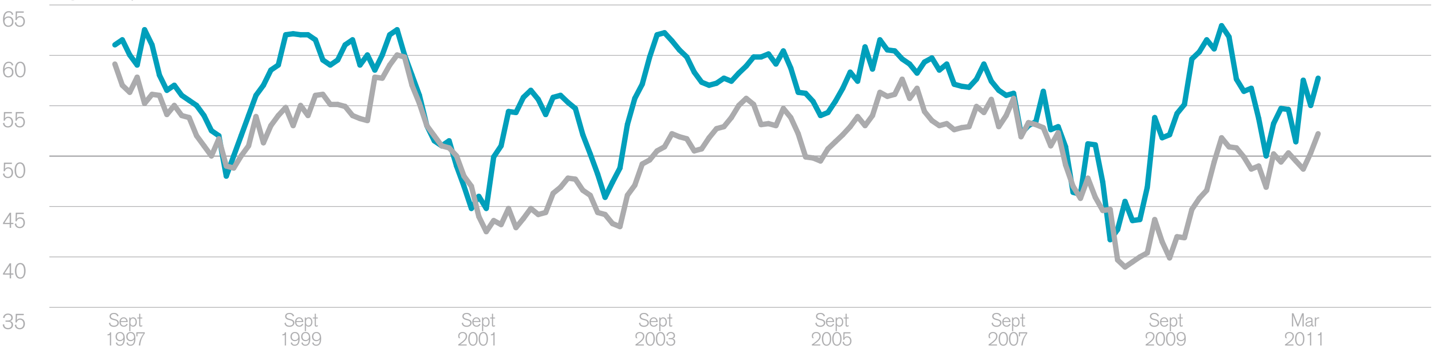
Change in London business activity and employment

50% = growth point

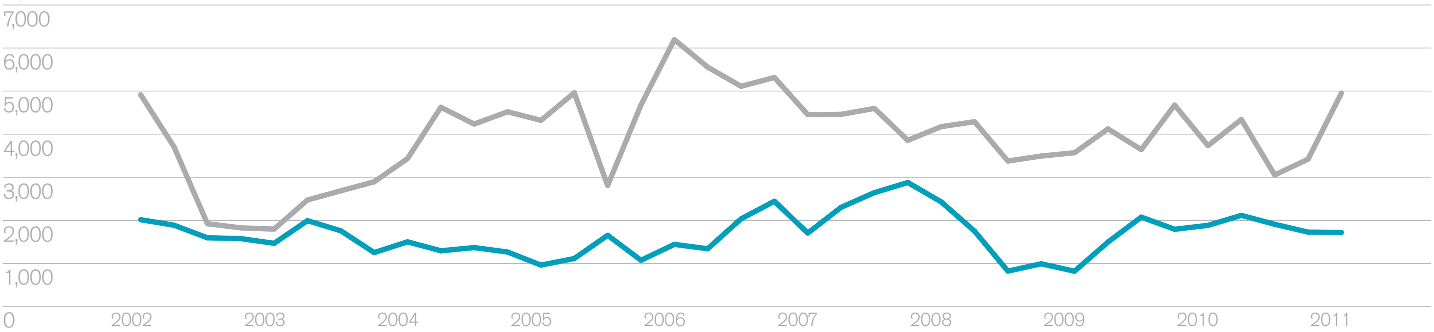


Source: PMI London Report

- Business activity
- Employment

Active tenant demand – central London offices

sq ft net (000)



Source: Knight Frank

- West End
- City

Selected lead indicators	Trends in year
Property capital values	
Equity and bond prices	↑
Changes in new lending by major UK and European banks	↑
Transaction volumes in central London direct real estate investment markets	↑
Direction of pricing on IPD based derivative contracts	↓
Rental values	
UK GDP growth	↑
London retail sales	→
Business confidence levels in the central London economy	↑
UK output from the financial and business services sector	↑
UK finance and business services employment statistics	→

