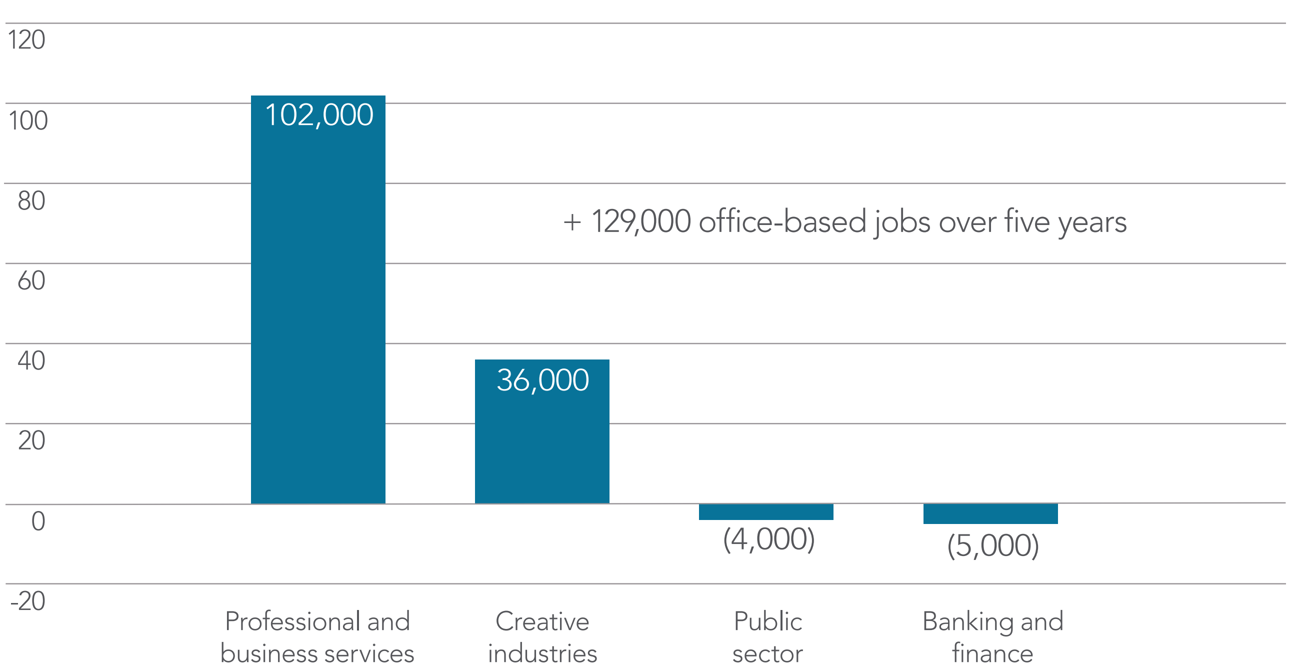
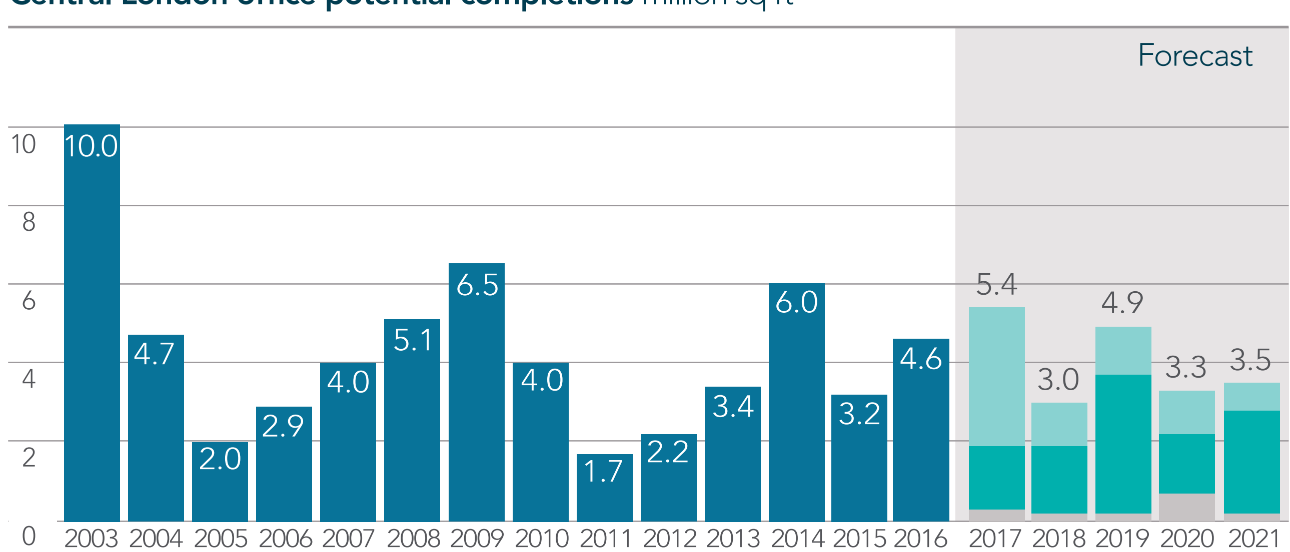
Appendix 1

Forecast office-based employment growth in London (next five years) thousands of people



Source: CBRE/Oxford Economics

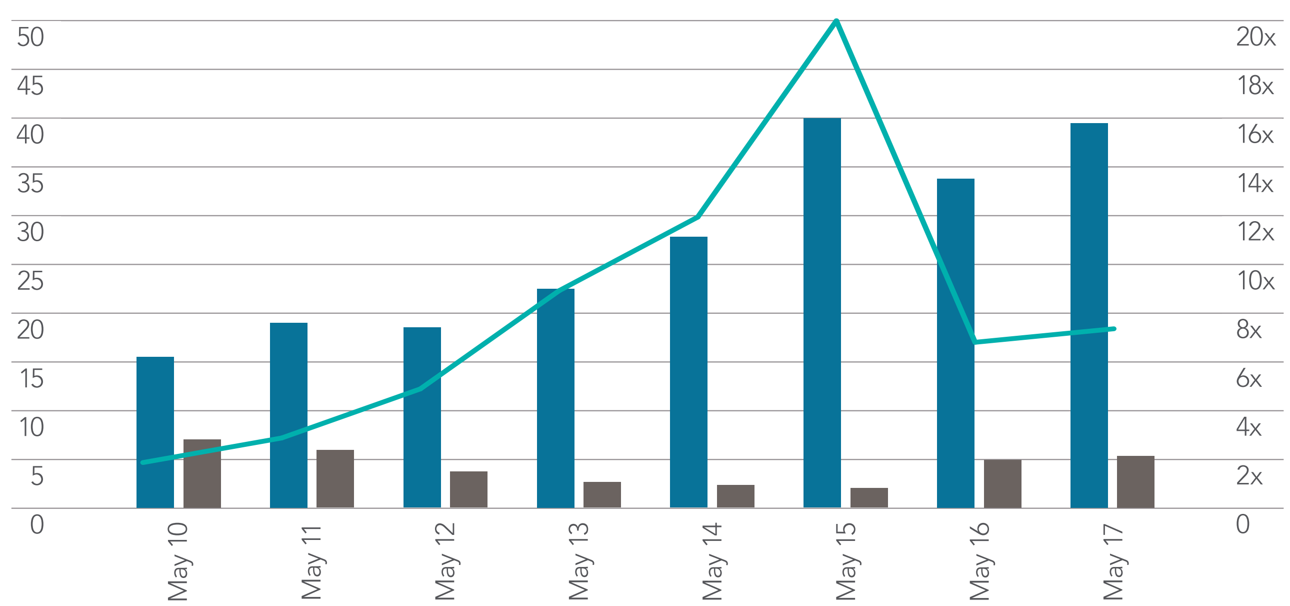
Central London office potential completions million sq ft



