Press Release

23 May 2007

Preliminary Results

The Directors of Great Portland Estates plc announce the results for the Group for the year ended 31 March 2007.

Highlights:

- Adjusted net assets per share[1] up 35.9% to 594p (or 40% pre cost of REIT conversion to 610p)
- Portfolio value[2] of £1,535.6 million, up 24.8% on a like-for-like basis
- Total property return[2] of 33.2%, outperforming the IPD Central London Index of 24.9%

- Profit before taxation up 73.4% to £326.0 million
- Adjusted profit before tax up 5.5% to £17.4 million
- Total dividend per share up 2.7% to 11.3p

- Significant recycling of capital - £240.5 million of acquisitions[2] and £203.1 million of sales[2]
- 4 developments[3] completed generating 94% average profit on cost
- 2.7 million sq ft total development programme – up 23% versus May 2006
- 1.1 million sq ft near-term programme with end value estimated at £660 million
- Planning permission received for new space totalling 1.1 million sq ft
- Two new joint ventures established (one post year end) adding £467 million to assets under management

[1] EPRA adjustments on a diluted basis – see note 7
[2] Includes Group's share of joint ventures
[3] Includes joint ventures

Toby Courtauld, Chief Executive, said:

"The Group has had an excellent year, delivering strong progress across the business and a very good performance compared to its key benchmarks.

With London's economy continuing to expand, steady occupational demand and limited new supply of high quality buildings, particularly in the West End, the conditions are in place for healthy returns. The Group's extensive and growing development programme, with its West End focus, is well positioned to benefit from this market environment. Our recent acquisitions and new joint ventures have created a platform for improved rental income and enhanced portfolio growth. The conversion to a REIT has gone smoothly and will improve post-tax performance.

We are confident that we will continue to generate attractive returns for our shareholders."

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The results presentation will be broadcast live at 9.30am today on http://www.gpe.co.uk/investors/presentations.

Also an interview with Toby Courtauld, Chief Executive and Timon Drakesmith, Finance Director, is available in video, audio and text on http://www.gpe.co.uk/investors/presentations and http://www.cantos.com

Chairman’s statement

The year under review proved to be another exceptional one for your Company, helped by the central London property market, in which we set out our strategic stall at the beginning of the decade, continuing to flourish. I feel that I can do no better than let the statistics speak for themselves; adjusted profit before tax of £17.4 million was up 5.5% and net asset value per share, even after taking into account the one-off charge of £28.3 million when we converted into a Real Estate Investment Trust in January 2007, was up by over 35% at 594 pence. Total property returns were 33.2% and a stunning total shareholder return of over 60% was delivered. So, despite my caveat 12 months ago, the unrepeatable was, in fact, repeated…and, in the event, bettered!

It has been an active year in every aspect of our business. With the investment market remaining strong, sensible rationalisation has continued at excellent prices, and at the same time we found some attractive purchases. Probably the highlight for me was the acquisition, in five separate transactions, of 160,000 sq ft in Hanover Square, W1 extending our ownership in that area to 1.3 acres and providing enticing development potential. The West End, comprising 82%, is the most significant element of our portfolio but we have also continued to unearth interesting opportunities in sub-markets such as Blackfriars and Bermondsey, where we believe that our entrepreneurial skills will be able to create added value.

Following the existing successful joint ventures which we had already set up with Liverpool Victoria, we entered into two more during the year, the first with Scottish Widows in July, the second with Liberty International subsidiary, Capital & Counties, which completed in April 2007. Such joint ventures have proved to be a productive avenue for access to properties which might not otherwise have been available in the market and provide a new source of revenue through management and ancillary fees. Whilst this is an expansionary route we shall be continuing to explore, currently it is our development activity which will be the key to our performance in the near to medium term. So, I am happy to report that, as anticipated, our programme is firing on all cylinders with what appears to be appropriate timing. Active asset management of the portfolio continued and has, inter alia, ensured that voids have been kept to a low level.

Occasionally, there is a deal which is not consummated and shareholders will recall that in early October last year, it was announced that we were in preliminary talks with London Merchant Securities regarding a potential merger of our two companies. This looked like an interesting opportunity on the right terms; after conducting significant due diligence, we formed a clear opinion as to the maximum price we would have been prepared to pay. When it became clear that we would not be able to agree a transaction on acceptable terms, we withdrew from discussions.

Property and the financing thereof are inextricably intertwined and we have been equally active on the latter front. It has been a busy period of capital structure management, in which the 2027 7.25% Debenture was redeemed and the remaining 2008 5.25% Convertible Bonds were converted into equity. Sensible medium- and long-term arrangements have been put in place, with the result that we have reduced the average cost of debt compared to the prior year and strengthened the platform to fund our future business plans.

During the year Neil Thompson was appointed to the Board as Development Director, reflecting the importance of our development business to the Group and, on 2 April 2007, Jonathan Short, whose skills and experience are well known in the property industry, accepted an invitation to become a Non-Executive Director. John Edgcumbe, who has been on the Board for eight years and was a valued adviser for many years before that, will be retiring at the Annual General Meeting in July, and I would like to take this opportunity of thanking him, both corporately and personally, for the professionalism and wisdom he has brought to us over a long period.

In conclusion, I hope not to offend the football aficionados amongst shareholders when I, a life long Arsenal supporter, compliment our talented management team on their Chelsea-like achievement in delivering a total shareholder return that puts them in one of the top two positions over a one, two and three year perspective against their peer group. Our goal is to continue this run of success and, with the general consensus being that benign economic conditions will persist and with London playing an even more important role on the world financial stage, there is every reason to believe that your Company should provide above average total property returns in the coming year.

Our market

Our market is accompanied by graphics (see Appendix 1).

London
London is our market and for good reason. It fulfils a unique role as Europe's only true global city and financial centre. London's GDP is estimated to have grown by 3.6% in 2006 and is forecast to grow at a faster rate than the rest of the UK due in large part to its appeal to international businesses and the growth of the finance and business services sector (F&BS) with around 100,000 F&BS jobs forecast to be created over the next five years.

We analyse the central London markets along two principal dimensions:

- Occupational demand versus supply of new and second hand space; and
- investment activity in commercial real estate.

Research from a variety of sources and information from the Group's operations is used to evaluate the direction of these trends in the West End, City, Southwark and other sub-markets. Leading indicators such as forecasts for changes in business head count, new space requirements and expected development completions are constantly tracked. We use this detailed market insight to inform our portfolio management, development and financing decisions.

One such indicator is market balance, or the amount of space to let given current rates of take-up expressed in terms of months. Typically, when office supply falls to less than 20 months, rents start to rise.

Occupational markets

West End
In the West End, where 82% of our portfolio by value is located (including our share of joint venture properties) we have seen robust interest from existing and potential tenants across a wide spectrum of industries, reducing available supply to less than ten months.

Across the West End take up for the year to March 2007 was 5.8 million sq ft (2006: 5.5 million sq ft) and vacancy rates have fallen to 4.3% (2006: 6.7%) or 3.9 million sq ft, equivalent to just eight months supply. This restricted supply, due largely to the challenging planning environment, combined with healthy levels of demand, has led to increases in prime West End rental values of around 15% in the year to March 2007. There has been a modest increase in development starts although we estimate there are only 6.0 million sq ft due to be completed by December 2010.

Although strong rental growth has led to a handful of lettings at more than £100 per sq ft, the average quoting rent in the West End is still relatively undemanding. Indeed, only 6.3% of lettings in the core West End are over £90 per sq ft, as illustrated on the central London rent profile in Appendix 1. The West End market comprises a series of sub-markets, and there is significant variation in spot rents for "grade A" quality office space between, and within, various villages. All sub-markets have seen rental value growth during the year but the north of Oxford Street market, in which a high proportion of the Group's near-term development schemes are located, continues to offer good value for tenants looking for an attractive office environment close to the West End's transport and shopping hubs.

The Group's valuers estimate the rental value of our West End office portfolio at an average of £44 per sq ft, from which we see good opportunity for growth.

The West End retail market (comprising 26% of our West End portfolio) has also performed well in the year to March 2007. Footfall in the three main retail thoroughfares of Oxford Street, Regent Street and Bond Street was up and retail sales, in central London in March, were up 10.8% compared to the same month last year. Demand from international retailers remains strong. They seek large, well formatted stores, particularly in Oxford Street and Regent Street where the majority of our retail property is located.

City and Southwark
The growth of the F&BS sector has driven appetite for new offices in the City and its neighbouring markets. With this increase in demand has come the spectre of new supply in the shape of potential development schemes on a large scale in a less restrictive planning framework than that of the West End. Some of these schemes have been pre-let, whilst others are relying on major occupational requirements over the next five years.

Take up in the City and Southwark markets for the year to March 2007 was 8.7 million sq ft (2006: 5.9 million sq ft) and vacancy rates have fallen to 7.5% (2006: 10.5%). We estimate prime office rental values increased by 22% over the same period and, in the short term, will grow further. Continued performance will depend on the amount of speculative space produced in these markets, and we remain cautious about the effects of new development supply on rental levels in the medium term in the City market.

Investment markets in central London
Transaction values and inward investment into central London real estate have remained at historically high levels with £15.8 billion traded in the year to March 2007 (2006: £14.5 billion). International buyers of direct real estate have remained particularly active being responsible for over 35% of transactions.

High quality real estate in good locations has maintained its appeal to a broad group of potential investors and investment yields have continued to fall although at a reducing rate as the year progressed. As the extraordinary run of yield compression comes to an end, we expect outperformance to be generated by those buildings with the best rental growth prospects rather than further market yield shift. With 13% of our portfolio in the course of development and good occupational demand across London, we remain well positioned.

Our business

Our business is accompanied by graphics (see Appendix 2).

Valuation
The valuation of the Group's properties as at 31 March 2007, including acquisitions made during the year and our share of gross assets in joint ventures, was £1,535.6 million. The valuation of the portfolio held throughout the year was £1,233.1 million, an increase of 24.8% on a like-for-like basis net of capital expenditure. Acquisitions during the year were valued at 31 March 2007 at £302.5 million and grew in value by 23.6% over an average ownership period of under six months.

The principal factors which have combined to drive this strong performance are:

- **Growth in rental values** – First half growth of 6.3% increased to 10.8% in the second half, combining to produce 17.1% for the year across the portfolio. The best performance came from our office properties in the Rest of the West End which grew by 21.4%. In the West End, rental values grew by 17.2%. In City and Southwark, rental values grew by 18.1%.

- **Development activity** – The strongest valuation performance came from our development properties, which increased in value by 44.9% over the year. This does not include 21 Sackville Street or Bond Street House, both in W1, which were transferred to the investment portfolio during the year following the completion of major refurbishment works and which increased in value by more than 47.5% net of capital expenditure.

- **Investment management** – A significant contribution was made this year by our acquisitions which increased in value by £57.8 million or 23.6% during the weighted average period of ownership of 5.6 months to 31 March 2007. Of particular note is the assembly of our 1.3 acre holding to the west of Hanover Square, W1, where five separate purchases, combined with two existing Group properties, have already produced a 23.4% valuation uplift of £34.6 million, largely as a result of the merging of the various interests to create a major development opportunity.

- **Yield shift** – Equivalent yields continued to contribute to performance, falling by 55 basis points over the 12 month period (2006: 100 basis points) from 5.41% to 4.86% on a like-for-like basis. By comparison, the IPD central London equivalent yield fell by less (46 basis points to 4.98%) as many of our properties were positively re-rated during the year following asset management or development activity.

The rest of the West End portfolio was the best performing sub-market with 26.6% valuation growth on a like-for-like basis. The like-for-like valuation growth was 26.1% for the wholly-owned portfolio compared to 14.8% for the joint ventures. This greater return for the wholly-owned portfolio reflected the heavier weighting towards office space which delivered greater returns over the year.

The Group delivered a total property return for the year of 33.2%, significantly outperforming the central London IPD benchmark of 24.9% for the fourth year running. As the bar chart in Appendix 2 illustrates, measured over both a one and three year period, our outperformance has come from active management. The held portfolio, or those assets in the pipeline for future capital expenditure, performed in-line with the benchmark. By contrast, our sales, acquisitions and development activity all contributed strongly to relative performance.

Development

Improving the appeal of a property through innovative design, high quality construction processes and creative marketing, is a core competence of the Group and the development business has continued its run of excellent returns. The geographic focus of our schemes is in the West End where planning restrictions provide a major barrier to entry to developers. Overall, the Group was responsible for around 9% of new office development in the West End of London in the first quarter of 2007, compared to office ownership market share of approximately 2%. Although office development carries a greater risk than vanilla investment activity, the Board believes that the potential rewards to shareholders are correspondingly higher.

The Group's development business has had another very encouraging year with many individual successes. The development pipeline of 24 projects represents a potential total area of 2.7 million sq ft, an 84.0% increase over the current area of the existing buildings. The 12 schemes in the near-term programme alone have an estimated completed value of £660.0 million, equivalent to 43.0% of the existing portfolio.

We divide the total development pipeline into three segments depending on the start dates. The near-term group of 12 schemes will all be on site by March 2009, the medium-term projects will commence between April 2009 and March 2011 and the longer-term group represent prospects beyond 2011. Across all three segments of the programme there have been major project achievements during the last year.

We took practical completion and leased space at Sackville Street, Bond Street House, 180 Great Portland Street and 208/222 Regent Street all in W1. The Sackville Street and Bond Street House developments delivered an exceptional combined surplus of £30.0 million or 103.7% on their total cost, partly because the floors were leased at levels significantly higher than that expected by the Group's valuers. We launched 180 Great Portland Street to the occupational market in February and have already let one floor at £55 per sq ft, over 10% higher than the target rents. At Margaret Street, W1, works were completed just prior to the year end and this has now been delivered to our forward funding partner, Arlington Securities.

