Press Release

GREAT PORTLAND ESTATES

25 July 2013

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 2013. Details of the Group's recent valuation and rental value trends are set out in the Appendices.

Key points from the quarter:

Strong portfolio activity drives growth in both capital and rental values

- Portfolio valuation[1] up 3.3%, 6.0% and 8.2% over 3, 6 and 12 months respectively
- Continued strong valuation performance from our development portfolio up 16.7%, 26.6% and 30.8% over 3, 6 and 12 months respectively
- Rental value growth[1] of 2.1% (1.6% West End offices, 2.7% West End retail)
- EPRA NAV[2] per share of 464 pence at 30 June 2013 up 4.0%, 7.9% and 11.3% over 3, 6 and 12 months respectively
- EPRA NNNAV[2] per share of 458 pence at 30 June 2013 up 5.5%, 10.4% and 10.9% over 3, 6 and 12 months respectively

Significant letting activity ahead of ERVs

- 23 new lettings (including pre-lets) signed generating £14.6 million per annum (our share: £13.0 million); market lettings 2.4% ahead of March 2013 rental values
- £10.9 million of pre-lets including 142,500 sq ft at 12/14 New Fetter Lane, EC4 to Bird & Bird paying £8.3 million p.a. on a 20.25 year term, no breaks
- Since quarter end, new lettings of £0.9 million and a further £4.5 million of space currently under offer, in total 6.4% ahead of March 2013 rental values
- EPRA vacancy[2] rate low at 2.3% (31 March 2013: 2.3%), record rent collection of 99.6% within seven working days of quarter day

Development programme delivering material surpluses

- 95 Wigmore Street, W1 (112,300 sq ft) will complete this week, 85% pre-let, 63% profit on cost, last office floor under offer to let
- Five committed schemes (691,700 sq ft), 62% pre-let, expected profit on cost of 41%
- Planning application submitted for major mixed use development of 414,100 sq ft at Rathbone Place, W1
- Major development opportunity from 20 uncommitted schemes, covering 1.8 million sq ft, including five schemes (630,900 sq ft) with potential starts in next 24 months
- Total development programme of 2.5 million sq ft covering 55% of existing portfolio

Disciplined capital recycling and accretive acquisitions

- Disposal of Park Crescent West, W1 for £105.0 million (our share: £52.5 million) at a net initial yield of 2.0% and premium to March 2013 book value of 8.6%. In discussions to sell further c.£150 million of properties
- Oxford House, 76 Oxford Street, W1 purchased in July for £90.0 million (net initial yield of 3.5% rising to c.6.0% post refurbishment)
- Now invested almost 1.5 times the capital raised from shareholders last November

Strong financial position

- Gearing remains conservative at 42.6%, pro forma loan to property value of 31.6%, weighted average interest rate low at 3.6%
- Significant cash and undrawn committed facilities of £261 million (pro forma: £310 million)

[1] On a like for like basis, including Joint Ventures, see Appendix 1
[2] In accordance with EPRA guidance

Toby Courtauld, Chief Executive, said:

"We are pleased to report a strong start to the new financial year; our limited available space to let is attracting significant interest from prospective tenants and we are leasing ahead of ERV's; our development programme is progressing well and has delivered material gains during the quarter; and we have continued to recycle capital into new opportunities. With the acquisition of Oxford House, 76 Oxford Street announced last week, we have now invested almost 1.5 times the capital we raised from shareholders last November, well ahead of schedule.

Conditions in central London's economy and its property markets remain supportive. Business confidence continues to strengthen resulting in healthy demand for well-specified, well-located space and we can expect further rental growth from our portfolio. Meanwhile, central London's appeal as a destination of choice for investment continues unabated. With this positive backdrop and the group's exciting portfolio of opportunities, we maintain our confident outlook."

Portfolio valuation

Our portfolio again delivered strong valuation growth in the quarter to 30 June 2013 as our pre-letting successes combined with robust investor demand and rental value growth continued to support central London real estate. The valuation of the Group's properties as at 30 June 2013 was £2,372.4 million including our share of joint venture assets, an increase of £74.9 million. The net valuation uplift for the quarter was 3.3% on a like-for-like basis compared to 2.6% 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 1.9% and our committed development schemes which rose in value (net of capital expenditure) by 16.7%. In the latter, 12/14 New Fetter Lane, EC4 performed particularly strongly, up more than 67% in the quarter, following the pre-let of the entire building. Further details on valuation trends are set out in the Appendices. The wholly-owned portfolio was valued at £1,918.1 million at 30 June 2013 (like-for-like valuation uplift of 3.0% on the quarter) and the joint venture properties (100%) at £908.5 million (up 4.6% 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 on a like-for-like basis and now stands at 5.0%. The investment portfolio's adjusted initial yield (including contracted income still in rent free periods) was 3.9% at 30 June 2013, 10 basis points lower than at March 2013. A yield table is set out in Appendix 6.