Source: CBRE/GPE

Appendix 1

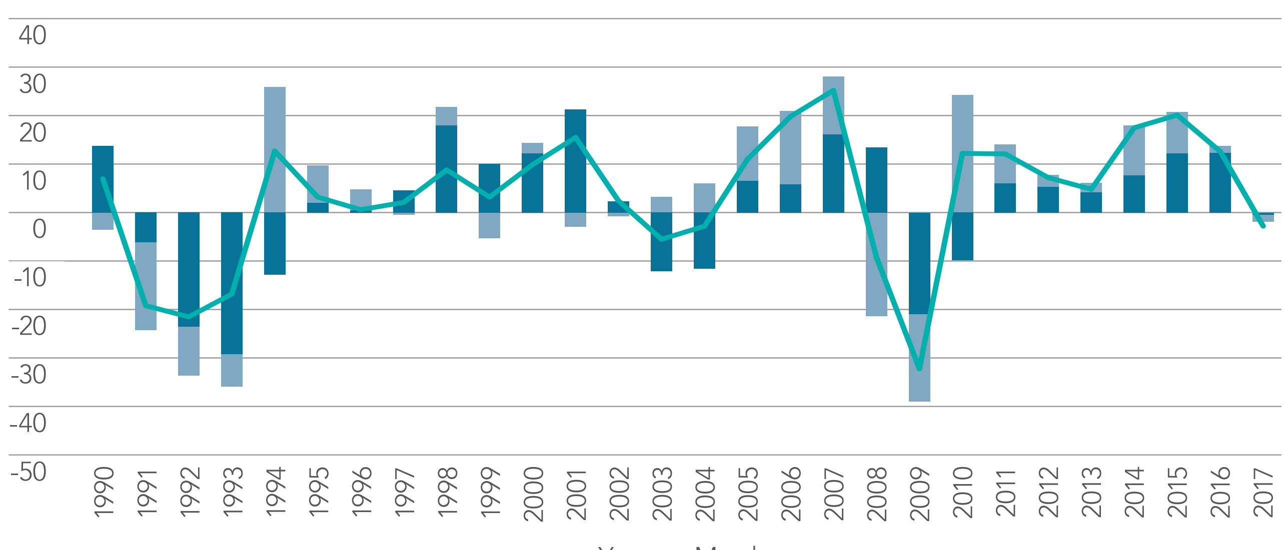
London equity demand and asset supply £bn



Equity demand
Asset supply
Demand multiple (RHS)

Source: CBRE/GPE

Capital growth attribution – IPD West End and Midtown %



Rental value growth
Yield impact
Capital growth

Source: IPD monthly property index

Appendix 1

Selected lead indicators

Drivers of rents	2016 Outlook[1]	2017 Outlook
GDP/GVA growth	🟢	🟠
Business investment	🟢	🟠
Confidence	🟠	🔴
Employment growth	🟢	🟠
Active demand/Take-up	🟢	🟠
Vacancy rates	🟢	🟠
Development completions	🟠	🟠
Drivers of yields		
Rental growth	🟢	🔴
Weight of money	🟢	🟠
Gilts	🟠	🟠
BBB Bonds	🟠	🟠
Exchange rates	🟠	🟠
Political risk	🔴	🔴

1. Last year's outlook was based on the assumption that the UK would remain in the EU.

Appendix 2

Portfolio performance

		Wholly-owned £m	Joint ventures[1] £m	Total £m	Proportion of portfolio %	Valuation movement %
North of Oxford Street	Office	750.9	–	750.9	23.9	(4.9)
	Retail	244.1	114.3	358.4	11.4	(7.3)
	Residential	4.4	0.8	5.2	0.2	(12.4)
Rest of West End	Office	403.3	67.1	470.4	15.0	(7.7)
	Retail	219.7	75.7	295.4	9.3	2.7
	Residential	8.6	5.5	14.1	0.4	(10.1)
Total West End		1,631.0	263.4	1,894.4	60.2	(5.1)
City, Midtown and Southwark	Office	535.3	259.3	794.6	25.3	(6.9)
	Retail	28.3	2.0	30.3	0.9	11.3
	Residential	1.2	0.1	1.3	0.1	(22.5)
Total City, Midtown and Southwark		564.8	261.4	826.2	26.3	(6.3)
Investment property portfolio		**2,195.8**	**524.8**	**2,720.6**	**86.5**	**(5.5)**
Development property		351.9	40.7	392.6	12.5	(1.2)
Total properties held throughout the year		**2,547.7**	**565.5**	**3,113.2**	**99.0**	**(4.9)**
Acquisitions		32.3	–	32.3	1.0	(1.5)
Total property portfolio		**2,580.0**	**565.5**	**3,145.5**	**100.0**	**(4.9)**

1. GPE share.

Portfolio characteristics

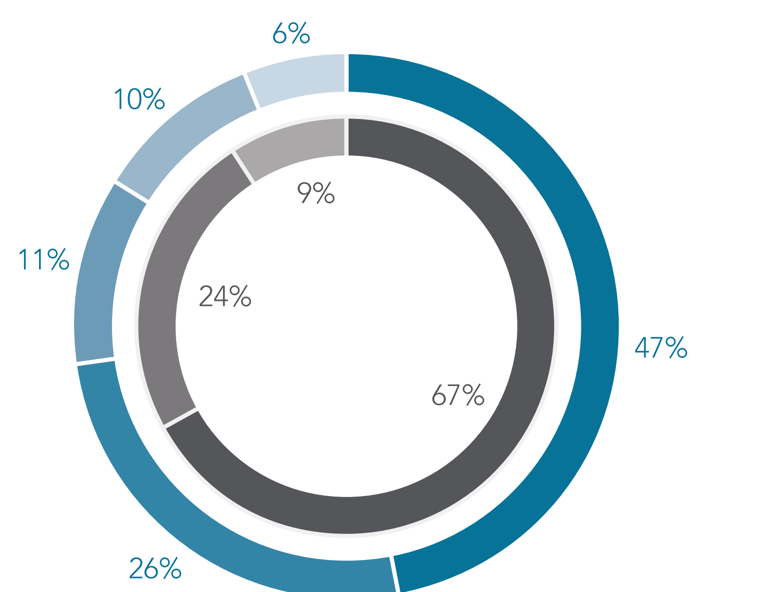
		Investment properties £m	Development properties £m	Total property portfolio £m	Office £m	Retail £m	Residential £m	Total £m	Net internal area sq ft 000's
North of Oxford Street		1,114.5	351.9	1,466.4	813.2	384.0	269.2	1,466.4	1,096
Rest of West End		812.2	–	812.2	470.4	327.7	14.1	812.2	464
Total West End		**1,926.7**	**351.9**	**2,278.6**	**1,283.6**	**711.7**	**283.3**	**2,278.6**	**1,560**
City, Midtown and Southwark		826.2	40.7	866.9	833.7	31.9	1.3	866.9	1,477
Total		**2,752.9**	**392.6**	**3,145.5**	**2,117.3**	**743.6**	**284.6**	**3,145.5**	**3,037**
By use:	Office	2,015.9	101.4	2,117.3					
	Retail	716.4	27.2	743.6					
	Residential	20.6	264.0	284.6					
Total		**2,752.9**	**392.6**	**3,145.5**					
Net internal area sq ft 000's		2,646	391	3,037					