We are on site at schemes on Mortimer Street (117,000 sq ft), 60 Great Portland Street (88,000 sq ft), Foley Street (20,000 sq ft), all in W1 and at Tooley Street, SE1 (200,000 sq ft). The Titchmor scheme has been rebranded as Wells & More and the Group's old headquarters at Knighton House as 60 Great Portland Street, in both cases, in order to appeal to a wider group of potential occupiers. The Tooley Street project was sold in July and is now being built under a development management agreement on behalf of the purchaser.

Resolution to grant planning permission was obtained during March at Bermondsey Street and Blackfriars Road, both in SE1, for a total of 237,000 sq ft of commercial space, up from the existing area of 64,000 sq ft. In April 2007, we received resolution to grant planning permission from City of London for our proposals at 100 Bishopsgate, EC3. Designed by leading British architects Allies and Morrison, the proposed scheme is a comprehensive masterplanning of the site to provide three new buildings totalling 815,000 sq ft net, which will

include a 40 storey office tower, a public library, retail and a new Livery Hall for The Leathersellers' Company. The existing buildings on the site comprise 310,000 sq ft with the majority let until 2011.

Further design and asset management work has been completed on several other schemes in advance of submitting planning applications. At Wigmore Street, W1 we anticipate making a planning application later this year for an office scheme of 132,000 sq ft representing an increase over the existing area of 24%. At the Hanover Square Estate site, we are currently masterplanning a major mixed use scheme and will be consulting with key stakeholders during this year. A special feature of this project is the relationship with the proposed Crossrail transport initiative where there is the potential to site a new rail station beneath the Group's scheme, providing exceptional communication links.

The economic success of any development programme is partly dependent on appropriate acquisition costs and controlled building costs. Carefully executed site assembly has proved to be a valuable mechanism for minimising the overall land acquisition cost for major schemes like Tooley Street. The same techniques were repeated in the composition of the Hanover Square Estate site and are described in the valuation section. On building costs, we are seeing increasing cost inflation across the construction market within central London as a consequence of many competing major transport, commercial and leisure projects. We have adopted a variety of procurement techniques to control costs across the programme, including arranging guaranteed maximum price contracts on all schemes currently on site. We will continue to monitor market conditions closely during 2007.

Investment management

Buying real estate with interesting opportunities for future growth at sensible prices has continued to be a real challenge. Despite this, we have unearthed many good opportunities for value creation. In the 12 months to March 2007 we spent £240.5 million in 12 separate transactions across the West End and Southwark. Since March, we have invested a further £233.6 million to create a new joint venture with Capital & Counties called the Great Capital Partnership, which owns a portfolio of 18 holdings across the capital.

Many of these acquisitions will feed the Group's development pipeline with new raw material. Apart from the Hanover Square Estate site assembly described within the Development section above, three further examples of acquisitions augmenting the pipeline are:

- 46/58 Bermondsey Street, SE1 – a 0.6 acre site comprising 35,000 sq ft of studio and warehouse space. Since acquisition in May 2006 we have obtained planning consent for a 48,350 sq ft office and retail development and demolition work and site preparation are now underway.

- 13/15 Carteret Street, SW1 – this 12,200 sq ft office holding was acquired in May 2006 within the Great Victoria Partnership. It adjoins an existing partnership holding at 40 Broadway and 5/11 Carteret Street, SW1 and provides us with a significantly enhanced future redevelopment canvas.

- 12/14 New Fetter Lane, EC4 – acquired since March as part of the Great Capital Partnership, this is a well located office building forming part of a potentially larger development site in due course.

We have continued to recycle capital, either selling properties where we have executed our strategy, using properties to seed joint ventures or swapping properties for those which offer the Group better opportunity for value creation. At the interim stage, we reported sales of Gillingham House, SW1, 79 New Cavendish Street, W1, Tooley Street, SE1, and 180 Great Portland Street, W1. During the second half, we sold 95 New Cavendish Street, W1 and 14 Hanover Square, W1 in separate swap transactions with institutional counterparties as part of our Hanover Square site assembly. We also sold Verulam Gardens, 70 Gray's Inn Road, WC1 for £12.1 million (our share) generating a surplus of £3.7 million or 44.7% to the March 2006 valuation following refurbishment and letting.

In all, the Group sold £203.1 million of property (including our share of joint venture properties) during the year generating a premium to the 31 March 2006 book value of £22.4 million or 12.4%. Since the year end, four further properties have been sold for £161.6 million, in line with their 31 March 2007 valuation, comprising the Group's property contribution to the Great Capital Partnership.

Asset management
Another busy year has seen 64 lease events executed by our asset management team and the success of this activity is a major contributor to our outperformance.

A total of 181,400 sq ft was let during the year at an aggregate rent roll of £8.4 million (our share), an increase of 12.1% over its rental value at 31 March 2006. The void level remains low at 5.0% at 31 March 2007.

Following rent review negotiations completed during the year, new rents were agreed at 23.1% ahead of their March 2006 value on aggregate. Much of the letting activity was at space within the investment portfolio which has been refurbished and re-branded. For example, Kent House, Market Place and Elsley House, Great Titchfield Street, both in W1, were repositioned within their local market, with over 43.0% of the office space within them refurbished and let at rents 38.0%, on aggregate, ahead of the March 2006 rental values.

Joint ventures
Joint ventures have proved to be an excellent route for the Group to build the portfolio at a relatively low entry cost. All the JVs are structured as 50:50 Limited Partnerships with the Group managing all the assets for an appropriate fee. Our JV partners are well known, long-term, major owners of UK real estate who have selected Great Portland Estates because of our strong track record of value creation as a central London specialist.

The JVs are now significant in Group terms, and with the Great Capital Partnership (GCP) which completed in April 2007, now make up 43% of our gross property assets, up from 24% at the year end. Further details are set out in Appendix 2. Our first JVs, those with Liverpool Victoria (GVP), have performed extremely well, with equity returns of 34.5% for the year to March 2007. Overall, our joint venture business has generated annualised equity returns of 45.2%.

In the summer of 2006, we established a new JV with Scottish Widows Investment Partnership (GWP) to own a 50% share of 180 Great Portland Street, W1 and an island site south of Wigmore Street, W1 which has an exciting variety of development opportunities.

The GCP JV has extended the Group's portfolio across the West End and introduced sub-markets at Kensington High Street in the West and Wapping in the East. Overall, the portfolio offers substantial possibilities for value-enhancing refurbishment and lease management. This JV has starting assets of £460 million (based on December 2006 values) with Capital & Counties contributing 14 holdings with a starting value of £298 million, the majority of which are in the West End, while GPE has put in four properties worth £162 million and paid a balancing sum of £68 million in cash. Around 92% of the GCP joint venture assets are in the West End and their rent roll was £22 million as at December 2006.

Excellent progress has been made across the joint ventures during the year. At 208/222 Regent Street, W1, acquired last financial year, we pre-let all three newly refurbished retail units ahead of schedule. The first two units have been delivered to tenants and the third is due to be handed over next month. At 180 Great Portland Street, W1, launched in February, the first letting was achieved in March and we have strong interest in the four remaining floors.

Our financial position

Our financial position is accompanied by graphics (see Appendix 3).

Financial results
The Group's financial results for the year were very encouraging with particularly strong valuation and NAV per share performances.

The year under review included the effects of conversion to a REIT in January 2007 and the continuing influence of the substantial development programme on valuation growth, the level of rental income and profitability.

Net asset value growth
Adjusted NAV per share, the Group's key balance sheet figure, grew 35.9% in the year to 594 pence, exceeding the equivalent growth rate for the 12 months to 31 March 2006 of 29.7%. At 31 March 2007, the Group's net assets were £1,076.0 million up from £654.7 million at 31 March 2006. The Group's excellent NAV per share growth has been boosted by a robust market for central London offices, the strategy to allocate significant resources and capital to the Group's development programme and successful portfolio management activities.

The main positive drivers behind the 157 pence per share year-on-year increase in adjusted NAV per share to 31 March 2007 were:

- significant valuation rises of 25 pence per share from properties under development and 124 pence from the investment portfolio;
- increases in valuation in the Liverpool Victoria and Scottish Widows joint ventures of 21 pence;
- profits on sale of properties including Tooley Street of 9 pence;

The following items reduced NAV per share:

- the payment of dividends of 11.1 pence in excess of adjusted earnings for the period of 10.2 pence to give a net 0.9 pence;
- redemption costs of the remaining segment of the 7.25% debenture issue were 5 pence; and
- the provision for the REIT conversion charge impacted NAV per share by 16 pence.

These items are illustrated in Appendix 3.

The valuation of the near-term development schemes within the NAV per share at 31 March 2007 includes around one-third of the expected surplus on the schemes when complete.

Triple net asset value per share (NNNAV) grew to 593 pence per share up 54.4% from 31 March 2006, due to the movements set out above and the positive effects of REIT conversion and financing activities. At 31 March 2007 the difference between adjusted NAV per share and NNNAV was the modest mark to market of debt of 1 pence. At 31 March 2006, before REIT conversion, NNNAV was lower than adjusted NAV by 53 pence, reflecting the provision for deferred tax on revaluation gains, capital allowances of 46 pence and a higher mark to market of debt of 7 pence. The provision for deferred tax was reversed when the Group gained REIT status and, with the reorganisation of the debt capital structure, the Group has aligned its interest cost closer to the prevailing market.

Income statement and earnings per share
Gross rental income for the period was £44.9 million, a rise of £2.7 million or 6.4% compared to last year. The main drivers of this change as illustrated in Appendix 3, were:

- letting of recent development projects at Sackville Street and Bond Street House and the effect of a full year of leasing revenue at the Met Building which increased rental income in the year to 31 March 2007; and

- surrenders and expiries creating voids at two of the main developments currently on site – 60 Great Portland Street and Wells & More – which were vacant for all of the year to 31 March 2007 but leased for part of the prior year, created a downward pressure on reported rental income for 2007.

In total, rent reviews, lease renewals and new lettings added £7.4 million to rental income during the period. The estimated rental value of the portfolio grew by some 17.1% in the year, benefiting from positive market factors and the enhancement of many of the Group's assets.

Reported profit before tax of £326.0 million was 73.4% higher than the previous year. The main driver of the rise was substantial revaluation gains and profit on sale of assets, partly off-set by higher interest charges. Basic EPS for the year was 235.7 pence, up 157.0% on the previous year.

Adjusted profit before tax at £17.4 million was £0.9 million, 5.5% higher than last year; the key factors behind this rise are set out in Appendix 3. This income statement based measure illustrates the underlying profit of the Group before capital items and revaluation changes. Higher adjusted profit levels were caused by the rise in rental income, described above, and significant profits from development management operations.

Profits were lifted by £5.3 million year on year due to development management income from the Tooley Street, SE1 and Margaret Street, W1 schemes. At 31 March 2007, the Tooley Street scheme was around one-third complete so 30% of anticipated profit was recognised in the year and further profits are expected in the year to 31 March 2008. Administration costs increased by £2.0 million primarily due to bonuses and accounting for LTIPs. Professional fees and costs associated with REIT conversion increased administration expenses year on year by £0.3 million. These items are one-off in nature and have been excluded from adjusted profit before tax and earnings per share. A variety of cost control projects were implemented which contributed to a reduction in non-headcount expenses of £0.4 million in the year. Finance costs increased by £4.2 million as the result of higher net debt, due to investment in our development schemes and acquisitions made during the year.

Underlying profits from joint ventures of £3.1 million, down 11.4% on the previous year, were reduced in part by voids at 208/222 Regent Street prior to the leases to H&M, Desigual and GAP becoming effective in Spring 2007.

Adjusted earnings per share were 10.2 pence, the same as last year. The higher Adjusted PBT described in Appendix 3 had a positive impact of 0.5 pence per share, although this was offset by a higher underlying tax charge. Details of the calculation of Adjusted PBT are set out in Appendix 3.

Financial effects of near-term development schemes
The near-term development and refurbishment schemes have evolved substantially during the year. The sale of Tooley Street, the creation of the GWP joint venture and the construction phases of the 60 Great Portland Street and Wells & More developments have had a significant effect on the financial results of the near-term programme. The valuation of the Group's development portfolio has increased due to growth in estimated rental value, enhanced net new areas and tightening of yields. The returns from the development schemes will be recognised in higher rental income (when let), income from development management activities and higher joint venture profits. Around £230.0 million of project costs are planned for the near-term schemes in the period to 31 March 2011. During the year the Group spent £32.1 million on project costs on those assets.

By 2011, the near-term schemes are forecast to generate incremental rental income for the Group of £26 million. Some of this additional revenue will be captured through higher profits from joint ventures as several schemes are in the GVP and GWP portfolios. This increase in rental income, taken with portfolio reversions,

letting of voids and net new rents from the Great Capital Partnership could increase the Group's rental income by £52 million, or 88% as shown in Appendix 3.

Results of joint ventures
The shape of the Group's balance sheet and income statement has changed as a result of the growing joint venture business. At the start of the year 18.2% of total properties and 11.1% of net assets were in 50:50 joint ventures; by 31 March 2007 the comparable figures were 24.3% and 16.4%. Taking into account the Great Capital Partnership, which formally commenced in April 2007, the pro forma joint venture values at 31 March 2007 were 43.2% of total property assets under management and 37.7% of net assets.

