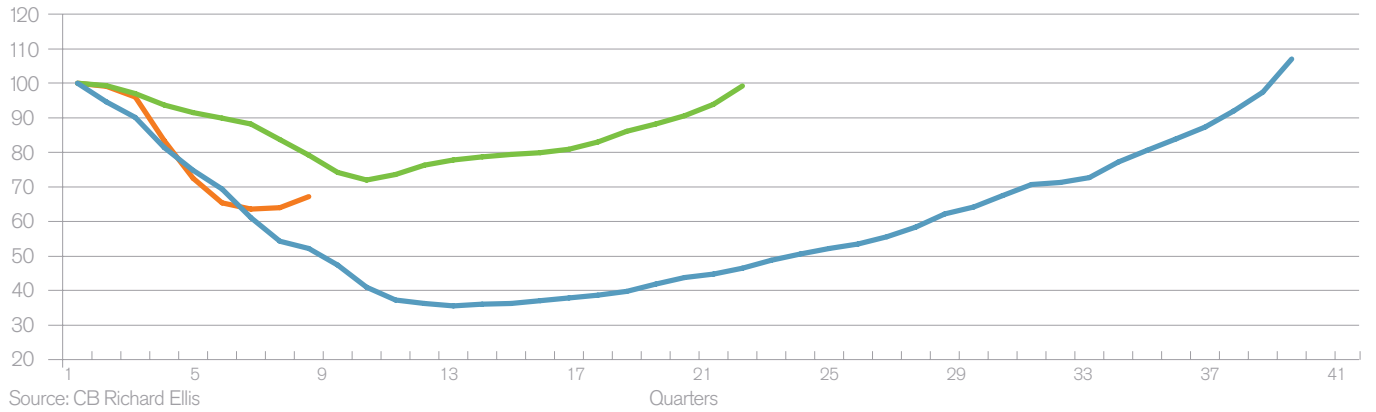


### Rental value movements this cycle vs previous cycles

Index, 1st Quarter = 100

1990-2001 2001-2007 2008 onwards

#### West End



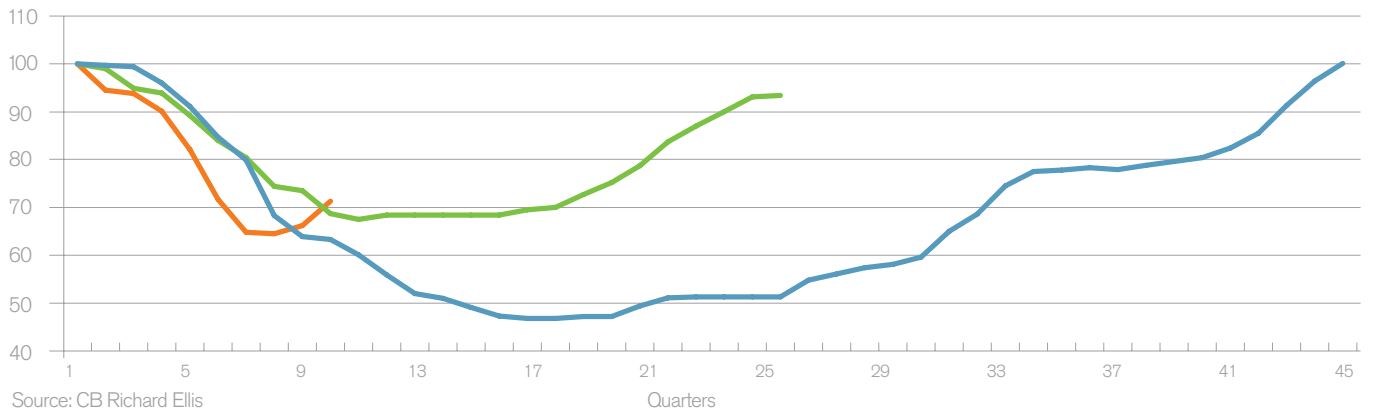
Source: CB Richard Ellis

### Rental value movements this cycle vs previous cycles

Index, 1st Quarter = 100

1990-2001 2001-2007 2008 onwards

#### City

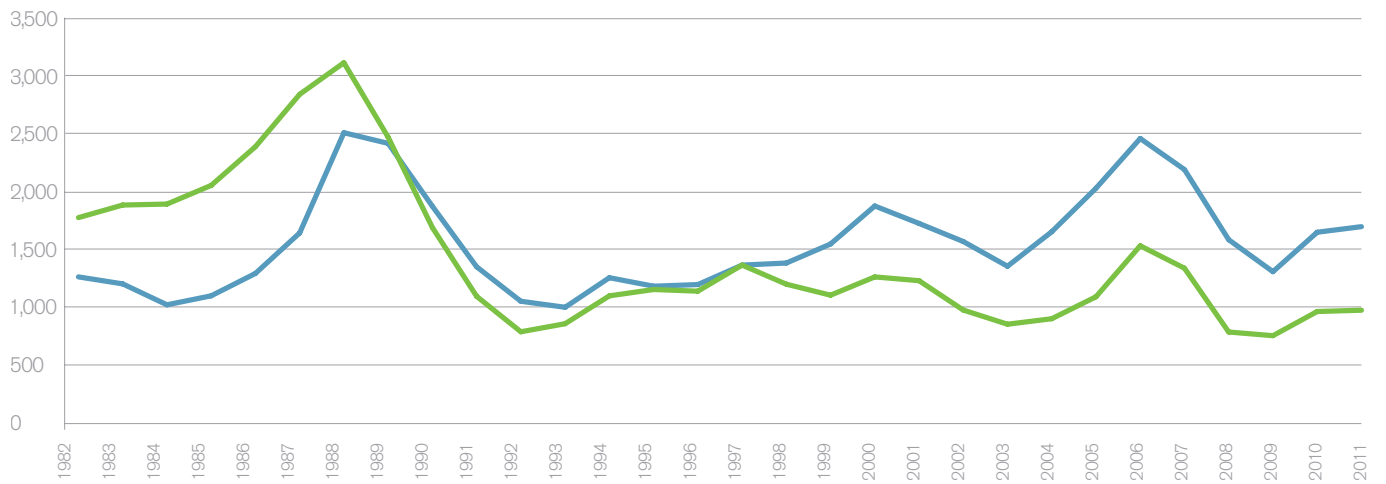


Source: CB Richard Ellis

**Real capital values**

£ per sq ft

— Prime City offices — Prime West End offices



Source: PMA

**Selected lead indicators**

Trends in year to 31 March 2010

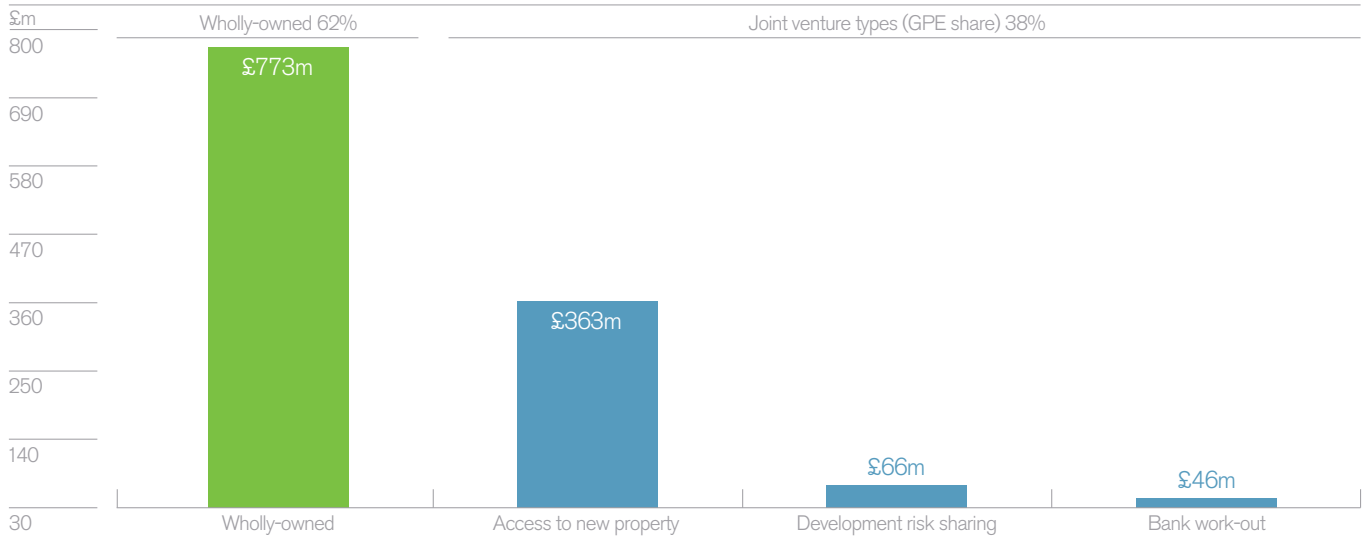
**Property capital values**

Equity and bond prices	↑
Changes in new lending by major UK and European banks	↑
Transaction volumes in central London direct real estate investment markets	↑
Direction of pricing on IPD-based derivative contracts	↑

