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Great Portland Estates plc sells £27.0m London Bridge portfolio, SE1 to Hermes Real Estate

Great Portland Estates (“GPE”) has exchanged contracts to sell the freehold interest in six assets in proximity to London Bridge, SE1. The assets form two clusters comprising 9 Holyrood Street, Shand House, 14-20 Shand Street and 22-28 Shand Street and 75 Bermondsey Street, Bramah House, 65/71 Bermondsey Street and land and buildings on Black Swan Yard.

The portfolio has been purchased by the British Telecom Pension Scheme which is managed by Hermes Real Estate Investment Management Ltd for £27.0 million, reflecting a net initial yield of 5.2% to the purchaser, rising to 5.7% on expiry of rent frees. In addition, GPE has agreed a two year overage provision with the purchaser.

Toby Courtauld, GPE Chief Executive commented, “This sale continues our strategy of recycling capital out of non core assets and smaller development situations. The Shand Street and Bermondsey Street assets offer small, medium term refurbishment opportunities but following the Group’s acquisitions over the past 12 to 18 months, the team’s focus is better directed towards these larger, more impactful schemes.”

Chris Taylor, CEO of Hermes Real Estate commented, “This acquisition is consistent with our strategy of redeploying capital from trophy-type assets by investing in more asset management intensive stock, which plays to our core asset management strengths.”

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