The Group's share of joint venture underlying profits (excluding revaluation gains and profit of sales) was £3.1 million, down from £3.5 million as a result of voids at GVP during refurbishment projects. The Group generated management fees of £1.6 million up 23% from 2006, due to fees earned on developments and high activity levels.

We expect a modest increase in headcount to manage the new GWP and GCP joint ventures. The recruitment will be in a range of functions including development, asset management and finance.

Financial resources and capital management
The Group's higher investment in the development projects contributed to the absorption of cash by operations reaching £63.0 million. Net debt increased to £389.1 million, up from £325.5 million at 31 March 2006, partly due to the acquisition of the Hanover Square Estate. The sales of properties including Tooley Street, SE1, New Cavendish Street, W1, and Gillingham Street, SW1, generated £132.1 million in net proceeds. Gearing fell to 36.2% at 31 March 2007 from 44.1% at last year end and interest cover remained appropriate at 1.8 times.

A year of intensive capital structure management has seen the Group simplify its debt portfolio and strengthen the platform to fund future business development activities. A "tap" issue of £50 million nominal of the 5.625% debentures 2029 was successfully placed in February and the maturity of the Group's £300 million credit facility was extended by one year to 2012. The Group's other credit facility was increased to £180 million and its maturity extended to September 2008. At 31 March 2007 the Group had undrawn credit facilities of £239.0 million.

Following the notice given to holders of the 5.25% convertible bonds 2008 in February 2007, the Bonds have been converted to new ordinary shares. As at 31 March 2007 the outstanding issued number of shares in the Company was 181.0 million. The remaining £31.6 million of 7.25% debentures 2027 were redeemed by the end of 31 March 2007.

The Group's weighted average interest rate for the year was 5.55%, a reduction of 36 basis points compared to the prior year. This was achieved despite an increase in swap rates which caused the year end average interest rate to rise to 5.79%.

Managing the Group's cost of borrowing is a key management priority. Over the last year the level of swap rates and benchmark yields on UK Government securities have risen and there are signs that further increases in the cost of debt will occur in response to inflationary pressures. The new issue of 2029 debentures at a premium locked in long-term funding at an effective rate of less than 5.4%. Our Treasury policy of keeping floating rate debt at less than 40% of total has partially insulated the Group from increasing market rates and in April 2007 we executed £80 million of five year interest rate swaps to further protect the Group.

Taxation and REIT conversion
The corporation tax in the income statement for 2007 is a charge of £0.2 million due to a variety of available reliefs. The Group's underlying effective tax rate for 2007 was around 10% and was influenced by the final quarter of the year being subject to HMRC's new REIT framework.

The Group converted to a REIT on 1 January 2007 and is now benefiting from an exemption from UK tax on both rental profits and chargeable gains relating to the property investment business. Deferred tax of £135.4 million on contingent chargeable gains, capital allowances and capitalised interest has been written back to the income statement as a result of new legislation. As a consequence of conversion the Group will pay a charge of

£28.3 million to HMRC in July 2007, being 2% of the value of the properties within its property investment business as at 31 December 2006.

The table in Appendix 3 shows the results of certain key REIT tests as applied to the Group on a pro forma basis in respect of the year ended 31 March 2007. The table indicates that the Group would comfortably comply with all of these tests for the year, with 99.9% of assets and 82.2% of profits within the tax exempt business.

We believe that as a REIT, the Group will have a very low tax charge over the coming years.

Dividend
The Board has declared a final dividend of 7.55 pence which will be paid on 11 July 2007. This brings the total for the year to 11.3 pence per share, an increase of 2.7% over 2006.

Following the Group's conversion to a REIT, all future dividend payments must be split between Property Income Dividends or "PIDs" (dividends from profits of our tax-exempt property rental business) and "non-PIDs" (dividends from profits of our taxable residual business).

The Group is now subject to a minimum distribution test. To meet this test, it must pay a PID of at least 90% of the profits (excluding gains) of the tax-exempt business (calculated by tax rules rather than accounting rules) within 12 months of the end of each accounting period.

As the minimum PID payable to meet the REIT distribution test for the three month period ended 31 March 2007 is small, none of the final dividend will be allocated to meeting the test for this period. Instead, the final dividend will be a non-PID in its entirety and will therefore be treated in the same way as a normal company dividend. It is anticipated that the REIT distribution test will be met by an interim dividend payable in January 2008.

Looking forward, the PID will vary according to the level of profits and allowances in the Group's tax-exempt business.

Outlook
The Group has had an excellent year, delivering strong progress across the business and a very good performance compared to its key benchmarks.

With London's economy continuing to expand, steady occupational demand and limited new supply of high quality buildings, particularly in the West End, the conditions are in place for healthy returns. The Group's extensive and growing development programme, with its West End focus, is well positioned to benefit from this market environment. Our recent acquisitions and new joint ventures have created a platform for improved rental income and enhanced portfolio growth. The conversion to a REIT has gone smoothly and will improve post-tax performance.

We are confident that we will continue to generate attractive returns for our shareholders.

GROUP INCOME STATEMENT
For the year ended 31 March 2007

	Notes	**2007 £m**	2006 £m
Rental income	2	**46.9**	44.5
Service charge income		**6.2**	5.0
Service charge expenses		**(7.9)**	(6.3)
		(1.7)	(1.3)
Other property expenses		**(2.3)**	(2.2)
Net rental and related income		**42.9**	41.0
Administration expenses	3	**(12.6)**	(10.6)
Development management revenue		**20.4**	–
Development management costs		**(15.1)**	–
		5.3	–
Operating profit before gains on investment property and results of joint ventures		**35.6**	30.4
Gains from investment property	8	**278.1**	186.1
Share of results of joint ventures	10	**45.2**	16.4
Operating profit before financing costs		**358.9**	232.9
Finance income	4	**0.3**	0.8
Finance costs	5	**(22.0)**	(18.2)
Premium on redemption of interest-bearing loans and borrowings		**(11.2)**	(27.5)
Profit before tax		**326.0**	188.0
Tax	6	**85.1**	(39.7)
REIT conversion charge		**(28.3)**	–
Profit for the year	18	**382.8**	148.3
Basic earnings per share	7	**235.7p**	91.7p
Diluted earnings per share	7	**214.3p**	84.1p
Adjusted earnings per share	7	**10.2p**	10.2p

All results are derived from continuing operations.

Total operating profit before gains on investment property

		2007 £m	2006 £m
Operating profit before gains on investment property and results of joint ventures		**35.6**	30.4
Share of profit of joint ventures	10	**3.1**	3.5
Total operating profit before gains on investment property		**38.7**	33.9

GROUP BALANCE SHEET
At 31 March 2007

	Notes	**2007 £m**	2006 £m
Non-current assets			
Investment property	8	**1,314.3**	965.1
Development property, plant and equipment	9	**20.9**	61.0
Investment in joint ventures	10	**176.0**	72.4
		1,511.2	1,098.5
Current assets			
Trade and other receivables	11	**22.2**	4.5
Deferred tax	15	**0.8**	–
Cash and cash equivalents		**4.2**	10.3
		27.2	14.8
Total assets		**1,538.4**	1,113.3
Current liabilities			
Trade and other payables	12	**30.7**	29.6
Income tax payable		**28.2**	0.4
Interest-bearing loans and borrowings	13	**2.9**	110.0
		61.8	140.0
Non-current liabilities			
Interest-bearing loans and borrowings	13	**390.4**	225.7
Obligations under finance leases	14	**10.0**	8.5
Deferred tax	15	**–**	83.7
Pension liability	22	**0.2**	0.7
		400.6	318.6
Total liabilities		**462.4**	458.6
Net assets		**1,076.0**	654.7
Equity			
Share capital	16	**22.6**	20.4
Share premium account	17	**68.2**	15.1
Equity reserve	18	**–**	9.2
Hedging reserve	18	**0.5**	–
Capital redemption reserve	18	**16.4**	16.4
Revaluation reserve	18	**1.5**	8.1
Retained earnings	18	**967.7**	587.3
Investment in own shares	19	**(1.0)**	(1.8)
Equity shareholders' funds		**1,075.9**	654.7
Minority interest		**0.1**	–
Total equity		**1,076.0**	654.7
Net assets per share	7	**594p**	401p
Adjusted net assets per share	7	**594p**	437p

GROUP STATEMENT OF CASH FLOWS
For the year ended 31 March 2007

	Notes	**2007 £m**	2006 £m
Operating activities			
Operating profit before financing costs		**358.9**	232.9
Adjustments for non-cash items	20	**(319.4)**	(202.5)
Increase in receivables		**(16.8)**	(0.2)
Increase in payables		**5.6**	3.2
Purchase and development of property		**(216.3)**	(131.4)
Purchase of fixed assets		**(0.2)**	(1.8)
Sale of properties		**132.1**	121.2
Purchase of interests in joint ventures		**(6.9)**	(15.6)
Cash (utilised)/generated from operations		**(63.0)**	5.8
Interest received		**0.3**	0.8
Interest paid		**(23.9)**	(21.1)
Tax paid		**(0.7)**	(1.5)
Cash flows utilised in operating activities		**(87.3)**	(16.0)
Financing activities			
Redemption of loans		**(43.1)**	(89.1)
Borrowings drawn		**90.0**	156.0
Purchase of derivatives		**(0.3)**	–
Issue of debenture		**52.5**	–
Borrowings repaid		**–**	(55.0)
Issue of minority interest		**0.1**	–
Equity dividends paid		**(18.0)**	(17.5)
Cash flows generated/(utilised) from financing activities		**81.2**	(5.6)
Net decrease in cash and cash equivalents		**(6.1)**	(21.6)
Cash and cash equivalents at 1 April		**10.3**	31.9
Cash and cash equivalents at balance sheet date		**4.2**	10.3

GROUP STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the year ended 31 March 2007

	2007	2006
	£m	£m
Revaluation of development properties	**1.5**	7.0
Deferred tax on development properties released/(recognised) directly in equity	**0.1**	(2.1)
Fair value movement on derivatives	**0.5**	–
Actuarial gains on defined benefit scheme net of deferred tax	**–**	0.8
Net gain recognised directly in equity	**2.1**	5.7
Profit for the year	**382.8**	148.3
Total recognised income and expense for the year	**384.9**	154.0

GROUP RECONCILIATION OF OTHER MOVEMENTS IN EQUITY

For the year ended 31 March 2007

	2007	2006
	£m	£m
Opening equity shareholders' funds	**654.7**	516.0
Total recognised income and expense for the year	**384.9**	154.0
Conversion of convertible bond	**53.7**	2.1
Minority interest	**0.1**	–
Deferred tax on convertible bonds	**(0.6)**	(0.3)
Employee Long-Term Incentive Plan	**1.2**	0.4
Dividends	**(18.0)**	(17.5)
Closing equity shareholders' funds	**1,076.0**	654.7

NOTES FORMING PART OF THE GROUP FINANCIAL STATEMENTS

1 Accounting Policies

Basis of Preparation

While the financial information included in this preliminary announcement has been computed in accordance with International Financial Reporting Standards (IFRSs), this announcement does not itself contain sufficient information to comply with IFRSs. The Company expects to publish full financial statements, that comply with IFRS in June 2007.

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 March 2007 or 2006, but is derived from those accounts. Statutory accounts for 2006 have been delivered to the Registrar of Companies and those for 2007 will be delivered following the company's annual general meeting. The auditors have reported on those accounts; their reports were unqualified and did not contain statements under s. 237.2 or (3) Companies Act 1985.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation.

The financial statements have been prepared on the historical cost basis, except for the revaluation of properties, financial instruments and pension liabilities. In the process of applying the Group's accounting policies, management is required to make judgements, estimates and assumptions that may affect the financial statements. Management believes that the judgements made in the preparation of the financial statements are reasonable. However, actual outcomes may differ from those anticipated. Critical accounting judgements include the classification of leases between financing and operating and the determination of profit taking on development management contracts. The principal accounting policies adopted are set out below.

Basis of Consolidation
The Group financial statements consolidate the financial statements of the Company and all its subsidiary undertakings for the year ended 31 March 2007.

Rent Receivable
This comprises rental income and premiums on lease surrenders on investment properties for the year, exclusive of service charges receivable.

Lease Incentives
Lease incentives including rent-free periods and payments to tenants, are allocated to the income statement over the lease term. The value of resulting accrued rental income is included within the respective property.

Other Property Expenses
Irrecoverable running costs directly attributable to specific properties within the Group's portfolio are charged to the income statement as other property expenses. Costs incurred in the improvement of the portfolio which, in the opinion of the directors, are not of a capital nature are written off to the income statement as incurred.

Administration Expenses
Costs not directly attributable to individual properties are treated as administration expenses.

Share-based Payment
The cost of granting share-based payments to employees and directors is recognised within administration expenses in the income statement. The Group has used the Stochastic model to value the grants which is dependent upon factors including the share price, expected volatility and vesting period and the resulting fair value is amortised through the income statement over the vesting period. The charge is reversed if it is likely that any non-market based criteria will not be met.

Investment Properties
Investment properties, including those under development, are professionally valued each year, on a market value basis, and any surpluses or deficits arising are taken to the income statement. Disposals of properties are recognised where contracts have been unconditionally exchanged during the accounting period and the significant risks and rewards of ownership of the property have been transferred to the purchaser.

Depreciation
In accordance with IAS 40 "Investment Property", no depreciation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

Depreciation is provided on plant and equipment, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Fixtures and fittings – over five years.
Leasehold improvements – over the term of the lease.