Our successful letting activity continues to demonstrate the good demand for our high quality, well located and sensibly priced space. Indeed, our tenant retention remains strong and our void level remains low at 2.3% (31 March 2013: 2.3%). Across our portfolio, office rental values rose by 2.0% in the quarter, compared to 1.7% in the previous quarter. West End office rental values were 1.6% higher whilst City, Midtown and Southwark office rental values rose by 2.8% over the three month period. Demand from retail tenants has been resilient and rental values in the West End retail portfolio rose by 2.7% in the quarter.

The Group's average office rent remains low at £38.40 per sq ft and the portfolio (including retail) was 13.5% reversionary overall at the quarter end. Rental value trends are highlighted in Appendix 7.

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 £74.9 million, due principally to portfolio activity driving rental value growth of 2.1% and creating yield compression of 6 basis points over the quarter, and a strong performance from our committed development programme. NAV per share also benefited from the sale of Park Crescent West at a net surplus of £2.7 million (our share) over the March 2013 valuation. The final dividend payment of £18.0 million has reduced the increase in NAV by 5 pence per share. Overall, as set out in the table below, EPRA NAV per share rose by 4.0% in the quarter to 464 pence (31 March 2013: 446 pence).

Pro Forma Estimated Balance Sheet [1]			
EPRA NAV [2]	*£m*	*pence per share*	*percentage movement*
At 31 March 2013	**1,533.9**	**446**	
Valuation uplift	74.9	*22*	
Profit on property sale	2.7	1	
Interim dividend	(18.0)	*(5)*	
At 30 June 2013	**1,593.5**	**464**	*4.0%*
EPRA NNNAV [2]			
M2M of debt & derivatives	(20.5)	*(6)*	
At 30 June 2013	**1,573.0**	**458**	*5.5%*
At 31 March 2013	**1,491.4**	**434**	

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 and derivatives of £20.5 million or 6 pence per share results in EPRA NNNAV per share of 458 pence at 30 June, a rise of 5.5% from 31 March 2013.

Net debt has marginally increased over the quarter as a result of continued investment in the portfolio, particularly capital expenditure at our committed development schemes. Net of the impact of the increased portfolio valuation, the leverage ratios are broadly unchanged and remain comfortable as shown in the table below, with net gearing of 42.6% and loan to value ratio of 33.0%. Pro forma for the deferred consideration of £31.6 million due to the group on sale of the 37.5% interest in 100 Bishopsgate, EC2 and sales/purchases contracted but not completed at the balance sheet date (being the purchase of Orchard Court, W1 and the sale of Park Crescent West, W1), the loan to value ratio was lower at 31.6%.

Summary of Debt Statistics

	Jun-13	**Mar-13**
GPE net debt	£678.7m	£658.9m
GPE gearing	42.6%	42.8%
Total debt including JVs	£782.3m	£761.1m
LTV	33.0%	32.7%
Pro forma LTV	31.6%	32.8%

At 30 June 2013, around 69% of the Group's total debt was fixed or hedged providing a low weighted average interest rate at the quarter end of 3.6%. 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 53% of our total debt. At 30 June 2013, we had significant financial firepower with undrawn facilities and cash of £261 million (or £310 million on pro forma basis) with the Group's next debt maturity not until July 2015.

Asset management and leasing

After another active leasing year, we have continued with strong letting activity this quarter. In total, 23 new leases completed in the quarter generating an annual rent of £14.6 million (our share: £13.0 million p.a.), including £10.9 million (our share: £9.6 million) of pre-lettings detailed below. Around 98% of these lettings (by value) were market lettings which completed on average 2.4% ahead of the valuer's March 2013 ERV's. Since the quarter end, we have completed £0.9 million of new lettings and 10 potential new lettings are currently under offer accounting for a further £4.5 million p.a. in rent (our share: £2.4 million), in total 6.4% ahead of March 2013 ERV's.

