Press Release

GREAT PORTLAND ESTATES

30 January 2014

Third 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 31 December 2013. Details of the Group's recent valuation and rental value trends are set out in the Appendices. Key points from the quarter:

Strong growth in capital values driving NAV per share uplift

- Portfolio valuation[1] up 5.8%, 9.1% and 16.0% over 3, 6 and 12 months respectively
- Capital return[2] of 6.3% over 3 months
- Continued strong valuation performance from our development properties up 8.2%, 10.5% and 25.3% over 3, 6 and 12 months respectively
- Rental value growth[1] of 1.3% (1.4% West End offices, 1.5% West End retail) over 3 months
- EPRA NAV[3] per share of 527 pence at 31 December 2013 up 8.2%, 13.6% and 22.6% over 3, 6 and 12 months respectively

Continued letting activity ahead of ERVs

- 29 new lettings signed generating £5.3 million per annum (our share: £3.4 million); market lettings 6.6% ahead of March 2013 rental values (£23.7 million over 12 months, 6.2% ahead of December 2012 rental values)
- A further £0.9 million of space currently under offer, in total 16.5% ahead of March 2013 rental values
- Vacancy rate lower at 4.0% (30 September 2013: 4.4%), low average office rent passing of £41.80 per sq ft, reversionary potential of 18.8%

Development programme delivering material surpluses

- Three committed schemes (439,400 sq ft), 66% pre-let, expected profit on cost increased to 43.3% (from 36.7%), completions from March
- Good progress across four near-term schemes (600,700 sq ft), including resolution to grant planning for 414,000 sq ft mixed use scheme at Rathbone Place, W1. Potential starts in next 12 months
- Major development opportunity from further 17 uncommitted schemes (1.3 million sq ft). Total development programme of 2.3 million sq ft covering 50% of the existing portfolio

Disciplined capital recycling

- Disposals of £256.5 million (our share: £155.5 million) at an average 10.3% premium to September 2013 book value
- Sale of 50% interest in the Hanover Square Estate for £101.0 million through formation of a new joint venture with the Hong Kong Monetary Authority
- Sale of leasehold interest in 20 St James's Street, SW1 for £54.5 million

[1] On a like for like basis, including Joint Ventures, see Appendix 1
[2] Including acquisitions and profits from sales in the quarter
[3] In accordance with EPRA guidance
[4] See Estimated NAV per share and financing

Excellent financial position

- Gearing conservative at 34.8%, pro forma[4] loan-to-property-value of 26.3%
- Pro forma[4] financial firepower of £534.7 million, weighted average interest rate only 3.5%

Toby Courtauld, Chief Executive, said:

"I am delighted to be able to report another period of strong growth. Whether it's development surpluses, profitable sales, creative joint ventures or lettings ahead of rental values, across the portfolio our activities are bearing fruit, delivering a capital return of 6.3% over the quarter.

Having acquired more than 50% of the Group's assets since 2009 during a period of opportune pricing, we are now focussed on executing our development and asset management strategies across our 3.5 million sq ft portfolio to drive returns.

Whilst we expect yields to move up in the medium term, for now the broad investor appetite for London real estate, strengthening occupational demand and a shortage of both existing and new space to let will keep yields low and force rents higher. With a portfolio full of opportunity, 100% in central London and the financial strength to execute our plans, we can look forward with confidence".

Investor and analyst event

We will be holding an update event for investors and analysts on Friday 7 February 2014 in London. Please contact RLM Finsbury (rosie.godwin@rlmfinsbury.com) for further details if you would like to attend.
In addition, our recently launched IR app for the iPad is available to download from the Apple iTunes App Store.

Portfolio valuation

Our portfolio again delivered strong valuation growth in the quarter to 31 December 2013 driven by our development successes, robust investor demand pushing yields lower and rental value growth. The valuation of the Group's properties as at 31 December 2013 was £2,509.5 million including our share of joint venture assets, an increase of £132.0 million since September 2013. The net valuation uplift for the quarter was 5.8% on a like-for-like basis compared to 3.3% for the previous quarter. Further details are set out in Appendices 2 and 3.

The main drivers of the quarterly valuation uplift were our North of Oxford Street properties, up 6.4% and our development schemes which rose in value (net of capital expenditure) by 8.2%. Further details on valuation trends are set out in the Appendices. The wholly-owned portfolio was valued at £1,908.2 million at 31 December 2013 (like-for-like valuation uplift of 6.1% on the quarter) and the joint venture properties (100%) at £1,202.6 million (up 4.8% 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 16 basis points over the quarter on a like-for-like basis and now stands at 4.8%. The investment portfolio's adjusted initial yield (including contracted income still in rent free periods) was 4.0% at 31 December 2013, in line with 30 September 2013. A yield table is set out in Appendix 5.