Purchases for the year to 31 March 2011

Description	Price £m	NIY %	Area sq ft	Cost £ per sq ft
35 Portman Square	53.0	7.7	73,000	726
City Place House	47.0	7.2	177,000	531
City Tower	17.5	8.3	132,600	263
20 St James's Street	42.5	4.6	55,500	765
73/77 Oxford Street	7.5	n/a	n/a	n/a
GCP Properties	45.1	3.5	140,100	322
	212.6		**578,200**	

Wholly-owned and JV property assets as at 31 March 2011

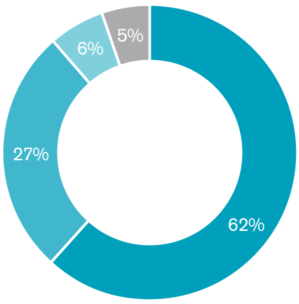
Wholly-owned £1,021 million

Joint Ventures

Access to new property £450 million

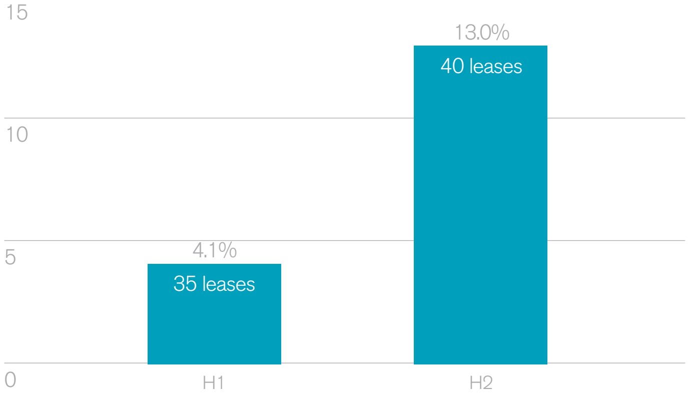
Development risk taking £99 million

Bank work out £85 million



Open market lettings for the year to March 2011

Premium over March 2010 estimated rental value %



New lettings and renewals by quarter

£m

1 New rent per annum.

Key letting deals

Property	Tenant	Term	Rent p.a.[1]
24/25 Britton Street, EC1	Kurt Geiger	15 years	£1,525,000
184/190 Oxford Street, W1	Aldo	15 years	£920,000
14/17 Market Place, W1	Lyle & Scott	10 years	£443,500
508/540 Oxford Street, W1	Holland and Barrett	10 years	£217,500
90 Queen Street, EC4	Intesa Sanpaolo S.p.A	15 years	£2,900,000
20/30 Great Titchfield Street, W1	Heineken UK	10 years	£617,100
			£6,623,100

1 GPE Share

Committed schemes and pipeline

Development	Anticipated finish	New building area[1]	Total project cost £m[2]	Proposed ERV £m[2]	Secured income £m
Committed					
184/190 Oxford Street, W1	Complete	26,400	2.4	1.7	1.7
24/25 Britton Street, EC1	Sep 11	51,300	6.8	1.6	1.6
23/24 Newman Street, W1	Oct 11	25,200	11.3	0.2	–
Marcol House, 289/295 Regent Street, W1	Oct 12	103,300	50.3	6.9	0.3
160 Great Portland Street, W1	May 12	88,200	26.7	4.9	4.9
79/97 Wigmore Street, W1	Jun 13	111,400	31.7	3.1	–
Total of committed		**405,800**	**129.2**	**18.4**	**8.5**
Near-term non-committed 11 projects	2012–2014	1,823,300		49.5	
Pipeline 10 projects		844,900			
Total programme **27 projects, 52% of GPE's existing portfolio**		**3,074,000**			

