Press Release

GREAT PORTLAND ESTATES

23 July 2009

First quarter valuation and business update

In today's Interim Management Statement, the Directors of Great Portland Estates plc ("GPE" or "Group") announce an update on trading, as well as the quarterly valuation of the Group's properties as at 30 June 2009. Details of the Group's recent valuation and rental value trends are set out in the appendices.

Key points from the quarter:

- Portfolio valuation down 5.1%[1] since 31 March 2009, the smallest quarterly decline since 30 June 2008
- NAV per share of 216p at 30 June 2009 down 11.8% from 31 March 2009 pro forma[2] NAV of 245p per share
- NNNAV per share of 226p at 30 June 2009 down 10.0% from 31 March 2009 pro forma[2] NNNAV of 251p per share
- Rental value declines of 5.3%, (6.9% in West End offices, 0.5% in West End retail)
- 35 new leases signed generating £2.5 million p.a. (Group share £1.8 million p.a.)
- Void rate reduced to 6.8% (31 March 2009: 7.8%), 27% of which subsequently let or under offer
- Comfortable debt levels maintained - GPE net debt of £181.7 million, gearing of 27% and total loan to property value (including JV debt) of 30%
- Significant financial resources - cash and undrawn committed credit facilities of over £520 million

Notes
[1] On a like for like basis; [2] Pro forma for 8 for 11 rights issue completed on 22 June 2009

Toby Courtauld, Chief Executive, said,

"The property market environment continues to be challenging with further falls in property values this quarter, driven principally by reducing rental values. Despite difficult leasing market conditions, we completed 35 new lettings during the quarter generating £1.8 million of new rent for the Group and pushing the void rate down to 6.8%.

We said in May that we expected investment markets to recover ahead of occupational markets and we are now seeing an increase in investor demand for well-let, small lot size, prime assets. It remains the case though that many owners are under significant financial stress and we are encouraged by our current deal-flow. With our significant financial resources, we are confident that we can exploit these conditions to generate good shareholder returns over the next few years."

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Portfolio valuation

Real estate valuations continued to fall during the last quarter but at a lower run rate than the previous three quarters as interest from property investors has improved. The valuation of the Group's properties as at 30 June 2009 was £1,029.2 million including our share of joint venture assets, a fall of £54.9 million or 5.1% on a like-for-like basis since 31 March 2009 compared to 9.3% for the previous quarter. The like-for-like valuation fall was the lowest since the three months to June 2008. By sector, the portfolio value declines in the quarter were - West End offices 6.0%, City & Southwark offices 8.5% and West End retail 1.8%. Further details on valuation trends by ownership and sectors are set out in appendix 1. The wholly owned portfolio was valued at £714.8 million at 30 June (down 5.0% on the quarter) and the joint venture properties (our share) at £314.4 million (down 5.1% on the quarter). The net impact of the movement in yields and rental values on the portfolio valuation is set out in appendix 2.

The portfolio true equivalent yield increased by 5 basis points over the quarter and now stands at 6.7%. The investment portfolio's adjusted initial yield (including contracted income still in rent free periods) was 6.3% at June, an increase of 20 basis points from March 2009. A yield table is set out in appendix 2.

Occupational demand in central London remained subdued during the quarter, especially for larger office space, although we have witnessed a recent pick up in enquiry levels from prospective occupiers and 27% of space which was void at 30 June has since been let or is under offer. Across our portfolio, rental values fell by 5.3% in the quarter, compared to the 7.9% decline recorded for the previous three months. West End office rental values were 6.9% lower whilst City and Southwark office rental values fell by 6.6%. Retail rental values in the West End portfolio declined by 0.5% in the quarter.

The Group's average office rent remains defensively low at £34.90 per sq ft. This is broadly in line with the Group's average office rental value (£34.00 sq ft), with the portfolio overall (including retail) being 2.4% reversionary at the quarter end. Rental value trends are highlighted in appendix 3.

Estimated NAV per share and financing

The principal reason behind the net asset value change for the quarter was the reduction in portfolio valuation of £54.9 million mainly as a result of rental value declines. NAV per share was also reduced by the final 2008/09 dividend of £14.5 million. During the quarter, £190 million of interest rate derivatives were terminated at a cost of £18.2 million. As set out in the table below, the estimated NAV per share fell 11.8% from 245p (pro forma for rights issue) at 31 March 2009 to 216p at 30 June 2009.