Our successful letting activity continues to demonstrate the good demand for our high quality, well located and appropriately priced space. Our tenant retention remains strong and our void level reduced to 4.0% (30 September 2013: 4.4%). Across our portfolio, office rental values rose by 1.2% in the quarter, compared to 1.4% in the previous quarter. West End office rental values were 1.4% higher whilst City, Midtown and Southwark office rental values rose by 0.7% over the three month period. Demand from retail tenants remains robust and rental values in the West End retail portfolio rose by 1.5% in the quarter.

The Group's average office rent passing remains low at £41.80 per sq ft and the portfolio (including retail) was 18.8% 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 increase for the quarter was the underlying uplift in the portfolio valuation of £132.0 million. Our portfolio repositioning activities and strong investor demand creating yield compression of 16 basis points over the quarter combined with another strong performance from our committed development programme to drive the valuation increase. NAV per share also benefited from the sale of 20 St James's Street, SW1 and the sale of a 50% interest in the Hanover Square Estate, W1, at a combined net surplus of £17.9 million over the September 2013 valuation. The interim dividend payment of £11.6 million has reduced the increase in NAV by 3 pence per share. Overall, as set out in the table below, EPRA NAV per share rose by 8.2% in the quarter to 527 pence (30 September 2013: 487 pence).

Pro Forma Estimated Balance Sheet [1]			
	£m	*pence*	*percentage*
EPRA NAV [2]		*per share*	*movement*
At 30 September 2013	**1,678.2**	**487**	
Valuation uplift	132.0	38	
Profit on property sales	17.9	5	
Interim dividend	(11.6)	(3)	
At 31 December 2013	**1,816.5**	**527**	*8.2%*
EPRA NNNAV[2]			
M2M of debt & derivatives	*(34.3)*	*(10)*	
At 31 December 2013	***1,782.2***	***517***	*8.6%*
At 30 September 2013	**1,642.5**	**476**	

Note:

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

[2] *In accordance with updated EPRA guidance (including the £150 million convertible bond due 2018 at nominal value)*

The mark to market of debt and derivatives of £34.3 million or 10 pence per share results in EPRA NNNAV per share of 517 pence at 31 December 2013, a rise of 8.6% from 30 September 2013.

Net debt reduced over the quarter following our profitable property sales, partly offset by capital expenditure at our committed development schemes. Combined with the impact of the increased portfolio valuation, our leverage ratios have strengthened further as shown in the table below, with net gearing of 34.8% and loan to value ratio of 29.1%. Pro forma for the remaining deferred consideration of £15.8 million due to the Group on sale of the 37.5% interest in 100 Bishopsgate, EC2 and sales contracted but not completed at the balance sheet date (being the sale of 20 St James's Street, SW1), the loan to value ratio was lower at 26.3%.

Summary of Debt Statistics

	Dec-13	**Sep-13**
GPE net debt	£631.3m	£782.7m
GPE gearing	34.8%	46.9%
Total debt including JVs	£729.8m	£884.6m
LTV	29.1%	35.4%
Pro forma LTV	26.3%	28.7%

At 31 December 2013, around 92% of the Group's total debt was fixed or hedged providing a low weighted average interest rate at the quarter end of 3.5%. However, a proportion of hedged debt is subject to capped arrangements and as a result, we are benefiting from low floating rates on around 31% of our total debt. At 31 December 2013, we had significant financial firepower with undrawn committed facilities and cash of £464.8 million (or £534.7 million on pro forma basis) with the Group's next debt maturity not until July 2015.

Asset management

Tenant interest in the limited amount of vacant space across our properties remained strong leading to 29 new lettings (including pre-lets) during the three months to December, generating an annual rent of £5.3 million (our share: £3.4 million). The majority of these lettings were market lettings which completed on average 6.6% ahead of the valuer's March 2013 estimates, whilst the balance were below the March 2013 ERV because they incorporate landlord's breaks to allow possible redevelopment during the next few years. As detailed below, leasing activity at our developments, including our recently completed scheme at City Tower, EC2, is progressing ahead of plan.

We currently have 9 new lettings under offer accounting for a further £0.9 million per annum in rent (our share: £0.8 million) with the market lettings on average 16.5% ahead of the valuer's March 2013 ERV.