1 Areas are in sq ft and at 100%.

2 For those held in JV, costs are shown as GPE's share.

Appendix 3

Portfolio performance

		Wholly-owned £m	Share of joint venture £m	Total £m	Proportion of portfolio %	Valuation movement %
North of Oxford Street	Office	355.8	69.3	425.1	25.7%	17.0%
	Retail	60.8	84.1	144.9	8.7%	8.3%
Rest of West End	Office	103.1	121.3	224.4	13.6%	15.3%
	Retail	85.6	97.8	183.4	11.1%	8.2%
Total West End		605.3	372.5	977.8	59.1%	13.5%
City and Southwark	Office	146.5	63.8	210.3	12.7%	10.3%
	Retail	19.7	1.7	21.4	1.3%	15.7%
Total City and Southwark		166.2	65.5	231.7	14.0%	10.8%
Investment property portfolio		771.5	438.0	1,209.5	73.1%	12.9%
Development property		84.1	125.6	209.7	12.7%	16.9%
Total properties held throughout the year		**855.6**	**563.6**	**1,419.2**	**85.8%**	**13.5%**
Acquisitions		165.4	69.9	235.3	14.2%	9.6%
Total property portfolio		**1,021.0**	**633.5**	**1,654.5**	**100.0%**	**12.9%**[1]

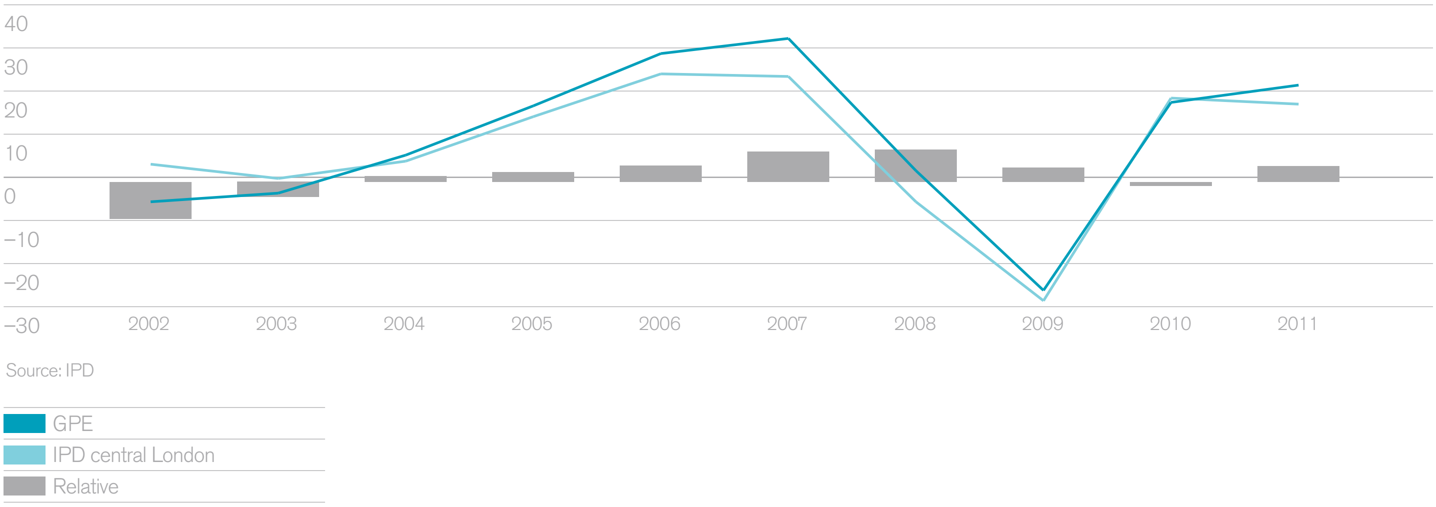
1 Excludes the proceeds from the 160 Great Portland Street surrender.

Portfolio characteristics

		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		649.6	198.9	848.5	654.5	194.0	848.5	1,436
Rest of West End		453.4	–	453.4	268.1	185.3	453.4	879
Total West End		**1,103.0**	**198.9**	**1,301.9**	**922.6**	**379.3**	**1,301.9**	**2,315**
City and Southwark		322.7	29.9	352.6	330.9	21.7	352.6	1,063
Total		**1,425.7**	**228.8**	**1,654.5**	**1,253.5**	**401.0**	**1,654.5**	**3,378**
By use:	Office	1,060.3	193.2	1,253.5				
	Retail	365.4	35.6	401.0				
Total		**1,425.7**	**228.8**	**1,654.5**				
Net internal area sq ft 000's		2,990	388	3,378				

