Press Release

GREAT PORTLAND ESTATES

Business Update for GPE's fourth quarter

2 April 2007

Great Portland Estates plc ("GPE" or the "Group") announces an encouraging start to 2007, encompassing the last quarter of its financial year:

1. The execution of the Group's development programme is on track with several important milestones reached.
2. Sustained tenant demand is being converted into new lettings at the Group's redeveloped and refurbished buildings.
3. GPE has continued to recycle capital out of mature assets and into new opportunities for significant potential for valuation growth.
4. Several financing transactions have been implemented to optimize the Group's cost of capital and support future growth initiatives.

1. Development progress

The Group's development business continues to make good progress across the 25 schemes in the programme. Of these, 14 are in the near-term programme representing a completed area of 1.1 million sq ft. Key points during the quarter include:

- Practical completion was successfully taken at four schemes totaling 213,000 sq ft being 180 Great Portland Street, 60/62 Margaret Street, phase 1 of 222 Regent Street and at Kent House, Market Place, all in the West End.
- Construction work progressed well at the Titchmor scheme on Mortimer Street, W1 (110,000 sq ft), 60 Great Portland Street, W1 (87,000 sq ft), Foley Street, W1 (21,000 sq ft), all in the West End and at Tooley Street, SE1 (198,000 sq ft).
- Margaret Street and Tooley Street are being managed on behalf of third parties and GPE will recognise revenue from these projects for the year to March 2007 in-line with managements' expectations.
- Resolution to grant planning permission was obtained during March at Bermondsey Street and Blackfriars Road, both in SE1, for a total of 238,000 sq ft of commercial space, up from the existing area of 64,000 sq ft.

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2. Occupational Market and recent lettings

The central London office markets are performing strongly. Good interest from a diverse range of potential tenants is coming up against a falling supply of new high quality space, particularly in the West End. As a result, the trends seen in rental value growth during the last quarter of 2006 are continuing into 2007.

During its fourth quarter, GPE has signed 14 new leases (5 of which were in the Group's joint ventures), over 99,000 square feet, with an annual rental value of over £5.9 million (GPE economic interest of £4.0 million). Specific highlights include:

- Elsley House, Great Titchfield Street, W1: The ground, first and second floors were let prior to practical completion of the refurbishment at an average rent of £47.50 sq ft, 10% ahead of the rental value as at 31 December 2006.
- 180 Great Portland Street, W1: Following the marketing launch in February, the third floor has been let at £55 per sq ft, 11% ahead of the rental value as at 31 December 2006.
- Kent House, Market Place, W1: The first, fifth, sixth and seventh floors have been let in three separate transactions at rents of between £52.50 and £65 per sq ft within weeks of completing the recent refurbishment programme and at an average of 16% ahead of the rental value as at 31 December 2006.

3. Investment activity

The Group has continued to find investment opportunities during the quarter, building on the successes of 2006. Three properties have been acquired for a combined purchase price of £34.4 million, two of which add to the Group's Hanover Square Estate which now totals 1.3 acres of prime Mayfair with numerous asset management and development opportunities.

The Group sold two properties during the quarter. A 20,500 sq ft office building on New Cavendish Street, W1 was sold for £14.2 million at a yield of 4.3%, whilst the Group's joint venture with Liverpool Victoria sold its interest in Verulam Gardens, Gray's Inn Road, WC1 for £24.2 million, booking a 54% premium to the March 2006 valuation. REIT status has allowed the Group to execute these disposals on a tax free basis.

On 29 March 2007, the Group announced the creation of a new £460 million 50/50 joint venture with Liberty International subsidiary, Capital and Counties Ltd ("C&C") to be managed by the Group on similar terms to its existing joint ventures. C&C will contribute 16 properties with a starting value of

£299 million, the majority of which are in the West End, while GPE will put in 4 properties worth £162 million and pay a balancing sum of £68 million in cash. Based on 31 December 2006 values, the transaction brings total assets under management to £1.9 billion, up from £1.6 billion, of which the Group's economic interest is £1.5 billion.

4. Financing transactions

A busy period of 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 GPE's 2029 5.625% debentures was successfully placed and the maturity of the Group's £300 million credit facility was extended by one year to 2012. Following the notice given to holders of the 5.25% Convertible Bonds 2008 (the "Bonds") on 22 February 2007, the Bonds have now been converted to new ordinary shares in GPE. As at 31 March 2007 the outstanding issued number of shares in GPE was 181.0 million. The remaining 2027 7.25% debentures were redeemed on 28 March 2007.

Commenting on the three months to 31 March 2007, Toby Courtauld, Chief Executive said "we have seen good progress across all areas of the business so far this year and we remain on track to deliver against our performance objectives. We are seeing good levels of tenant demand which has helped rents to grow across our near term development schemes. We expect investment markets in central London to remain intensely competitive. However, we are seeing significant deal flow and we remain confident that we will be able to continue our successful run of finding new opportunities for future growth".

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