

# Press Release



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**14 November 2012**

## **Placing to Take Advantage of Acquisition Opportunities**

Great Portland Estates plc (“GPE” or the “Company”) today announces a placing (the “Placing”) of up to 31.25 million new ordinary shares (the “Placing Shares”), representing approximately 9.99% of the current issued share capital of the Company.

### **Highlights**

- Proposed Placing of up to 31.25 million new ordinary shares
- Proceeds will be used to acquire properties in central London, focusing on: GPE’s core market of the West End, properties with asset management angles to exploit and pricing beneath GPE’s view of replacement cost
- Three such property purchases are currently under detailed discussions with an expected total value of approximately £110 million and a further three are in detailed analysis
- Following the Placing, the Company expects to have approximately £400 million of cash and undrawn credit facilities
- Strong indications of support from key shareholders for the Placing
- The executive directors intend to invest in aggregate up to £300,000 in the Placing
- The Placing Shares will include the right to receive all dividends declared or paid after the date of issue of the Placing Shares, including the interim dividend declared today of 3.3p per share

### **Background to the Placing**

The Company has continued to deliver strong portfolio and total shareholder returns through its focused strategy of investment and development in core central London real estate, outperforming the IPD Central London Index by 3.0 percentage points with a total property return of 12.8% for the 12 months to 30 September 2012. Over the 10 years to 30 September 2012, the Company’s total property return on an annualised basis was 11.0%, which exceeded the IPD Central London Benchmark by 2.8 percentage points. The Company has delivered total property returns in the upper quartile of the IPD Central London benchmark over 1, 3, 5 and 10 years (to 30 September 2012).<sup>1</sup>

GPE raised £166 million (net) through a rights issue in May 2009 and has since invested more than £644 million in new acquisitions, at an average discount of 38.0% to the Company’s view of these

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properties' replacement cost (at the time of purchase) and delivering an estimated ungeared IRR of 17.7% per annum from the date of purchase to the 30 September 2012 valuation.<sup>2</sup> Since May 2009, the Company has successfully recycled capital through sales totalling £441.7 million, at an average 7.9% premium to the preceding year end valuation and invested more than £159 million into its value enhancing development programme. Having secured £16.7 million of pre-let income since 1 April 2011, the five development schemes completed over this same period have achieved a profit on cost of 24.6% and the five committed schemes currently onsite are expected by the Company to deliver a profit on cost of 42.5%.<sup>3</sup>

Since 30 September 2011, GPE has completed £241 million of property purchases in attractive central London locations, the majority in the West End and purchased off-market, including ten properties acquired from the Great Capital Partnership in two separate transactions.

### **Use of proceeds**

Since the summer, the Company has identified an increasing number of interesting 'GPE-style' acquisition opportunities across central London, the majority of which are in its core West End market, from a broad variety of sources. 'GPE-style' opportunities are typically a liquid lot size (usually with a purchase price of between £25 million and £100 million), complex properties (for example, with complicated ownership structures or poor physical configuration), let off low rents in attractive locations. Whilst, in the Company's view, investor demand remains strong for long-let and 'trophy' properties across central London, these types of 'GPE-style' opportunities are, in the Company's experience, unlikely to appeal to overseas or institutional buyers. In addition, given that debt remains scarce for non-institutional buyers, the Company expects to be able to exploit this market opportunity through identifying assets for it to reposition and having the financial resources to act quickly.

The Company currently has three such proposed 'GPE-style' purchases under detailed discussions, with an expected total value of approximately £110 million and all at prices representing a discount to the Company's current view of their respective replacement costs. There are a further three potential purchases in detailed analysis. The majority of these properties are in prime West End locations, with near term asset management angles to exploit to enhance rental income, combined with potential medium to longer term refurbishment or development opportunities. Based upon its detailed knowledge of the central London investment market, the Company expects further similar opportunities will be identified in the near term and that the proceeds of the Placing will be invested in the next 12-18 months, if not sooner. The Placing will also provide flexibility for the Company to maximise returns from its significant development programme which totals 2.3 million sq ft, covering 53% of the existing portfolio. The Company intends to continue actively recycling capital through sales of mature and non-core properties.

### **Expected benefits of the Placing**

The Company expects that the acquisitions which it intends to fund with proceeds of the Placing will, in aggregate, enhance shareholder returns and be accretive to both EPRA earnings and NAV per share over time. The Company believes that the Placing will enable it to act quickly to take advantage of opportunities as they arise.

## **Financial position**

As disclosed in the Company's Half Year Results published today, the Group's financial and operational performance continues to be strong. EPRA NAV per share has increased by 5.2% and 12.2% in the 6 months and 12 months respectively to 30 September 2012, with like-for-like portfolio valuation and rental value growth of 8.4% and 8.0% respectively over the 12 months to 30 September 2012.

The Group has a robust financial position, with a flexible and attractively priced debt structure. Pro forma for sales completed since 30 September 2012, the Group has a loan to value ratio of 35.1%, with significant headroom over all its covenants. The Group has secured more than £1 billion of new debt financing in the last two and half years from a variety of sources. These financings have extended the Group's weighted average debt maturity to 7.5 years, with the nearest material maturity in July 2015, and provide a low weighted average interest rate of 3.6%.

Cash and undrawn committed facilities totalled £264 million at 30 September 2012, and are expected to increase to approximately £400 million following successful completion of the Placing, giving the Group significant financial resources with which to exploit the current market conditions and the opportunities across its existing portfolio.

