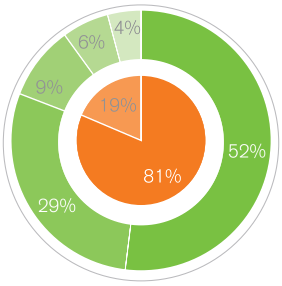
Appendix 1

Portfolio characteristics[1]

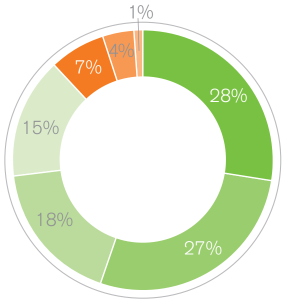
Our locations
- North of Oxford Street £1,118.8m
- Rest of West End £622.7m
- City £196.8m
- Midtown £127.3m
- Southwark £95.5m

Business mix
- Office £1,751.0m
- Retail £410.1m



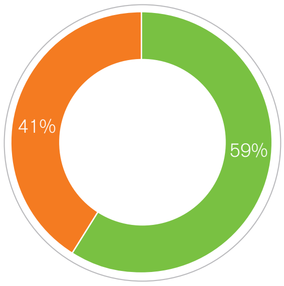
GPE tenant mix[1]

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



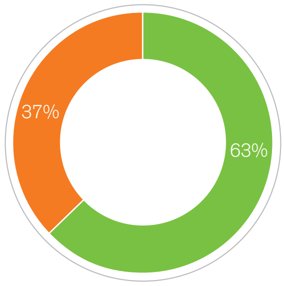
Joint venture business – contribution to the Group

Gross property assets[2]



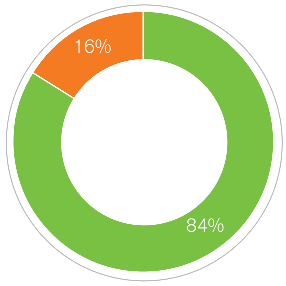
- Wholly-owned £1,540.8 million
- Joint ventures £1,085.3 million

Net assets[1]



- Wholly-owned £825.3 million
- Joint ventures £479.5 million

Net debt[1]



- Wholly-owned £686.9 million
- Joint ventures £127.7 million

1 GPE share.

2 100% values at 30 September 2012.

Appendix 1

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	29.4	2.1	31.5	1.3	0.1	1.4	32.9
		Retail	3.7	(0.1)	3.6	5.1	0.8	5.9	9.5
	Rest of West End	Office	13.6	3.1	16.7	0.4	0.5	0.9	17.6
		Retail	7.0	1.5	8.5	1.2	0.2	1.4	9.9
	Total West End		**53.7**	**6.6**	**60.3**	**8.0**	**1.6**	**9.6**	**69.9**
	City, Midtown and Southwark	Office	7.9	0.1	8.0	9.2	0.8	10.0	18.0
		Retail	0.9	(0.1)	0.8	–	–	–	0.8
	Total City, Midtown and Southwark		**8.8**	**–**	**8.8**	**9.2**	**0.8**	**10.0**	**18.8**
Total let portfolio			**62.5**	**6.6**	**69.1**	**17.2**	**2.4**	**19.6**	**88.7**
Voids					1.9			1.0	2.9
Premises under development/refurbishment					9.3			18.7	28.0
Total portfolio					**80.3**			**39.3**	**119.6**

Rent roll security, lease lengths and voids

			Wholly-owned			Joint ventures		
			Rent roll secure for five years %	Weighted average lease length Years	EPRA vacancy %	Rent roll secure for five years %	Weighted average lease length Years	EPRA vacancy %
London	North of Oxford Street	Office	41.0	7.6	0.5	–	3.1	4.9
		Retail	40.2	5.3	–	85.2	9.1	–
	Rest of West End	Office	6.6	2.1	1.2	60.8	7.3	15.7
		Retail	35.4	5.1	7.1	100.0	14.5	–
	Total West End		**31.5**	**5.8**	**1.9**	**74.6**	**9.0**	**3.7**
	City, Midtown and Southwark	Office	85.6	8.0	5.1	38.2	5.1	1.1
		Retail	98.1	11.0	–	–	–	–
	Total City, Midtown and Southwark		**86.8**	**8.2**	**4.9**	**38.2**	**5.1**	**1.1**
Total let portfolio			**39.3**	**6.2**	**2.3**	**54.9**	**6.7**	**2.6**

