>Investment portfolio</b>	<b>2,040.3</b>	<b>101.7</b>	<b>5.2%</b>	<b>3.5%</b>	<b>9.8%</b>
Development properties	366.8	50.1	15.8%	2.2%	17.6%
<b>Properties held throughout the period</b>	<b>2,407.1</b>	<b>151.8</b>	<b>6.7%</b>	<b>3.3%</b>	<b>10.9%</b>
Acquisitions	92.4	(1.6)	(1.7%)	(1.7%)	-
<b>Total portfolio</b>	<b>2,499.5</b>	<b>150.2</b>	<b>6.4%</b>	<b>3.1%</b>	<b>10.4%</b>

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## The Valuation

Wholly Owned



	6 months to				
	Value £m	Sept 2013 £m	Change %	3 months %	12 months %
North of Oxford St	847.4	39.5	4.9%	3.8%	8.9%
Rest of West End	652.1	34.5	5.6%	3.9%	9.7%
<b>Total West End</b>	<b>1,499.5</b>	<b>74.0</b>	<b>5.2%</b>	<b>3.9%</b>	<b>9.2%</b>
<b>City, Midtown and Southwark</b>	<b>168.4</b>	<b>7.7</b>	<b>4.8%</b>	<b>1.6%</b>	<b>5.1%</b>
<b>Investment portfolio</b>	<b>1,667.9</b>	<b>81.7</b>	<b>5.2%</b>	<b>3.6%</b>	<b>8.8%</b>
Development properties	262.3	37.5	16.7%	2.3%	17.3%
<b>Properties held throughout the period</b>	<b>1,930.2</b>	<b>119.2</b>	<b>6.6%</b>	<b>3.4%</b>	<b>9.9%</b>
<b>Acquisitions</b>	<b>92.4</b>	<b>(1.6)</b>	<b>(1.7%)</b>	<b>(1.7%)</b>	<b>(1.7%)</b>
<b>Total portfolio</b>	<b>2,022.6</b>	<b>117.6</b>	<b>6.2%</b>	<b>3.2%</b>	<b>9.3%</b>

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## The Valuation

Joint Ventures



	6 months to				
	Value £m	Sept 2013 £m	Change %	3 months %	12 months %
North of Oxford St	387.6	32.9	9.3%	4.2%	25.1%
Rest of West End	78.9	5.7	7.7%	4.4%	14.1%
<b>Total West End</b>	<b>466.5</b>	<b>38.6</b>	<b>9.0%</b>	<b>4.2%</b>	<b>23.1%</b>
<b>City, Midtown and Southwark</b>	<b>278.2</b>	<b>1.2</b>	<b>0.4%</b>	<b>0.8%</b>	<b>2.3%</b>
<b>Investment portfolio</b>	<b>744.7</b>	<b>39.8</b>	<b>5.6%</b>	<b>2.9%</b>	<b>14.4%</b>
Development properties	209.1	25.3	13.8%	2.2%	18.2%
<b>Properties held throughout the period</b>	<b>953.8</b>	<b>65.1</b>	<b>7.3%</b>	<b>2.7%</b>	<b>15.2%</b>
<b>Acquisitions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total portfolio</b>	<b>953.8</b>	<b>65.1</b>	<b>7.3%</b>	<b>2.7%</b>	<b>15.2%</b>

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# The Valuation<sup>1</sup>

## ERV and Reversionary Potential



	Movement in ERV			Avg office rent passing £ per sq. ft	Avg office ERV £ per sq. ft	Total Reversionary Potential %	
	6mths %	6mths £m	3mths %				12 mths %
To Sept 2013							
<b>North of Oxford St</b>							
Office	3.7%	1.7	1.5%	6.6%	50.80	48.10	14.9%
Retail	6.8%	0.9	4.5%	12.0%			20.1%
<b>Rest of West End</b>							
Office	0.8%	0.2	0.6%	2.1%	37.20	50.00	29.9%
Retail	4.7%	0.5	1.4%	10.9%			20.8%
<b>Total West End</b>	<b>3.6%</b>	<b>3.3</b>	<b>1.7%</b>	<b>6.7%</b>	<b>46.10</b>	<b>48.60</b>	<b>19.2%</b>
<b>City, Midtown and Southwark</b>							
Office	3.9%	1.1	0.5%	6.6%	32.90	42.60	13.6%
Retail	-6.3%	-	0.0%	-3.4%			
<b>Total City, Midtown and Southwark</b>	<b>3.8%</b>	<b>1.1</b>	<b>0.5%</b>	<b>6.5%</b>			<b>13.4%</b>
<b>Total let portfolio</b>	<b>3.6%</b>	<b>4.4</b>	<b>1.4%</b>	<b>6.7%</b>	<b>41.80</b>	<b>46.40</b>	<b>18.1%</b>