Appendix 2

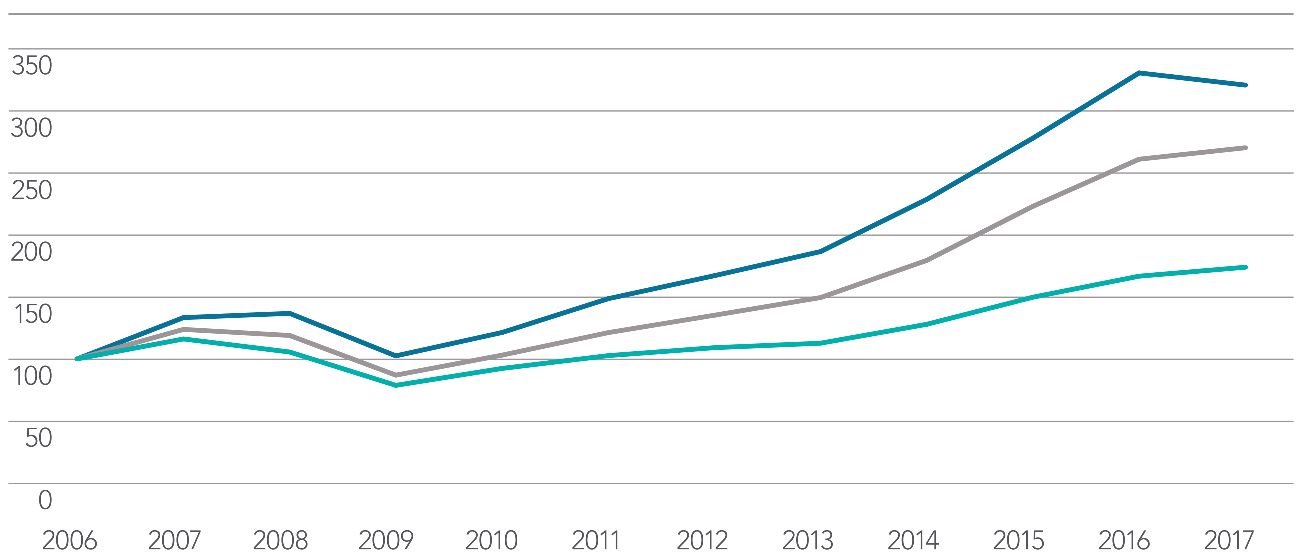
Our portfolio – 100% central London

Locations
- North of Oxford Street £1,466.4m
- Rest of West End £812.2m
- City £351.5m
- Southwark £328.2m
- Midtown £187.2m

Business mix
- Office £2,117.3m
- Retail £743.6m
- Residential £284.6m



Capital return (indexed)
Cumulative relative performance to IPD benchmarks
Years to 31 March



- GPE
- IPD Central London (annual)
- IPD Universe

Appendix 3

Purchases for the year ended 31 March 2017

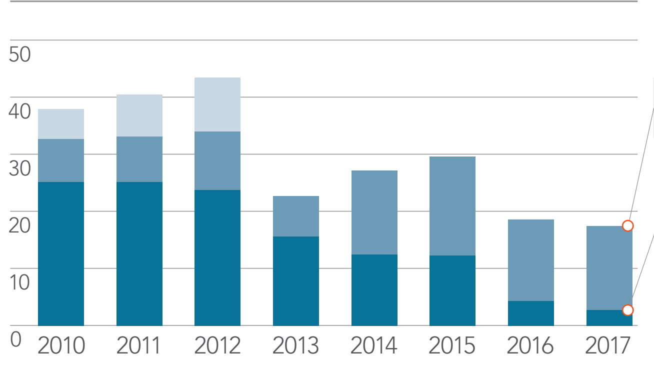
	Price paid £m	NIY	Area sq ft	Cost per sq ft £
73/89 Oxford Street, W1 Freehold	38.5	n/a	n/a	3,385
95/96 New Bond Street, W1	32.5	2.7%	9,600	n/a
Total	**71.0**	**2.7%**	**9,600**	**3,385**

Sales for the year ended 31 March 2017

	Gross price[1] £m	Premium/ (discount) to book value	Price per sq ft[3] £
Rathbone Square, W1[2]	375.9	(5.5)%	1,403
73/89 Oxford Street, W1[2]	275.2	–	3,051
Mortimer House, W1	27.0	4.8%	1,134
40/48 Broadway, SW1	21.9	(16.0)%	596
Wigmore Street buildings, W1	17.4	2.3%	1,122
Rathbone Square residential, W1	5.0	(6.0)%	2,384
50 Broadwick Street, W1	4.6	1.2%	1,441
Total	**727.0**	**(3.1)%**	**1,559**

1. Joint ventures at share.
2. Sales price for completed building.
3. On completed buildings.

GPE's net investment in joint ventures %



Joint venture partners

	Net assets at 31 March 2017
GRP – BP Pension Fund	£294.3m
GHS – Hong Kong Monetary Authority	£110.5m
GVP – Liverpool Victoria	£74.4m
GWP – Aberdeen AM	£1.5m
GCP – Capital & Counties*	£0.1m
Total	**£480.8m**
As % of Group net assets	**17.6%**

* Inactive

Appendix 3

Our total development pipeline

	Anticipated finish	New build area sq ft	Cost to complete £m	ERV[1] £m	Office ERV[1] avg £psf	Income/GDV secured £m	% let[2]/sold	Profit/(loss) on cost[3]
Committed – 3 projects								
Rathbone Square, W1 – residential	Sept 17	151,700	18.5	–	–	270.5	95.4%	(1.8)%
160 Old Street, EC1	Feb 18	161,000	17.4	4.3	53.35	–	–	10.6%
55 Wells Street, W1	Oct 17	37,300	8.6	2.8	83.70	–	–	12.3%
Committed total[4]		**350,000**	**44.5**	**7.1**			**65.2%**	**2.0%**

	New build area sq ft	Existing area sq ft	Earliest start	Opportunity area
Near term – 2 projects				
Oxford House, 76 Oxford Street, W1	89,100	79,400	2018	Crossrail
Hanover Square, W1	220,200	23,100	2018	Crossrail
Near term total	**309,300**	**102,500**		