Pre-letting activity. In April 2013, following our 40,000 sq ft pre-let to LCP in November 2012, we pre-let a further 29,450 sq ft of office space at our 95 Wigmore Street, W1 scheme to Bridgepoint on a 15 year lease at a rent of £2.7 million p.a., equating to an average of £90.40 per sq ft. As a result, the scheme is 85% pre-let with the one remaining office floor and one retail unit under offer with strong interest in both the five remaining retail units and 11 residential units (12,100 sq ft).

In May 2013, we pre-let the entirety of our 142,500 sq ft, 12 storey office development scheme at 12/14 New Fetter Lane, EC4 to Bird & Bird, who will occupy the whole building on a 20.25 year leases (with no breaks) paying a total initial annual rent of £8.3 million, equating to an average of £58.80 per sq ft for the office space.

Leasing Transactions	**Three months ended**		
	30 June 2013	31 March 2013	30 June 2012
New leases and renewals completed			
Number	23	16	15
GPE share of rent p.a.	£13.0 million	£2.3 million	£1.3 million
Area (sq ft)	223,460	85,260	35,300
Rent per sq ft (including retail)	£65	£28	£40
Rent reviews settled			
Number	4	-	2
GPE share of rent p.a.	£0.5 million	-	£0.6 million
Area (sq ft)	4,750	-	11,900
Rent per sq ft (including retail)	£115	-	£95

Note: Includes joint ventures

The Group's EPRA vacancy rate remained constant during the quarter at 2.3% (31 March 2013: 2.3%).

Development management

We have had another busy period across our development programme, including the following key successes since 1 April 2013: our 112,300 sq ft development at 95 Wigmore Street, W1 completes this week already 85% let, delivering a profit on cost of 63%; we committed to the development of 12/14 New Fetter Lane, EC4 following the successful pre-let of the entire building; and we progressed construction activity to both programme and budget across our projects on site. We have five committed schemes (691,700 sq ft of space), two in the West End, one in Midtown, one in the City and one in Southwark. Taken together, 62% of the income is already secured on these schemes with an expected profit on cost of 41%. Our substantial pipeline of opportunities includes an additional 20 uncommitted projects including five schemes (630,900 sq ft) with potential starts in the next 24 months, giving us a total potential development programme of 2.5 million sq ft, covering 55% of GPE's existing portfolio. A summary of our committed projects is set out in Appendix 5.

Committed schemes. At 95 Wigmore Street, W1, we will complete the substantially pre-let project this week. At Walmar House, W1, our refurbishment is progressing well and we are mid-way through the project to deliver 60,400 sq ft of mixed use space. This building is due to complete in February 2014. In May 2013, we committed to develop our 142,500 sq ft office scheme at 12/14 New Fetter Lane, EC4 following the pre-let of the entire building and have now appointed our demolition contractor who will commence works this summer with practical completion of the scheme scheduled for November 2015.

Construction work is also progressing well at our 47% pre-let office development at 240 Blackfriars Road, SE1, where we have good tenant interest in the balance of the building and completion expected by March 2014. At City Tower, EC2, our Grade A office refurbishment scheme owned in The Great Star Partnership joint venture, works are on track for completion this summer and tenant interest levels are encouraging.

Project preparation and pipeline. At Rathbone Place, W1, we submitted a planning application in May 2013 for a 414,100 sq ft mixed-use scheme and will take vacant possession of the site this summer ahead of a potential start on site in early 2014. We also continue to prepare 48/50 Broadwick Street, W1, St Lawrence House, 26/34 Broadwick Street, W1 and 73/89 Oxford Street, W1 (where we have a planning application submitted) for potential starts over the next 18 months.

Investment management

We have continued with our discipline of recycling capital. In the quarter, The Great Capital Partnership exchanged contracts on the sale of its last remaining asset, Park Crescent West, for £105.0 million (our share: £52.5 million). The sale price was 8.6% ahead of the March 2013 valuation and reflects a net initial yield of circa 2.0% and a capital value of £813 per sq ft on the net internal area. The sale is expected to complete in the current quarter on receipt of freeholder consent. In addition, we are in discussions to sell a further circa £150 million of properties.

Since the quarter end, we exchanged contracts to acquire Oxford House, 76 Oxford Street, W1, a prominent 79,000 sq ft freehold property at the junction of Oxford Street and Newman Street, adjoining GPE's 2.3 acre Rathbone Place redevelopment site, for £90.0 million. The property is fully let with three office tenants and five retail tenants, generating a total current rent of £3.22 million per annum and a net initial yield of 3.5% rising to c.6.0% post a light refurbishment and re-letting. The weighted average unexpired lease term is under a year and the rents are low for this location at £26.17 per sq ft on the office accommodation and £238 per sq ft Zone A on the retail. This purchase, along with Rathbone Place and 73/89 Oxford Street, offers us the potential to deliver more than 600,000 sq ft of new, mixed-use space at the east end of Oxford Street, which will see significant redevelopment over the next decade, including the opening of the Tottenham Court Road Crossrail Station.