1. Including share of Joint Ventures

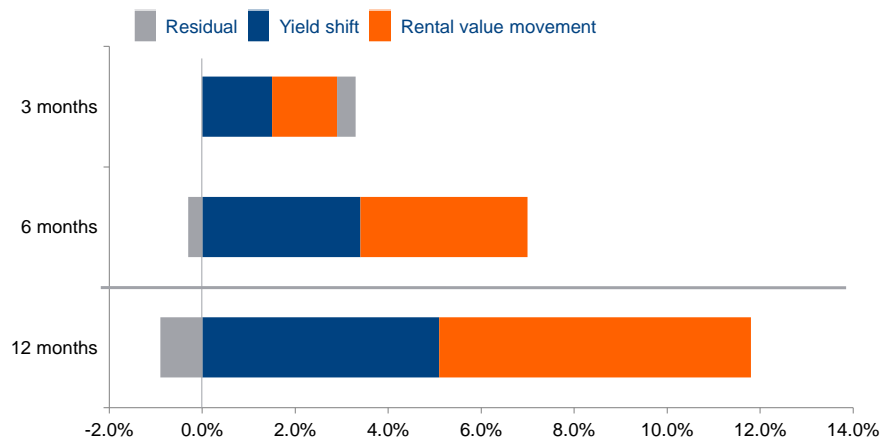
73

# The Valuation<sup>1</sup>

## Drivers of Valuation Movement<sup>2</sup>



% movement



1. Including share of Joint Ventures 2. Excludes development properties

74

# The Valuation

Including share of Joint Ventures

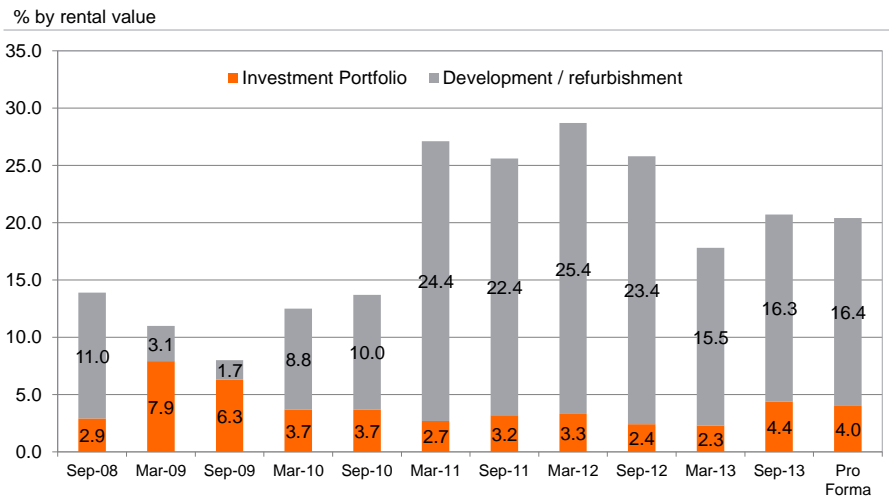


	Initial yield %	Equivalent Yield			
		%	Basis point +/-		
			3 month	6 month	12 month
<b>North of Oxford Street</b>					
Offices	2.3%	4.8%	-8	-14	-15
Retail	4.3%	5.0%	4	-2	-6
<b>Rest of West End</b>					
Offices	2.8%	4.8%	-9	-14	-18
Retail	3.2%	4.6%	-11	-16	-25
<b>Total West End</b>	2.9%	4.8%	-7	-13	-16
<b>City, Midtown and Southwark</b>	5.5%	5.8%	-6	-40	-44
<b>Total let Portfolio</b>	3.2% / 4.0% <sup>1</sup>	5.0%	-7	-17	-21

1. Includes rent frees on contracted leases

# Asset Management

Void rate, % by rental value<sup>1</sup>



1. Includes share of Joint Ventures

## Asset Management

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



	6 months to	
	30 Sept 2013	31 March 2013
At beginning of period	£11.7m	£9.0m
Asset management	(£0.1m)	(£0.1m)
Disposals / acquisitions	£2.1m	£1.3m
ERV movement	£3.3m	£1.5m
At end of period	£17.0m	£11.7m

1. Includes share of Joint Ventures

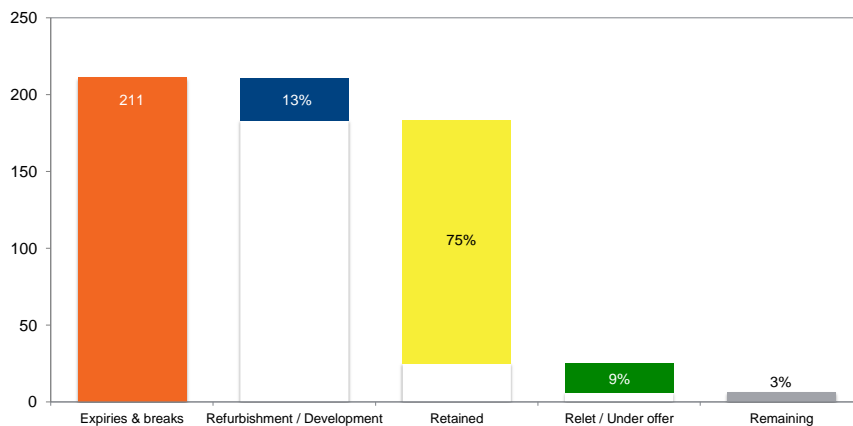
77

## Asset Management

### Tenant retention, 12 months to September 2013<sup>1</sup>



Area (000 sq ft)