Total property return (% p.a.) relative to IPD central London index

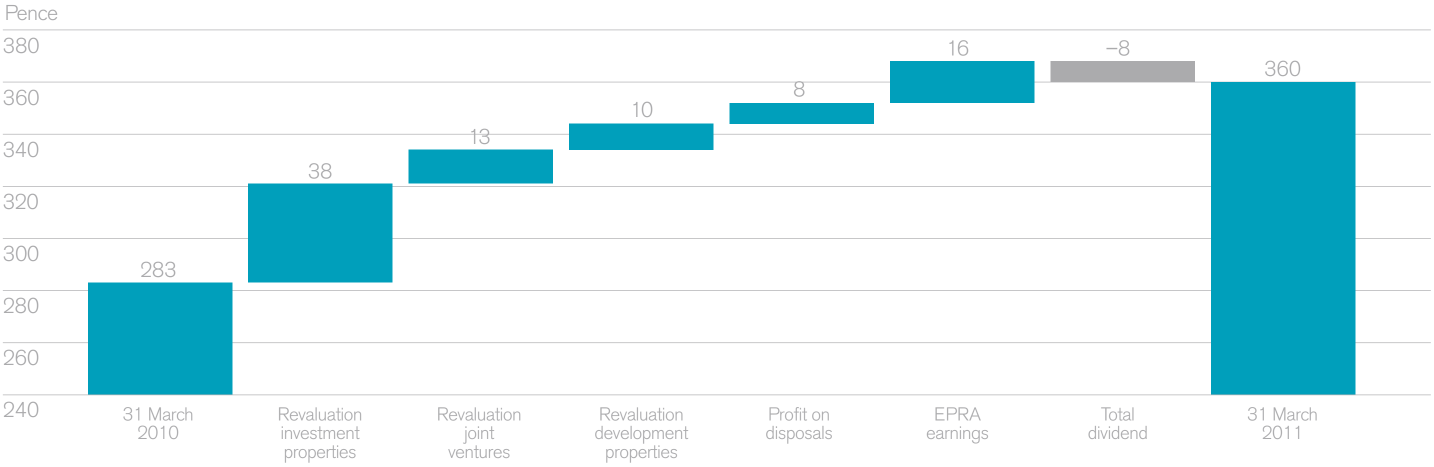
Years to 31 March



Source: IPD

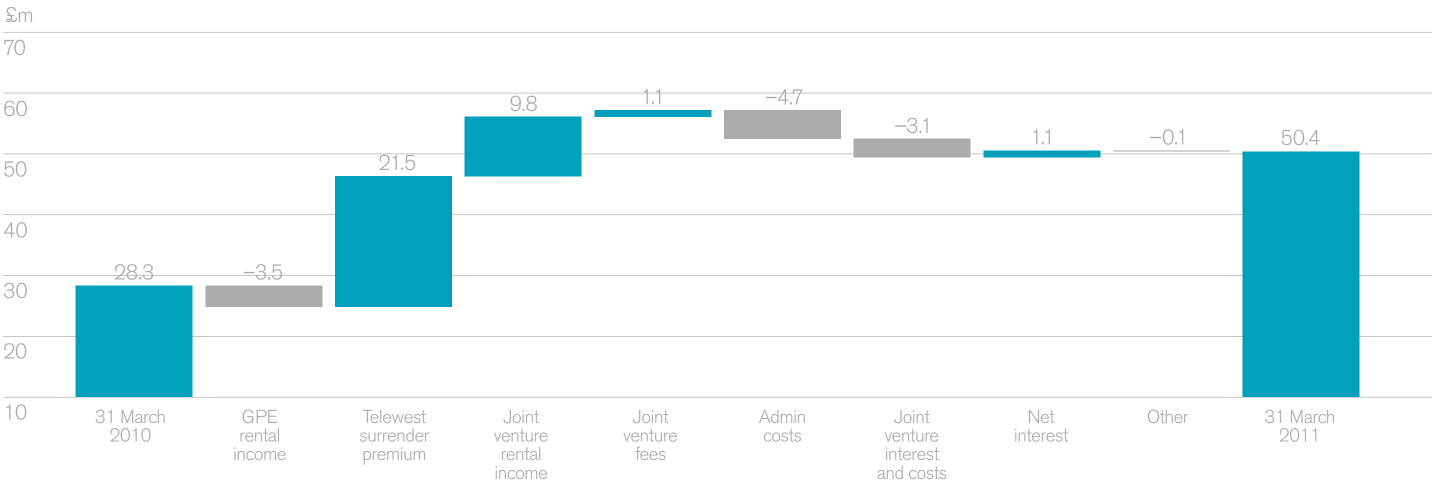
EPRA net assets per share[1]