Pro Forma Estimated Balance Sheet[1]			
	£m	*pence*	*Percentage movement*
Adjusted NAV			
At 31 March 2009 - as reported	**595.4**	**329**	
Adjustment for rights issue[2]	166.4	(84)	
At 31 March 2009 - restated	**761.8**	**245**	
Valuation deficit	(54.9)	(18)	
Derivative termination	(18.2)	(6)	
Final dividend	(14.5)	(5)	
At 30 June 2009	**674.2**	**216**	*-11.8%*

Notes:
[1] The pro forma balance sheet is unaudited and does not include retained earnings for the quarter
[2] The pro forma rights issue adjustment reflects bonus factor of 1.339. There are now 312.7 million shares in issue.

The positive mark to market of debt of £31.5 million or 10p per share generated a NNNAV per share of 226p at 30 June 2009, a decline of 10.0% from the pro forma 31 March 2009 figure of 251p.

Net debt at 30 June 2009 was £181.7 million, a decrease of £189.3 million from 31 March 2009, mainly due to the proceeds of the rights issue and sale of Bond Street House partly offset by the cancellation cost of interest rate derivatives. Gearing was 26.9% and total loan to property value (inc JVs) was 30.4% compared to figures for March 2009 of 65.2% and 44.9% respectively. At 30 June 2009 the Group had cash and undrawn committed credit facilities of £523.2 million with a current marginal cost of debt of 1.2% (including facility margin).

Investment and asset management activity

Over the last few months, we have been encouraged by the numbers of attractive acquisition opportunities we have unearthed, particularly from property funds and highly leveraged private investment vehicles, and we are engaged in several preliminary discussions involving assets in our core geographical areas.

In May, we sold 29/35 Great Portland Street, W1 for £7.0 million (our share £3.5 million) in line with the 31 March 2009 valuation and disposed of Bond Street House, 15/16 New Bond Street, W1 for a total consideration of up to £45.0 million, approximately 4% ahead of the 31 March 2009 book value. No acquisitions were made during the quarter.

Good letting activity continued throughout the quarter, as set out in the table below, completing 35 new leases and generating an annual rent of £2.5 million p.a. (Group share £1.8 million p.a.). Over half of these lettings were within 7% of the valuer's March 2009 estimates, whilst the balance were well below the March 2009 ERV because they incorporate landlord flexibility to allow possible redevelopment in the next three years. 24 potential lettings are currently under offer accounting for a further £2.4 million p.a. in rent (Group share £2.1 million p.a.). Rent reviews totalling £1.1 million p.a. (Group share £0.5 million p.a.) have been settled 0.8% ahead of the valuer's estimates at the relevant review date.

Leasing Transactions	Three months ended		
	30 June 2009	31 March 2009	30 June 2008
New leases and renewals completed			
Number	35	32	15
GPE share of rent p.a.	£1.8 million	£4.8 million	£0.9 million
Area (sq. ft)	93,800	151,100	30,700
Rent per sq ft	£26.50	£32.10	£29.40
Rent reviews settled			
Number	2	7	5
GPE share of rent p.a.	£0.5 million	£1.7 million	£0.9 million
Area (sq. ft)	9,700	58,000	58,500
Rent per sq ft	£111.7	£33.20	£29.90

Note: Includes joint ventures

The letting transactions concluded during the quarter have reduced the Group's void rate to 6.8% (from 7.8% at March 2009). Further information on the letting of space and/or retention of income on lease expiry or break is set out in Appendix 4.

Cash collection and tenant delinquencies

The June quarterly cash collection profile was broadly similar to the pattern seen in March 2009. We secured 94% of rent after seven working days following the quarter day (March 2009: 94%). Three of our tenants went into administration around the quarter day, accounting for approximately 0.1% of rent roll (March 2009: four tenants, 0.01% of rent roll), the largest being a small coffee shop north of Oxford Street. Around 4% of our rent roll is subject to monthly payments. The segmentation of our tenant base is shown in appendix 4.

Development overview

The development team's priorities are the leasing of the remaining space from the Group's successful last programme and the preparation of projects for the next programme. At our 116,000 sq ft Wells & More, W1 building we are negotiating with several potential tenants about occupying the remaining office and retail units whilst, in Southwark, we took practical completion of the 47,000 sq ft Bermondsey Street, SE1 scheme in early July and we have encouraging levels of leasing interest. For the next programme, at Hanover Square discussions on our master plan proposals continue and a joint Crossrail/GPE project team has been appointed for the detailed design and construction phase. We anticipate receiving a compulsory purchase order for 18/19 Hanover Square in the fourth quarter of this year and we expect to submit a planning application prior to the end of the year.

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Forward Looking Statements

This document may contain certain ‘forward-looking statements’. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual outcomes and results may differ materially from any outcomes of results expressed or implied by such forward-looking statements.