**Rental values**

UK GDP growth	↑
London retail sales	↑
Business confidence levels in the central London economy	↑
UK output from the financial and business services sector	h
UK finance and business services employment statistics	R

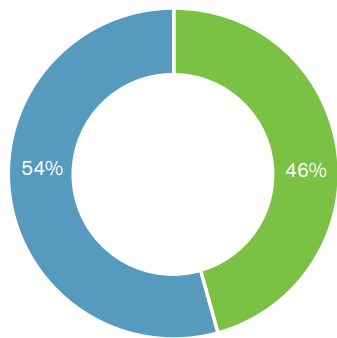
**Wholly-owned and JV property assets – comparison of property values at 31 March 2010**



**Joint venture business – contribution to the Group**

Values at 31 March 2010

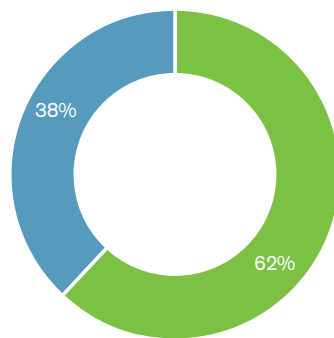
**Properties under management**



Wholly-owned £772.9 million

Joint ventures £904.0 million

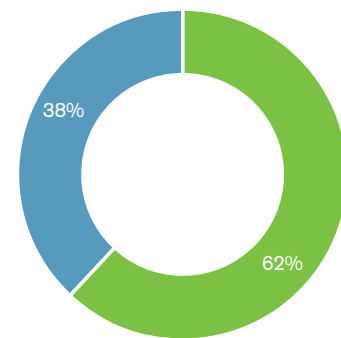
**Net assets**



Wholly-owned £544.1 million

Joint ventures £332.4 million

**Rent roll<sup>1</sup>**



Wholly-owned £42.3 million

Joint ventures £25.4 million

<sup>1</sup> Includes share of joint ventures.

### New lettings and renewals by quarter



### Near-term programme and pipeline

	Earliest start	Anticipated finish	New building area <sup>†</sup>	Cost £m
<b>Started</b>				
Marcol House, Regent Street, W1		Aug 12	102,500	55.5
23/24 Newman Street, W1		Sep 11	25,200	11.1
<b>2010/2011</b>				
184/190 Oxford Street, W1	Sep 10	Dec 10	26,500	2.0
240 Blackfriars Road, SE1*	Sep 10	Aug 13	233,500	59.8
12/14 and 43 Fetter Lane, EC4*	Sep 10	Jul 13	139,200	43.3
79/97 Wigmore Street, W1*	Oct 10	Jun 13	112,700	34.1
24/25 Britton Street, EC1*	Oct 10	Apr 11	51,300	3.7
Walmar House, 288/300 Regent Street, W1*	Jun 11	Dec 12	59,800	11.6
100 Bishopsgate, EC3*	Jun 11	Oct 14	815,400	273.9
<b>Total of near-term projects</b>			<b>1,566,100</b>	<b>495.0</b>
<b>Pipeline</b>				
15 projects	2011+		1,198,800	
<b>Total programme</b>				
<b>24 projects, 53% of GPE existing portfolio</b>			<b>2,764,900</b>	

<sup>†</sup> Areas are in sq ft and at 100%.

\* For those held in JV, costs are shown as GPE's share.