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	37	41	26	49	3.2	5.1	4.2	4.6
		Retail	29	28	98	105	3.7	5.2	5.5	5.0
	Rest of West End	Office	39	51	13	30	2.2	4.7	1.9	5.1
		Retail	57	66	46	55	2.5	4.4	4.4	4.9
	Total West End		**38**	**45**	**53**	**59**	**2.9**	**5.0**	**4.8**	**5.0**
	City, Midtown and Southwark	Office	35	35	36	40	3.9	5.9	6.3	6.7
		Retail	55	47	–	30	5.7	5.4	–	–
	Total City, Midtown and Southwark		**36**	**36**	**36**	**39**	**4.0**	**5.8**	**6.3**	**6.7**
Total portfolio			**38**	**43**	**42**	**46**	**3.1**	**5.1**	**5.5**	**5.7**

Appendix 1

The Group views effective risk management as integral to the delivery of superior returns to shareholders. Principal risks and uncertainties facing the business and the processes through which the Company aims to manage those risks are:

Risk and impact	Mitigation
Market risk	
Central London real estate market underperforms other UK property sectors leading to poor relative financial results	Research into the economy and the investment and occupational markets is evaluated as part of the Group's annual strategy process covering the key areas of investment, development and asset management and updated regularly throughout the year.
Economic recovery falters resulting in worse than expected performance of the business given decline in economic output	Regular economic updates are received and scenario planning is undertaken for different economic cycles. 47% of income from committed developments secured.
Investment	
Not sufficiently capitalising on market investment opportunities through difficulty in sourcing investment opportunities at attractive prices, poor investment decisions and mistimed recycling of capital	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. 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 churn of those buildings with limited relative potential performance. Regular review of the prospective performance of individual assets and their business plans with Joint Venture partners.
Asset Management	
Failure to maximise income from investment properties through poor management of voids, mispricing, low tenant retention, sub-optimal rent reviews, tenant failures and inappropriate refurbishments	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. The Group has a diverse tenant base with its ten largest tenants representing only 33% of rent roll.

Appendix 1

Risk and impact	Mitigation
Development	
Poor development returns relating to: – incorrect reading of the property cycle; – inappropriate location; – failure to gain viable planning consents; – level of speculative development; – contractor availability and insolvency risk; – a building being inappropriate to tenant demand; – quality and benchmarks of the completed buildings; – construction and procurement delays; and – poor development management	See market risk above. 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. 47% of income from committed developments secured. Due diligence is undertaken of the financial stability of demolition and main contractors prior to awarding of contracts. Working with agents, potential occupiers' needs and aspirations are identified during the planning application and design stages. 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. Pro-active 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 monitors 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.
Level of development undertaken as a percentage of the portfolio leads to 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 when pre-lets obtained and/or market supply considered to be sufficiently constrained.
Financial risks	
Limited availability of further capital constrains the growth of the business	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.
Adverse market movements negatively impact on debt covenants through increased interest rates or a fall in capital values	Regular review of current and forecast debt levels and financing ratios. Formal policy to manage interest rate exposure by having a high proportion of debt with fixed or capped interest rates through derivatives.
Inappropriate capital structure results in suboptimal NAV per share growth	Regular review of current and forecast debt and gearing levels and financing ratios.

Appendix 1

Risk and impact	Mitigation
People	
Correct level, mix and retention of people to execute our Business Plan. Strategic priorities not achieved because of inability to attract, develop, motivate and retain talented employees	Regular review is undertaken of the Group's resource requirements and succession planning. The Company has a remuneration system that is strongly linked to performance and a formal appraisal system to provide regular assessment of individual performance and identification of training needs.
Regulatory	
Adverse regulatory risk including tax, planning, environmental legislation and EU directives 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.
Health and safety incidents Loss of or injury to employees, contractors or tenants and resultant reputational damage	The Company has dedicated Health & Safety personnel to oversee the Group's management systems which include regular risk assessments and annual audits to proactively address key Health & Safety areas including employee, contractor and tenant safety. On developments, the Group operates a pre-qualification process to ensure selection of competent consultants and contractors which includes a health & safety assessment. Contractor's responses to accidents and near misses are actively monitored and followed up by our Project Managers and Head of Sustainability.