	Target area sq ft	Existing area sq ft	Earliest start	Opportunity area
Medium term – 12 projects				
City Place House, EC2	176,500	176,500	2018	Crossrail
50 Finsbury Square, EC2	126,400	126,400	2020	Crossrail
New City Court, SE1	352,000	97,800	2021	London Bridge
35 Portman Square, W1	73,000	73,000	2021	Core West End
52/54 Broadwick Street, W1	47,000	25,900	2021	Crossrail
Jermyn Street Estate, SW1	132,700	132,700	2022	Core West End
31/34 Alfred Place, WC1	37,200	37,200	2022	Crossrail
French Railways House and 50 Jermyn Street, SW1	75,000	54,600	2022	Core West End
Mount Royal, W1	92,100	92,100	2022	West End Retail
Kingsland/Carrington House, W1	51,400	39,800	2022	West End Retail
Minerva House, SE1	120,000	105,200	2022	London Bridge
95/96 New Bond Street, W1	9,600	9,600	2023	West End Retail
Medium term total	**1,292,900**	**970,800**		
Total programme – 17 projects	**1,952,200**			

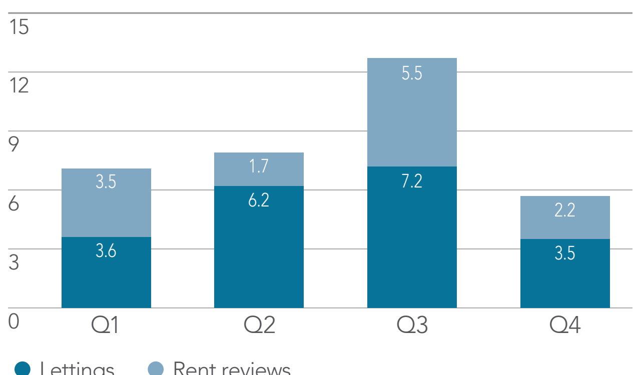
1. Agreed pre-let rent or CBRE ERV at March 2017.
2. Based on ERV of property.
3. Based on CBRE estimate of completed value.
4. At 24 May 2017.

GPE tenant mix %

- Retailers and leisure
- Technology, media and telecoms
- Professional services
- Banking and finance
- Corporates
- Government

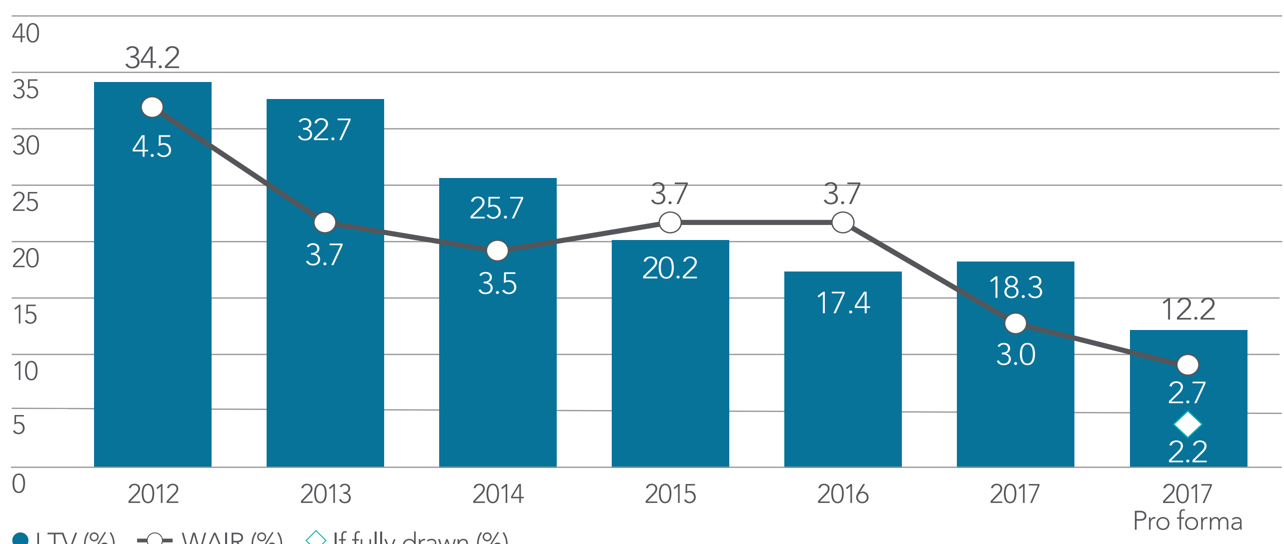
32% 27% 18% 11% 10% 2%

Lettings and rent reviews by quarter 2016/17 £m

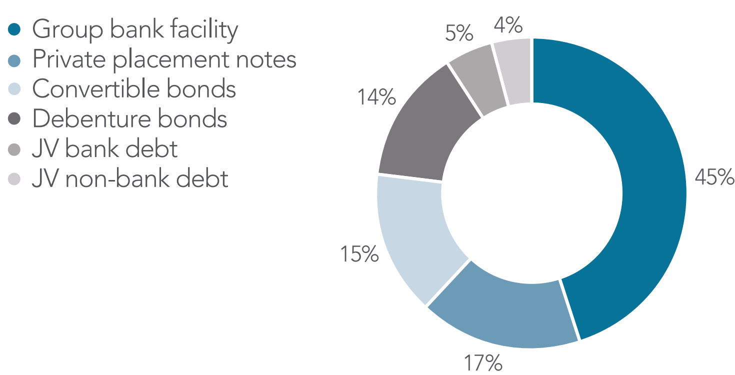


Appendix 3

LTV and cost of debt %

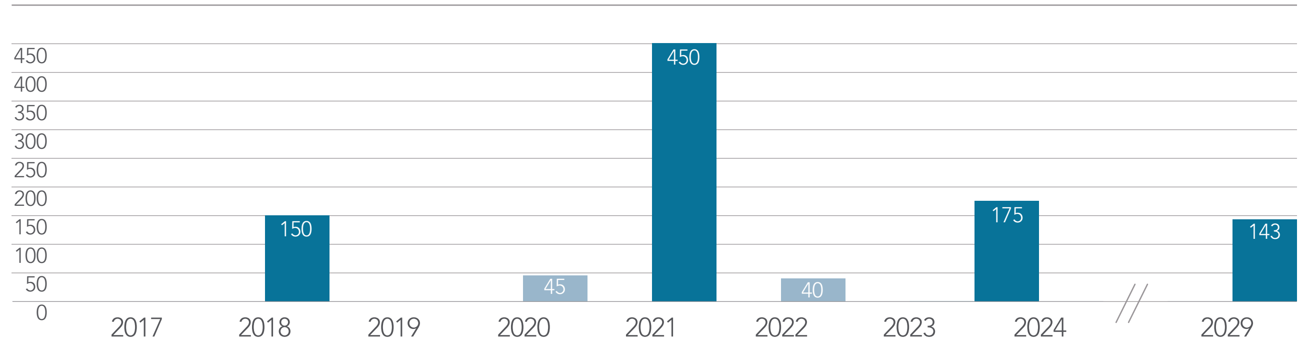


Sources of debt funding[1]