## Portfolio performance

		Wholly-owned £m	Share of joint venture £m	Total £m	Proportion of portfolio %	Valuation movement %
North of Oxford Street	Office	390.1	80.8	470.9	37.8%	21.3%
	Retail	80.3	83.7	164.0	13.2%	17.4%
Rest of West End	Office	83.2	104.4	187.6	15.0%	4.9%
	Retail	73.1	71.0	144.1	11.5%	13.5%
Total West End		626.7	339.9	966.6	77.5%	16.0%
City and Southwark	Office	68.8	17.3	86.1	6.9%	3.7%
	Retail	4.6	1.8	6.4	0.5%	4.6%
Total City and Southwark		73.4	19.1	92.5	7.4%	3.8%
Investment property portfolio		700.1	359.0	1,059.1	84.9%	14.8%
Development property		17.2	6.8	24.0	1.9%	24.4%
<b>Total properties held throughout the year</b>		<b>717.3</b>	<b>365.8</b>	<b>1,083.1</b>	<b>86.8%</b>	<b>15.0%</b>
Acquisitions		55.6	109.0	164.6	13.2%	16.6%
<b>Total property portfolio</b>		<b>772.9</b>	<b>474.8</b>	<b>1,247.7</b>	<b>100.0%</b>	<b>15.2%</b>

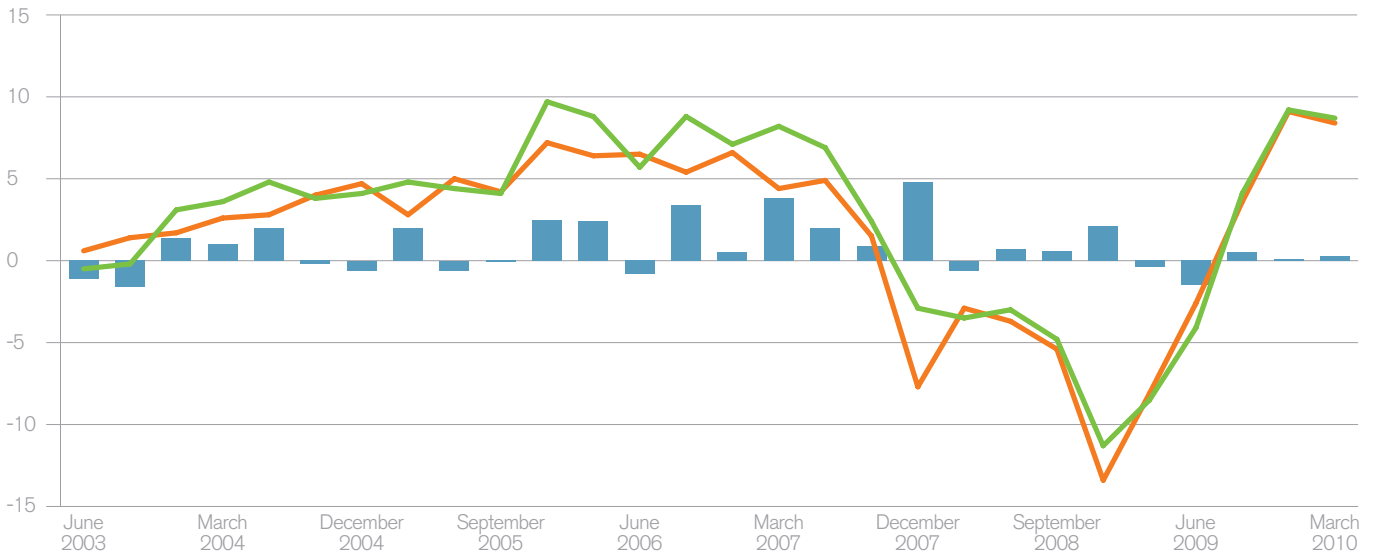
## Portfolio characteristics

		Investment properties £m	Development properties £m	Total property portfolio £m	Office £m	Retail £m	<b>Total £m</b>	Net internal area sq ft 000's
North of Oxford Street		634.9	45.7	680.6	514.0	166.6	<b>680.6</b>	1,303.2
Rest of West End		352.0	–	352.0	188.5	163.5	<b>352.0</b>	838.7
<b>Total West End</b>		<b>986.9</b>	<b>45.7</b>	<b>1,032.6</b>	<b>702.5</b>	<b>330.1</b>	<b>1,032.6</b>	2,141.9
City and Southwark		191.1	24.0	215.1	194.5	20.6	<b>215.1</b>	742.4
<b>Total</b>		<b>1,178.0</b>	<b>69.7</b>	<b>1,247.7</b>	<b>897.0</b>	<b>350.7</b>	<b>1,247.7</b>	2,884.3
By use:	Office	833.4	63.6	897.0				
	Retail	344.6	6.1	350.7				
<b>Total</b>		<b>1,178.0</b>	<b>69.7</b>	<b>1,247.7</b>				
Net internal area sq ft 000's		2,709.9	174.4	2,884.3				

