

Unlocking potential



MORGAN STANLEY
9th ANNUAL EUROPEAN
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Agenda



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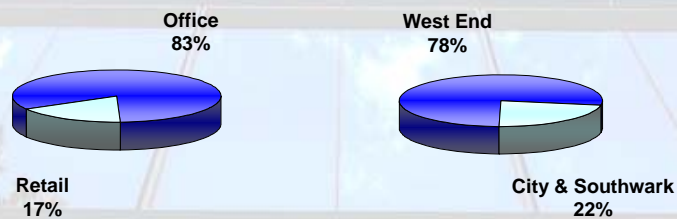
As many of you know, Great Portland is a Central London real estate specialist.
I would like to spend the next 15 – 20 minutes:

- describing the Group;
- setting out our views on the London market;
- reviewing our strategic direction; and
- explaining how we aim to generate significant shareholder value on top of our recent positive results.

GPE snapshot



- Central London investment and development
- Over £1.1 billion of real estate
- Significant and growing development portfolio
 - 24 projects: 2.2 million sq ft
 - Near term programme end value: 37% portfolio



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First, an overview of Great Portland's business.

We are a focussed Central London investment and development company with over £1.1 billion in real estate assets.

Our development pipeline is very significant in relation to the current portfolio.

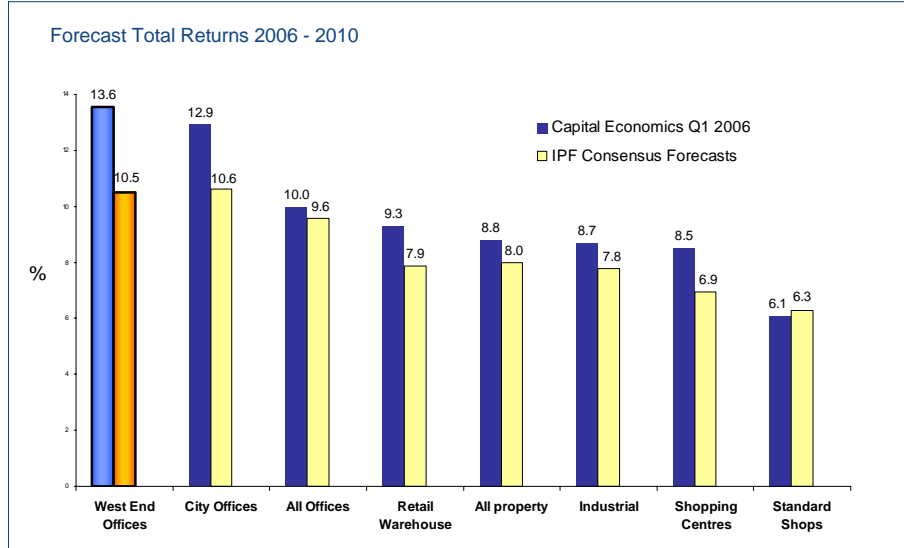
Our development schemes total 24 projects or 2.2 million sq ft. Compare that to the existing area of 1.9million sq ft.

The near-term development programme, which I will describe in more detail later, has an end value equivalent to nearly 40% of today's real estate assets.

One of the key attributes of our business is specialism – as you can see 83% of our assets are in offices and nearly 80% are in the West End of London.

We believe this geographic and sector position offers tremendous opportunities for investors as I will illustrate in the following slides.

West End offices - most attractive sector in UK



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This chart shows one of the reasons why we are so excited about the future.

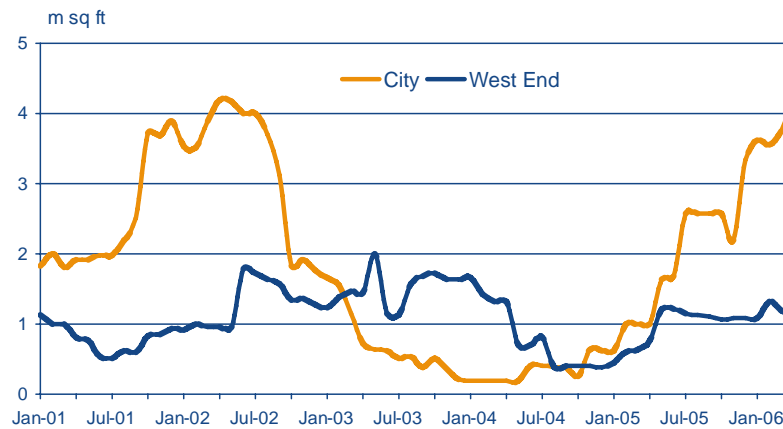
West End offices are forecast to have the highest total returns of any real estate sub sector in the UK. The data covers prospective returns for 2006 – 2010 and is provided by two independent organisations.