Movement since 31 March 2010



1 Adjusted per EPRA guidance.

EPRA profits before tax – year to 31 March 2011

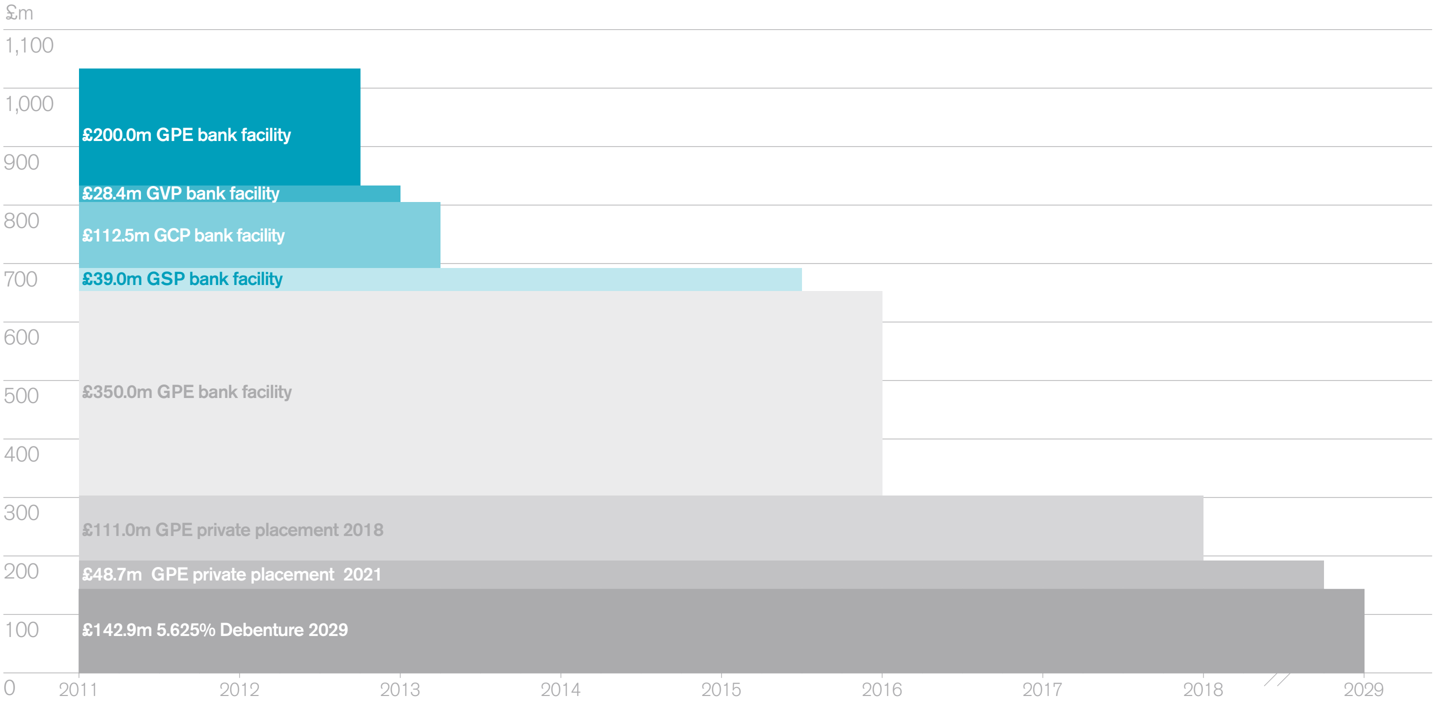


Debt analysis

	March 2011 £m	March 2010 £m
Net debt excluding JVs	**349.1**	232.6
Net gearing	**31.4%**	26.5%
Total net debt including 50% JV non-recourse debt	**514.0**	359.2
Loan-to-property value	**31.1%**	28.8%
Total net gearing	**46.2%**	41.0%
Interest cover	**4.0x**	3.4x
Weighted average interest rate	**4.3%**	4.9%
% of debt fixed/capped	**57%**	61%
Cash and undrawn facilities	**518**[1]	477