Leasing Transactions	**Three months ended**		
	31 December 2013	**30 September 2013**	**31 December 2012**
New leases and renewals completed			
Number	29	15	23
GPE share of rent p.a.	£3.4 million	£2.1 million	£3.4 million
Area (sq ft)	118,200	43,900	102,000
Rent per sq ft	£45	£79	£50
Rent reviews settled			
Number	3	11	4
GPE share of rent p.a.	£0.8 million	£1.8 million	£1.2 million
Area (sq ft)	33,500	36,300	19,600
Rent per sq ft	£33	£50	£73

Note: Includes joint ventures at our share

The letting transactions concluded during the quarter have helped to reduce the Group's vacancy rate to 4.0% at 31 December 2013 (4.4% at September 2013). Further details are set out in Appendix 8.

Development management

We currently have three committed schemes on site – one in the West End, one in Midtown and one in Southwark. Our committed schemes (439,400 sq ft) are expected to deliver a 43.3% profit on cost (up from 36.7% at September 2013) and are already 66% pre-let. In addition, we have four schemes that could start in the next 12 months. Beyond that, our pipeline includes a further 17 uncommitted projects, giving us a total programme of 2.3 million sq ft, covering 50% of GPE's existing portfolio. Capital expenditure to come at our committed schemes at 31 December 2013 totalled £66.7million (our share), which could rise to £393.1 million (our share) if the four near-term uncommitted schemes were started.

Letting successes at our developments. We have continued with the successful leasing of our new development space. In October, the Great Ropemaker Partnership joint venture pre-let the ninth and tenth floors (together 23,608 sq ft) at its 20 storey scheme at 240 Blackfriars Road, SE1 to the law firm Boodle Hatfield on ten year leases, paying a total initial annual rent of £1.2 million, equating to £50.00 per sq ft (above the £47.00 per sq ft secured in 2011 from UBM plc on the nine upper floors).

At City Tower, EC2, our Grade A office refurbishment scheme (138,300 sq ft) owned in The Great Star Partnership joint venture, leasing activity has been good following completion of the development works in September. Over a third of the available space has now been let, including the letting in late December of Sky Light, the 25,500 sq ft of self-contained podium space, to Porta Communications. The space has been leased for 15 years, with a tenant break at the tenth year, at a rent of £1.0 million p.a. This deal follows the letting of the twenty-first floor in October to PH Media on a ten-year lease at £60 per sq ft. There is healthy interest in the remaining 56,000 sq ft.

At 95 Wigmore Street, W1, where the office space was fully let within two months of practical completion, we have now let three of the six retail units (16,000 sq ft) with a further unit under offer. In addition, all of the eleven residential apartments have now been sold. In both cases, rents and sales rates achieved were ahead of business plan.

Committed schemes. At our 100% pre-let 142,500 sq ft office scheme at 12/14 New Fetter Lane, EC4, demolition work is ongoing and construction work is expected to commence in the spring with practical completion scheduled for September 2015.

At Walmar House, Regent Street, W1, our 60,300 sq ft mixed use refurbishment scheme is progressing well. Fit-out works have now commenced ahead of expected completion in June 2014. Interest from prospective tenants continues to be encouraging with our formal marketing campaign to commence shortly.

At 240 Blackfriars Road, SE1, our 236,600 sq ft development scheme is on schedule for completion in March 2014. The office space is already 58% pre-let with good interest in the remaining available space.

A summary of our committed projects is set out in Appendix 7.

Project preparation and pipeline. At Rathbone Place,W1, our 414,000 sq ft mixed use development scheme has received resolution to grant planning consent from the City of Westminster. We expect to complete the section 106 agreement with Westminster shortly and are making positive progress in resolving the outstanding neighbourly matters. Works are expected to start onsite later this year for completion in 2016, ahead of Crossrail opening in 2018.

We expect to commence our schemes at St Lawrence House, 26/34 Broadwick Street,W1 (92,100 sq ft), subject to planning consent, and 48/50 Broadwick Street,W1 (6,500 sq ft) prior to the summer with completion anticipated in early 2016. We also continue to prepare our planning consented 88,100 sq ft mixed use scheme at 73/89 Oxford Street, W1 with vacant possession notices now served ahead of a potential start in early 2015.

Investment management

We have continued with our disciplined capital recycling with sales of £155.5 million (our share) in the period at a 10.3% premium to September 2013 book value.