1. Based on committed facilities at 24 May 2017.

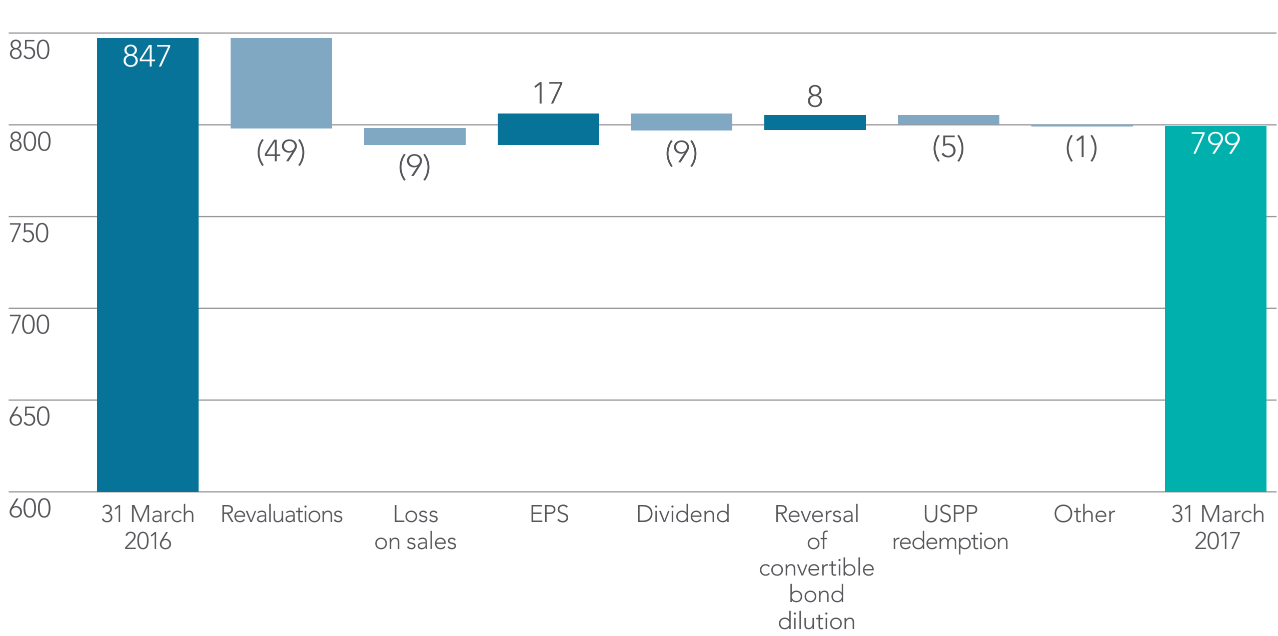
Debt maturity profile[1] £m



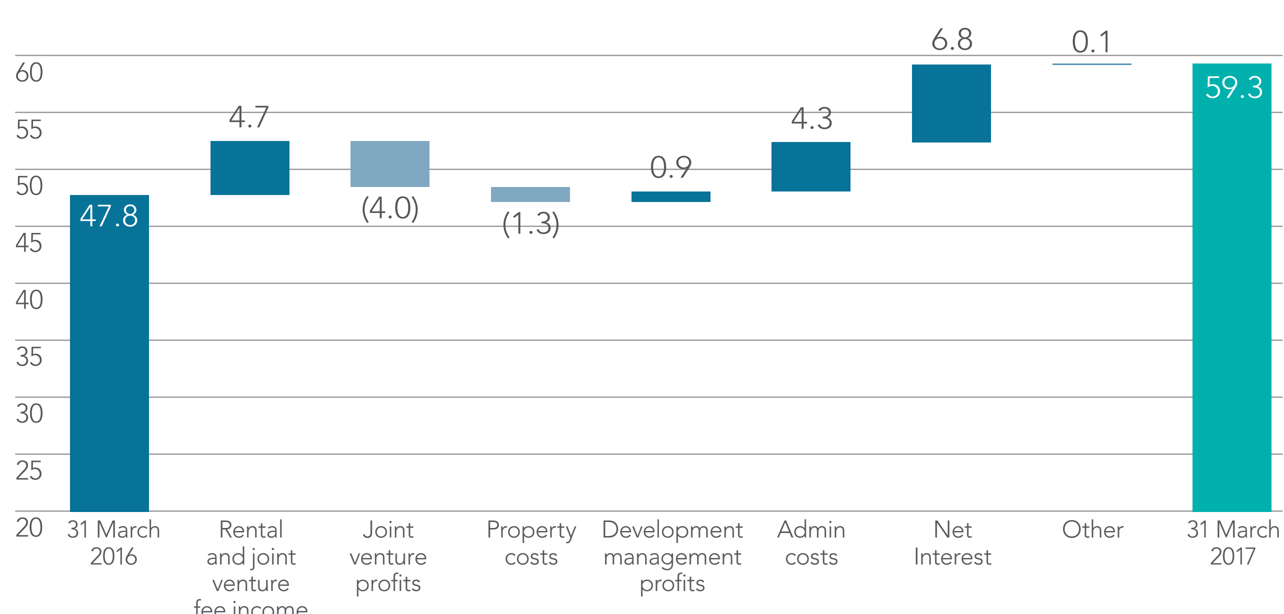
1. Based on committed facilities at 24 May 2017.

Appendix 4

EPRA NAV pence



EPRA earnings £m



Appendix 4

Debt analysis

	Pro forma[1]	March 2017	March 2016
Net debt excluding JVs (£m)	**309.9**	**502.8**	568.0
Net gearing	**11.5%**	**18.4%**	19.5%
Total net debt including 50% JV non-recourse debt (£m)	**383.9**	**576.8**	644.1
Loan to property value	**12.2%**	**18.3%**	17.4%
Total net gearing	**14.2%**	**21.1%**	22.1%
Interest cover	**n/a**	**n/a**	12.5x
Weighted average interest rate	**2.7%**	**3.0%**	3.7%
Weighted average cost of debt	**n/a**	**4.0%**	3.9%
% of debt fixed/hedged	**100%**	**82%**	100%
Cash and undrawn facilities (£m)	**618**	**378**	472

1. Pro forma for remaining 73/89 Oxford Street, W1 net receipts (£56.4m), remaining Rathbone commercial receipts (£259.7m of which £214m received in April 17), special dividend (£110m), USPP2 repayment premium (£13.2m) and new USPP issuance (£175m).