Any forward-looking statements made by or on behalf of GPE speak only as of the date they are made and no representation or warranty is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared. GPE does not undertake to update forward-looking statements to reflect any changes in GPE’s expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Information contained in this document relating to GPE or its share price, or the yield on its shares, should not be relied upon as an indicator of future performance.

Appendix 1
Headline Results

GREAT PORTLAND ESTATES

To 30 June 2009	3 months	6 months	12 months
Property Valuation*	**(5.1%)**	(14.0%)	(29.1%)
Portfolio ERV movement*	**(5.3%)**	(12.9%)	(23.4%)
NAV	**(11.8%)**	(26.3%)	(46.1%)

* including share of joint ventures

Appendix 1
The Valuation
Including share of Joint Ventures

GREAT PORTLAND ESTATES

	Value	Movement 3 months to June 2009		Movement to June 2009 Change	
	£m	£m	Change	6 months	12 months
North of Oxford St	436.6	(12.2)	(2.7%)	(9.7%)	(25.3%)
Rest of West End	338.4	(24.8)	(6.8%)	(16.4%)	(30.3%)
West End Total	775.0	(37.0)	(4.5%)	(12.7%)	(27.6%)
West End Office	*505.2*	*(32.2)*	*(6.0%)*	*(16.0%)*	*(33.7%)*
West End Retail	*269.8*	*(4.8)*	*(1.8%)*	*(6.0%)*	*(12.6%)*
City & Southwark	162.1	(14.4)	(8.2%)	(19.9%)	(36.3%)
Investment Portfolio	**937.1**	**(51.4)**	**(5.2%)**	**(14.1%)**	**(29.3%)**
Development properties	92.1	(3.5)	(3.6%)	(13.3%)	(26.9%)
Properties held throughout the period	**1,029.2**	**(54.9)**	**(5.1%)**	**(14.0%)**	**(29.1%)**

Appendix 1
The Valuation
Wholly Owned

GREAT PORTLAND ESTATES

	Value	Movement 3 months to June 2009		Movement to June 2009 % change	
	£m	£m	% change	6 months	12 months
North of Oxford St	299.5	(9.3)	(3.0%)	(9.9%)	(26.7%)
Rest of West End	183.1	(13.6)	(6.9%)	(16.7%)	(30.2%)
Total West End	482.6	(22.9)	(4.5%)	(12.6%)	(28.1%)
West End Office	*350.4*	*(20.3)*	*(5.5%)*	*(15.3%)*	*(32.7%)*
West End Retail	*132.2*	*(2.6)*	*(2.0%)*	*(4.4%)*	*(12.0%)*
City and Southwark	145.1	(12.1)	(7.7%)	(19.2%)	(35.6%)
Investment portfolio	**627.7**	**(35.0)**	**(5.3%)**	**(14.2%)**	**(30.0%)**
Development properties	87.1	(3.0)	(3.3%)	(12.8%)	(25.4%)
Properties held throughout the period	**714.8**	**(38.0)**	**(5.0%)**	**(14.1%)**	**(29.5%)**