Development Properties
Development properties are carried in property, plant and equipment and are professionally valued each year, on a market value basis, and any surpluses arising are taken to the revaluation reserve with any deficits below cost taken to the income statement. A development property is one purchased for the purposes of development, redevelopment or substantial refurbishment with relatively little, or short-term, income whether planning permission exists or is still to be granted. All directly attributable costs of bringing a property to a condition suitable for letting are capitalised into the cost of the property. Once development is concluded, the property is transferred to investment property. Any cumulative revaluation reserve in respect of that property is transferred to retained earnings.

Joint Ventures
Joint ventures are accounted for under the equity method: the Group balance sheet contains the Group's share of the net assets of its joint ventures. Long-term loans owed to the Group by joint ventures are included within investments. The Group's share of joint ventures' profit is included in the Group income statement in a single line.

Deferred Tax
Deferred tax is provided in full on temporary differences between the tax base of an asset or liability and its carrying amount in the balance sheet. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised when it is probable that taxable profits will be available against which the deferred tax asset can be utilised.

Pension Benefits
The Group contributes to a defined benefit pension plan which is funded with assets held separately from those of the Group. The full value of the net assets or liabilities of the pension fund is brought on to the balance sheet at each balance sheet date. Actuarial gains and losses are taken to the Group statement of recognised income and expense, all other movements are taken to the income statement.

Capitalisation of Interest
Interest associated with direct expenditure on investment properties under development and development properties is capitalised. Direct expenditure includes the purchase cost of a site or property for development properties, but does not include the original book cost of investment property under development. Interest is capitalised from the start of the development work until the date of practical completion. The rate used is the Group's pre-tax weighted average cost of borrowings or, if appropriate, the rate on specific associated borrowings.

Financial Instruments
The Group's derivatives are measured at fair value in the balance sheet. To the extent that a derivative provides an effective cash flow hedge against the Group's underlying exposure the movements in the fair value of the

hedge are taken to equity. To the extent that the derivative does not effectively hedge the underlying exposure the movement in the fair value of the hedge is taken to the income statement.

Convertible Bonds

Convertible bonds are partly carried as debt, based on the net present value of future cash flows and prevailing interest rates at the time of issue, and the balance carried as equity within an equity reserve. Over the term of the loan, the debt is increased to its nominal value by charges to the income statement.

Head Leases

The present value of future ground rents is added to the carrying value of a leasehold investment property and to long-term liabilities. On payment of a ground rent virtually all of the cost is charged to the income statement, principally as interest payable, and the balance reduces the liability; an equal reduction to the asset's valuation is charged to the income statement.

Tenant Leases

Management have considered the potential transfer of risks and rewards of ownership in accordance with IAS 17 "Leases" for all properties leased to tenants and in their judgement have determined that all such leases are operating leases.

Segmental Analysis

The Group has only one reportable segment on the basis that all of its revenue is generated from investment properties located in central London; accordingly no segmental analysis is presented.

Development Management Agreements

Where the outcome of a development management agreement can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract at the balance sheet date. This is normally measured as the proportion that contract costs incurred for work performed bear to the estimated total contract costs. Variations in work, claims and incentive payments are included to the extent that they have been agreed with the client.

Where the outcome of a development management agreement cannot be estimated reliably, contract revenue is recognised to the extent of costs incurred that it is probable will be recoverable. Costs are recognised as expenses in the period in which they are incurred. When it is probable that total costs will exceed total revenue, the expected loss is recognised as an expense immediately.

2 Rental Income	**2007 £m**	2006 £m
Gross rental income	**44.9**	42.2
Amortisation of capitalised lease incentives	**2.1**	2.6
Ground rents payable	**(0.1)**	(0.3)
	46.9	44.5

3 Administration Expenses	**2007 £m**	2006 £m
Administration expenses		
Employee costs	**11.2**	8.6
Other	**1.1**	2.0
Non-recurring items		
Cost of REIT conversion	**0.3**	–
	12.6	10.6

Included within administration expenses are fees charged by the auditors comprising audit fees of £0.1 million (2006: £0.1 million) and non-audit fees, which largely related to transactions, of £0.1 million (2006: £0.1 million) and depreciation of £0.4 million (2006: £0.1 million).

Included within employee costs is an accounting charge for the LTIP and SMP schemes of £1.2 million (2006: £0.4 million).

Employee Information

The average number of employees of the Group, including directors, was:

	2007 Number	2006 Number
Head office and administration	**68**	65

Included within administration expenses are staff costs, including those of directors, comprising:

	2007 £m	2006 £m
Wages and salaries	**8.9**	7.0
Social security costs	**1.8**	0.8
Other pension costs	**0.8**	1.0
	11.5	8.8
Less: recovered through service charge	**(0.3)**	(0.2)
	11.2	8.6

The directors received fees of £330,000 (2006: £323,000) and other emoluments of £2,764,000 (2006: £2,067,000), pension contributions have been made for directors of £218,000 (2006: £228,000).

4 Finance Income	**2007 £m**	2006 £m
Interest on short-term deposits	**0.2**	0.5
Other	**0.1**	0.3
	0.3	0.8

5 Finance Costs

	2007 £m	2006 £m
Interest on bank overdrafts and loans	**11.5**	3.1
Interest on debentures	**7.4**	11.8
Interest on convertible bonds	**3.6**	4.1
Interest on loan notes	**0.1**	0.2
Interest on obligations under finance leases	**0.6**	0.7
Other interest	**0.2**	0.7
Gross finance costs	**23.4**	20.6
Less: capitalised interest	**(1.5)**	(2.4)
	21.9	18.2
Fair value movement on derivatives	**0.1**	–
	22.0	18.2

6 Tax

	2007 £m	2006 £m
Current tax		
UK corporation tax	**0.3**	–
Tax (over)/under provided in previous years	**(0.1)**	0.3
Total current tax	**0.2**	0.3
Deferred tax	**(85.3)**	39.4
Tax (credit)/charge for the year	**(85.1)**	39.7

The difference between the standard rate of tax and the effective rate of tax arises from the items set out below:

	2007 £m	2006 £m
Profit before tax	**326.0**	188.0
Tax on profit at standard rate of 30%	**97.8**	56.4
Deferred tax released on conversion to REIT status	**(135.4)**	–
Property revaluations	**(41.5)**	(20.4)
Sale of investment properties	**(5.2)**	1.5
Ring-fenced rental income	**(0.9)**	–
Accelerated capital allowances	**(0.8)**	2.5
Receipts taxable as chargeable gains or taxed in prior year	**(0.4)**	(0.9)
Other	**(0.5)**	(0.3)
Accounting profits arising in the year not taxable	**(0.3)**	(0.1)
Previous years' corporation tax	**(0.1)**	0.3
Expenses not deductible for tax purposes	**0.3**	0.7
Accounting losses arising in the year not relievable against current tax	**1.9**	–
Tax (credit)/charge for the year	**(85.1)**	39.7

During the year £0.1 million (2006: £2.4 million) of tax was charged directly to equity. This charge related to deferred tax in respect of revaluations of property, plant and equipment, derivatives and pension liabilities.

A deferred tax asset of £1.9 million relating to tax losses carried forward at 31 March 2007 was not recognised because it is uncertain whether future taxable profits against which these losses can be offset will arise.

The Group converted to a REIT on 1 January 2007. From that date, the Group has been exempt from corporation tax in respect of the following:

- rental profits arising from its property investment business; and
- chargeable gains arising on the sale of properties from its property investment business, provided that the relevant property is not both:
  - The subject of a development which costs more than 30% of the property's fair value at the later of 1 January 2007 and the date that it was purchased by the Group; and
  - sold within three years of the completion of the development.

The Group is otherwise subject to corporation tax. The Group estimates that as the majority of its future profits will no longer be subject to corporation tax, it will have a very low tax charge over the coming years.

As a REIT, Great Portland Estates plc is required to pay property income dividends equal to at least 90% of the profits (excluding gains) of the Group's property investment business (calculated by tax rules rather than accounting rules).

In July 2007, the Group will pay a REIT conversion charge of £28.3 million, being 2% of the value of the properties within its property investment business as at 31 December 2006. The financial statements for the year ended 31 March 2007 provide for this conversion charge in current tax and show a write back of deferred tax of £135.4 million (calculated as at 31 December 2006) relating to contingent chargeable gains, capital allowances and capitalised interest.

In order to ensure that the Group is able to both retain its status as a REIT and to avoid financial charges being imposed, a number of tests must be met by both Great Portland Estates plc and by the Group as a whole on an ongoing basis. These conditions are detailed in the Finance Act 2006.

7 Earnings and Net Assets per Share

Earnings and net assets per share are calculated in accordance with the guidance issued in January 2006 by the European Public Real Estate Association (EPRA).

Weighted average number of ordinary shares

	2007 Number of shares	2006 Number of shares
Issued ordinary share capital at 1 April	**163,181,906**	162,474,812
Conversion of convertible bonds	**346,843**	256,245
Investment in own shares	**(1,115,628)**	(1,115,628)
Weighted average number of ordinary shares	**162,413,121**	161,615,429
Effect of conversion of convertible bonds	**17,534,658**	18,453,432
Diluted weighted average number of ordinary shares	**179,947,779**	180,068,861

Basic, diluted and adjusted earnings per share

	2007 Profit after tax £m	**2007 Earnings per share pence**	2006 Profit after tax £m	2006 Earnings per share pence
Basic	**382.8**	**235.7**	148.3	91.7
Effect of convertible bonds	**2.8**	**(21.4)**	3.3	(7.6)
Diluted	**385.6**	**214.3**	151.6	84.1
Deferred tax on accelerated capital allowances	**(7.7)**	**(4.3)**	4.4	2.5
Premium on redemption of loans	**9.0**	**5.1**	19.3	10.7
REIT conversion charge and associated costs	**28.5**	**15.8**	–	–
Movement in fair value of derivatives	**0.1**	**–**	–	–
Reversal of deferred tax on REIT conversion	**(76.1)**	**(42.3)**	–	–
Gains from investment property	**(278.9)**	**(155.0)**	(146.8)	(81.5)
Gains from joint venture investment property	**(42.1)**	**(23.4)**	(10.0)	(5.6)
Adjusted (diluted)	**18.4**	**10.2**	18.5	10.2

Net assets per share

	2007 Net assets £m	**2007 Number of shares million**	**2007 Net assets per share pence**	2006 Net assets £m	2006 Number of shares million	2006 Net assets per share pence
Basic	**1,076.0**	**181.0**	**594**	654.7	163.2	401
Convertible bonds	–	–	–	53.4	18.0	(10)
Diluted	**1,076.0**	**181.0**	**594**	708.1	181.2	391
Fair value of financial liabilities net of tax	**(1.7)**		**(1)**	(13.0)		(7)
Diluted triple net assets	**1,074.3**		**593**	695.1		384
Fair value of financial liabilities net of tax	**1.7**		**1**	13.0		7
Deferred tax on capital allowances	–		–	7.7		4
Deferred tax on revaluation gains	–		–	75.2		42
Adjusted net assets	**1,076.0**		**594**	791.0		437

The fair value of liabilities for the year ended 31 March 2006 reflects a diluted number of shares and the high likelihood of the convertible bonds converting to equity. Therefore, the financial liabilities in the calculation above for the year ended 31 March 2006 include the Group's debenture stock but exclude the convertible bonds.

8 Investment Property

Investment property

	Freehold £m	Leasehold £m	Total £m
Book value at 1 April 2005	517.4	148.9	666.3
Acquisitions	83.8	–	83.8
Costs capitalised	20.1	0.9	21.0
Purchase of freehold	17.2	(17.8)	(0.6)
Disposals	(88.9)	(9.8)	(98.7)
Transfer from development property	52.7	–	52.7
Transfer to investment property – development	(19.4)	–	(19.4)
Net valuation gain on investment property	115.0	24.6	139.6
Book value at 31 March 2006	697.9	146.8	844.7
Acquisitions	**123.3**	**42.7**	**166.0**
Costs capitalised	**11.3**	**5.7**	**17.0**
Disposals	**(71.4)**	**(24.5)**	**(95.9)**
Transfer from development property	**22.5**	**–**	**22.5**
Transfer from investment property – development	**–**	**48.8**	**48.8**
Transfer to investment property – development	**(44.4)**	**–**	**(44.4)**
Net valuation gain on investment property	**167.7**	**56.1**	**223.8**
Book value at 31 March 2007	**906.9**	**275.6**	**1,182.5**

Investment property – development

	Freehold £m	Leasehold £m	Total £m
Book value at 1 April 2005	15.5	38.4	53.9
Costs capitalised	14.5	1.5	16.0
Interest capitalised	0.3	–	0.3
Transfer from investment property	19.4	–	19.4
Net valuation gain on investment property – development	22.9	7.9	30.8
Book value at 31 March 2006	72.6	47.8	120.4
Costs capitalised	**20.9**	**1.0**	**21.9**
Interest capitalised	**0.6**	**–**	**0.6**
Disposals	**(49.7)**	**–**	**(49.7)**
Transfer from investment property	**44.4**	**–**	**44.4**
Transfer to investment property	**–**	**(48.8)**	**(48.8)**
Net valuation gain on investment property – development	**43.0**	**–**	**43.0**
Book value at 31 March 2007	**131.8**	**–**	**131.8**
Total investment property	**1,038.7**	**275.6**	**1,314.3**

	2007 £m	2006 £m
Net valuation gain on investment property	**266.8**	171.3
Profit on sale of investment properties	**11.3**	14.8
Gains from investment property	**278.1**	186.1

The investment and development properties (note 9) were valued on the basis of market value by CB Richard Ellis, independent valuers, as at 31 March 2007 in accordance with the RICS Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors. The book value of investment properties includes £10.0 million (2006: £8.5 million) in respect of the present value of future ground rents.