EPRA performance measures

Measure	Definition of Measure	March 2017	March 2016
EPRA earnings*	Recurring earnings from core operational activities	**£59.3m**	£47.8m
EPRA EPS*	EPRA earnings divided by the weighted average number of shares	**17.3p**	14.0p
Diluted EPRA EPS*	EPRA earnings divided by the diluted weighted average number of shares	**17.3p**	13.5p
EPRA costs (by portfolio value)*	EPRA costs (including direct vacancy costs) divided by market value of the portfolio	**0.9%**	0.8%
EPRA net assets*	Net assets adjusted to include the valuation surplus from trading properties and exclude the fair value of financial instruments and deferred tax	**£2,735.9m**	£3,079.5m
EPRA NAV*	EPRA net assets divided by the number of shares at the balance sheet date on a diluted basis	**799p**	847p
EPRA triple net assets*	EPRA net assets amended to include the fair value of financial instruments, debt, deferred tax and tax on sale of trading properties	**£2,679.3m**	£3,022.6m
EPRA NNNAV*	EPRA triple net assets divided by the number of shares at the balance sheet date on a diluted basis	**782p**	831p
EPRA NIY	Annualised rental income based on cash rents passing at the balance sheet date less non-recoverable property operating expenses, divided by the market value of the property increased by estimated purchasers' costs	**3.0%**	2.8%
EPRA "topped up" NIY	EPRA NIY adjusted to include rental income in rent-free periods (or other unexpired lease incentives)	**3.3%**	3.1%
EPRA vacancy rate	ERV of non-development vacant space as a percentage of ERV of the whole portfolio	**8.0%**	7.0%

* Reconciliation to IFRS numbers included in note 9 to the accounts.

Appendix 5

Rental income

			Wholly-owned			Share of joint ventures			
			Rent roll £m	Reversionary potential £m	Rental values £m	Rent roll £m	Reversionary potential £m	Rental values £m	Total rental values £m
London	North of Oxford Street	Office	29.3	6.6	35.9	–	–	–	35.9
		Retail	8.5	2.0	10.5	5.8	0.3	6.1	16.6
	Rest of West End	Office	14.6	1.6	16.2	–	–	–	16.2
		Retail	9.3	2.1	11.4	2.1	0.1	2.2	13.6
	Total West End		**61.7**	**12.3**	**74.0**	**7.9**	**0.4**	**8.3**	**82.3**
	City, Midtown and Southwark	Office	28.3	8.7	37.0	10.3	1.8	12.1	49.1
		Retail	1.3	0.1	1.4	0.1	–	0.1	1.5
	Total City, Midtown and Southwark		**29.6**	**8.8**	**38.4**	**10.4**	**1.8**	**12.2**	**50.6**
Total let portfolio			**91.3**	**21.1**	**112.4**	**18.3**	**2.2**	**20.5**	**132.9**
Voids					8.4			2.1	10.5
Premises under refurbishment					6.8			4.3	11.1
Total portfolio					**127.6**			**26.9**	**154.5**

Rent roll security, lease lengths and voids

			Wholly-owned			Joint ventures		
			Rent roll secure for five years %	Weighted average lease length Years	Voids %	Rent roll secure for five years %	Weighted average lease length Years	Voids %
London	North of Oxford Street	Office	37.1	6.1	4.4	–	–	–
		Retail	53.7	5.5	5.3	75.4	6.0	4.7
	Rest of West End	Office	54.2	5.3	25.0	–	–	–
		Retail	80.5	6.5	1.7	100.0	10.0	–
	Total West End		**50.0**	**5.9**	**2.1**	**82.0**	**7.1**	**3.5**
	City, Midtown and Southwark	Office	35.0	3.5	0.6	83.3	7.5	9.2
		Retail	39.0	7.7	–	100.0	10.8	–
	Total City, Midtown and Southwark		**35.2**	**3.6**	**0.9**	**83.4**	**7.5**	**9.9**
Total let portfolio			**45.2**	**5.2**	**6.6**	**82.8**	**7.3**	**7.9**

Rental values and yields

			Wholly-owned		Joint ventures		Wholly-owned		Joint ventures	
			Average rent £psf	Average ERV £psf	Average rent £psf	Average ERV £psf	Initial yield %	True equivalent yield %	Initial yield %	True equivalent yield %
London	North of Oxford Street	Office	56.4	68.0	–	–	3.3	4.5	–	–
		Retail	55.2	66.4	130.2	138.5	3.1	3.7	4.7	4.1
	Rest of West End	Office	71.5	81.2	–	–	2.0	4.5	–	–
		Retail	85.6	103.1	80.6	84.7	3.1	4.2	1.9	4.1
	Total West End		**62.6**	**63.2**	**111.8**	**102.1**	**2.9**	**4.3**	**2.6**	**3.7**
	City, Midtown and Southwark	Office	41.7	53.8	42.3	50.6	4.8	5.2	2.5	3.8
		Retail	65.1	70.8	36.0	42.5	4.5	5.0	3.9	4.9
	Total City, Midtown and Southwark		**42.3**	**53.3**	**42.2**	**49.9**	**4.8**	**5.2**	**2.5**	**4.8**
Total portfolio			**54.2**	**59.8**	**57.8**	**59.7**	**3.4**	**4.5**	**2.6**	**4.4**

Appendix 5

Top ten tenants

	Tenant	Rent roll (our share) £m	% of rent roll (our share)
1	Bloomberg L.P.	5.7	5.2
2	Double Negative Limited	4.8	4.4
3	New Look	3.8	3.4
4	Cleary Gottlieb Steen & Hamilton LLP	2.8	2.5
5	Richemont UK Limited	2.6	2.4
6	UBM Plc	2.5	2.3
7	Superdry	2.1	1.9
8	Winckworth Sherwood LLP	1.9	1.8
9	Guy's and St Thomas's NHS Foundation Trust	1.8	1.6
10	Carlton Communications Limited	1.6	1.5
	Total	**29.6**	**27.0**

Appendix 6

Market risk

Risk	Impact	How we monitor and manage risk	Likelihood change from last year	Impact change from last year	Commentary
Central London real estate market underperforms other UK property sectors.	Reduced relative performance.	The execution of the Group's strategy covering the key areas of investment, development and asset management is adjusted and updated throughout the year, informed by regular research into the economy, investment and occupational markets. The Group's strategic priorities and transactions are considered in light of regular review of dashboard lead indicators and operational parameters. The Group aims to maintain low financial leverage throughout the property cycle.	↑	↗	The central London real estate market underperformed the wider UK market during the year ended 31 March 2017, demonstrated by IPD's universe TPR exceeding IPD's central London by 79 basis points on an absolute basis. This is the first year of relative underperformance since 2009, driven by central London office yield expansion immediately following the EU referendum, with rental levels also subsequently marginally falling resulting in property valuations falling. The expectation of potential further rental declines over the next 12 months combined with the preceding seven years of outperformance means the likelihood of this risk after mitigation has marginally increased.
Weakening macro-economic environment for property investment.	Property valuations may decline, with increased property, yields and reduced tenant demand for space.	Regular economic updates are received and scenario planning is undertaken for different economic cycles, including various potential UK exit arrangements from the EU. The Group aims to maintain low financial leverage throughout the property cycle.	↑	↗	The macro-economic growth and interest rate outlook has become more mixed over the last 12 months, in part driven by a more uncertain geo-political outlook associated with the EU referendum result, a number of recent and upcoming European elections (including in the UK) and the impact of the change in the US presidency. When combined with continued stock market and increased foreign exchange market volatility, the likelihood of this risk has increased. However, having sold £727.0 million of properties in the financial year the Group's financial strength, including a current pro forma loan to value of only 12.2%, means that it is well positioned.
Heightened political uncertainty and potential negative economic impact following EU referendum.	Reluctance by investors and occupiers to make investment decisions whilst outcomes remain uncertain and/or reduced attractiveness of London as a global commercial centre.	The Group's strategic priorities and transactions are considered in light of these uncertainties. The Group's financial forecasts and business plans continue to be prepared under a variety of market scenarios, including to reflect different potential exit arrangements from the EU, with the frequency of updates increased following the referendum result. Lobbying property industry matters is undertaken by active participation of the Executive Committee members through relevant industry bodies. The Group aims to maintain low financial leverage throughout the property cycle. The Group has a diverse tenant base with around 11% in the financial service sector, including only c.1% in the investment banking, securities trading and insurance sectors (which are perceived to be most at risk in London to any adverse impact of the UKs exit from the EU).	↑	↗	Although investor and occupier demand for London commercial property has remained broadly resilient since the EU referendum, the negotiations to leave the EU may result in arrangements that are damaging to the UK economy and/or central London, further increasing the impact and likelihood of this risk from last year. The negotiations together with the transition is expected to take several years, creating uncertainty which may impact investment, capital, financial and occupier markets. In the long term, exit from the EU could reduce levels of investor and occupier demand as a result of reduced trade and relocation of corporations and financial institutions away from the UK. These risks would likely be further increased by any additional impediments for London's businesses to access talented employees from the EU and beyond.