## **Details of the Placing**

The Joint Bookrunners will commence a bookbuilding process in respect of the Placing ("Bookbuild"). The book will open with immediate effect. The Joint Bookrunners have entered into an agreement with GPE (the "Placing Agreement") under which, subject to the conditions set out therein, the Joint Bookrunners will agree to use reasonable endeavours to procure subscribers for the Placing Shares at a price determined following completion of the bookbuilding process described in this announcement and set out in the Placing Agreement. The Placing is subject to the terms and conditions set out in the Appendix. The executive directors intend to invest in aggregate up to £300,000 in the Placing. Members of the public are not entitled to participate in the Placing.

The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing ordinary shares of GPE. This includes the right to receive all dividends and other distributions declared or paid in respect of such ordinary shares after the date of issue of the Placing Shares, including the interim dividend declared today of 3.3p per share which will be paid on 2 January 2013.

The price per ordinary share at which the Placing Shares are to be placed (the "Placing Price") will be decided at the close of the Bookbuild. Details of the number of Placing Shares and the Placing Price will be announced as soon as practicable after the close of the Bookbuild.

Application will be made for the Placing Shares to be admitted to the premium segment of the Official List of the Financial Services Authority and to trading on the main market for listed securities of the London Stock Exchange plc (together, "Admission"). It is expected that Admission will take place at



in, into or from the United States of America (including its territories and possessions, any state of the United States and the District of Columbia, collectively the "United States"), Australia, Canada, Japan or South Africa or any jurisdiction in which the same would be unlawful. This Announcement is for information purposes only and does not constitute an offer to sell or issue, or the solicitation of an offer to buy, subscribe for, or otherwise acquire, any securities in the United States, Australia, Canada, Japan or South Africa or any other jurisdiction into which the same would be unlawful. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. The Placing Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or jurisdiction of the United States, and may not be offered, sold or transferred, directly or indirectly, in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Placing Shares are being offered and sold only (i) outside the United States in "offshore transactions" within the meaning of, and in accordance with, Regulation S under the Securities Act and otherwise in accordance with applicable laws, and (ii) in the United States to a limited number of "qualified institutional buyers" as defined in Rule 144A under the Securities Act in transactions exempt from registration under the Securities Act. No public offering of the shares referred to in this announcement is being made in the United States, United Kingdom or elsewhere. The Placing Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the "FIEL"). Accordingly, the Placing Shares may not be offered or sold in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan or to others for offering or resale except pursuant to an exemption from the registration requirements of, or otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan. As used in this paragraph, "resident of Japan" means any natural person having his place of domicile or residence in Japan, including any corporation or other entity organised under the laws of Japan, or having its main office in Japan. This offering of the Placing Shares in Japan satisfies the requirements of the small number private placement set out in Article 2, Paragraph 3, Item 2(c) of the FIEL. Therefore, no registration statement has been filed with respect to this offering in Japan.

This Announcement has been issued by, and is the sole responsibility, of the Company. No representation or warranty express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Joint Bookrunners or Lazard or by any of their affiliates or agents as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

J.P. Morgan Securities plc (which conducts its UK investment banking business under the name, J.P. Morgan Cazenove, "J.P. Morgan Cazenove") and Credit Suisse Securities (Europe) Limited ("Credit Suisse"), each of which is authorised and regulated by the Financial Services Authority, are each acting as a Joint Bookrunner exclusively for the Company in connection with the Placing and no one else and they will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for providing advice in relation to the Placing or any other matter referred to in this Announcement.

Lazard & Co., Limited (“Lazard”), which is authorised and regulated by the Financial Services Authority, is acting as financial adviser to the Company in connection with the Placing and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the Placing or any other matter referred to in this Announcement.

The distribution of this Announcement and the offering of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, the Joint Bookrunners, or Lazard that would permit an offering of such shares or possession or distribution of this Announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company, the Joint Bookrunners and Lazard to inform themselves about, and to observe, any such restrictions.

This Announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future events. These statements, which sometimes use words such as “aim”, “anticipate”, “assume”, “believe”, “intend”, “estimate”, “expect”, “plan” and words of similar meaning or the negatives thereof, reflect the directors' beliefs and expectations and involve a number of risks, uncertainties and assumptions that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement. Examples of such forward-looking statements include, among others, statements regarding the Company's business strategy, future plans, present or future events or objectives for future operations that involve risks and uncertainties and are not historic fact. Statements contained in this Announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The information contained in this Announcement is subject to change without notice and, except as required by applicable law, neither the Company nor any other person assumes any responsibility or obligation to update publicly or review any of forward-looking statements contained herein. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Announcement. No statement in this Announcement is or is intended to be a profit forecast or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company. The price of shares and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of the shares. Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than the London Stock Exchange plc.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

APPENDIX: TERMS AND CONDITIONS OF THE PLACING

**IMPORTANT INFORMATION FOR INVITED PLACEEES ONLY REGARDING THE PLACING**

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN (COLLECTIVELY, THIS "ANNOUNCEMENT") ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND, OTHER THAN A QIB (AS DEFINED BELOW), ARE: (1) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("EEA"), QUALIFIED INVESTORS AS DEFINED IN SECTION 86(7) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 AS AMENDED ("FSMA"), BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2.1(e)(i), (ii) OR (iii) OF DIRECTIVE 2003/71/EC AS AMENDED, INCLUDING BY THE 2010 PROSPECTUS DIRECTIVE AMENDING DIRECTIVE (DIRECTIVE 2010/73/EU) AND TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE (THE "PROSPECTUS DIRECTIVE"); (2) IF IN THE UNITED KINGDOM, ARE QUALIFIED INVESTORS AND (A) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER") OR (B) ARE PERSONS WHO FALL WITHIN ARTICLE 49(2)(a) TO (d) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS").

THIS ANNOUNCEMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN GREAT PORTLAND ESTATES PLC.

THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY (I)

OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATION S UNDER THE SECURITIES ACT AND APPLICABLE LAWS, AND (II) IN THE UNITED STATES TO A LIMITED NUMBER OF "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT IN TRANSACTIONS EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN THE UNITED STATES.

THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (THE "FIEL"). ACCORDINGLY, THE PLACING SHARES MAY NOT BE OFFERED OR SOLD IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN OR TO OTHERS FOR RE-OFFERING OR RE-SALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN OR TO OTHERS FOR OFFERING OR RESALE EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, OR OTHERWISE IN COMPLIANCE WITH, THE FIEL AND ANY OTHER APPLICABLE LAWS, REGULATIONS AND MINISTERIAL GUIDELINES OF JAPAN. AS USED IN THIS PARAGRAPH, "RESIDENT OF JAPAN" MEANS ANY NATURAL PERSON HAVING HIS PLACE OF DOMICILE OR RESIDENCE IN JAPAN, INCLUDING ANY CORPORATION OR OTHER ENTITY ORGANISED UNDER THE LAWS OF JAPAN, OR HAVING ITS MAIN OFFICE IN JAPAN. THIS OFFERING OF THE PLACING SHARES IN JAPAN SATISFIES THE REQUIREMENTS OF THE SMALL NUMBER PRIVATE PLACEMENT SET OUT IN ARTICLE 2, PARAGRAPH 3, ITEM 2(C) OF THE FIEL. THEREFORE, NO REGISTRATION STATEMENT HAS BEEN FILED WITH RESPECT TO THIS OFFERING IN JAPAN.

In this appendix, capitalised terms used but not otherwise defined in this Announcement have the meanings ascribed to them in "DEFINITIONS" below.

Persons (including without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Announcement should seek appropriate advice before taking any action.

The distribution of this Announcement and/or the offering of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, the Joint Bookrunners, Lazard or any of their respective Affiliates, agents, directors, officers and employees that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company, the Joint Bookrunners or Lazard to inform themselves about and to observe any such restrictions.

Persons (including individuals, funds or otherwise) by whom or on whose behalf a commitment to acquire Placing Shares have been given, will be deemed to have read and understood this

Announcement, in its entirety and to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements, agreements and undertakings contained herein.

In particular each such Placee represents, warrants, undertakes, agrees and acknowledges that:

1. It is a Relevant Person (as defined above) and it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
2. in the case of a Relevant Person in a member state of the EEA which has implemented the Prospectus Directive (each a "Relevant Member State") who acquires any Placing Shares pursuant to the Placing:
  - (i) it is a Qualified Investor within the meaning of Article 2(1)(E) of the Prospectus Directive (Directive 2003/71/EC) ("Qualified Investors"); and
  - (ii) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, that: (a) the Placing Shares subscribed for and/or acquired by it in the Placing have not been subscribed for and/or acquired on behalf of, nor have they been or will be acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of the Joint Bookrunners has been given to the offer or resale; or (b) where Placing Shares have been acquired by it on behalf of persons in any member state of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons; and
3. it understands (or if acting for the account of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this appendix; and
4. it (and any account for which it is acting) is outside the United States and is acquiring the Placing Shares in an "offshore transaction" within the meaning of, and in accordance with, Regulation S under the Securities Act; or, if it is not outside the United States, it is a "qualified institutional buyer" (a "QIB") as defined in Rule 144A under the Securities Act or acquiring the Placing Shares on behalf of a QIB, who will sign a letter in the form agreed between the Company and the Joint Bookrunners (the "US Investor Letter") in a transaction exempt from registration under the Securities Act.

This Announcement has been issued by and is the sole responsibility of the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Joint Bookrunners, Lazard or any of their respective Affiliates, agents, directors, officers and employees as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any party or its advisers, and any liability therefore is expressly disclaimed.

Credit Suisse, J.P. Morgan Cazenove and Lazard are authorised and regulated by the FSA in the United Kingdom and are acting exclusively for the Company and no one else in connection with the Placing and are not, and will not be, responsible to anyone (including the Placees) other than the Company for providing the protections afforded to their respective clients or for providing advice in relation to the Placing or the contents of the Transaction Documents or any other matter referred to therein.

### **Details of the Placing**

The Joint Bookrunners have entered into a placing agreement (the "Placing Agreement") with the Company under which the Joint Bookrunners have undertaken, on the terms and subject to the conditions set out in the Placing Agreement, acting severally, to use their reasonable endeavours as agents of the Company to seek to procure Placees for the Placing Shares. In accordance with the terms of the Placing Agreement, subject to the execution of the Pricing Supplement setting out the final number of Placing Shares and the Placing Price (each as defined below), if Placees fail to take up their allocation of Placing Shares at the Placing Price, the Joint Bookrunners have severally (and not jointly or jointly and severally) agreed to take up such shares and the Company agrees to allot and issue such shares to the Joint Bookrunners, at the Placing Price and on the terms set out in the Placing Agreement. The Placing Price will be determined following completion of the Bookbuild as set out in this Announcement and in the Placing Agreement.

The Placing Shares will, when issued, be subject to the memorandum and articles of association of the Company and be credited as fully paid and will rank pari passu in all respects with the existing issued ordinary shares of 12.5 pence per share in the capital of the Company, including the right to receive all dividends and other distributions declared, made or paid in respect of such ordinary shares after the date of issue of the Placing Shares, including the interim dividend declared today of 3.3p per share which will be paid on 2 January 2013.

As part of the Placing, the Company has agreed that it will not issue or sell any ordinary shares for a period of 180 days from the date of the Placing Agreement without the prior written consent of the Joint Bookrunners. This agreement is subject to certain customary exceptions and does not prevent the Company from granting options under, and allotting and issuing ordinary shares pursuant to options granted under, the Company's share option schemes in accordance with normal practice, or any issue of shares related to employee share schemes, or relating to existing warrants or convertible securities.