At 31 March 2007, properties with carrying value of £260.2 million (2006: £452.2 million) were secured under first mortgage debenture stock (see note 13).

9 Development property, Plant and Equipment

	Leasehold improvements £m	Fixtures and fittings £m	Development property £m	Total £m
Cost or valuation				
At 1 April 2005	–	–	93.3	93.3
Acquisitions	–	–	7.5	7.5
Costs capitalised	1.9	0.6	8.6	11.1
Interest capitalised	–	–	1.7	1.7
Disposals	–	–	(7.7)	(7.7)
Transfers to investment property	–	–	(52.7)	(52.7)
Net valuation gain taken to equity	–	–	7.0	7.0
Reversal of net valuation deficits taken to income statement	–	–	0.9	0.9
At 31 March 2006	1.9	0.6	58.6	61.1
Acquisitions	**0.1**	**0.1**	**8.5**	**8.7**
Costs capitalised	**–**	**–**	**1.0**	**1.0**
Interest capitalised	**–**	**–**	**0.8**	**0.8**
Disposals	**–**	**–**	**(29.2)**	**(29.2)**
Transfers to investment property	**–**	**–**	**(22.5)**	**(22.5)**
Net valuation gain taken to equity	**–**	**–**	**1.5**	**1.5**
At 31 March 2007	**2.0**	**0.7**	**18.7**	**21.4**
Depreciation				
At 1 April 2006	**0.1**	**–**	**–**	**0.1**
Charge for the year	**0.2**	**0.2**	**–**	**0.4**
At 31 March 2007	**0.3**	**0.2**	**–**	**0.5**
Carrying amount at 31 March 2006	**1.8**	**0.6**	**58.6**	**61.0**
Carrying amount at 31 March 2007	**1.7**	**0.5**	**18.7**	**20.9**

The historical cost of development property at 31 March 2007 was £17.1 million (2006: £46.9 million). The cumulative interest capitalised in development property was £0.5 million (2006: £2.2 million).

10 Investment in Joint Ventures

The Group has the following investments in joint ventures:

	Equity £m	Loans £m	Total £m
At 1 April 2006	**62.9**	**9.5**	**72.4**
Acquisitions	**60.9**	–	**60.9**
Share of profits of joint ventures	**3.1**	–	**3.1**
Share of profit on disposal of joint venture properties	**3.7**	–	**3.7**
Share of revaluation uplift of joint ventures	**38.4**	–	**38.4**
Gains from joint venture investment property	**42.1**	–	**42.1**
Distributions	**(2.5)**	–	**(2.5)**
At 31 March 2007	**166.5**	**9.5**	**176.0**

On 25 July 2006 Great Portland Estates plc and Scottish Widows plc formed a joint venture, called the Great Wigmore Partnership, to invest in central London real estate. The Group owns a 50% share in the partnership through a wholly-owned subsidiary. The Group contributed £60.9 million of partnership equity.

The investments in joint ventures comprise the following:

	Country	2007	2006
The Great Victoria Partnership	United Kingdom	**50%**	50%
The Great Victoria Partnership (No. 2)	United Kingdom	**50%**	50%
The Great Wigmore Partnership	United Kingdom	**50%**	–

Included in the financial statements are the following items that represent the Group's share in the assets and liabilities, revenues and expenses for the joint ventures:

	Great Wigmore Partnership £m	Great Victoria Partnerships £m	2007 Total £m	2006 Total £m
Investment properties	**84.6**	**128.0**	**212.6**	113.1
Current assets	**0.1**	**14.2**	**14.3**	15.6
Bank loans	–	**(46.0)**	**(46.0)**	(12.4)
Current liabilities	**(0.4)**	**(14.0)**	**(14.4)**	(53.4)
Net assets	**84.3**	**82.2**	**166.5**	62.9
Net rental income	**1.0**	**4.6**	**5.6**	6.6
Expenses	**(0.1)**	**(2.4)**	**(2.5)**	(3.1)
Share of profit from joint ventures	**0.9**	**2.2**	**3.1**	3.5
Revaluation uplift	**22.5**	**15.9**	**38.4**	12.9
Profit on sale of investment property	–	**3.7**	**3.7**	–
Net profit	**23.4**	**21.8**	**45.2**	16.4

During the year the Group received a management fee of £1.6 million (2006: £1.3 million) from the joint ventures which has been recognised in administration expenses.

On 25 April 2007 the Group entered into a new joint venture with Liberty International subsidiary, Capital and Counties Limited, to be managed on a similar basis to the existing joint ventures. Capital and Counties Limited contributed 14 holdings with a value of £298 million, while the Group contributed 4 properties worth £162 million and a balancing sum of £68 million in cash.

11 Trade and Other Receivables

	2007 £m	2006 £m
Trade receivables	**3.9**	0.8
Prepayments and accrued income	**1.1**	1.2
Amounts receivable under development management contracts	**11.4**	0.3
Other trade receivables	**4.9**	2.2
Derivatives	**0.9**	–
	22.2	4.5

12 Trade and Other Payables

	2007 £m	2006 £m
Trade payables	**12.7**	11.6
Non-trade payables and accrued expenses	**18.0**	18.0
	30.7	29.6

13 Interest-bearing Loans and Borrowings

	2007 £m	2006 £m
Non-current liabilities		
Secured		
£32.1 million 7¼% debenture stock 2027	–	31.4
£142.9 million 5⅝% debenture stock 2029	**144.4**	91.9
Unsecured		
5¼% convertible bonds 2008	–	53.4
Bank loans	**246.0**	46.0
Loan notes 2007	–	3.0
	390.4	225.7
Current liabilities		
Loan notes 2007	**2.9**	–
Bank loans	–	110.0
	393.3	335.7

At 31 March 2007 the nominal value outstanding of the 5⅝% Debenture Stock 2029 was £142.9 million. During the year a further £50 million of 5⅝% debenture stock was issued and the 7¼% Debenture Stock 2027 was redeemed in full.

During the year the Company exercised its option to redeem the convertible bonds outstanding in full at their principal amount. The bondholders exercised their right to convert the bonds they held into ordinary share capital of the Company, the resulting increase in share capital is disclosed in note 16.

The Group has two floating rate bank facilities, a £300 million revolving credit facility and a £180 million short-term facility. The revolving credit facility is unsecured, attracts a floating rate of 0.525% above LIBOR and expires in 2012. The short-term facility is unsecured, attracts a floating rate of 0.70% above LIBOR and expires in 2008.

The floating rate bank facilities are hedged using interest rate swaps and caps. During the year the Group entered into an interest rate swap of £40 million notional principal at 5.115% and interest rate caps of £40 million notional principal at 6.0%. These arrangements mature in 2011. The derivatives are carried at fair value and are included in other receivables, see Note 11.

The unsecured loan notes, which together with an associated guarantee attract a floating rate of interest of 0.275% in aggregate above LIBOR, are redeemable at the option of the noteholder until April 2007, and by the Company in April 2007.

All interest-bearing loans and borrowings are in Sterling. At 31 March 2007 the Group had available £239 million (2006: £257 million) of undrawn committed bank facilities.

Maturity of financial liabilities

The maturity profile of the financial liabilities of the Group at 31 March 2007 was as follows:

	2007 **£m**	2006 £m
In one year or less, or on demand	**2.9**	110.0
In more than one year but not more than two years	–	56.4
In more than four years but not more than five years	**246.0**	46.0
In more than five years	**144.4**	123.3
	393.3	335.7

Fair value of financial instruments

	2007 **Book value** **£m**	**2007** **Fair value** **£m**	2006 Book value £m	2006 Fair value £m
Current liabilities	**2.9**	**2.9**	110.0	110.0
Non-current liabilities	**390.4**	**392.1**	225.7	278.5
Derivatives	**(0.9)**	**(0.9)**	–	–
	392.4	**394.1**	335.7	388.5

The fair values of the Group’s cash and short-term deposits are not materially different from those at which they are carried in the financial statements. Market values have been used to determine the fair value of listed long-term borrowings, and derivatives have been valued by reference to market rates of interest. The market values of all other items have been calculated by discounting the expected future cash flows at prevailing interest rates.

14 Finance Leases

Finance lease obligations in respect of the Group's leasehold properties are payable as follows:

	2007 Minimum Lease payments £m	**2007 Interest £m**	**2007 Principal £m**	2006 Minimum lease payments £m	2006 Interest £m	2006 Principal £m
Less than one year	**0.7**	**(0.7)**	–	0.6	(0.6)	–
Between one and five years	**2.7**	**(2.7)**	–	2.3	(2.3)	–
More than five years	**76.8**	**(66.8)**	**10.0**	68.8	(60.3)	8.5
	80.2	**(70.2)**	**10.0**	71.7	(63.2)	8.5

15 Deferred Tax

	1 April 2006 £m	**Recognised in income £m**	**Recognised directly in equity £m**	**Released in income* £m**	**Released in equity* £m**	**31 March 2007 £m**
Deferred tax liabilities						
Property revaluations	**75.2**	**50.1**	**(0.1)**	**(125.2)**	–	–
Capitalised interest	**1.4**	**(0.5)**	–	**(0.9)**	–	–
Accelerated capital allowances	**7.7**	**1.6**	–	**(9.3)**	–	–
Derivatives	–	–	**0.2**	–	–	**0.2**
Deferred tax assets						
Long-Term Incentive Plan and Share Matching Plan	**(0.4)**	**(0.5)**	–	–	–	**(0.9)**
Pension liabilities	**(0.2)**	**0.1**	–	–	–	**(0.1)**
	83.7	**50.8**	**0.1**	**(135.4)**	–	**(0.8)**

* on conversion to REIT status.

The Group recognises deferred tax assets based on forecast taxable profits. The Company recognises a deferred tax asset on fair value movement of derivatives and a liability in respect of the Long-Term Incentive Plans and Share Matching Plan.

16 Share Capital

	2007 Number	**2007 £m**	2006 Number	2006 £m
Ordinary shares of 12½ pence each				
Authorised	**550,100,752**	**68.8**	550,100,752	68.8
Allotted, called up and fully paid				
At 1 April	**163,181,906**	**20.4**	162,474,812	20.3
Conversion of convertible bonds	**17,837,903**	**2.2**	707,094	0.1
At 31 March	**181,019,809**	**22.6**	163,181,906	20.4

17 Share Premium	**2007 £m**	2006 £m
At 1 April	**15.1**	13.0
Conversion of convertible bonds	**53.1**	2.1
At 31 March	**68.2**	15.1

18 Reserves	**Equity reserve £m**	**Hedging reserve £m**	**Capital Redemption reserve £m**	**Revaluation reserve £m**	**Retained earnings £m**
At 1 April 2006	**9.2**	–	**16.4**	**8.1**	**587.3**
Profit for the year	–	–	–	–	**382.8**
Net valuation gain taken to equity	–	–	–	**1.5**	–
Deferred tax reversal on property revaluations taken to equity	–	–	–	**0.1**	–
Transfer on completion of development property	–	–	–	**(5.9)**	**5.9**
Realised on disposal of development property	–	–	–	**(2.3)**	**2.3**
Fair value movement on derivatives	–	**0.7**	–	–	–
Deferred tax on fair value movements on derivatives	–	**(0.2)**	–	–	–
Conversion of convertible bonds	**(8.6)**	–	–	–	**7.0**
Deferred tax on convertible bonds	**(0.6)**	–	–	–	–
Dividends to shareholders	–	–	–	–	**(18.0)**
Transfer from investment in own shares	–	–	–	–	**0.4**
At 31 March 2007	–	**0.5**	**16.4**	**1.5**	**967.7**

19 Investment in Own Shares	**2007 £m**	2006 £m
At 1 April	**1.8**	2.2
Employee Long-Term Incentive Plan charge	**(1.2)**	(0.4)
Transfer to retained earnings	**0.4**	–
At 31 March	**1.0**	1.8

The investment in the Company's own shares is held at cost and comprises 1,115,628 shares held by the Great Portland Estates plc LTIP Employee Share Trust which will vest in certain senior employees of the Group if performance conditions are met.

20 Adjustment for non-cash movements in the Cash Flow Statement	**2007 £m**	2006 £m
Gains from investment property	**(278.1)**	(186.1)
Employee Long-Term Incentive Plan charge	**1.2**	0.4
Amortisation and sale of capitalised lease incentives	**0.2**	(2.6)
Share of profit on joint ventures	**(42.7)**	(14.2)
Adjustment for non-cash items	**(319.4)**	(202.5)

21 Dividends

	2007 £m	2006 £m
Ordinary dividends paid		
Interim dividend for the year ended 31 March 2007 of 3.75 pence per share	**6.1**	–
Final dividend for the year ended 31 March 2006 of 7.33 pence per share	**11.9**	–
Interim dividend for the year ended 31 March 2006 of 3.67 pence per share	**–**	5.9
Final dividend for the year ended 31 March 2005 of 7.17 pence per share	–	11.6
	18.0	17.5

The proposed final dividend of 7.55 pence per share (2006: 7.33 pence per share) was approved by the Board on 23 May 2007 and is payable on 11 July 2007 to shareholders on the register on 1 June 2007. The dividend is not recognised as a liability at 31 March 2007. The 2006 final dividend and the 2007 interim dividend were paid in the year and are included within the Group Reconciliation of Other Movements in Equity.