Appendix 2

Portfolio performance to 30 September 2012

		Wholly-owned £m	Joint ventures £m	Total £m	Proportion of portfolio %	Valuation movement %
North of Oxford Street	Office	643.6	57.0	700.6	32.4%	3.6%
	Retail	82.1	88.1	170.2	7.9%	1.3%
Rest of West End	Office	321.7	15.0	336.7	15.6%	6.8%
	Retail	99.2	19.5	118.7	5.5%	3.6%
Total West End		1,146.6	179.6	1,326.2	61.4%	4.1%
City, Midtown and Southwark	Office	171.0	119.2	290.2	13.4%	0.4%
	Retail	14.2	–	14.2	0.7%	2.3%
Total City, Midtown and Southwark		185.2	119.2	304.4	14.1%	0.5%
Investment property portfolio		1,331.8	298.8	1,630.6	75.5%	3.4%
Development property		41.7	321.5	363.2	16.8%	6.7%
Total properties held throughout the period		**1,373.5**	**620.3**	**1,993.8**	**92.3%**	**4.0%**
Acquisitions		167.3	–	167.3	7.7%	2.1%
Total property portfolio		**1,540.8**	**620.3**	**2,161.1**	**100.0%**	**3.8%**

Portfolio characteristics as at 30 September 2012

		Investment properties £m	Development properties £m	Total property portfolio £m	Office £m	Retail £m	Total £m	Net internal area sq ft 000's
North of Oxford Street		870.8	248.0	1,118.8	906.9	211.9	1,118.8	1,476
Rest of West End		622.7	–	622.7	439.2	183.5	622.7	669
Total West End		**1,493.5**	**248.0**	**1,741.5**	**1,346.1**	**395.4**	**1,741.5**	**2,145**
City, Midtown and Southwark		304.4	115.2	419.6	404.9	14.7	419.6	1,201
Total		**1,797.9**	**363.2**	**2,161.1**	**1,751.0**	**410.1**	**2,161.1**	**3,346**
By use:	Office	1,429.9	321.1	1,751.0				
	Retail	368.0	42.1	410.1				
Total		**1,797.9**	**363.2**	**2,161.1**				
Net internal area sq ft 000's		2,694	652	3,346				

Appendix 3

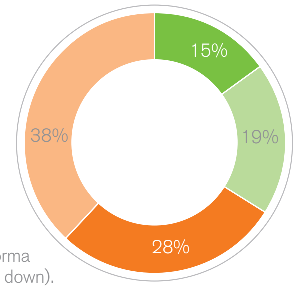
Debt analysis

	Sept 2012 £m	March 2012 £m
Net debt excluding JVs	**686.9**	499.1
Net gearing	**52.6%**	40.3%
Total net debt including 50% JV non-recourse debt	**814.6**	686.9
Loan-to-property value	**37.7%**	34.2%
Total net gearing	**62.4%**	55.5%
Interest cover	**2.2x**	2.0x
Weighted average cost of debt	**4.3%**	4.5%
% of debt fixed/hedged	**69%**	69%
Cash and undrawn facilities	**264**	328

Diversified sources of debt funding

Secured
- JV bank and non-bank debt
- Debenture bonds

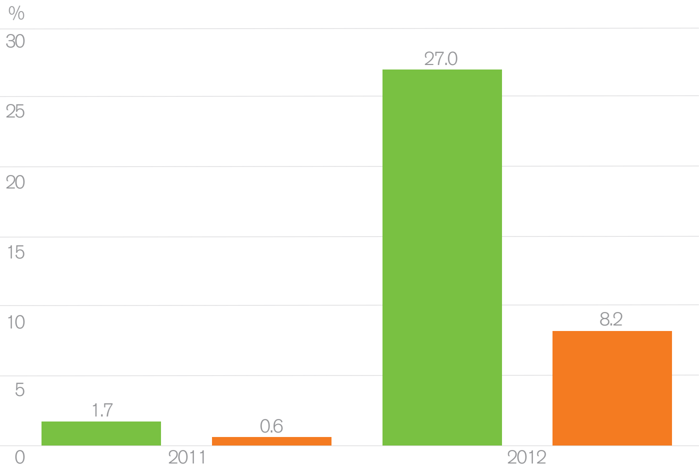
Unsecured
- Group revolving bank facilities
- Private placement notes



Based on drawn position at 30 September 2012 (pro forma for sale of 100 Regent Street and 100 Bishopsgate sell down).