Later this month, we will also complete the purchase of Orchard Court, W1, the 47,800 sq ft retail and office leasehold property arranged over basement, ground and the first floor of a significant island site comprising the entire eastern side of Portman Square. The purchase price of £37.0 million reflects a capital value of £775 per sq ft and a net initial yield of 4.6% which we expect to rise to approximately 5% in the near term on settlement of five rent reviews and one lease renewal.

Cash collection and tenant delinquencies

The quarterly cash collection performance has continued to be very strong. We secured 99.6% of rent within seven working days of the quarter day (March 2013: 98.6%, June 2012: 99.0%). One of our tenants went into administration during the quarter, accounting for 0.05% of the rent roll (March 2013: one tenant, accounting for 0.09% of rent roll); despite this low level, 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 30 June 2013	3 months	6 months	12 months
Property Valuation[1]	**3.3%**	6.0%	8.2%
Developments[1]	***16.7%***	*26.6%*	*30.8%*
Portfolio ERV movement[1]	**2.1%**	3.9%	7.4%
EPRA NAV	**4.0%**	7.9%	11.3%

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

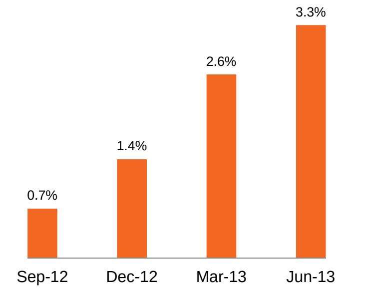
Appendix 2
The Valuation
Including share of Joint Ventures

	Value	Movement 3 months to June 2013		Percentage Movement	
	£m	£m	Change	6 months	12 months
North of Oxford St	1,071.9	19.9	1.9%	4.1%	5.9%
Rest of West End	662.4	11.1	1.7%	3.7%	7.8%
West End Total	1,734.3	31.0	1.8%	3.9%	6.6%
West End Office	*1,310.5*	*21.7*	*1.7%*	*2.9%*	*4.7%*
West End Retail	*423.8*	*9.3*	*2.3%*	*7.4%*	*12.9%*
City, Midtown & Southwark	362.9	4.6	1.3%	3.0%	2.2%
Investment Portfolio	**2,097.2**	**35.6**	**1.7%**	**3.8%**	**5.8%**
Development properties	275.2	39.3	16.7%	26.6%	30.8%
Properties held throughout the period	**2,372.4**	**74.9**	**3.3%**	**6.0%**	**8.2%**
Acquisitions	-	-	-	-	-
Total portfolio	**2,372.4**	**74.9**	**3.3%**	**6.0%**	**8.2%**

Appendix 3
The Valuation
Including share of Joint Ventures

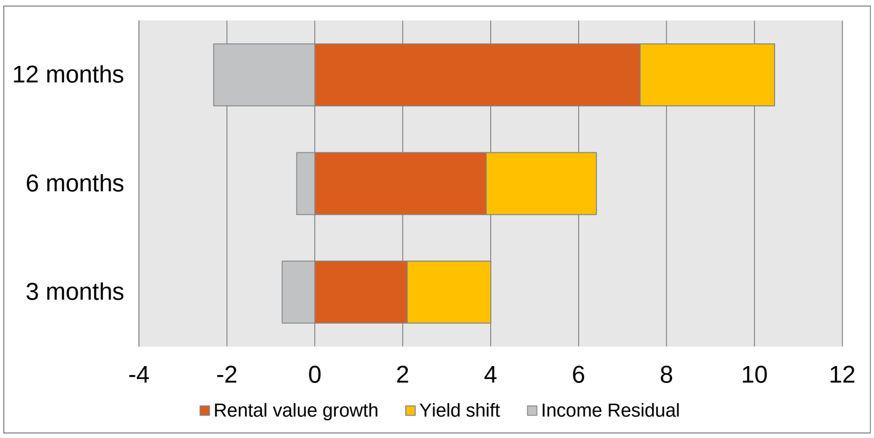
	Value £m	Quarterly Change %
North of Oxford St	1,071.9	1.9%
Rest of West End	662.4	1.7%
West End Total	1,734.3	1.8%
City, Midtown & Southwark	362.9	1.3%
Investment Portfolio	**2,097.2**	**1.7%**
Development properties	275.2	16.7%
Properties held throughout the period	**2,372.4**	**3.3%**
Acquisitions	-	-
Total portfolio	**2,372.4**	**3.3%**