Appendix 6

Investment management

Risk	Impact	How we monitor and manage risk	Likelihood change from last year	Impact change from last year	Commentary
Incorrect reading of the property cycle through poor investment decisions and/or mis-timed recycling of capital.	Not sufficiently capitalising on market investment conditions.	The Group has dedicated resources whose remit is to constantly research each of the sub-markets within central London seeking the right balance of investment and development opportunities suitable for current and anticipated market conditions. Regular review of property cycle by reference to dashboard of lead indicators. Detailed due diligence is undertaken on all acquisitions prior to purchase to ensure appropriate returns. Business plans are produced on an individual asset basis to ensure the appropriate rotation of those buildings with limited relative potential performance. Regular review of the prospective performance of individual assets and their business plans including with joint venture partners where relevant.	↗	↗	The Group has continued to profitably recycle capital against a backdrop of a surfeit of buyers to sellers in the investment market, with sales totalling £727.0 million in the year. £71.0 million of bolt-on, off-market acquisitions secured during year and lack of available stock mitigated by depth of opportunity in current portfolio with 40% in the future development pipeline. However, the prevailing market uncertainty has increased the likelihood of this risk.
Inappropriate asset concentration, building mix, tenant covenant quality and exposure, lot size and joint venture exposure.	Reduced liquidity and relative property performance.	Regular review of portfolio mix and asset concentration. Adjustment of the portfolio as appropriate through undertaking acquisitions and/or development projects in joint venture or forward funding. The Group has a diverse tenant base with its ten largest tenants representing only 27.0% of rent roll. Tenants' covenants are analysed and security sought as appropriate as part of the lease approval process. Regular contact with tenants is maintained to identify if tenants are suffering financial difficulties and their proposed actions.	→	→	The Group continues to monitor its portfolio mix and asset concentration risk. Following our sale of Rathbone Square, W1, our largest asset is now only 8.4% of the total portfolio and 18.0% of the portfolio was held in joint ventures at 31 March 2017.

Appendix 6

Asset management

Risk	Impact	How we monitor and manage risk	Likelihood change from last year	Impact change from last year	Commentary
Poor management of voids, rental mis-pricing, low tenant retention, sub-optimal rent reviews, tenant failures and inappropriate refurbishments.	Failure to maximise income from investment properties.	The Group's in-house asset management and leasing teams proactively manage tenants to ensure changing needs are met with a focus on retaining income in light of vacant possession requirements for refurbishments and developments and liaise regularly with external advisers to ensure correct pricing of lease transactions. Tenants' covenants are analysed and security sought as appropriate as part of the lease approval process. Regular contact with tenants is maintained to identify if tenants are suffering financial difficulties and their proposed actions. Although many tenants all-in occupational costs will increase in 2017 given the increase in business rates, our low average office rents of only £50.10 per sq ft are expected to provide some protection to our tenants.	↗	↗	The Group continues to maintain a relatively low void rate which was 6.8% at 31 March 2017, up from 3.1% a year ago given recent development and refurbishment completions. No tenant delinquencies during the year to 31 March 2017. The Group continues to actively manage the portfolio to maximise occupancy and drive rental growth. During the year, we secured £20.5 million of new rental income including £8.3 million of development lettings. However, given that our vacancy rate, along with the overall vacancy rate across the central London office market, has increased by 3.7% over the last year to 6.8% and the market uncertainty, the likelihood of this risk has risen.

Development management

Risk	Impact	How we monitor and manage risk	Likelihood change from last year	Impact change from last year	Commentary
An inappropriate level of development undertaken as a percentage of the portfolio.	Underperformance against KPIs.	Regular review of the level of development undertaken as a percentage of portfolio, including the impact on the Group's income profile and financial gearing, amongst other metrics. Developments only committed to when pre-lets obtained and/or market demand and supply considered to be sufficiently supportive.	↗	↘	The Group's committed development exposure has reduced significantly over the year, from 26% of the total portfolio 12 months ago to only 12% at 31 March 2017, with only 34.8% being on speculative basis. As a result, the impact of this risk has fallen.

Appendix 6

Development management

Risk	Impact	How we monitor and manage risk	Likelihood change from last year	Impact change from last year	Commentary
Poor execution of development programme through: – incorrect reading of the property cycle; – inappropriate location; – failure to gain viable planning consents; – failure to reach agreement with adjoining owners on acceptable terms; – level of speculative development; – incorrect cost estimation; – construction cost inflation; – contractor availability and insolvency risk; – insufficient human resources; – a building being inappropriate to tenant demand; – weak demand for residential apartments; – quality and benchmarks of the completed buildings; – construction and procurement delays; – ineffective marketing to prospective tenants; and – poor development management.	Poor development returns.	See Market risk on page 68. Prior to committing to a development the Group conducts a detailed Financial and Operational appraisal process which evaluates the expected returns from a development in light of likely risks. During the course of a development, the actual costs and estimated returns are regularly monitored to signpost prompt decisions on project management, leasing and ownership. Early engagement and strong relationships with planning authorities. Early engagement with adjoining owners. Benchmarking of costs with comparative schemes. In-house Project Management team utilise appropriate procurement methods to optimise the balance of price certainty and risk with construction costs now fixed on over 98% of committed schemes' capital expenditure. Internal and external resourcing requirements regularly reviewed by the Executive Committee, Development Director and Head of Projects. Third party resource expertise used to support in-house teams, where appropriate. Due diligence is undertaken of the financial stability of demolition, main contractors and material sub-contractors prior to awarding of contracts. Working with agents, potential occupiers' and purchasers' needs and aspirations are identified during the planning application and design stages. In-house Leasing/Marketing team liaise with external advisers on a regular basis and marketing timetables designed in accordance with leasing/marketing objectives. All our major developments are subject to BREEAM ratings with a target to achieve a rating of 'Very Good' on major refurbishments and 'Excellent' on new build properties. Proactive liaison with existing tenants before and during the development process. Selection of contractors and suppliers based on track record of delivery and credit worthiness. In-house Project Management team closely monitor construction and manage contractors to ensure adequate resourcing to meet programme. Regular review of the prospective performance of individual assets and their business plans with joint venture partners. Post-completion reviews undertaken on all developments to identify best practice and areas for improvement.	↗	↘	The Group's development exposure has significantly decreased since 31 March 2016 following four scheme completions and the profitable forward sales of pre-let schemes at 73/89 Oxford Street, W1 and Rathbone Square, W1. The Group currently has only three schemes on-site with a combined GDV £414.8 million which are already 65.2% de-risked through residential unit pre-sales and with capex to come of only £44.5 million. Whilst the Group's committed development exposure has reduced significantly during the year, the more uncertain market conditions mean the risk likelihood after mitigation is unchanged.