### **Application for admission to listing and trading**

Application will be made to the FSA for admission of the Placing Shares to the premium segment of the Official List maintained by the FSA (the "Official List") and to the London Stock Exchange plc for admission to trading of the Placing Shares on the London Stock Exchange plc's market for listed securities (together, "Admission").

It is expected that Admission will take place at 8.00 a.m. (London time) on 19 November 2012 and that dealings in the Placing Shares on the London Stock Exchange's main market for listed securities will commence at that time.

## **Bookbuild**

The Joint Bookrunners will today commence the Bookbuild to determine demand for participation in the Placing by Placees. This appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

The Joint Bookrunners and the Company shall be entitled to effect the Placing by such alternative method to the Bookbuild as they may, in their sole discretion, determine.

## **Participation in, and Principal Terms of, the Placing**

1. Credit Suisse and J.P. Morgan Cazenove are each acting as joint bookrunner and agent of the Company.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by the Joint Bookrunners. The Joint Bookrunners and any of their respective Affiliates are entitled to enter bids in the Bookbuild as investors for their own account.
3. By participating in the Bookbuild process and the Placing, Placees will be deemed to have read and understood the Announcement in its entirety and to be participating and making an offer for Placing Shares on the terms and conditions, and to be providing the representations, warranties, indemnities, acknowledgments, agreements and undertakings contained in this appendix.
4. The Bookbuild will establish a single price (the "Placing Price") payable to the Joint Bookrunners by all Placees whose bids are successful. The Placing Price will be agreed between the Joint Bookrunners and the Company following completion of the Bookbuild. Any discount to the market price of the ordinary shares of the Company will be determined in accordance with the Listing Rules as published by the FSA pursuant to Part VI of FSMA. The Placing Price and the number of Placing Shares will be announced (the "Final Press Announcement") by the Company on a Regulatory Information Service following the completion of the Bookbuild and entry into the Pricing Supplement by the Company and the Joint Bookrunners.
5. To bid in the Bookbuild, Placees should communicate their bid by telephone to their usual sales contact at Credit Suisse or J.P. Morgan Cazenove respectively. Each bid should state the number of Placing Shares which the prospective Placee wishes to acquire at either the Placing Price which is ultimately established by the Joint Bookrunners in agreement with the Company, or at prices up to a price limit specified in its bid. Bids may be scaled down by the Joint Bookrunners on the basis referred to in paragraph 9 below. Each of the Joint Bookrunners is arranging the Placing severally, and not jointly, or jointly and severally, as agent of the Company.
6. The Bookbuild is expected to close no later than 4.30 p.m. (London time) on 14 November 2012 but may be closed earlier or later subject to the agreement of the Joint Bookrunners and the Company. The Joint Bookrunners may, in agreement with the Company, accept bids that

are received after the Bookbuild has closed. The Company reserves the right (upon agreement of the Bookrunners) to reduce or seek to increase the amount to be raised pursuant to the Placing, in its absolute discretion.

7. Each prospective Placee's allocation will be determined at the discretion of the Joint Bookrunners following consultation with the Company and will be confirmed orally by the relevant Joint Bookrunner, as agent of the Company as soon as practicable following the close of the Bookbuild. The relevant Joint Bookrunner's oral confirmation of an allocation shall constitute an irrevocable legally binding commitment upon that person (who will at that point become a Placee) to subscribe for the number of Placing Shares allocated to it at the Placing Price on the terms and subject to the conditions set out in this appendix and the Company's memorandum and articles of association.
8. Each prospective Placee's allocation and commitment will be evidenced by a trade confirmation issued to such Placee by one of the Joint Bookrunners. The terms of this appendix will be deemed incorporated by reference therein.
9. Subject to paragraphs 5 and 6 above, the Joint Bookrunners may choose to accept bids, either in whole or in part, on the basis of allocations determined at their discretion and may scale down any bids for this purpose on such basis as they may determine. The Joint Bookrunners may also, notwithstanding paragraphs 5 and 6 above, subject to the prior consent of the Company: (i) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time; and (ii) allocate Placing Shares after the Bookbuild has closed to any person submitting a bid after that time.
10. A bid in the Bookbuild will be made on the terms and subject to the conditions in this appendix and will be legally binding on the Placee on behalf of which it is made and except with the relevant Joint Bookrunner's consent will not be capable of variation or revocation after the time at which it submitted. Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to the relevant Joint Bookrunner, to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to acquire and the Company has agreed to allot and issue to that Placee.
11. Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".
12. All obligations under the Bookbuild and Placing will be subject to fulfilment of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to under "Termination of the Placing".
13. By participating in the Bookbuild, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
14. To the fullest extent permissible by law, none of the Joint Bookrunners nor any of their Affiliates, agents, directors, officers or employees shall have any liability to Placees (or to any

other person whether acting on behalf of a Placee or otherwise). In particular, none of the Joint Bookrunners nor any of their Affiliates, agents, directors, officers or employees shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of the Joint Bookrunners' conduct of the Bookbuild or of such alternative method of effecting the Placing as the Joint Bookrunners and the Company may agree.

### **Conditions of the Placing**

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms.

The obligations of the Joint Bookrunners under the Placing Agreement are, and the Placing is, conditional on, inter alia:

1. certain announcement obligations;
2. the representations and warranties on the part of the Company contained in the Placing Agreement being true and accurate and not misleading at Admission, by reference to the facts and circumstances then subsisting;
3. the performance or compliance by the Company and JerseyCo of all of its material obligations under the Placing Agreement, the other transaction agreements and this Announcement which fall to be performed or satisfied on or prior to Admission;
4. the Company and the Joint Bookrunners agreeing the final number of Placing Shares and the Placing Price and executing the Pricing Supplement no later than 4.30pm on the date of this Announcement or such later time and date as the Joint Bookrunners may agree with the Company; and
5. Admission occurring no later than 8.00 a.m. (London time) on the date specified in the executed Pricing Supplement or such later date as the Joint Bookrunners may agree with the Company;

(all conditions to the obligations of the Joint Bookrunners included in the Placing Agreement being together the "conditions").

