

Press Release



12 September 2011

GPE acquires major West End site

Great Portland Estates plc ("GPE") announces that it has exchanged contracts to acquire a major 2.3 acre freehold site in the core of London's West End between Rathbone Place, W1 and Newman Street, W1, 50 yards north of Oxford Street. Completion is set for 22 September.

GPE will pay Royal Mail Group ("RMG") £120 million in cash for their freehold interest and has leased back the entire site to RMG until June 2013, with GPE receiving total net rent of £4.6 million. Vacant possession will be delivered to GPE at the end of the lease back whereupon GPE expects to commence a major mixed-use redevelopment.

In May 2011, RMG submitted a planning application for approximately 383,435 sq ft of net area including offices, residential, retail and substantial public realm improvements, together with a new public street connecting Newman Street through to Rathbone Place and Charlotte Street. Based upon this scheme, the price paid by GPE, excluding the leaseback rent, equates to a capital value of £313 per sq ft.

Immediately post completion, GPE will withdraw the current planning application and will begin work on a new proposal for the site, expecting to submit a new application during 2012.

RMG will share in the potential future profits should GPE redevelop the site via an overage arrangement after GPE have received a priority profit equating to a compounding 12% return on all capital expended. If available, the next 1.5% (or £10 million if higher) of return will be paid to RMG, with any surplus thereafter split 80:20 in GPE's favour.

Toby Courtauld, GPE Chief Executive said, "We are delighted to have added this important West End site to our medium term development pipeline. Its redevelopment will accelerate the regeneration of the East End of Oxford Street, one of London's most exciting submarkets, which is set to benefit significantly from the opening of Crossrail. We look forward to working closely with both Royal Mail Group and Westminster City Council to maximise the benefit the site can bring to this part of the Capital."

Contacts:

Great Portland Estates plc

Toby Courtauld, Chief Executive
Neil Thompson, Portfolio Director

020 7647 3042
020 7647 3029

Finsbury Group

Gordon Simpson

44 (0) 20 7251 3801

Great Portland Estates plc
33 Cavendish Square, London W1G 0PW
Tel 020 7647 3000 Fax 020 7016 5500
www.gpe.co.uk

registered number 596137 England