Appendix 6

Financial risks

Risk	Impact	How we monitor and manage risk	Likelihood change from last year	Impact change from last year	Commentary
Limited availability of further capital.	Growth of business is constrained or unable to execute business plans.	Cash flow and funding needs are regularly monitored to ensure sufficient undrawn facilities are in place. Funding maturities are managed across the short, medium and long term. The Group's funding measures are diversified across a range of bank and bond markets. Strict counterparty limits are operated on deposits.	→	→	The Group has continued to extend the maturity ladder of its debt financing and maintain diverse funding sources. During the year, the Group extended the maturity of its £450 million revolving credit facility to October 2021 and raised £175 million of seven year private placement notes. As a result, the Group's weighted average debt maturity has increased to 6.4 years. Cash and undrawn credit facilities were £378 million at 31 March 2017 and committed capex to come has fallen from £269.9 million 12 months ago to £44.5 million today.
Increased interest rates and/or a fall in capital values.	Adverse market movements negatively impact on debt covenants.	Consistent policy of conservative financial leverage. Regular review of current and forecast debt levels and financing ratios under various market scenarios. Our annual Business Plan which is regularly updated includes stress tests considering the impact of a significant deterioration in the markets in which we operate. Formal policy to manage interest rate exposure by having a high proportion of debt with fixed or capped interest rates through derivatives. Significant headroom over all financial covenants at 31 March 2017. We estimate that, absent any mitigating management actions, values could fall by around 62% from their 31 March 2017 levels before Group debt covenants could be endangered.	↗	↘	Having delivered seven years of like-for-like positive property valuation growth, this year's decline of 4.9% may reflect the market cycle inflection point and over the next 12 months we expect rental growth to be flat to marginally down along with modest yield expansion for secondary properties. Whilst broader economic and political uncertainties have kept global interest rates at very low levels, there remains an expectation of increases in UK interest rates in the medium-term given increased inflation and increasing US interest rates. However, this risk likelihood after mitigation is unchanged given our significant headroom against debt covenants and 100% of the Group's debt being at fixed or hedged interest rates.
Inappropriate capital structure.	Sub-optimal NAV per share growth.	Regular review of current and forecast capital requirements and gearing levels and financing ratio.	→	→	The Group's existing capital structure is well placed to take advantage of opportunities as they arise and to deliver our remaining development commitments.

Appendix 6

People

Risk	Impact	How we monitor and manage risk	Likelihood change from last year	Impact change from last year	Commentary
Incorrect level and mix/retention of people to execute our business plan, combined with inability to attract, develop, motivate and retain talent.	Strategic priorities not achieved.	Regular review is undertaken of the Group's resource requirements and succession planning. The Group has a remuneration system that is strongly linked to performance and a formal six-monthly appraisal system to provide regular assessment of individual performance. Benchmarking of remuneration packages of all employees is undertaken annually. Annual personal development planning and ongoing training support for all employees together with focused initiatives to nurture potential successors. Focus on people engagement with regular two-way communication and responsive employee-focused activities e.g. flexible working. High profile, attractive development pipeline and high quality assets to manage.	→	→	The motivation of our people remains fundamental to the delivery of our strategic priorities. However, staff retention is high at 89% and 96% of participants in our inaugural employee engagement survey stated that they would recommend GPE as a great place to work. The risk likelihood after mitigation is unchanged over the year with our new Investment Director and Portfolio Director both settling in well, combined with various successful HR initiatives.

Appendix 6

Regulatory

Risk	Impact	How we monitor and manage risk	Likelihood change from last year	Impact change from last year	Commentary
Adverse regulatory risk, including tax, planning, environmental and other legislation increases cost base.	Reduces flexibility and may influence potential investor and occupier interest in buildings.	Senior Group representatives spend considerable time, using experienced advisers as appropriate, to ensure compliance with current and potential future regulations. Lobbying property industry matters is undertaken by active participation of the Executive Directors through relevant industry bodies. Environmental Policy Committee meets at least quarterly to consider strategy in respect of environmental legislation. We maintain a low-risk tax status and have regular meetings with HMRC.	↗	↗	In addition to the significant regulatory and tax uncertainty associated with the UK's exit from the EU, the June 2017 general election may result in further tax changes which adversely impact the property sector, along with the upcoming implementation of the Base Erosion and Profit Shifting legislation and the transition to higher business rates. We are closely monitoring whether recent changes in the political leadership of Westminster City Council impacts any existing planning policy and/or procedures.
Health and Safety incidents. Loss of life or injury to employees, contractors, members of the public or tenants.	Resultant reputational damage.	The Group has dedicated Health and Safety personnel to oversee the Group's management systems which include regular risk assessments and annual audits to proactively address key Health and Safety areas including employee, contractor, members of the public and tenant safety. On all construction projects, the Group operates a pre-qualification process to ensure selection of competent consultants and contractors which includes a Health and Safety assessment. Contractors' responses to accidents and near misses are actively monitored and followed up by our Project Managers and Head of Sustainability, with reporting to the Executive Committee and Board as appropriate.	↘	→	With reduced levels of development activity, the likelihood of this risk marginally fell over the year. The Group had no reportable accidents and no reportable incidents during the year.

Business interruption risk

Risk	Impact	How we monitor and manage risk	Likelihood change from last year	Impact change from last year	Commentary
An external event such as a power shortage, extreme weather, environmental incident, civil unrest or terrorist or cyber attack that significantly affects the Group's operations, particularly given our portfolio concentration in central London.	Significant damage, disruption and/ or reputational damage to the Group's portfolio and operations.	The Group has a Business Continuity Plan with predetermined processes and escalation for the Crisis Management Team. Asset emergency plans exist for individual properties. Physical security measures are in place at properties and security threats are regularly assessed through links with security agencies. Regular testing of IT security is undertaken, the Group's data is regularly backed up and replicated, and staff awareness training on cyber risk was undertaken during the year by all employees. The Group's insurance policies include cover for catastrophic events including fire, storm, riots and terrorism. Cyber risk insurance is being evaluated.	↗	→	The likelihood of this risk has increased given the increased terrorism threat in London given recent events and the elevated profile of cyber security threats.