22 Employee Benefits

The Group contributes to a defined benefit pension plan (the "Plan"), the assets of which are held by trustees separately from the assets of the Group. The Plan has been closed to new entrants since April 2002. The most recent actuarial valuation of the Plan was conducted at 1 April 2006 by a qualified independent actuary using the projected unit method. The Plan was valued using the following main assumptions:

	2007 %	2006 %
Discount rate	**5.25**	5.00
Expected return on Plan assets	**5.13**	6.28
Expected rate of salary increases	**4.00**	3.75
Future pension increases	**3.00**	2.75

The amount recognised in the balance sheet in respect of the Plan is as follows:

	2007 £m	2006 £m
Present value of unfunded obligations	**16.0**	15.6
Fair value of Plan assets	**(15.8)**	(14.9)
Pension liability	**0.2**	0.7

Amounts recognised as administration expenses in the income statement are as follows:

	2007 £m	2006 £m
Current service cost	**0.2**	0.2
Interest on obligation	**0.8**	0.8
Expected return on Plan assets	**(0.8)**	(0.7)
Past service cost	–	0.1
	0.2	0.4
Actuarial gain recognised immediately in the Group statement of recognised income and expense	–	1.1

Changes in the present value of the pension obligation are as follows:

	2007	2006
	£m	£m
Defined benefit obligation at 1 April	**15.6**	14.0
Service cost	**0.2**	0.2
Interest cost	**0.8**	0.8
Past service cost	–	0.1
Actuarial (loss)/gain	**(0.2)**	0.9
Benefits paid	**(0.4)**	(0.4)
Defined benefit obligation at 31 March	**16.0**	15.6
Changes to the fair value of the Plan assets are as follows:		
Fair value of plan assets at 1 April	**14.9**	11.9
Expected return	**0.8**	0.7
Actuarial (loss)/gain	**(0.2)**	2.0
Contributions	**0.7**	0.7
Benefits paid	**(0.4)**	(0.4)
Fair value of Plan assets at 31 March	**15.8**	14.9
Net liability	**0.2**	0.7

The fair value of the Plan assets at the balance sheet date is analysed as follows:

	2007	2006
	£m	£m
Equities	**6.3**	6.0
Bonds	**9.5**	8.9
	15.8	14.9

The history of the Plan for the current and prior year is as follows:

	2007	2006
Difference between expected and actual return on the scheme assets:		
Amount £m	**(0.2)**	2.0
Percentage of scheme assets	**(1%)**	13%
Experience gains and losses on scheme liabilities:		
Amount £m	–	0.5
Percentage of scheme assets	–	3%
Total gains and losses:		
Amount £m	–	1.1
Percentage of scheme assets	–	7%

The Group expects to contribute approximately 20.4% of members' pensionable salaries plus £0.4 million to the Plan in 2008.

Glossary

Adjusted earnings per share
Earnings per share adjusted to exclude non-recurring items, profits or losses on sales of investment properties, property revaluations and deferred tax on capital allowances and property revaluations on a diluted basis.

Adjusted net assets per share
NAV adjusted to exclude deferred tax on capital allowances and property revaluations on a diluted basis.

Diluted figures
Reported amounts adjusted to include the effects of potential shares issuable under the convertible bond.

Earnings per share (EPS)
Profit after tax divided by the weighted average number of ordinary shares in issue.

EPRA adjustments
Standard calculation methods for adjusted EPS and adjusted NAV as set out by the European Public Real Estate Association (EPRA) in their January 2006 Best Practice and Policy Recommendations.

Estimated rental value (ERV)
The market rental value of lettable space as estimated by the Company's valuers at each balance sheet date.

F&BS
Finance and business services sector.

IPD
The Investment Property Databank Limited (IPD) is a company that produces an independent benchmark of property returns.

IPD central London
An index, compiled by IPD, of the central and inner London properties in their monthly and quarterly valued universes.

Like-for-like portfolio
Properties that have been held for the whole of the period of account.

Market value
The amount as estimated by the Company's valuers for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. In line with market practice, values are stated net of purchasers' costs.

Net assets per share or net asset value (NAV)
Equity shareholders' funds divided by the number of ordinary shares at the balance sheet date.

Net gearing
Total borrowings less short-term deposits and cash as a percentage of adjusted equity shareholders' funds.

Net initial yield
Annual net rents on investment properties as a percentage of the investment property valuation having added notional purchasers costs.

Portfolio internal rate of return (IRR)
The rate of return that if used as a discount rate and applied to the projected cash flows from the portfolio would result in a net present value of zero.

REIT
UK Real Estate Investment Trust.

Rent roll
The annual contracted rental income.

Return on capital employed (ROCE)
Return on capital employed is measured as profit before financing costs plus revaluation surplus on development property divided by the opening gross capital.

Return on shareholders' equity
The growth in the adjusted diluted net assets per share plus dividends per share for the period expressed as a percentage of the adjusted net assets per share at the beginning of the period.

Reversionary or under-rented
The percentage by which ERV exceeds rents passing, together with the estimated rental value of vacant space.

Reversionary yield
The anticipated yield, which the initial yield will rise to once the rent reaches the ERV.

Total property return (TPR)
Capital growth in the portfolio plus net rental income derived from holding these properties plus profit on sale of disposals expressed as a percentage return on the period's opening value.

Total shareholder return (TSR)
The growth in the ordinary share price as quoted on the London Stock Exchange plus dividends per share received for the period expressed as a percentage of the share price at the beginning of the period.

Triple net asset value (NNNAV)
NAV adjusted to include the fair value of the Group's financial liabilities on a diluted basis.

True equivalent yield
The constant capitalisation rate which, if applied to all cash flows from an investment property, including current rent, reversions to current market rent and such items as voids and expenditures, equates to the market value having taken into account notional purchasers costs. Assumes rent is received quarterly in advance.

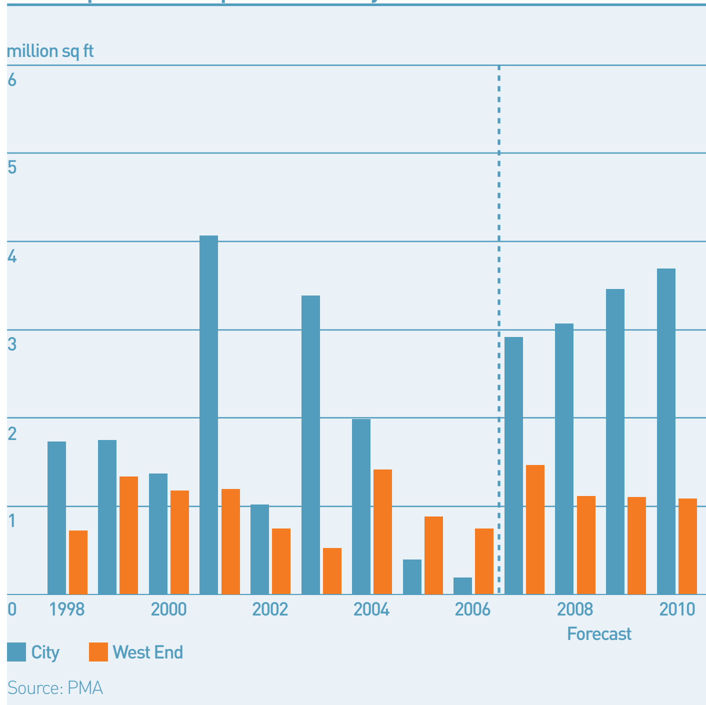
Voids
The element of a property which is unoccupied but available for letting, usually expressed as the ERV of the void space divided by the existing rent roll plus the ERV of the void space.

Weighted Average Cost of Capital (WACC)
The weighted average pre-tax cost of the Group's debt and the notional cost of the Group's equity used as a benchmark to assess investment returns.

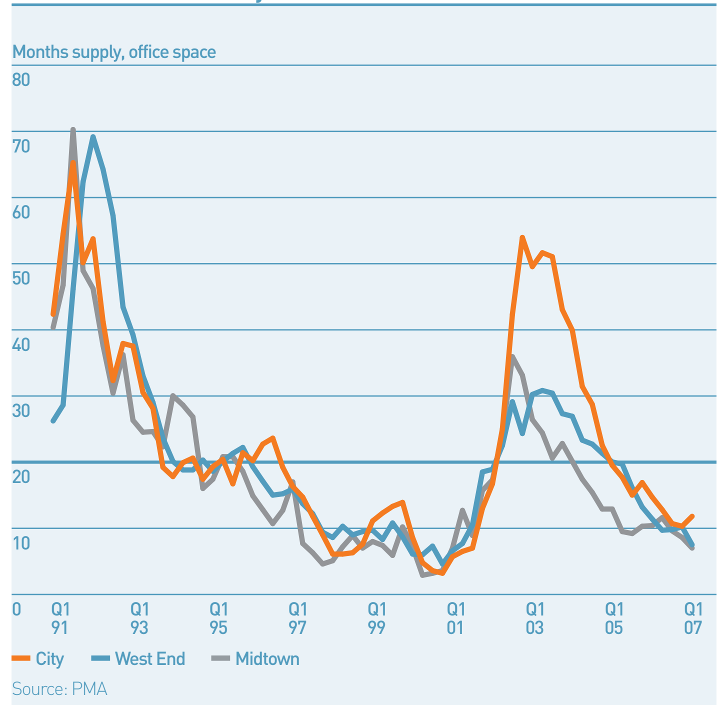
Weighted Average Unexpired Lease Term (WAULT)
The weighted average unexpired lease term expressed in years.

Appendix 1

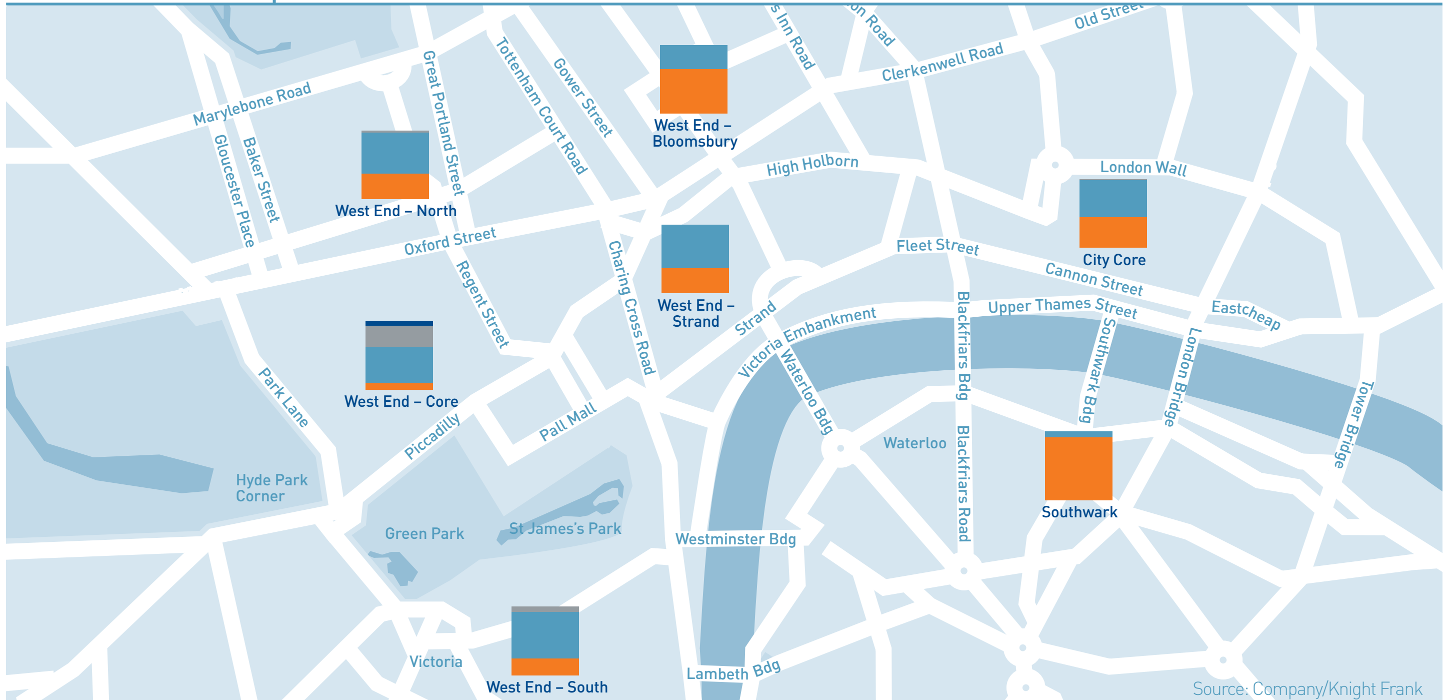
Development completions – City and West End



Market balance in key sub-markets



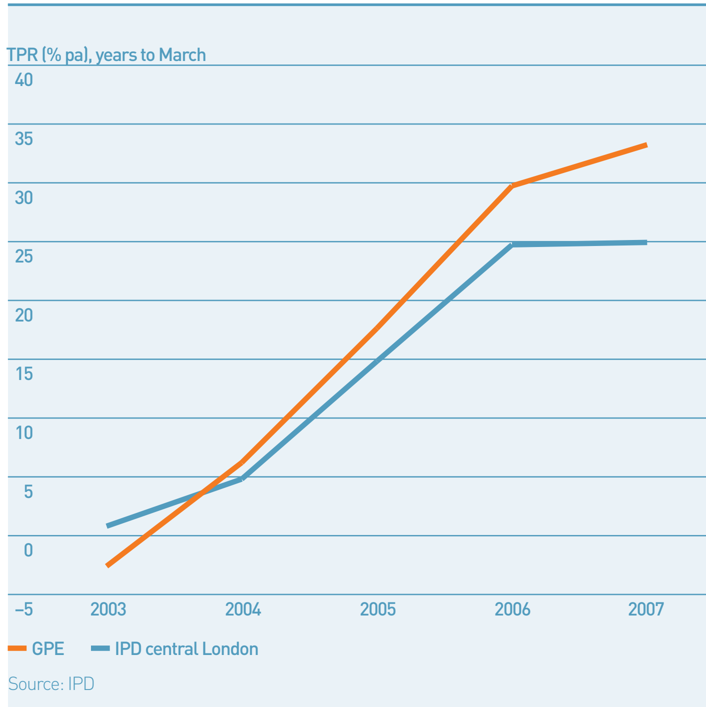
Central London rent profile



Proportion of office lettings by rent band: <£30 per sq ft; £30–60 per sq ft; £60–90 per sq ft; >£90 per sq ft