In November, we created a new 50/50 joint venture, the GHS Limited Partnership ("GHS"), with the Hong Kong Monetary Authority to own and develop the Hanover Square Estate in the heart of London's West End. GPE transferred the properties forming part of the Hanover Square Estate to GHS for £202.0 million and the partners intend to develop the site in accordance with the existing planning permission for a 208,000 sq ft redevelopment scheme. Part of the site is owned by Crossrail who are developing the eastern ticket hall of the Bond Street Crossrail station and GHS has an agreement to acquire this element of the site once Crossrail have completed construction of the station structure, currently anticipated to be during 2016, ahead of target delivery date for the development project in 2018. GPE will act as both asset and development manager to GHS.

In December, we exchanged contracts to sell 20 St James's Street, SW1 for £54.5 million. The sales price reflected a net initial yield to the purchaser of 2.1% and a capital value of £982 per sq ft for the leasehold interest. We purchased the property in 2010 for £42.5 million and were planning a comprehensive refurbishment of the property in 2015. However, following a strong off-market approach, the sale allowed us to crystallise our expected development profit early and recycle capital into our exceptional development programme. The sale completed in January 2014.

During the quarter, we also completed the sale of 90 Queen Street, EC4 for £61.0 million, reflecting a net initial yield of 5.4% and a capital value of £891 per sq ft, and delivering an ungeared IRR of c.13% per annum since acquisition in 2009.

Cash collection and tenant delinquencies

The quarterly cash collection performance has continued to be very strong, with a record 99.7% of rent secured within seven working days of the quarter day (September 2013: 98.0%, December 2012: 98.8%). None of our tenants went into administration during the quarter (September 2013: nil); however, we remain vigilant and continue to monitor the financial position of all our tenants. The segmentation of our tenant base and portfolio is shown in Appendix 9.

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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 31 December 2013	3 months	6 months	12 months
Property Valuation[1]	**5.8%**	9.1%	16.0%
Developments[1]	***8.2%***	*10.5%*	*25.3%*
Portfolio ERV movement[1]	**1.3%**	2.8%	7.6%
EPRA NAV	**8.2%**	13.6%	22.6%

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

Appendix 2
The Valuation
Including share of Joint Ventures

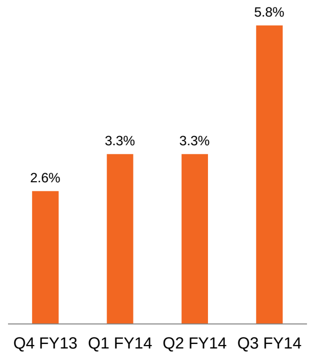
	Value	Movement 3 months to Dec 2013		Percentage Movement	
	£m	£m	Change	6 months	12 months
North of Oxford St	1,202.6	72.8	6.4%	10.1%	16.0%
Rest of West End	474.7	17.7	3.9%	8.7%	14.5%
West End Total	1,677.3	90.5	5.7%	9.7%	15.6%
West End Office	*1,210.8*	*64.2*	*5.6%*	*9.0%*	*14.0%*
West End Retail	*466.5*	*26.3*	*6.0%*	*11.5%*	*20.0%*
City, Midtown & Southwark	318.5	10.3	3.3%	4.6%	8.0%
Investment Portfolio	**1,995.8**	**100.8**	**5.3%**	**8.8%**	**14.3%**
Development properties	412.7	31.2	8.2%	10.5%	25.3%
Properties held throughout the period	**2,408.5**	**132.0**	**5.8%**	**9.1%**	**16.0%**
Acquisitions[1]	101.0	-	-	-	-
Total portfolio	**2,509.5**	**132.0**	**5.6%**	**8.7%**	**15.3%**