1. Joint Ventures at 100%

78

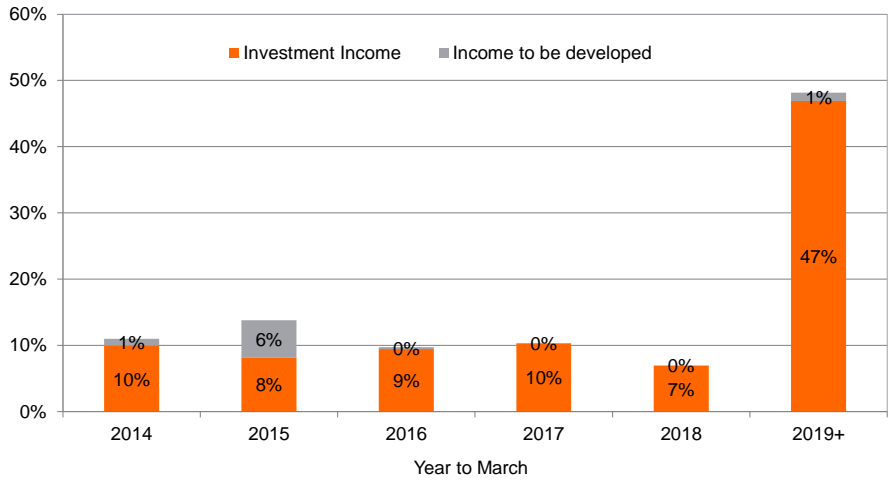


# Asset Management

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



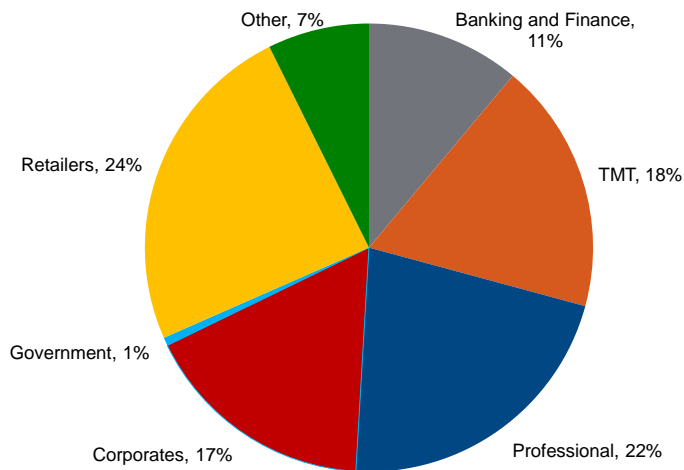
% by total rental income subject to lease expiry or break



1. Includes share of Joint Ventures

# Asset Management

## GPE Lettings since 2009<sup>1</sup>



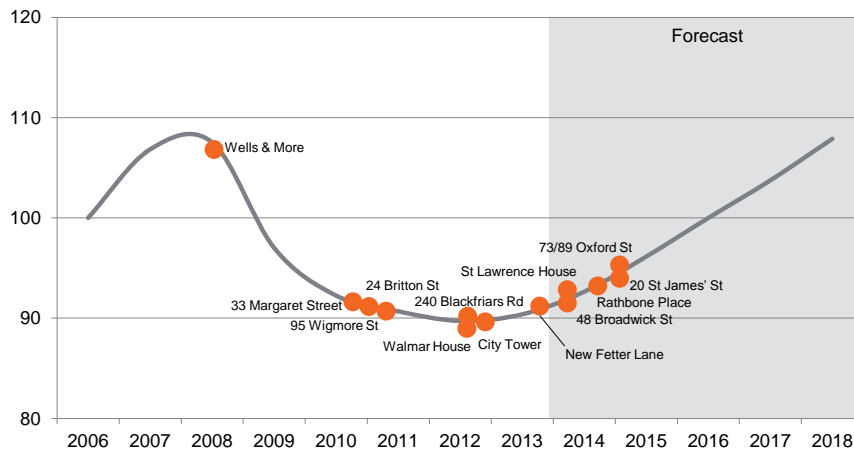
1. Includes share of joint ventures

## Development

### Construction Inflation



Average Construction Inflation<sup>1</sup> (% , rebased to 2006)



1. Based on EC Harris, Davis Langdon and G&T London indices

## Committed Project

### 12/14 New Fetter Lane, EC4



- Pre-let to Bird & Bird
- 142,500 sq ft
- 20.25 year term, no break
- £8.3m pa
- 7 months rent free, £20.6m cash payment (Total incentive 37 months rent equivalent)
- Construction contract in place
- Demolition started
- Practical completion Q3 2015

GPE profit on cost <sup>1</sup>	35.7%
Ungeared IRR <sup>1</sup>	20.4%
Yield on cost <sup>1</sup>	8.1%

1. Assume hand back not exercised