Appendix 2

TPR relative to IPD central London



Source: IPD

Contributions to relative TPR

Source: IPD

Portfolio performance

At 31 March 2007

		Valuation						
		Wholly owned £m	Share of joint venture £m	Total £m	Proportion of portfolio %	Valuation movement %	ERV movement %	12 month total return %
North of Oxford Street	Office	427.5	–	427.5	27.9	26.9	20.8	31.8
	Retail	78.8	64.1	142.9	9.3	9.3	5.8	12.4
Rest of West End	Office	155.7	27.0	182.7	11.9	24.7	21.4	28.0
	Retail	78.7	33.3	112.0	7.3	29.7	13.8	33.1
Total West End		740.7	124.4	865.1	56.4	23.5	17.2	27.5
City and Southwark	Office	219.0	–	219.0	14.3	19.7	19.2	26.2
	Retail	8.5	–	8.5	0.5	15.3	4.6	20.7
Total City and Southwark		227.5	–	227.5	14.8	19.5	18.1	26.0
Investment property portfolio		968.2	124.4	1,092.6	71.2	22.6	17.4	27.2
Development properties		140.5	–	140.5	9.1	44.9	15.7	42.6
Total properties held throughout the year		1,108.7	124.4	1,233.1	80.3	24.8	17.1	28.9
Acquisitions		214.3	88.2	302.5	19.7	23.6		
Total property portfolio		1,323.0	212.6	1,535.6	100.0	24.6		

Property portfolio – wholly owned

At 31 March 2007

		Investment property portfolio £m	Properties under development £m	Total property portfolio £m	Office £m	Retail £m	Total £m
North of Oxford Street		521.8	115.4	637.2	538.1	99.1	637.2
Rest of West End		409.2	–	409.2	291.1	118.1	409.2
Total West End		931.0	115.4	1,046.4	829.2	217.2	1,046.4
City and Southwark		241.6	35.0	276.6	265.4	11.2	276.6
Total		1,172.6	150.4	1,323.0	1,094.6	228.4	1,323.0
By use	Office	955.0	139.6	1,094.6			
	Retail	217.6	10.8	228.4			
Total		1,172.6	150.4	1,323.0			

Property portfolio – joint ventures under management

At 31 March 2007

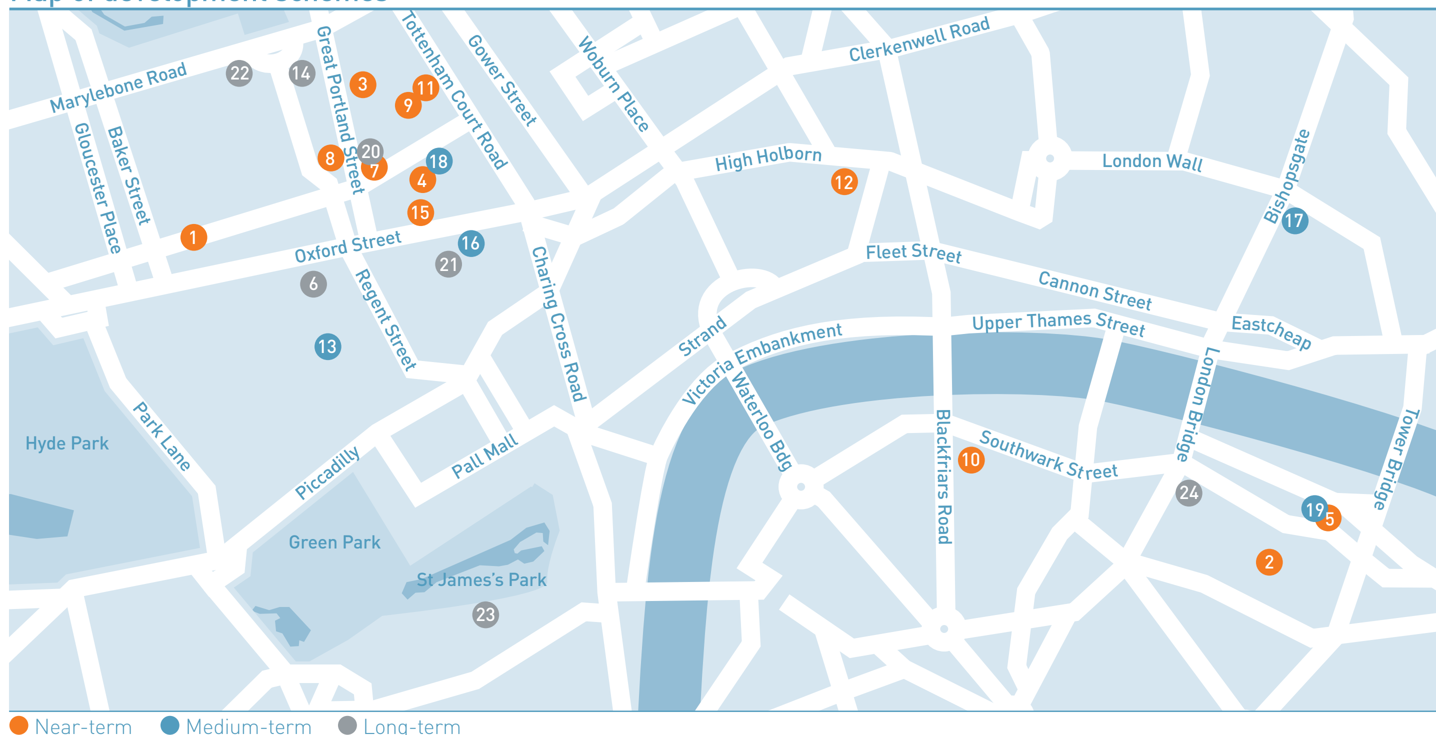
		Investment property portfolio £m	Properties under development £m	Total property portfolio £m	Office £m	Retail £m	Total £m
North of Oxford Street		206.8	90.5	297.3	140.9	156.4	297.3
Rest of West End		128.0	–	128.0	61.4	66.6	128.0
Total West End		334.8	90.5	425.3	202.3	223.0	425.3
By use	Office	120.7	81.6	202.3			
	Retail	214.1	8.9	223.0			
Total – 100% of joint ventures		334.8	90.5	425.3			
Total – 50% share of joint ventures		167.4	45.2	212.6			

Total including share of joint ventures

At 31 March 2007

	Investment property portfolio £m	Properties under development £m	Total property portfolio £m	Office £m	Retail £m	Total £m
North of Oxford Street	625.2	160.6	785.8	608.5	177.3	785.8
Rest of West End	473.2	–	473.2	321.8	151.4	473.2
Total West End	1,098.4	160.6	1,259.0	930.3	328.7	1,259.0
City and Southwark	241.6	35.0	276.6	265.4	11.2	276.6
Grand total	1,340.0	195.6	1,535.6	1,195.7	339.9	1,535.6

Map of development schemes



Near-term Medium-term Long-term

Key
1 79/97 Wigmore Street
2 46/58 Bermondsey Street
3 180 Great Portland Street
4 Wells & More, 45 Mortimer Street
5 160 Tooley Street
6 Hanover Square Estate
7 60 Great Portland Street
8 79/83 Great Portland Street
9 46/48 Foley Street
10 240 Blackfriars Road
11 45/51 Whitfield Street
12 Buchanan House, 24/31 Holborn
13 28/29 Savile Row
14 13/14 Park Crescent and 92 Portland Place
15 184/190 Oxford Street
16 79/89 Oxford Street
17 100 Bishopsgate
18 Mortimer House, 37/41 Mortimer Street
19 14/28 Shand Street
20 78/92 Great Portland Street
21 26 Broadwick Street
22 26 Park Crescent
23 40/48 Broadway
24 New City Court, 14/20 St Thomas Street

Development pipeline

Total programme[1]

24 projects
2.7 million sq ft
1.2 million sq ft increase
2.3 million sq ft existing GPE portfolio

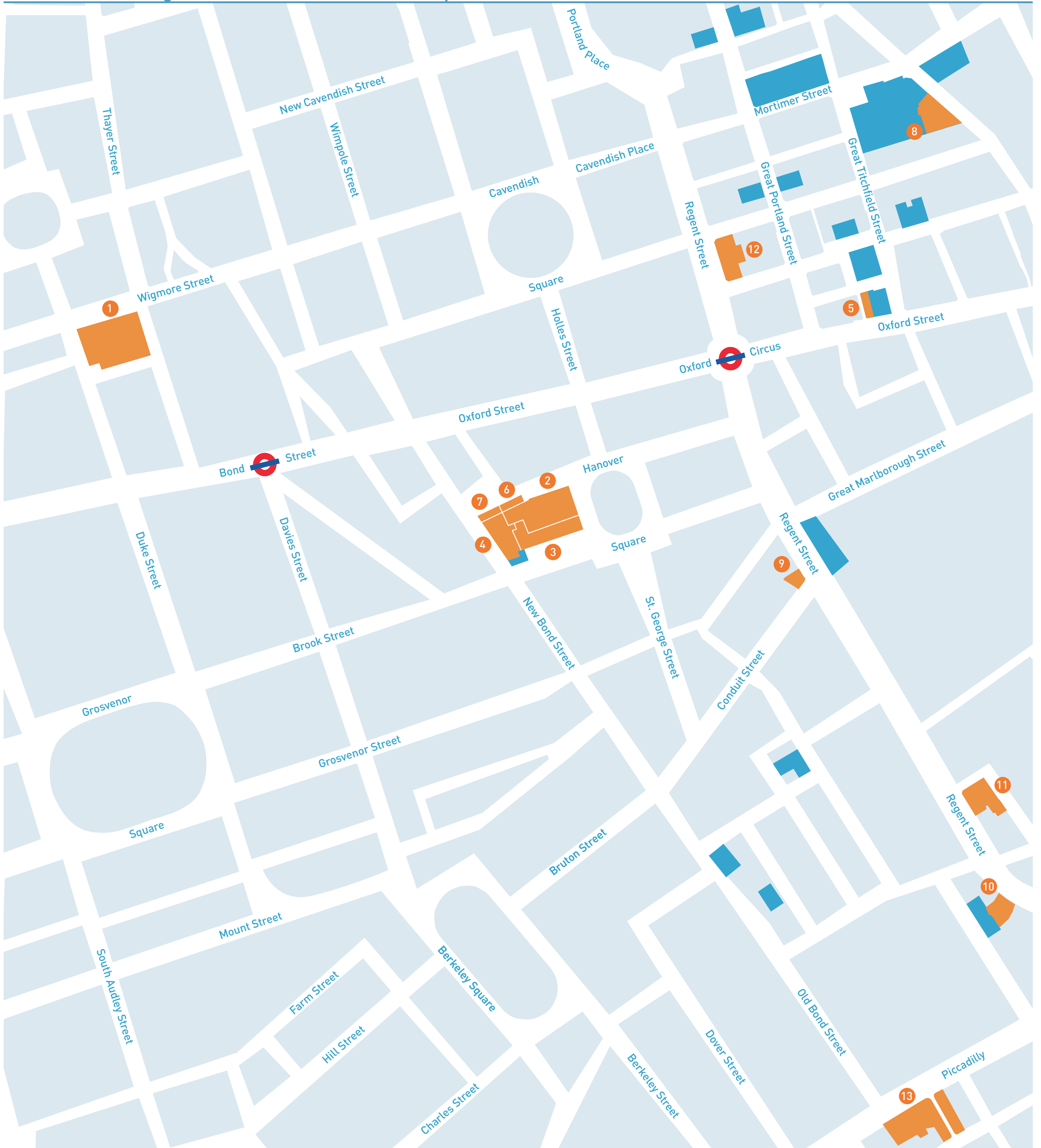
Timing	Near-term	Mid-term	Long-term
100% owned	9	5	6
In joint venture	2	–	1
Management agreement	1	–	–
Total	12	5	7

Start dates	2006–2009	2009–2011	2011 & beyond
Lettable area on completion (sq ft)[1]	1,050,000	950,000	690,000
Increase over existing area[1]	81%	165%	31%

Near-term developments[2]	
Site value	£232m
Project cost (excluding site)	£270m
Spent to date	£40m
ERV	£31m
Development yield on cost	6.3%
Approximate profit on cost	32%

1. Includes joint ventures.
2. Includes share of joint ventures.

Investment management – location of recent acquisitions



Acquisitions

Key		Cost £m	NIY %	Sq ft	Cost per sq ft
	12 months to 31 March 2007				
	13/15 Carteret Street, SW1*	3.5	5.7	12,200	574
	22 Shand Street, SE1	5.4	7.0	19,500	276
	46/58 Bermondsey Street, SE1	8.5	5.5	34,700	245
	180 Great Portland Street, W1*	30.0	0.5	105,800	567
1	Wigmore Street Island Site, W1*	32.5	5.3	97,900	665
2	18/19 Hanover Square, W1	58.4	5.5	70,300	830
3	20 Hanover Square, W1	15.8	2.9	23,100	684
4	65/71 New Bond Street, W1	37.7	4.8	47,500	794
5	192/194 Oxford Street, W1	14.3	4.6	9,800	1,459
6	1 Tenterden Street, W1	15.7	2.8	12,900	1,217
7	72 New Bond Street, W1	12.7	3.8	7,900	1,608
	75 Bermondsey Street, SE1	6.0	5.4	11,100	541
		240.5		452,700	