1. Hanover Square sell down into GHS Partnership

Appendix 3
The Valuation
Including share of Joint Ventures

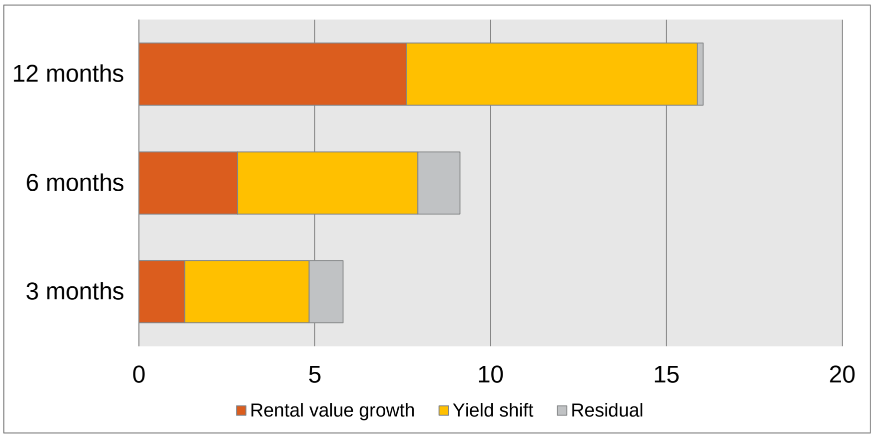
	Value £m	Quarterly Change %
North of Oxford St	1,202.6	6.4%
Rest of West End	474.7	3.9%
West End Total	1,677.3	5.7%
City, Midtown & Southwark	318.5	3.3%
Investment Portfolio	**1,995.8**	**5.3%**
Development properties	412.7	8.2%
Properties held throughout the period	**2408.5**	**5.8%**
Acquisitions	101.0	-
Total portfolio	**2,509.5**	**5.6%**

Like for Like Quarterly Valuation Movement



Appendix 4
The Valuation[1]
Drivers of Valuation Movement

% movement



1 Including share of Joint Ventures

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

GREAT PORTLAND ESTATES

At 31 December 2013	Initial Yield %	True Equivalent Yield %	Basis Point +/- like-for-like 3 months	6 months	12 months
North of Oxford Street					
Offices	2.3%	4.6%	-20	-28	-29
Retail	4.0%	4.8%	-18	-14	-24
Rest Of West End					
Offices	2.6%	4.7%	-16	-27	-41
Retail	3.4%	4.6%	-11	-20	-33
Total West End	**2.7%**	**4.7%**	**-18**	**-25**	**-31**
City, Midtown & Southwark	5.3%	5.7%	-10	-16	-50
Total Portfolio	**3.1%** (*4.0%*[3])	**4.8%**	**-16**	**-23**	**-34**

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

GREAT PORTLAND ESTATES

To 31 December 2013	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	6.2	1.1%	2.7%	7.6%	50.70	46.80	16.2%
Retail	2.5	1.4%	6.2%	11.5%			19.9%
Rest of West End							
Offices	3.9	2.3%	3.1%	4.0%	36.30	48.80	31.5%
Retail	2.0	1.6%	3.1%	10.1%			21.9%
Total West End	**14.6**	1.4%	3.3%	7.7%	**46.20**	**48.70**	**19.9%**
City, Midtown & Southwark							
Offices	2.7	0.7%	1.2%	7.2%	32.90	42.90	14.3%
Retail	-	3.7%	3.7%	0.2%			
Total City, Midtown & Southwark	**2.7**	**0.7%**	**1.2%**	**7.2%**			**14.2%**
Total Portfolio	**17.3**	**1.3%**	**2.8%**	**7.6%**	**41.80**	**46.50**	**18.8%**

1 Including share of Joint Ventures

Appendix 7
Development
Committed projects at 31 December 2013

	Anticipated Finish	New building area[1]	Cost[2] £m	ERV[3] £m	ERV[3] Office avg £psf	Income secured £m	% let[5]	Profit on cost[4]
240 Blackfriars Road, SE1 (GRP)	Mar 2014	236,600	8.7	5.4	48.00	3.1	57%	58%
Walmar House, 288/300 Regent St, W1	June 2014	60,300	5.2	3.8	68.50	0.3	7%	35%
12/14 New Fetter Lane, EC4	Sep 2015	142,500	52.8	8.3	58.25	8.3	100%	39%
Committed projects		**439,400**	**66.7**	**17.5**		**11.7**	**66%**	**43%**

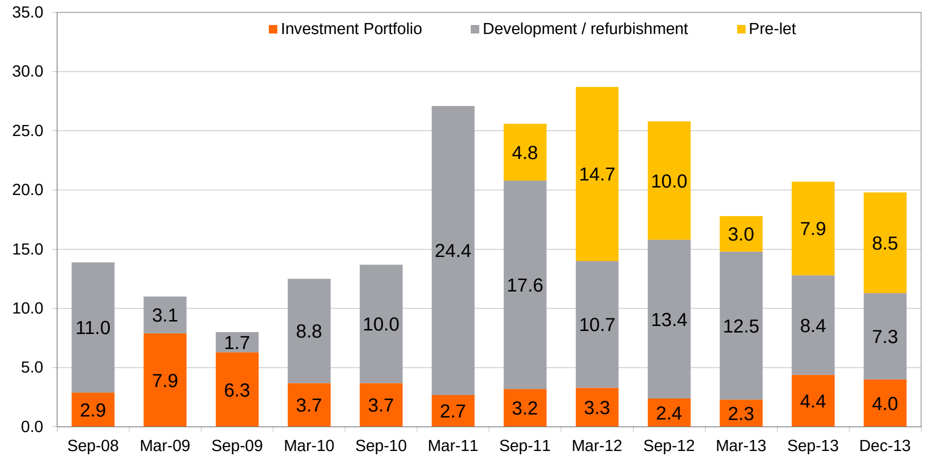
Development value	£313m	£932 psf
Development yield		8.0%
Expected profit on cost	£93.2m	43.3%

