# Press Release

GREAT PORTLAND ESTATES

**3 July 2014**

## AGM Statement

Martin Scicluna, Chairman of Great Portland Estates plc, will make the following comments at today's AGM, to be held at 2 Queen Anne Street, London W1.

“Great Portland Estates has had another year of strong financial performance, underpinned by our exclusive focus on Central London and the disciplined execution of our strategic priorities.

As a result, for the 12 months to 31 March 2014, EPRA net assets per share increased by 27.6% with our total property return of 22.5%, again outperforming our IPD central London benchmark. The total shareholder return for the year was 29.3%, also ahead of our benchmark, and we have continued to grow the dividend.

The successful delivery of our enviable development programme continues to drive shareholder returns, with the three projects completed in the year delivering a profit on cost of 53%. Today, we have two schemes onsite, which are already 69% pre-let and are expected to generate a profit on cost of 41%. Moreover, our pipeline of opportunities continues to grow, with our total development programme now extending to 2.2 million sq ft and we secured 760,000 sq ft of new planning consents during the year. As a result, there are a further seven schemes which we could commence in the next 12 months, the majority of which are focused on the rapidly regenerating east end of Oxford Street, including our mixed-use schemes at Rathbone Square and 73/89 Oxford Street.

Our asset management team delivered another year of record leasing activity, securing more than £25.9 million of annual rent at levels well ahead of valuers’ ERV. We continue to see good tenant demand for our space and have already secured a further £6.1 million of new lettings so far this financial year.

We increased our disciplined capital recycling activity during the year to crystallise returns, with sales totalling £269 million, all at healthy premia to book value, including the creation of a new joint venture to own and develop our Hanover Square Estate. We also added to our exciting redevelopment exposure at the east end of Oxford Street with the purchase of Oxford House last summer.

On the financing side, our balance sheet is as strong as ever with a low loan to value ratio of less than 26% at year end. We have significant firepower available to deliver our growth plans, which was enhanced with the issue of a £150 million convertible bond during the year at a UK record low coupon.

Our experienced team is performing strongly and we were delighted to welcome Charles Philipps to the Board as Non-Executive Director in April. Charles Irby is retiring today having served ten years on the Board and, on behalf of the whole Board, I would like to thank him for his strong stewardship along with his valued, objective and constructive challenge – we wish him well.

Looking to the future, with London's growth outpacing a resurgent UK economy, we can expect conditions in our markets to strengthen further. With employment levels on the rise and order books growing, we expect the space needs of the Capital's businesses to follow suit. With the current and prospective supply of space to let in central London remaining tight, we can expect rents to continue growing.

Following record turnover in 2013, demand for London assets continues unabated. Having acquired 54% of the Group's properties since 2009 at attractive prices, we believe that we can generate higher returns from investing within our portfolio than from competing in today's crowded market. As a result, we will be focused on generating organic growth from the numerous asset management and development opportunities in our portfolio, including our 1.0 million sq ft committed and near-term development programme, delivering well designed, new properties into an undersupplied market.

Accordingly, with our clear strategic focus, supportive market conditions and a portfolio full of opportunity, I remain confident that we are well positioned to continue delivering market-leading returns, supported by our strong financial position and first-class team.

We will be publishing our first quarter valuation along with our interim management statement on 28 July."

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