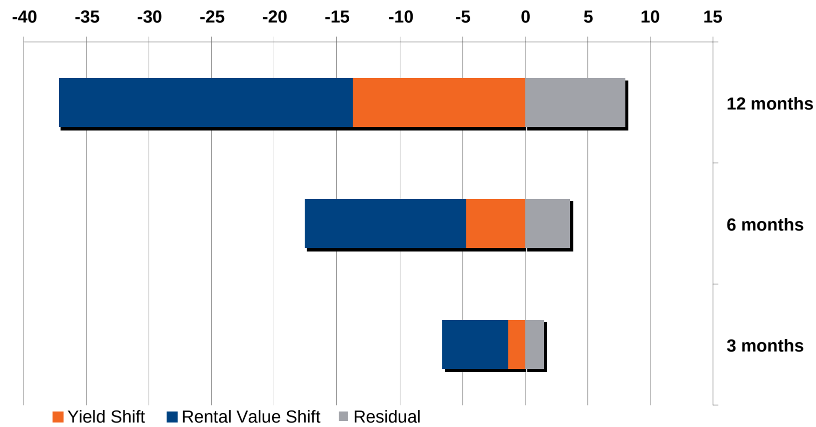
Appendix 1
The Valuation
Joint Ventures

GREAT PORTLAND ESTATES

	Value	Movement 3 months to June 2009		Movement to June 2009 % change	
	£m	£m	% change	6 months	12 months
North of Oxford St	274.2	(5.6)	(2.0%)	(9.3%)	(22.2%)
Rest of West End	310.6	(22.5)	(6.8%)	(16.0%)	(30.5%)
Total West End	584.8	(28.1)	(4.6%)	(13.0%)	(26.8%)
West End Office	*309.6*	*(23.8)*	*(7.1%)*	*(17.3%)*	*(35.8%)*
West End Retail	*275.2*	*(4.3)*	*(1.6%)*	*(7.5%)*	*(13.1%)*
City and Southwark	34.0	(4.6)	(11.8%)	(25.4%)	(41.3%)
Investment portfolio	**618.8**	**(32.7)**	**(5.0%)**	**(13.8%)**	**(27.8%)**
Development properties	10.0	(1.1)	(9.5%)	(21.5%)	(52.9%)
Properties held throughout the period	**628.8**	**(33.8)**	**(5.1%)**	**(13.9%)**	**(28.4%)**

Appendix 2
The Valuation[1]
Drivers of Valuation Movement[2]

% movement to 30 June 2009



1 Including share of Joint Ventures

Appendix 2
The Valuation[1]
Yield Profile[2]

30 June 2009	Initial Yield	True Equivalent Yield			
	%	%	Basis Point +/- like-for-like		
			3 months	6 months	12 months
North of Oxford Street					
Offices	6.4%	6.9%	-4	33	91
Retail	5.1%	6.3%	9	47	102
Rest Of West End					
Offices	6.0%	6.6%	8	27	89
Retail	4.8%	5.9%	12	50	82
Total West End	**5.8%**	**6.5%**	**4**	**36**	**91**
City & Southwark	7.6%	7.7%	9	30	113
Total Let Portfolio	**6.1%** (6.3%[3])	**6.7%**	**5**	**35**	**95**

1 Including share of Joint Ventures
2 Excludes development properties
3 Initial yield post expiry of rent frees under contracted leases

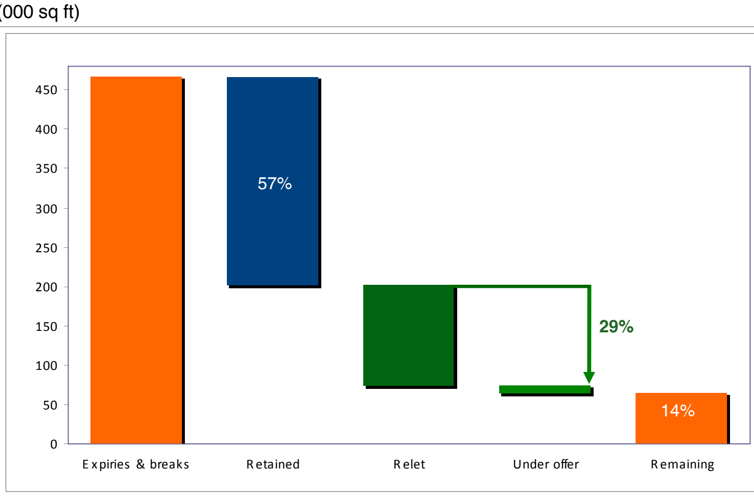
Appendix 3
The Valuation[1]
ERV and Reversionary Potential

To 30 June	Reversion £m	Movement in ERV 3 mth	6 mth	12 mth	Average Office Rent Passing £ per sq ft	Average Office ERV £ per sq ft	Reversionary Potential %
North of Oxford St							
Offices	-1.4	(5.4%)	(13.7%)	(29.2%)	40.00	35.90	(9.8%)
Retail	-0.1	(0.6%)	(1.8%)	(5.4%)			14.5%
Rest of West End							
Offices	-1.5	(9.2%)	(20.5%)	(34.0%)	39.70	37.20	(1.4%)
Retail	0.0	(0.4%)	(1.5%)	(1.7)%			10.2%
Total West End	**-3.0**	**(5.0%)**	**(12.2%)**	**(24.3%)**	**39.10**	**36.40**	**(1.0%)**
City & Southwark							
Offices	-1.3	(6.6%)	(15.6%)	(21.6%)	26.70	29.50	11.2%
Retail	0.0	(3.7%)	(4.0)%	(2.8%)			
Total City & Southwark	**-1.3**	**(6.4%)**	**(14.8%)**	**(20.5%)**			**15.3%**
Total Let Portfolio	**-4.3**	**(5.3%)**	**(12.9%)**	**(23.4%)**	**34.90**	**34.00**	**2.4%**

1 Including share of Joint Ventures

Appendix 4
Lease expiries and breaks – income retention/replacement
30 Sept 2008 – 30 June 2009

Area (000 sq ft)



Appendix 4
GPE tenants
Including joint ventures at 30 June 2009