Sales

	Price £m	NIY %	Book value 31 March 2006 adjusted for Capex £m
12 months to 31 March 2007			
38/44 Gillingham Street, SW1	21.4	4.7	21.4
79 New Cavendish Street, W1	25.6	4.9	24.5
154/172 Tooley Street and 9/21 Shand Street, SE1	36.4	0.2	29.2
180 Great Portland Street, W1	58.1	0.1	49.7
14 Hanover Square, W1	35.3	4.4	34.7
70 Gray's Inn Road, WC1*	12.1	2.9	8.3
95 New Cavendish Street, W1	14.2	4.3	12.9
	203.1		180.7

Acquisitions

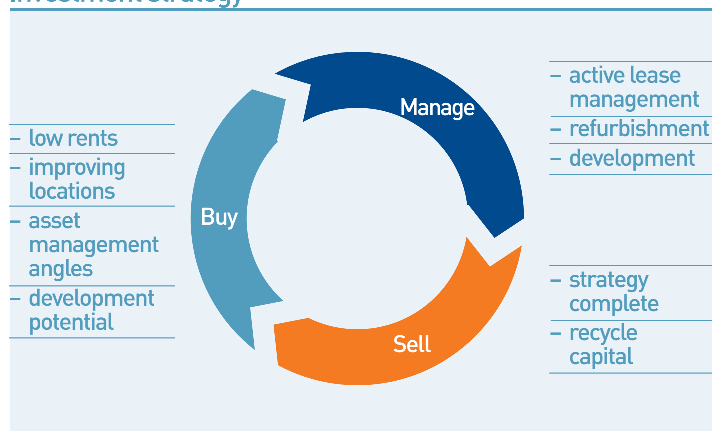
Key		Price £m	NIY %	Sq ft	Capital value per sq ft
	Since 31 March 2007				
	18 Dering Street, W1	6.3	2.7	5,200	1,202
	Park Crescent Estate, W1*	30.6	5.1	144,800	423
	29/35 Great Portland Street, W1*	4.6	5.3	15,600	590
	21 Sackville Street, W1*	15.9	4.1	20,900	1,518
	26/30 Broadwick Street, W1*	29.8	4.2	70,000	850
8	59/63 Wells Street, W1*	6.6	5.2	25,300	524
	183/190 Tottenham Court Road, W1*	2.7	5.6	12,000	446
	65/75 Kingsway, WC2*	8.8	5.0	29,300	601
	24/25 Britton Street, EC1*	8.3	4.9	50,400	330
	26/40 Kensington High Street, W8*	25.0	4.9	116,900	428
	10/14 Old Court Place, W8*	1.3	4.7	5,600	454
	201/207 Kensington High Street, W8*	7.5	4.4	17,600	852
9	203 Regent Street, W1*	4.8	4.8	10,300	922
10	91/101 Regent Street, W1*	6.7	5.2	22,300	596
11	126/130 Regent Street, W1*	13.2	4.7	30,700	857
12	288/300 Regent Street, W1*	14.5	5.1	46,700	621
13	166/175 Piccadilly and 52 Jermyn Street, W1*	40.3	4.8	104,000	775
	12/14 Fetter Lane, EC4*	4.8	7.0	25,600	374
	Metropolitan Wharf, Wapping Wall, E1*	5.3	0.0	110,000	96
		237.0		863,200	

*Properties held in joint venture.

Sales

	Price £m	NIY %	Book value 31 March 2007 adjusted for Capex £m
Since 31 March 2007			
Park Crescent Estate, W1	61.2	5.1	61.2
29/35 Great Portland Street, W1	9.2	5.3	9.2
21 Sackville Street, W1	31.7	4.1	31.7
26/30 Broadwick Street, W1	59.5	4.2	59.5
	161.6		161.6

Investment strategy



Asset management activity

	Events	Sq ft	Total rent £m	Premium to March 2006 ERV %
Lettings and renewals				
Completed	47	158,100	7.2	8.6
Agreed	2	23,300	1.2	38.0
	49	181,400	8.4	12.1
Rent reviews				
Completed	15	91,800	3.0	23.1
Agreed	–	–	–	–
	15	91,800	3.0	23.1
Total including JVs	64	273,200	11.4	14.8

Void rate

	% of rent		Sq ft	
	March 2007	March 2006	**March 2007**	March 2006
Void	**5.0**	1.9	**126,400**	48,500
Refurbishment and Development	**15.7**	20.2	**266,600**	346,500
Total including JVs	**20.7**	22.1	**393,000**	395,000

Overview of joint ventures

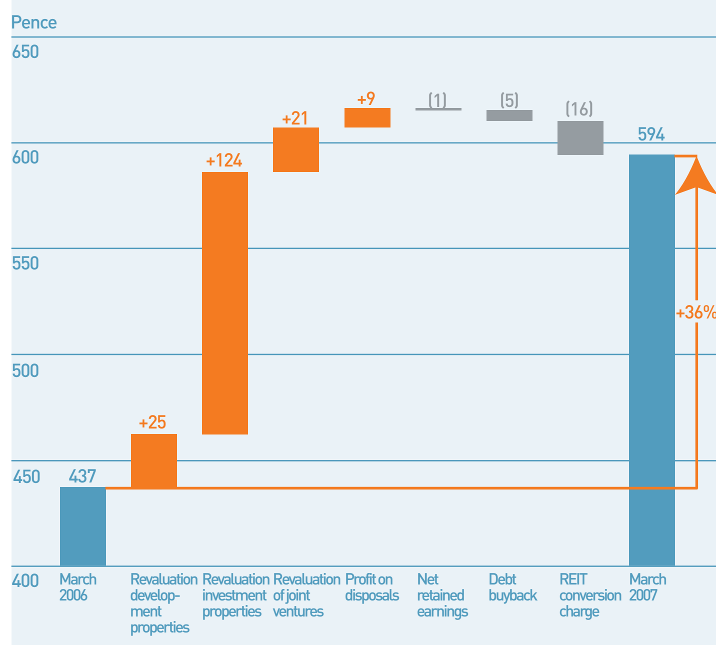
Name	Great Victoria Partnership	Great Wigmore Partnership	Great Capital Partnership
Partner	Liverpool Victoria	Scottish Widows	Liberty International
Ownership	50:50	50:50	50:50
Manager	GPE	GPE	GPE
Date commenced	January 2005	July 2006	April 2007
Property assets (£m)	256	169	460
Location in London	Regent Street, Oxford Street, Victoria, W1, SW1	Great Portland Street, Wigmore Street, W1	W1, SW1, EC1, EC4, E1, W8

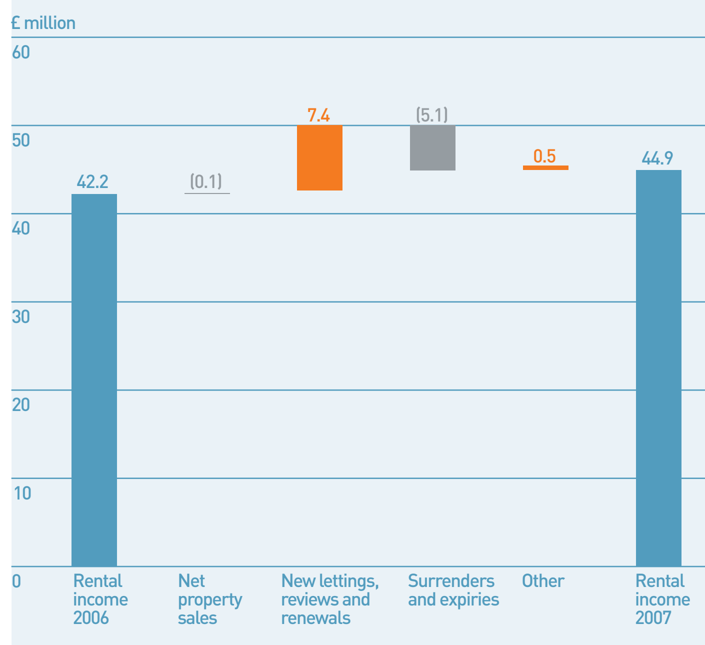
Financial overview at 31 March 2007

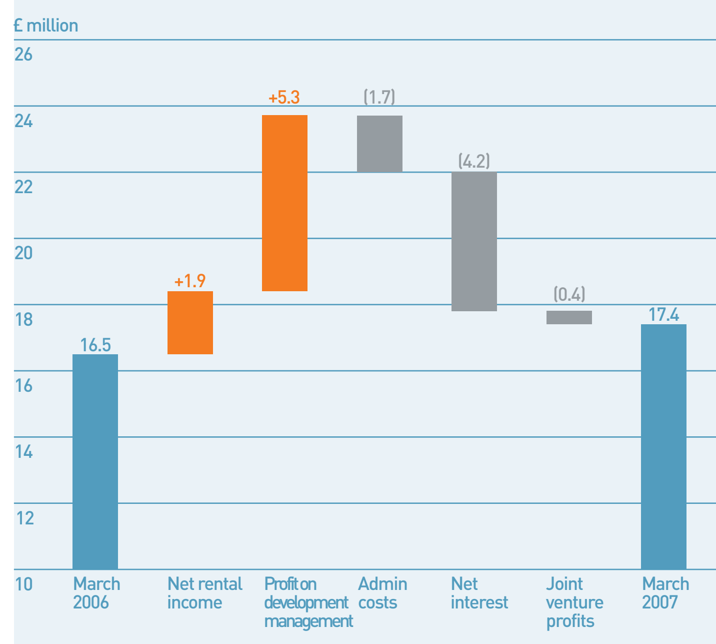
	GPE balance sheet excluding JVs		Joint ventures		GPE total	
	£m	%	£m	%	£m	%
Gross property assets	1,323.0	76	425.3[1]	24	1,748.3[1]	100
Net assets	900.0	84	176.0	16	1,076.0	100
Rent roll	51.5	87	7.8	13	59.3	100

1. 100% of value.

Appendix 3



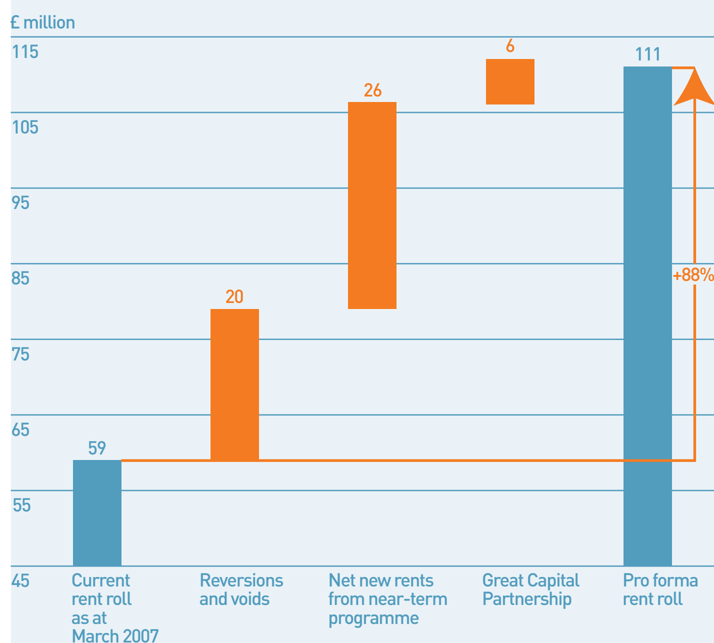




Adjusted profit before tax

	2007 £m	2006 £m
Reported profit before tax	**326.0**	188.0
Gains from investment properties	**(278.1)**	(186.1)
Gains from joint venture properties	**(42.1)**	(12.9)
Fair value movement on derivatives	**0.1**	–
Non-recurring items:		
Premium on redemption of debentures	**11.2**	27.5
Cost of REIT conversion	**0.3**	–
Adjusted profit before tax	**17.4**	16.5

Potential rental income



Simplification of debt capital

	March 2007 £m	March 2006 £m
7.25% 2027 Debentures	–	31.4
5.625% 2029 Debentures	**144.4**	91.9
5.25% Convertible bonds 2008	–	53.4
Credit facilities/Loan notes 2007	**248.9**	159.0
Total	**393.3**	335.7
Cash	**(4.2)**	(10.2)
Net debt	**389.1**	325.5

Net gearing	**36.2%**	44.1%
Interest cover	**1.8x**	2.0x
Weighted average interest rate	**5.55%**	5.91%
Weighted average debt maturity (years)	**11.2**	9.6

Illustrative REIT figures

Year ended 31 March 2007	Tax-exempt business £m	Tax-exempt business %	Residual business £m	Residual business %	Total £m	REIT test	Test met
Asset test*	1,533.4	99.9	2.2	0.1	1,535.6	≥75% within tax-exempt business	Yes
Profit test**	14.3	82.2	3.1	17.8	17.4	≥75% within tax-exempt business	Yes

	Total	REIT test	Test met
Tax-exempt business – interest cover***	1.55x	≥1.25x	Yes
Tax-exempt business – dividend payout***	>100% of net income distributed	≥90% of net income distributed	Yes

* As at 31 March 2007, in practice, the asset test is based on asset values on the first day of a financial year.
** Based on adjusted profits; the profits used for REIT analysis will differ slightly.
*** Calculated using REIT-specific rules.