**Total property return (% p.a.) relative to IPD central London index**

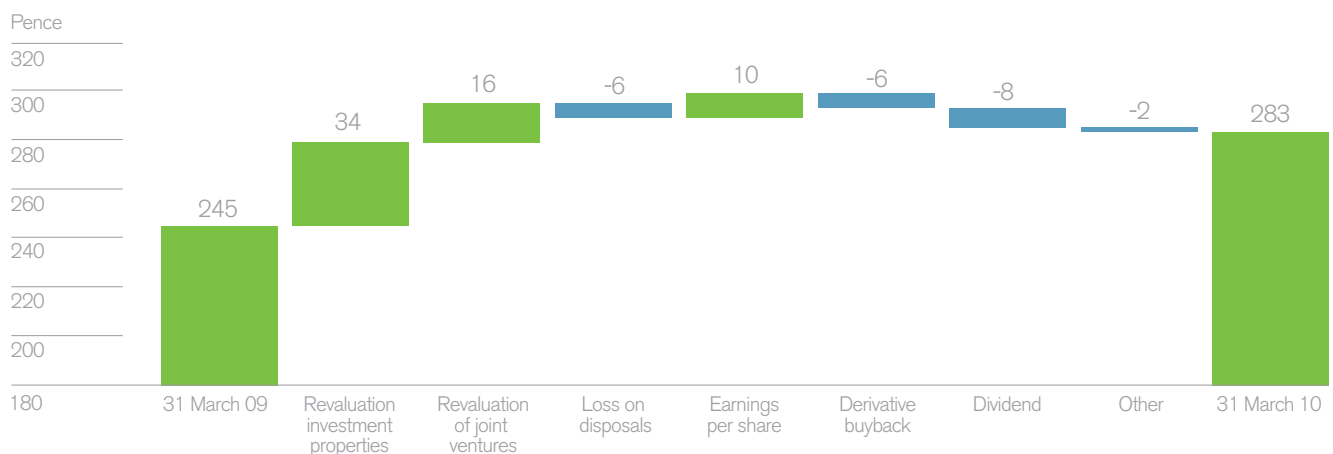
Quarters, June 2003–March 2010

— GPE — IPD central London ■ Relative



Source: IPD

## Adjusted net assets per share – movement since 31 March 2009



## Adjusted profits before tax – year to 31 March 2010

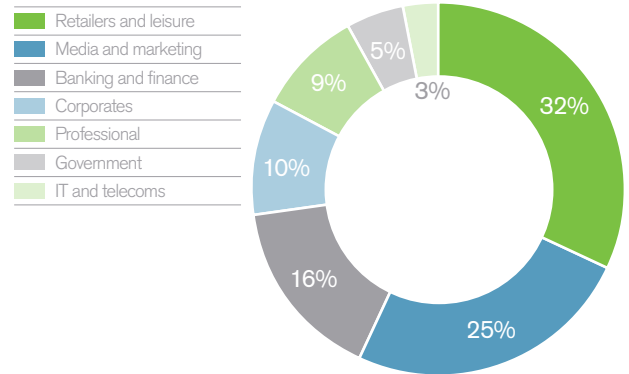


## Debt analysis

	March 2010 £m	March 2009 £m
Net debt excluding JVs	232.6	371.0
Net gearing	26.5%	65.2%
Total net debt including 50% JV non-recourse debt	359.2	506.4
Loan-to-property value	28.8%	44.9%
Total net gearing	41.0%	89.0%
	March 2010 £m	March 2009 £m
Interest cover	3.4x	2.1x
Weighted average interest rate	4.9%	5.8%
% of debt fixed/capped	61%	86%
Cash and undrawn facilities	477	330