If any of the conditions in the Placing Agreement in relation to the Placing Shares are not satisfied or waived in accordance with the Placing Agreement within the stated time periods (or such later time and/or date as the Joint Bookrunners may determine), or has become incapable of being satisfied or the Placing Agreement is terminated in accordance with its terms, the Placing will lapse and the Placee's rights and obligations under these terms and conditions shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

The Joint Bookrunners may, at their discretion and upon such terms as they think fit, waive compliance by the Company, or extend the time and/or date for fulfilment by the Company, with the whole or any part of any of the Company's obligations in relation to certain of the conditions in the Placing Agreement. Any such extension or waiver will not affect Placees' commitments as set out in this appendix.

None of the Joint Bookrunners, nor any of their Affiliates, agents, directors, officers or employees nor the Company or any other person shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision any of them may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally, and by participating in the Placing, each Placee agrees that any such decision is within the absolute discretion of the Joint Bookrunners.

### **Termination of the Placing**

The Joint Bookrunners may, at their discretion (after consultation with the Company to the extent, if at all, they consider it to be practicable), by notice in writing to the Company, terminate the Placing Agreement at any time prior to Admission if, inter alia:

1. there has been a breach by the Company or of JerseyCo of any of the representations, warranties or undertakings contained in the Placing Agreement or any other transaction agreement or any material provision contained in the Placing Agreement or any other transaction agreement or any of the representations or warranties set out in the Placing Agreement or any other transaction agreement is not or has ceased to be true accurate and not misleading;
2. any statement contained in the Interim Results Announcement, this Announcement or certain other public documents is or has become or has been discovered to be untrue or inaccurate in any material respect or misleading in any respect;
3. in the opinion of the Joint Bookrunners (acting in good faith), there shall have been a material adverse change (whether or not foreseeable at the date of the Placing Agreement).

If the Placing Agreement is terminated in accordance with its terms, the parties to the Placing Agreement shall be released and discharged from their respective obligations under or pursuant to the Placing Agreement without prejudice to any accrued rights or obligations of the parties and subject to certain exceptions and no claim can be made by any Placee in respect thereof.

By participating in the Placing, each Placee agrees with the Company and the Joint Bookrunners that the exercise by the Company or the Joint Bookrunners of any right of termination or any other right or other discretion under the Placing Agreement shall be within the absolute discretion of the Company or the Joint Bookrunners (as the case may be) and that neither the Company nor the Joint Bookrunners need make any reference to such Placee and that neither the Company, the Joint Bookrunners nor any of their respective Affiliates, agents, directors, officers or employees shall have any liability to such Placee (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise or failure so to exercise.

By participating in the Placing, each Placee agrees that its rights and obligations terminate only in the circumstances described above and will not be capable of rescission or termination by it after oral confirmation by the Joint Bookrunners following the close of the Bookbuild.

### **No prospectus**

No prospectus or other offering document has been or will be submitted to be approved by the FSA in relation to the Placing and the Placees' commitments will be made solely on the basis of the information contained in this Announcement, the Final Press Announcement and any information publicly announced by the Company to a Regulatory Information Service on or prior to the date of this Announcement (the "Publicly Available Information") and subject to any further terms set forth in the trade confirmation to individual Placees.

### **Registration and Settlement**

Following close of the Bookbuild for the Placing, each Placee allocated Placing Shares in the Placing will be sent a trade confirmation stating the Placing Price, the number of Placing Shares allocated to it at the Placing Price and containing settlement instructions. Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed as directed with J.P. Morgan Cazenove in accordance with either the standing CREST or certificated settlement instructions that it has in place with J.P. Morgan Cazenove (as appropriate). Payment in full for any Placing Shares so allocated at the Placing Price must be made by no later than midday on 19 November 2012 (or such other time and/or date as the Joint Bookrunners notify to each Placee).

Settlement of transactions in the Placing Shares (ISIN: GB00B01FLL16) following Admission will take place within the CREST system. The Joint Bookrunners and the Company reserve the right to require settlement for, and delivery of, the Placing Shares (or a portion thereof), to Placees, by such other means as they deem necessary if delivery or settlement to Placees is not possible or practicable within the CREST system or would not be consistent with regulatory requirements in any Placee's jurisdiction.

The Company will deliver the Placing Shares to a CREST account operated by J.P. Morgan Cazenove as agent for the Company and J.P. Morgan Cazenove will enter its delivery (DEL) instructions into the CREST system.

It is expected that settlement will be on 19 November 2012 in accordance with the instructions set out in the trade confirmation (or such other time and/or date as the Company and the Joint Bookrunners may agree).

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above, in respect of either CREST or certificated deliveries, at the rate of two percentage points above prevailing LIBOR as determined by the Joint Bookrunners.