c.55% of expected profit taken December 2013[6]

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 December 2013 ERV, shown at 50% for JV assets 4. Based on CBRE estimate of completed value 5. By ERV 6. Profit included in CBRE December 2013 Valuation

Appendix 8
Asset Management
Vacancy rate, % by rental value

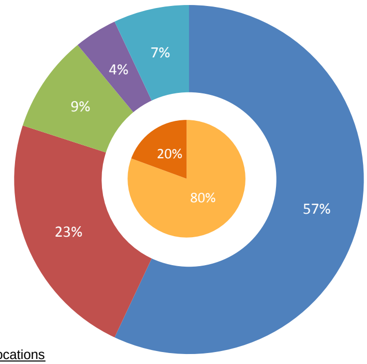
% by rental value



Appendix 9
Portfolio overview
Including share of joint ventures at 31 December 2013

GREAT PORTLAND ESTATES

Portfolio characteristics – 80% West End



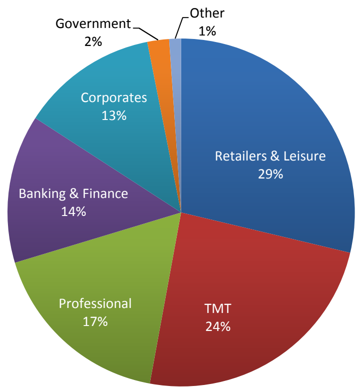
Our locations

North of Oxford Street · Rest of West End · Southwark · City · Midtown

Business mix

Office · Retail

Tenant mix



Appendix 10
The Valuation
Wholly-owned

GREAT PORTLAND ESTATES

	Value	Movement 3 months to Dec 2013		Percentage Movement	
	£m	£m	Change	6 months	12 months
North of Oxford St	1,000.9	60.8	6.5%	9.9%	13.4%
Rest of West End	435.2	17.6	4.2%	9.1%	14.8%
West End Total	1,436.1	78.4	5.8%	9.7%	13.8%
West End Office	*1,109.5*	*59.7*	*5.7%*	*9.2%*	*12.2%*
West End Retail	*326.6*	*18.7*	*6.1%*	*11.4%*	*19.5%*
City, Midtown & Southwark	176.7	8.3	4.9%	6.6%	11.8%
Investment Portfolio	**1,612.8**	**86.7**	**5.7%**	**9.3%**	**13.6%**
Development properties	295.4	22.3	8.2%	10.5%	25.6%
Properties held throughout the period	**1,908.2**	**109.0**	**6.1%**	**9.5%**	**15.3%**
Acquisitions	-	-	-	-	-
Total portfolio	**1,908.2**	**109.0**	**6.1%**	**9.5%**	**15.3%**

Appendix 10

The Valuation

Joint ventures at 100%

	Value	Movement 3 months to Dec 2013		Percentage Movement	
	£m	£m	Change	6 months	12 months
North of Oxford St	403.2	23.9	6.3%	10.8%	31.1%
Rest of West End	79.1	0.2	0.3%	4.7%	11.7%
West End Total	482.3	24.1	5.3%	9.8%	27.5%
West End Office	*202.5*	*9.1*	*4.7%*	*7.0%*	*37.4%*
West End Retail	*279.8*	*15.0*	*5.7%*	*11.9%*	*21.1%*
City, Midtown & Southwark	283.6	4.1	1.5%	2.3%	3.5%
Investment Portfolio	**765.9**	**28.2**	**3.8%**	**6.9%**	**17.4%**
Development properties	234.7	18.0	8.3%	10.6%	24.6%
Properties held throughout the period	**1,000.6**	**46.2**	**4.8%**	**7.7%**	**19.0%**
Acquisitions	202.0	(0.1)	-	-	-
Total portfolio	**1,202.6**	**46.1**	**4.0%**	**6.3%**	**15.3%**