**Top 10 tenants**

	Name	Percentage of rent roll
1	Virgin Media	7.0%
2	The Engine Group	5.2%
3	Intesa Sanpaulo S.p.A	4.9%
4	New Look	3.8%
5	Fallon London	2.2%
6	Willis Group Services	2.0%
7	Austin Reed	1.8%
8	Fortis Investment Management UK	1.5%
9	Guy's and St Thomas's NHS Foundation Trust	1.3%
10	VNU Business Publications	1.3%

**Tenant diversity including share of joint ventures**

## Lease profile

		Wholly-owned			Share of joint ventures			Total rental values £m
		Rent roll £m	Reversionary potential £m	Rental values £m	Rent roll £m	Reversionary potential £m	Rental values £m	
London	North of Oxford Street Office	21.4	(2.4)	19.0	3.8	1.0	4.8	23.8
	Retail	4.5	0.5	5.0	4.6	0.9	5.5	10.5
Rest of West End	Office	4.1	–	4.1	7.4	(0.8)	6.6	10.7
	Retail	2.7	0.6	3.3	4.9	0.3	5.2	8.5
Total West End		<b>32.7</b>	<b>(1.3)</b>	<b>31.4</b>	<b>20.7</b>	<b>1.4</b>	<b>22.1</b>	<b>53.5</b>
City and Southwark	Office	8.7	(0.2)	8.5	4.5	0.4	4.9	13.4
	Retail	0.9	0.5	1.4	0.2	–	0.2	1.6
Total City and Southwark		<b>9.6</b>	<b>0.3</b>	<b>9.9</b>	<b>4.7</b>	<b>0.4</b>	<b>5.1</b>	<b>15.0</b>
Total let portfolio		<b>42.3</b>	<b>(1.0)</b>	<b>41.3</b>	<b>25.4</b>	<b>1.8</b>	<b>27.2</b>	<b>68.5</b>
Voids				1.9			1.0	2.9
Premises under refurbishment				0.1			6.8	6.9
<b>Total portfolio</b>				<b>43.3</b>			<b>35.0</b>	<b>78.3</b>

## Rent roll security, lease lengths and voids

		Wholly-owned			Joint ventures		
		Rent roll secure for five years %	Weighted average lease length years	Voids %	Rent roll secure for five years %	Weighted average lease length years	Voids %
London	North of Oxford Street Office	53.6	7.4	2.3	17.6	3.0	3.5
	Retail	62.8	6.6	0.3	75.5	9.2	0.7
Rest of West End	Office	1.1	1.7	6.9	29.5	4.1	3.8
	Retail	3.8	3.0	8.4	79.0	11.7	–
Total West End		<b>44.1</b>	<b>6.2</b>	<b>3.1</b>	<b>50.1</b>	<b>7.0</b>	<b>2.4</b>
City and Southwark	Office	19.8	3.8	7.8	5.8	1.4	3.7
	Retail	72.2	9.7	2.3	36.7	6.6	5.8
Total City and Southwark		<b>24.6</b>	<b>4.3</b>	<b>7.3</b>	<b>7.4</b>	<b>1.7</b>	<b>3.8</b>
Total let portfolio		<b>39.7</b>	<b>5.8</b>	<b>4.1</b>	<b>42.0</b>	<b>5.9</b>	<b>2.6</b>

## Rental values and yields

		Wholly-owned		Joint ventures		Wholly-owned		Joint ventures	
		Average rent £psf	Average ERV £psf	Average rent £psf	Average ERV £psf	Initial yield %	True equivalent yield %	Initial yield %	True equivalent yield %
London	North of Oxford Street Office	43	38	23	36	4.3	5.3	4.6	5.4
	Retail	33	37	62	75	4.4	5.3	4.7	5.2
Rest of West End	Office	36	35	36	32	4.4	4.4	5.9	5.8
	Retail	49	59	44	47	3.3	4.8	4.9	4.4
Total West End		<b>41</b>	<b>39</b>	<b>38</b>	<b>40</b>	<b>4.2</b>	<b>5.1</b>	<b>5.1</b>	<b>5.2</b>
City and Southwark	Office	30	29	30	32	6.4	6.1	7.0	7.0
	Retail	21	34	37	39	4.4	6.9	5.8	6.0
Total City and Southwark		<b>29</b>	<b>30</b>	<b>30</b>	<b>32</b>	<b>6.2</b>	<b>6.2</b>	<b>6.9</b>	<b>6.9</b>
Total portfolio		<b>37</b>	<b>36</b>	<b>36</b>	<b>38</b>	<b>4.6</b>	<b>5.3</b>	<b>5.4</b>	<b>5.5</b>