Each Placee is deemed to agree that if it does not comply with these obligations, the relevant Joint Bookrunner may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for its own account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall between the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placee's Placing Shares on its behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees must ensure that, upon receipt, the trade confirmation is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

### **Representations and further terms**

By submitting a bid in the Bookbuild, each prospective Placee (and any person acting on such Placee's behalf) subscribing for Placing Shares represents, warrants, undertakes, acknowledges and agrees (for itself and for any such prospective Placee) that (save where the Joint Bookrunners expressly agree in writing to the contrary):

1. it has read and understood this Announcement in its entirety and that its purchase of the Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Placing, the Company, the Placing Shares, or otherwise, other than the information contained in this Announcement and the Publicly Available Information;
2. it has not received a prospectus or other offering document in connection with the Placing and acknowledges that no prospectus or other offering document has been prepared in connection with the Placing;
3. the Company's ordinary shares are listed on the premium segment of the Official List of the FSA, and that the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the FSA, which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account and that it is able to obtain or access such information without undue difficulty;
4. none of the Joint Bookrunners or the Company nor any of their Affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company or any other person other than the information in this Announcement or the Publicly Available Information; nor has it requested the Joint Bookrunners, the Company, any of their Affiliates, agents, directors, officers or employees or any person acting on behalf of any of them to provide it with any such information;
5. none of the Joint Bookrunners, nor Lazard, nor any person acting on behalf of them nor any of their Affiliates, agents, directors, officers or employees has or shall have any liability for any publicly available or filed information, or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;

6. (i) the only information on which it is entitled to rely on and on which it has relied in committing to subscribe for the Placing Shares is contained in the Publicly Available Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on Publicly Available Information in deciding to participate in the Placing; (ii) neither the Joint Bookrunners, nor the Company nor Lazard nor any of their respective Affiliates, agents, directors, officers or employees nor any other person has made any representation or warranty to it, express or implied, with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of the Publicly Available Information; (iii) it has conducted its own investigation of the business, financial and other position of the Company and the terms of the Placing, satisfied itself that the information is still current and relied on that investigation for the purposes of its decision to participate in the Placing; and (iv) it has not relied on any investigation that any of the Joint Bookrunners or any person acting on its or their behalf may have conducted with respect to the Company, the Placing or the Placing Shares;
7. the content of this Announcement and the Publicly Available Information has been prepared by, and is exclusively the responsibility of, the Company and that neither the Joint Bookrunners nor any of their Affiliates, agents, directors, officers or employees or any person acting on their behalf is responsible for or has or shall have any liability for any information, representation, warranty or statement relating to the Company contained in this Announcement or the Publicly Available Information nor will be liable for any Placee's decision to participate in the Placing based on any information, representation, warranty or statement contained in this Announcement, the Publicly Available Information or otherwise. Nothing in this appendix shall exclude any liability of any person for fraudulent misrepresentation;
8. unless otherwise specifically agreed in writing with the Joint Bookrunners, it is not (and at the time the Placing Shares are acquired will not be), and it is not and will not be subscribing on behalf of, a resident of Australia, Canada, Japan or South Africa at the time the Placing Shares are acquired, and each of it and the beneficial owner of the Placing Shares is, and at the time the Placing Shares are acquired will be: (i) outside the United States and acquiring the Placing Shares in an offshore transaction within the meaning of, and in accordance with, Regulation S under the Securities Act and otherwise in compliance with all applicable laws or (ii) if it is not outside the United States, it is a QIB or acquiring the Placing Shares on behalf of a QIB, who will sign a US Investor Letter, in a transaction exempt from registration under the Securities Act, and in each case has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Placing Shares, is able to bear the economic risk of an investment in the Placing Shares, has adequate means of providing for its current and contingent needs, is able to sustain a complete loss of the investment in the Placing Shares and has no need for liquidity with respect to its investment in the Placing Shares and in the case of (ii) above, warrants that it is acquiring the Placing Shares for its own account or for one or more accounts as to each of which it exercises sole investment discretion and each of which is a QIB, for investment purposes only and not with a view to any distribution, or for resale in connection with a distribution (within the meaning of US securities laws), in whole or in part, in the United States;

9. the Placing Shares have not been and will not be registered or otherwise qualified for offer and sale nor will a prospectus be cleared or approved in respect of any of the Placing Shares under the securities laws of the United States, Australia, Canada, Japan or South Africa or elsewhere where any such action for that purpose is required and, subject to certain exceptions, may not be offered or sold directly or indirectly, in or into the United States, Australia, Canada, Japan or South Africa or elsewhere where any such action for that purpose is required;
10. it and/or each person on whose behalf it is participating:
  - (i) is entitled to acquire Placing Shares pursuant to the Placing under the laws of all relevant jurisdictions;
  - (ii) has fully observed such laws;
  - (iii) has capacity and authority and is entitled to enter into and perform its obligations as an acquirer of Placing Shares and will honour such obligations; and
  - (iv) has obtained all necessary consents and authorities (including, without limitation, in the case of a person acting on behalf of a Placee, all necessary consents and authorities to agree to the terms set out or referred to in this appendix) under those laws or otherwise and complied with all necessary formalities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto;
11. the Placing Shares (i) have not been and will not be, registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States (ii) are being offered in a transaction not involving any public offering in the United States, (iii) may not be reoffered, resold, pledged or otherwise transferred, and it will not directly or indirectly reoffer, resell, pledge or otherwise transfer the Placing Shares except (a) outside the United States in an offshore transaction pursuant to Rule 903 or Rule 904 of Regulation S under the Securities Act, (b) in the United States to a person whom the seller reasonably believes is a QIB to whom notice is given that the offer, sale or transfer is being made in reliance on Rule 144A under the Securities Act, pursuant to Rule 144A under the Securities Act (if available), (c) pursuant to Rule 144 under the Securities Act (if available), (d) to the Company, (e) pursuant to an effective registration statement under the Securities Act, or (f) pursuant to another available exemption, if any, from registration under the Securities Act, in each case in compliance with all applicable laws;
12. the Placing Shares offered and sold in the United States will be “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, and that so long as such securities are restricted securities, they may not be deposited into any unrestricted depository facility established or maintained by any depository bank;
13. if the Placing Shares were offered to it in the United States, (i) it has consulted its own independent advisers or otherwise has satisfied itself concerning, without limitation, the effects of United States federal, state and local income tax laws and foreign tax laws generally and the Securities Act, (ii) it has received all information that it believes is necessary or appropriate in order to make an investment decision in respect of the Company and the Placing Shares, and (iii) it is aware and understands that an investment in the Placing Shares

involves a considerable degree of risk and that no US federal or state or non-US agency has made any finding or determination as to the fairness for investment or any recommendation or endorsement of the Placing Shares;