The positive market conditions are created by two important forces:

- a very restrictive planning environment in the West End where it is very difficult to gain consent for new high quality buildings – this severely constrains new supply;
- stable and improving occupational demand from a range of industry sectors.

Let me describe these factors in more detail.

Central London office market Development starts (Rolling annual)



Source: PMA

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This chart shows the rolling previous twelve months development starts across London. The key message here is the volatility of the City versus the West End:

- the West End is shown in blue. Although developers would like to turn on the tap of new buildings, they have found it difficult to do so because of planning restrictions; and
- in the City market it is relatively easy. The orange line shows the position quite clearly.

This supply constraint in the West End linked to good demand from prospective tenants creates a positive letting environment. I have some rental growth forecasts on the next slide.

Central London office market PMA prime headline rent forecast



Source: PMA

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This chart shows PMA's prime headline rent forecasts which are very positive.

Prime rents in both markets are forecast to continue their steep rise this year:

- in the City, shown in orange, PMA forecast rents to peak in 2008/9 and fall back again as new development supply picks up; and
- in the West End average prime rents are forecast to reach £100 per square foot by 2010.

We believe the risks to both markets are very different:

- in the City there is an upside risk on the amount of supply. We estimate there are 12 m sq ft of existing planning consents with 3 m sq ft of consents given in the first quarter of this year alone; and
- in the West End the issue is likely to be one of affordability - £100 per square foot for a medium sized floor plate could be a challenge for some occupiers.

So having explained the good prospects for Central London offices – what's Great Portland's strategic response?

Strategic Direction



Develop	<ul style="list-style-type: none">• Build out near-term programme• Grow and bring forward medium-term programme
Buy	<ul style="list-style-type: none">• Focus on value locations in London• Off low rents affordability theme• With angles for value enhancement• For medium term development programme
Manage	<ul style="list-style-type: none">• Maintain full occupancy in investment portfolio• Deliver VP on development• Create value through asset restructuring
Sell	<ul style="list-style-type: none">• Off historically high capital values• Where limited further angles exist• Where unlikely to capture rental growth

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There are four main strands to our strategy – and in each we have clear objectives....

One – to develop

- build out the near-term programme; and
- grow and bring forward our medium-term programme.

More on this shortly

Two – to buy

- increasingly, we are focusing on value locations within London. You've seen this through our acquisitions in Southwark, for example;
- buy off low rents – as rental growth kicks in, affordability will become an issue;
- there must be angles for value enhancement; and
- a key objective is to buy into potential medium-term developments with short-term income.

Three – manage our assets

- to maintain full occupancy in the investment portfolio;
- bring forward vacant possession at the medium-term development assets; and
- to create value through, for example, the sorts of restructuring deals recently done at properties on Oxford Street and Regent Street.

And four – selling

- at historically high values;
- where we see limited further angles to exploit; and
- where we would be unlikely to capture future rental growth – so important, we think, as this extraordinary run of yield shift comes to an end.

Overall it's about working our portfolio hard in positive market conditions.

Development update Overview



	Near Term	Mid Term	Long Term
Schemes	9	10	5
Start dates	2004 - 2006	2008 - 2011	2011 & beyond
Lettable area on completion	575,000	1,200,000	400,000
Increase over existing area	70%	130%	25%

<i>Total Programme</i>
<i>24 projects</i>
<i>2.2m sq ft</i>
<i>1.0m sq ft increase</i>
<i>1.9m sq ft existing GPE portfolio</i>

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This slide gives you an overview of how our development pipeline stands today.

We have 9 schemes in our near-term programme.

We define our near-term as including schemes starting by the end of this year.