Appendix 3

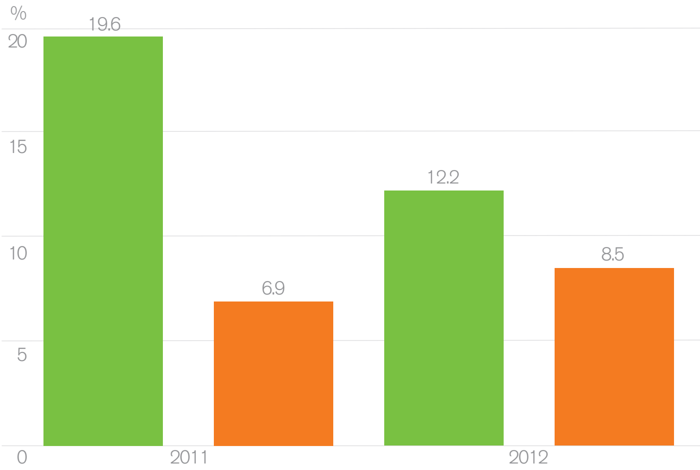
Total Shareholder Return (TSR)*



Commentary

The TSR of the Group was 27.0% for the year compared to 8.2% for the FTSE 350 Real Estate (excluding agencies).

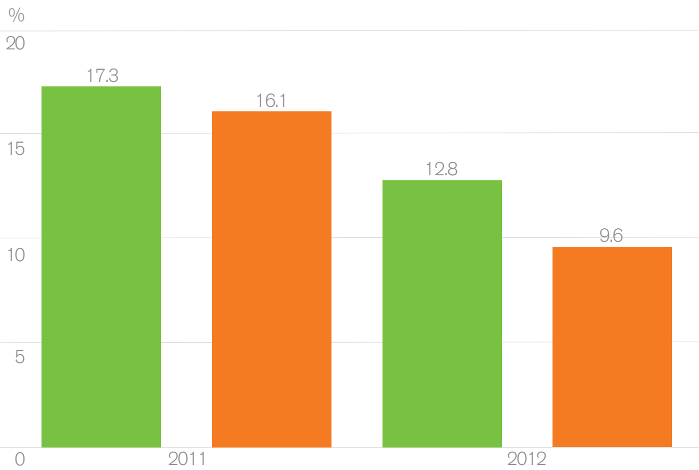
EPRA net assets per share growth*



Commentary

EPRA net assets per share increased by 12.2% over the year as property values grew and the Group benefited from the impact of its successful asset management activity and returns from its near-term development programme.

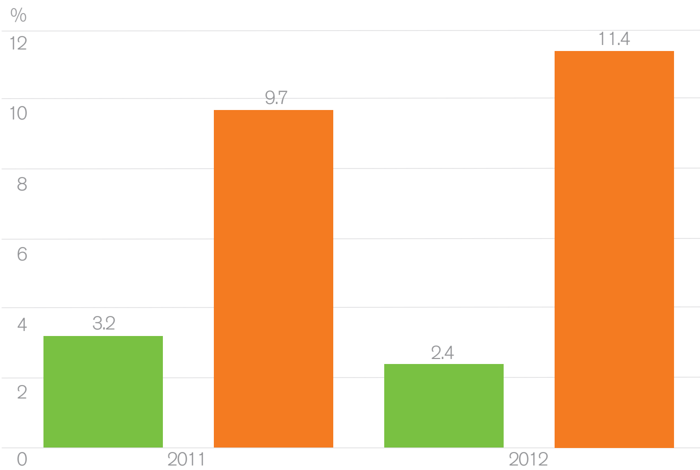
Total Property Return (TPR)*



Commentary

The Group generated a portfolio TPR of 12.8% in the year whereas the benchmark produced a total return of 9.6% resulting in an absolute outperformance of 3.2 percentage points and a relative outperformance of 3.0 percentage points.

EPRA vacancy*



Commentary

EPRA vacancy is designed to show how effective the Group is at letting available space in the portfolio.

The Group's vacancy rate was 2.4% compared to the benchmark of 11.4% resulting in an outperformance of 9.0 percentage points.

GPE Benchmark

*Year to September