14. it understands and acknowledges that (i) it is possible that, under United States tax laws, the Placing Shares may constitute an equity interest in a passive foreign investment company within the meaning of Section 1297(a) of the United States Internal Revenue Code of 1986, as amended (a "PFIC") in any taxable year, (ii) neither the Company nor the Joint Bookrunners intend to assess whether the Placing Shares constitute equity interests in a PFIC in any taxable year or to provide such information as may be required to make a "qualified electing fund" election with respect to the Placing Shares, and (iii) it is advised to consult with its own tax advisors concerning the impact of any legislation, proposed or enacted, that could affect the application of the PFIC rules.
15. it is not subscribing for any Placing Shares as a result of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D under the Securities Act or directed selling efforts as defined in Regulation S under the Securities Act;
16. if it is a pension fund or investment company, its acquisition of Placing Shares is in full compliance with applicable laws and regulations;
17. no representation has been made as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;
18. it will not distribute, forward, transfer or otherwise transmit this Announcement, this appendix, or any other presentational or other materials concerning the Placing in or into the United States (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;
19. no action has been or will be taken by any of the Company, the Joint Bookrunners or any person acting on behalf of the Company or the Joint Bookrunners that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;
20. none of the Joint Bookrunners, nor any of their Affiliates, agents, directors, officers or employees, nor any person acting on behalf of them, is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of the Joint Bookrunners and that the Joint Bookrunners will have no duties or responsibilities to a Placee for providing protections afforded to clients of each Joint Bookrunner under the rules of the FSA or for providing advice in relation to the Placing nor in respect of any representations, warranties, acknowledgments, agreements, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
21. it will make payment for the Placing Shares allocated to it in accordance with the terms and conditions of this Announcement on the due times and dates set out in this Announcement, failing which the relevant Placing Shares may be placed with others on such terms as the Joint

Bookrunners may in their discretion determine without liability to the Placee and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placee's Placing Shares on its behalf;

22. its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to subscribe for, and that the Company may call upon it to subscribe for a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;
23. the person who it specifies for registration as holder of the Placing Shares will be: (i) the Placee; or (ii) a nominee of the Placee, as the case may be. The Joint Bookrunners and the Company will not be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to acquire Placing Shares pursuant to the Placing and agrees to indemnify the Company and the Joint Bookrunners in respect of the same on the basis that the Placing Shares will be allotted to a CREST stock account of J.P. Morgan Cazenove or transferred to a CREST stock account of J.P. Morgan Cazenove who will hold them as nominee on behalf of the Placee until settlement in accordance with its standing settlement instructions with it;
24. the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of Placing Shares would give rise to such a liability;
25. (i) it and any person acting on its behalf falls within Article 19(5) and/or 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, and undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only and (ii) it and any person acting on its behalf is entitled to subscribe for Placing Shares comprised in its allocation under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities;
26. if a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive (including any relevant implementing measure in any member state), represents and warrants that the Placing Shares purchased by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the EEA which has implemented the Prospectus Directive other than to qualified investors, or in circumstances in which the prior consent of the Joint Bookrunners has been given to the proposed offer or resale;
27. it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom prior to the expiry of a period of six months from Admission except to persons whose ordinary activities involve them in acquiring, holding, managing, disposing of

investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of FSMA.

28. if it is within the EEA, it is a qualified investor as defined in section 86(7) of FSMA, being a person falling within Article 2.1(e)(i), (ii) or (iii) of the Prospectus Directive;
29. it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;
30. it has complied and it will comply with all applicable provisions of the FSMA with respect to anything done by it or on its behalf in relation to the Placing Shares in, from or otherwise involving the United Kingdom;
31. if it has received any confidential price sensitive information about the Company in advance of the Placing, it has not: (i) dealt in the securities of the Company; (ii) encouraged or required another person to deal in the securities of the Company; or (iii) disclosed such information to any person, prior to the information being made publicly available;
32. neither of the Joint Bookrunners, nor any of their Affiliates, agents, directors, officers or employees nor any person acting on behalf of the Joint Bookrunners or their Affiliates, agents, directors, officers or employees is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing nor providing advice in relation to the Placing nor in respect of any representations, warranties, acknowledgements, agreements, undertakings or indemnities contained in the Placing Agreement nor the exercise or performance of any of the Joint Bookrunners' rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
33. acknowledges and accepts that the Joint Bookrunners may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Placing Shares and/or related instruments for their own account for the purpose of hedging their underwriting exposure or otherwise and, except as required by applicable law or regulation, the Joint Bookrunners will not make any public disclosure in relation to such transactions;
34. it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA prior to Admission except to persons whose ordinary activities involve them acquiring, holding, managing or disposing of investments (as principal or agent) for the purpose of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in any member state of EEA within the meaning of the Prospectus Directive (which includes any relevant implementing measure in any member state);
35. it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering Regulations (2003) (the "Regulations") and, if making

payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;

36. it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and are able to sustain a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved;
37. the Company, the Joint Bookrunners, their respective Affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements, agreements and undertakings; if it is acquiring the Placing Shares as a fiduciary or agent for one or more investor accounts, it has full power and authority to make, and does make, the foregoing representations, warranties, acknowledgements, agreements and undertakings on behalf of each such account;
38. the Placing Shares will be issued subject to the terms and conditions of this appendix;
39. this appendix, any agreements entered into by it pursuant to this appendix, all documents into which this appendix is incorporated by reference or otherwise validly forms a part will be governed by and construed in accordance with English law and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of or in connection with any such contract, its subject matter, existence, validity, termination or enforceability (including non-contractual disputes or claims) except that proceedings may be taken by the Company or the Joint Bookrunners in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange; and
40. it (and any person acting on its behalf) agrees to indemnify and hold the Company, the Joint Bookrunners and their respective Affiliates, agents, directors, officers and employees harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses): (i) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this appendix; or (ii) incurred by the Joint Bookrunners, the Company and/or any of their Affiliates, agents, directors, officers or employees arising from the performance of the Placee's obligations as set out in this Announcement, and further agrees that the provisions of this appendix shall survive after completion of the Placing.