Like for Like Quarterly Valuation Movement



Appendix 4
The Valuation[1]
Drivers of Valuation Movement

% movement



1 Including share of Joint Ventures

Appendix 5
Development
Committed projects

	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]
95 Wigmore Street, W1 (GWP)	Jul 2013	112,300	1.5	3.9	84.50	3.3	85%	63%
City Tower, Basinghall Street, EC2 (GSP)	Aug 2013	140,200	2.1	3.0	46.25	0.8	26%	28%
Walmar House, 288/300 Regent St, W1	Feb 2014	60,400	9.6	4.0	67.25	0.3	7%	31%
240 Blackfriars Road, SE1 (GRP)	Mar 2014	236,300	20.7	5.4	48.00	2.5	47%	49%
12/14 New Fetter Lane, EC4	Nov 2015	142,500	56.2	8.3	58.75	8.3	100%	33%
Committed projects		**691,700**	**90.1**	**24.6**		**15.2**	**62%**	**41%**

Development value	£429m	£939 psf
Development yield		8.0%
Expected profit on cost	£122.9m	40.7%

57% of expected profit taken June 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 June 2013 ERV, shown at 50% for JV assets 4. Based on CBRE estimate of completed value 5. By ERV 6. Profit included in CBRE June 2013 Valuation

Appendix 6
The Valuation[1]
Yield Profile[2]

At 30 June 2013	Initial Yield %	True Equivalent Yield %	Basis Point +/- like-for-like 3 months	6 months	12 months
North of Oxford Street					
Offices	2.5%	4.9%	-3	0	-6
Retail	4.6%	5.0%	-5	-7	-12
Rest Of West End					
Offices	2.4%	4.8%	-7	-12	-12
Retail	2.4%	4.7%	24	-10	-26
Total West End	**2.7%**	**4.9%**	**-1**	**-6**	**-11**
City, Midtown & Southwark	5.4%	5.8%	-28	-31	-26
Total Portfolio	**3.2% (*3.9%*[3])**	**5.0%**	**-6**	**-10**	**-14**

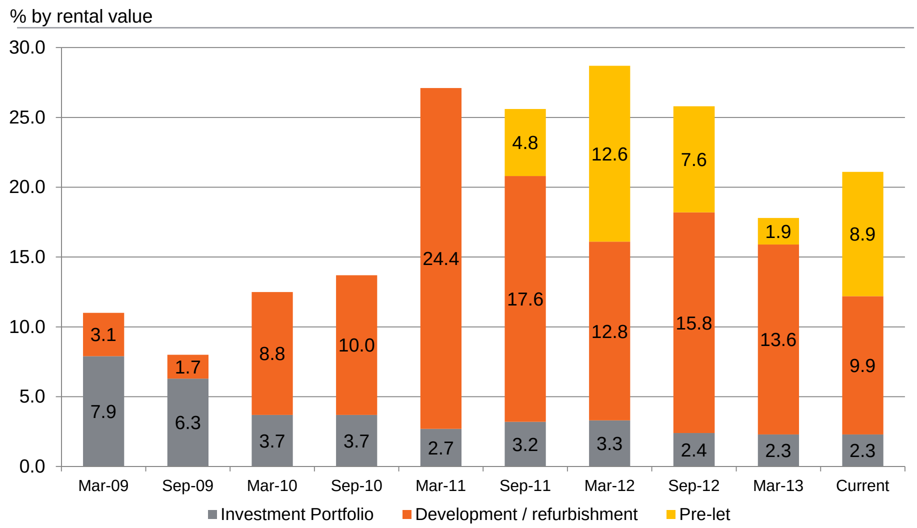
1 Including share of Joint Ventures 2 Excludes development properties 3 Initial yield post expiry of rent frees under contracted leases