They will produce almost 600,000 sq ft of space and a good 70% increase on their existing area. Excluding their existing site value of £119 million, they will cost us a total of £186 million to build out, of which we have spent £33 million so far; and

They will generate an ERV, at March 2006 rental values, of 21 million giving an overall profit on cost of more than 20%.

All have planning consent in this very tight environment

We've also been working hard to bring forward our medium and longer-term development prospects.

By their very nature, some of these schemes are less certain than others and I fully expect the exact shape of these programmes to change;

The programme could grow – as it has over the past year with the acquisition of Blackfriars Road, a medium-term project with a 2009 start date;

But for now, we estimate we have 10 medium-term projects, with start dates between 2008 and the end of 2011, producing 1.2 million sq ft of lettable space, and representing a significant area increase.

For the longer-term, beyond 2011, things are less certain still, but we have identified five good prospects of approximately 400,000 sq ft.

Take these three programmes together, and we have 24 projects – generating almost 2.2 million sq ft to build out – producing an increase in area of roughly 1 million sq ft – to put that into context, our entire portfolio today stands at 1.9 million sq ft.

Relative to many of our listed peers, we have a very high proportion of our estate in development over the next 2-3 years when rental growth is expected to be strong.

Development locations Focus on West End



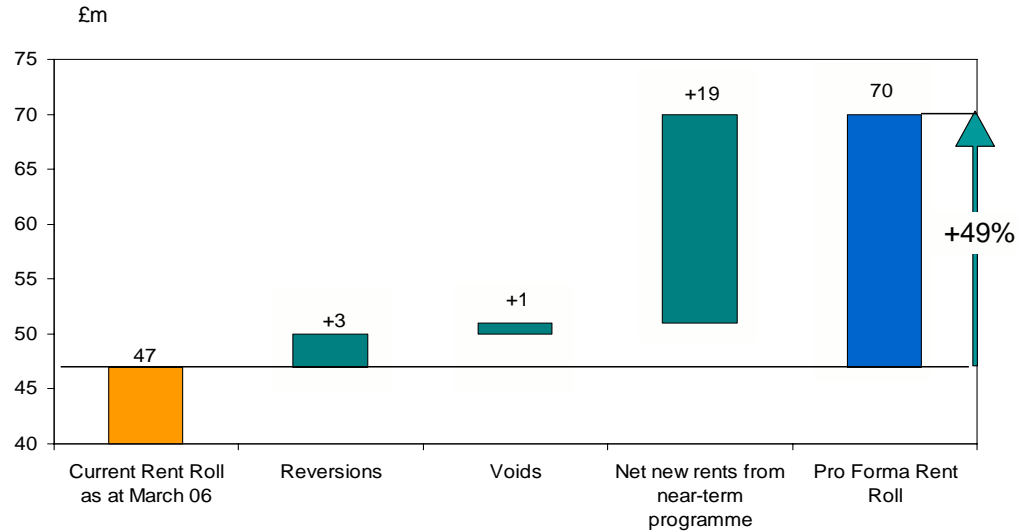
Here's a map of Central London with Regent's Park in the top left and the river Thames running through the middle.

The dots are the locations of our developments.

Looking at the concentration in the heart of the West End, we have worked hard to bring these schemes to fruition and they are perfectly positioned to benefit from the good market dynamics I mentioned earlier.

It's worth mentioning that some 60% of our North of Oxford Street properties, towards the top of this map, will be redeveloped or refurbished over the next few years.

Development Programme Potential Rental Income (Build up vs March 06)



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I want to show you how all this good asset positioning could benefit shareholders.

This chart illustrates the opportunity to increase current rent roll as at 31 March which is shown in orange on the left.