The Group views effective risk management as integral to the delivering of superior returns to shareholders. Principal risks and uncertainties facing the business and the processes through which the Company aims to manage those risks are:

Risk and impact	Mitigation	Change from last year
<b>Market risk</b>		
Central London real estate market underperforms other UK property sectors leading to poor relative financial results	Research into the economy and the investment and occupational markets is evaluated as part of the Group's annual strategy process covering the key areas of investment, development and asset management and updated regularly throughout the year.	→
Economic recovery falters resulting in worse than expected performance of the business given decline in economic output	Regular economic updates received and scenario planning for different economic cycles. Limited commitment to capital expenditure.	→
<b>Investment</b>		
Not sufficiently capitalising on market investment opportunities through difficulty in sourcing investment opportunities at attractive prices and poor investment decisions	The Group has dedicated resources whose remit is to constantly research each of the sub-markets within central London seeking the right balance of investment and development opportunities suitable for current and anticipated market conditions.  Detailed due diligence is undertaken on all acquisitions prior to purchase to ensure appropriate returns.	↑
Failure to maximise income from investment properties through poor management of voids, low tenant retention, sub-optimal rent reviews and inappropriate refurbishments	The Group's in-house asset management and leasing teams proactively manage tenants to ensure changing needs are met with a focus on retaining income in light of vacant possession requirements for refurbishments and developments.	↓
<b>Development</b>		
<p>Poor development returns relating to:</p> <ul style="list-style-type: none"> <li>– incorrect reading of the property cycle;</li> <li>– level of development undertaken as a percentage of the portfolio;</li> <li>– inappropriate location;</li> <li>– quality of the completed buildings; and</li> <li>– poor development management</li> </ul>	<p>See market risk above.</p> <p>Prior to committing to a development the Group conducts a detailed Financial and Operational appraisal process which evaluates the expected returns from a development in light of likely risks. During the course of a development, the actual costs and estimated returns are regularly monitored to signpost prompt decisions on project management, leasing and ownership.</p> <p>Working with agents, potential occupiers' needs and aspirations are identified during the planning application and design stages.</p> <p>All our major developments are subject to BREEAM ratings with a target to achieve a rating of "Very Good" on major refurbishments and "Excellent" on new build properties.</p>	↑

Risk and impact	Mitigation	Change from last year
<b>Financial risks</b>		
Limited availability of further capital constrains the growth of the business	Cash flow and funding needs are regularly monitored to ensure sufficient undrawn facilities are in place.  Funding maturities are managed across the short, medium and long term.  The Group's funding measures are diversified across a range of bank and bond markets. Strict counterparty limits are operated on deposits.	↓
Adverse interest rate movements reduce profitability	Formal policy to manage interest rate exposure by having a high proportion of debt with fixed or capped interest rates through derivatives.	↑
Inappropriate capital structure results in suboptimal NAV per share growth	Regular review of current and forecast debt levels.	→
<b>People</b>		
Incorrect level, mix and retention of people to execute our Business Plan  Strategic priorities not achieved because of inability to attract, develop, motivate and retain talented employees	Regular review is undertaken of the Group's resource requirements.  The Company has a remuneration system that is strongly linked to performance and a formal appraisal system to provide regular assessment of individual performance and identification of training needs.	↑
<b>Regulatory</b>		
Adverse regulatory risk including tax, planning, environmental legislation and EU directives increases cost base and reduces flexibility	Senior Group representatives spend considerable time, using experienced advisers as appropriate, to ensure compliance with current and potential future regulations.  Lobbying property industry matters is undertaken by active participation of the Executive Directors through relevant industry bodies.	↑
Health and safety incidents  Loss of or injury to employees, contractors or tenants and resultant reputational damage	The Company has dedicated Health & Safety personnel to oversee the Group's management systems which includes regular risk assessments and annual audits to proactively address key Health & Safety areas including employee, contractor and tenant safety.	→