Appendix 7
The Valuation[1]
ERV and Reversionary Potential

To 30 June 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	3.5	2.3%	4.9%	8.6%	41.60	47.40	9.4%
Retail	1.1	2.2%	4.1%	10.0%			10.2%
Rest of West End							
Offices	4.1	0.1%	0.7%	3.9%	37.50	49.70	28.3%
Retail	1.9	3.2%	5.8%	13.0%			21.9%
Total West End	**10.6**	**1.9%**	**4.0%**	**8.1%**	**40.30**	**48.10**	**14.7%**
City, Midtown & Southwark							
Offices	1.6	2.8%	3.5%	5.6%	34.40	42.70	10.6%
Retail	0.6	(2.6)%	6.8%	(1.4)%			
Total City, Midtown & Southwark	**2.2**	**2.6%**	**3.3%**	**5.4%**			**9.7%**
Total Portfolio	**12.8**	**2.1%**	**3.9%**	**7.4%**	**38.40**	**45.00**	**13.5%**

1 Including share of Joint Ventures

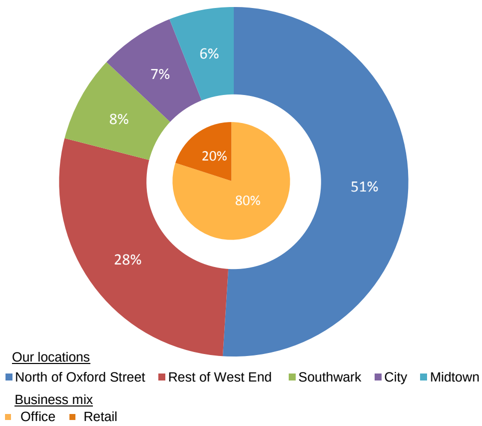
Appendix 8
Asset Management
Vacancy rate, % by rental value



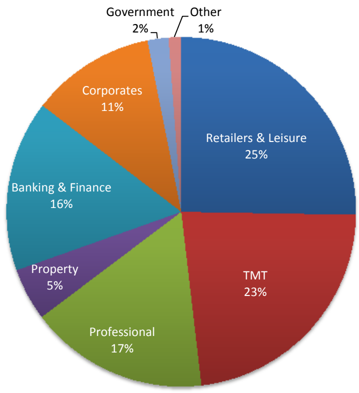
Appendix 9
Portfolio overview
Including share of joint ventures at 30 June 2013

GREAT PORTLAND ESTATES

Portfolio characteristics



Tenant mix



Appendix 10
The Valuation
Wholly-owned

GREAT PORTLAND ESTATES

	Value	Movement 3 months to June 2013		Percentage Movement	
	£m	£m	Change	6 months	12 months
North of Oxford St	968.1	17.4	1.8%	3.9%	5.6%
Rest of West End	624.6	10.0	1.6%	3.6%	7.5%
West End Total	1,592.7	27.4	1.8%	3.8%	6.4%
West End Office	*1,285.7*	*21.4*	*1.7%*	*2.9%*	*4.7%*
West End Retail	*307.0*	*6.0*	*2.0%*	*7.7%*	*14.1%*
City, Midtown & Southwark	225.8	5.1	2.3%	4.1%	1.8%
Investment Portfolio	**1,818.5**	**32.5**	**1.8%**	**3.8%**	**5.8%**
Development properties	99.6	22.6	29.4%	30.7%	33.7%
Properties held throughout the period	**1,918.1**	**55.1**	**3.0%**	**4.9%**	**6.9%**
Acquisitions	-	-	-	-	-
Total portfolio	**1,918.1**	**55.1**	**3.0%**	**4.9%**	**6.9%**

Appendix 10
The Valuation
Joint ventures at 100%

GREAT PORTLAND ESTATES

	Value	Movement 3 months to June 2013		Percentage Movement	
	£m	£m	Change	6 months	12 months
North of Oxford St	207.6	4.9	2.4%	5.9%	8.2%
Rest of West End	75.5	2.3	3.1%	6.6%	13.6%
West End Total	283.1	7.2	2.6%	6.1%	9.6%
West End Office	*49.5*	*0.6*	*1.3%*	*3.3%*	*7.9%*
West End Retail	*233.6*	*6.6*	*2.9%*	*6.7%*	*10.0%*
City, Midtown & Southwark	274.2	(1.0)	(0.4)%	1.2%	2.7%
Investment Portfolio	**557.3**	**6.2**	**1.1%**	**3.6%**	**6.1%**
Development properties	351.2	33.4	10.5%	24.3%	29.2%
Properties held throughout the period	**908.5**	**39.6**	**4.6%**	**10.7%**	**14.0%**
Acquisitions	-	-	-	-	-
Total portfolio	**908.5**	**39.6**	**4.6%**	**10.7%**	**14.0%**