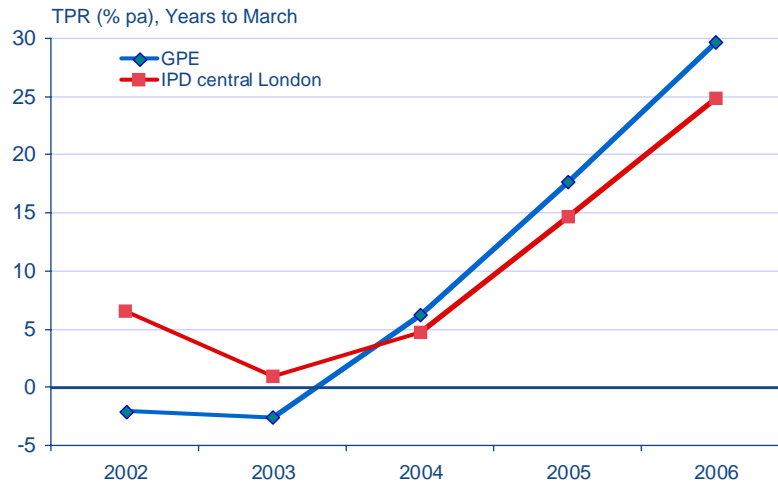
Uplifts come from:

- reversions of £3 million (the portfolio was over rented until fairly recently);
- lettings of voids; and
- the Group's near-term development schemes which are expected to add around £19 million of net new rents at March rental values.

The cumulative effect of these items is to increase pro forma rent roll to £70 million up by 49%.

This is a substantial rise and it's based on March rental values which already seem conservative given prospects for the letting market. What's encouraging is that these schemes are on site this year and are expected to be let by 2009.

Strong results Relative to IPD Central London Index



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Having reviewed the market and our development business I would like to cover our recent strong results.

Particularly pleasing is our strengthening relative property return. This graph compares our total property return to that of the IPD Central London Index and shows that we have built on our recent run of out-performance.

In the year to 31 March 2006 the Group's total property return was 30% which puts us at the top of the table of major listed property companies.

Financial highlights



Valuation Measures	March 06	March 05	Change
NAV per share*	437p	337p	29.7%
Portfolio value	£1,015m	£804m	24.7%**
Portfolio value (inc JV share)	£1,128m	£883m	23.3%**
Return Measures	March 06	March 05	Change
Return on Capital Employed	28.9%	17.5%	11.4%pts
Return on Shareholder Equity (NAV Growth plus dividends)	32.9%	22.5%	10.4%pts
Total Shareholder Return	53.9%	28.2%	25.7%pts

*Adjusted and diluted

**Like-for-like growth in assets held for whole year

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The rest of the financial results were also very satisfactory:

- adjusted NAV per share up nearly 30% to 437p due to revaluation gains in our development and investment portfolio and profits from property sales.
- our wholly owned portfolio rose in value by 24.7% on a like for like basis to £1.015 billion; and
- the portfolio including share of JVs was worth £1.128 billion at March 2006;

Looking at return measures at the shareholder level:

- return on capital employed was 28.9%, significantly up on last year and way ahead of the Group's cost of capital at less than 7%;
- return on shareholders' equity, that is NAV growth plus dividends, was 32.9% up 10 percentage points on last year. Without the effect of refinancing costs the return was over 35%; and
- finally, total shareholder return was almost 54%, the TSR of the real estate index was 49%.

Now you may be thinking – good results but will it last?

I would like to summarise the key themes of this presentation and provide you with a view on the Group's outlook.

Summary



Markets

- Fundamentals strengthening
- West End supply crunch
- Rental values responding
- Attractive returns forecast

Strategic response

- Deliver our near-term developments
- Work to bring our medium-term programme forward
- Capitalise on asset mis-pricing through sales
- Recycle into value propositions

Results

- Continue to drive portfolio growth
- Optimistic about shareholder returns

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The fundamentals in our markets, particularly in the West End, are strengthening.

- the West End supply constraint is very real and the rental market is responding;
- the developer response on the other hand is muted because of the constraints imposed primarily by the planning regime. Our sizeable and growing programme puts us in a very strong position; and
- in the City, where these constraints do not exist, things are very different as we've shown and we remain more cautious.

And with investment market returns likely to moderate, how do we respond?

- first, push ahead with our near-term development programme – particularly into the West End supply crunch;
- second, work hard to bring forward our medium-term developments;
- third, continue to capitalise on asset mis-pricing through sales; and
- fourth, use our focussed approach to recycle our capital into opportunities to create value – we've shown we can find the deals even in today's competitive environment and I expect us to build on this growing track record.

Last year was a strong one for Great Portland and, to answer my earlier question, we see plenty of reasons for real optimism about our prospects.