



24 September 2009

Great Portland invests in the City

Great Portland Estates plc ("GPE") announces that it has exchanged contracts to purchase 90 Queen Street, London EC4 for £45.8 million.

The prime office and retail building was built in 1996 and comprises 68,400 sq. ft. of space. The office accommodation is the UK office of Intesa Sanpaulo SPA and is occupied under a lease until 2017 with a tenant option to break in 2013. The retail units are occupied by Lloyds Banking Group plc, Pret a Manger and Hugo Boss. The rental income of £3.9 million per annum will add approximately 1p per share to Group earnings per share and the acquisition will show a net initial yield, having taken into account all acquisition costs, of 8.2%.

Ben Chambers, Investment Director of GPE said, "We are delighted to be buying 90 Queen Street. The property sits in a prime location, is easily and quickly capable of being returned to market should the tenant break, and gives us a high running yield in the meantime. The break will come at a time when we forecast limited supply in the City market and, at a capital value per sq. ft. for the office component of £565, we are buying land and a building at beneath replacement cost, without the development risk and with an attractive income return".

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GREAT PORTLAND ESTATES plc is a central London investment and development company and a constituent of the FTSE 250 index. It aims to deliver superior returns to shareholders through active management, the application of development skills to create value and the maximising of equity returns through efficient capital structuring and flexible financing. GPE converted into a UK Real Estate Investment Trust (REIT) on 1 January 2007.

At 30 June 2009 GPE's portfolio, including its share of joint ventures, was valued at £1,029 million.