The representations, warranties, acknowledgements, agreements and undertakings contained in this appendix are given to the Joint Bookrunners for themselves and on behalf of the Company and are irrevocable.

The commitment to subscribe for Placing Shares on the terms set out in this Announcement and in the trade confirmation will continue notwithstanding any amendment that may in future be made to the terms of the Placing and Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or the Joint Bookrunner's conduct of the Placing.

The agreement to allot and issue Placing Shares to Placees (and/or the persons for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct from the Company for the Placing Shares in question. Such agreement assumes, and is based on a warranty from each Placee, that neither it, nor the person specified by it for registration as holder of Placing Shares is, or is acting as nominee or agent for, and that the Placing Shares will not be allotted to, a person who is or may be liable to stamp duty or stamp duty reserve tax under any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services). If there are any such arrangements, or the settlement relates to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax, and neither the Company nor the Joint Bookrunners shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify the Joint Bookrunners accordingly.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire for any Placing Shares.

Each Placee and any person acting on behalf of the Placee acknowledges that the Joint Bookrunners do not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings, acknowledgements, agreements or indemnities in the Placing Agreement.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that the Joint Bookrunners may (at its absolute discretion) satisfy its obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares.

When a Placee or any person acting on behalf of the Placee is dealing with the Joint Bookrunners, any money held in an account with any of the Joint Bookrunners on behalf of that Placee and/or any person acting on behalf of that Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FSA made under FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence this money will not be segregated from the relevant Joint Bookrunners' money in accordance with the client money rules and will be used by the Joint Bookrunners in the course of their own business and a Placee will rank only as a general creditor of the Joint Bookrunners.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

All times and dates in this Announcement may be subject to amendment. The Joint Bookrunners will notify Placees and any persons acting on behalf of the Placees of any changes.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

Nothing in this appendix shall exclude any liability of any person for fraudulent misrepresentation.

## **DEFINITIONS**

In this Announcement:

"Admission" means the admission of the Placing Shares to the Official List in accordance with the Listing Rules and to trading on the London Stock Exchange's main market for listed securities;

"Affiliate" has the meaning given in Rule 501(b) of Regulation D or Rule 405 under the Securities Act;

"Bookbuild" means the bookbuilding procedure to be carried out by the Joint Bookrunners in connection with the Placing;

"Board" means the Board of Directors of the Company or a duly authorised committee thereof;

"Company" or "GPE" means Great Portland Estates plc;

"Credit Suisse" means Credit Suisse Securities (Europe) Limited;

"CREST" means the system enabling title to securities to be evidenced and transferred in dematerialised form operated by Euroclear UK & Ireland Limited in accordance with the Uncertificated Securities Regulations 2001 (SI 2001/3755);

"Directors" means all the directors of the Company;

"EEA" means the European Economic Area;

"Final Press Announcement" means the press announcement giving details of the results of the Placing and the Placing Price;

"FSA" means the Financial Services Authority;

"FSMA" means the Financial Services and Markets Act 2000, as amended;

"GPE" or the "Company" means Great Portland Estates plc;

"Group" means the Company and its subsidiary undertakings;

"Interim Results Announcement" means the press announcement giving details of the interim financial results of the Company for the six months to, and as at, 30 September 2012;

"JerseyCo" means Great Portland Estates (Jersey) Limited;

"Joint Bookrunners" means Credit Suisse and J.P. Morgan Cazenove and "Joint Bookrunner" means any one of them;

"J.P. Morgan Cazenove" means J.P. Morgan Securities plc (which conducts its UK investment banking business under the name J.P. Morgan Cazenove)

"Lazard" means Lazard & Co., Limited;

"London Stock Exchange" means London Stock Exchange plc;

"Listing Rules" means the listing rules produced by the FSA under Part VI of the FSMA and forming part of the FSA's Handbook of rules and guidance, as from time to time amending;

"Official List" means the list maintained by the FSA in accordance with section 74(1) of the FSMA for the purposes of Part VI of the FSMA;

"Ordinary Shares" means ordinary shares of 12.5 pence each in the capital of the Company;

"Placees" means persons (including individuals, funds or others) on whose behalf a commitment to acquire Placing Shares has been given and Placee means any one of them;

"Placing" means the placing of the Placing Shares by the Joint Bookrunners with institutional and other investors on behalf of the Company;

"Placing Agreement" means the agreement between the Company and the Joint Bookrunners in connection with the Placing;

"Placing Price" means the price per Ordinary Share at which the Placing Shares are to be placed with Placees;

"Placing Shares" means the new Ordinary Shares which are to be issued in connection with the Placing;

"Pricing Supplement" means the completed pricing supplement to be executed by the Company and the Joint Bookrunners;

"Regulatory Information Service" means any of the regulatory information services included within the list maintained on the London Stock Exchange's website;

"Securities Act" means the United States Securities Act of 1933, as amended;

"Shareholders" means holders of Ordinary Shares;

"Subscription and Transfer Agreement" means the subscription and transfer agreement entered into by the Company, JerseyCo and J.P. Morgan Cazenove;

"United Kingdom" or "UK" means the United Kingdom of Great Britain and Northern Ireland; and

"United States" or "US" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.