1 Pro forma including £159.7 million private placement.

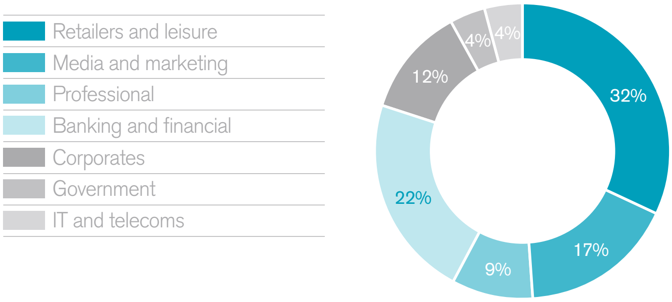
Debt maturity profile – committed facilities



Top 10 tenants

	Top 10 tenants	Percentage of rent roll
1	The Engine Group Limited	5.5%
2	Intesa Sanpaulo S.p.A	4.2%
3	New Look Limited	3.7%
4	Fallon London Limited	2.2%
5	Cleary Gottlieb Steen & Hamilton LLP	2.0%
6	Secretary of State for Communities and Local Government	1.8%
7	Austin Reed Limited	1.8%
8	Ahli United Bank (UK) Plc	1.7%
9	Next Group plc	1.4%
10	Russell & Bromley Limited	1.3%
	Total	**25.6%**

Tenant diversity including share of joint ventures



Lease profile

			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	24.2	0.8	25.0	2.4	0.2	2.6	27.6
		Retail	4.7	0.1	4.8	4.3	1.0	5.3	10.1
	Rest of West End	Office	3.5	0.1	3.6	7.3	0.6	7.9	11.5
		Retail	2.6	0.8	3.4	5.3	–	5.3	8.7
	Total West End		**35.0**	**1.8**	**36.8**	**19.3**	**1.8**	**21.1**	**57.9**
	City and Southwark	Office	8.2	1.6	9.8	5.9	1.1	7.0	16.8
		Retail	0.9	0.4	1.3	0.1	–	0.1	1.4
	Total City and Southwark		**9.1**	**2.0**	**11.1**	**6.0**	**1.1**	**7.1**	**18.2**
Total let portfolio			**44.1**	**3.8**	**47.9**	**25.3**	**2.9**	**28.2**	**76.1**
Voids					1.5			1.3	2.8
Premises under refurbishment					11.3			14.1	25.4
Total portfolio					**60.7**			**43.6**	**104.3**

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	39.9	5.3	2.8	0.4	2.5	7.5
		Retail	62.3	5.3	1.8	75.7	8.3	–
	Rest of West End	Office	–	1.7	–	17.3	3.5	2.1
		Retail	6.0	2.1	4.0	76.1	11.4	0.5
	Total West End		**36.1**	**4.7**	**2.4**	**45.5**	**6.7**	**3.8**
	City and Southwark	Office	53.1	5.8	2.3	62.2	5.2	0.7
		Retail	72.2	9.1	1.1	83.3	9.4	–
	Total City and Southwark		**54.9**	**6.2**	**2.7**	**62.7**	**5.3**	**0.9**
Total let portfolio			**40.0**	**5.0**	**2.5**	**49.7**	**6.4**	**3.0**

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	40	48	26	44	4.2	5.2	3.8	5.2
		Retail	29	39	70	82	4.5	5.0	4.8	4.9
	Rest of West End	Office	30	33	36	38	3.1	4.4	5.2	5.4
		Retail	43	61	48	48	2.7	4.4	4.7	4.9
	Total West End		**37**	**45**	**42**	**45**	**3.8**	**4.9**	**4.8**	**5.1**
	City and Southwark	Office	26	32	35	38	3.9	6.0	3.8	6.2
		Retail	21	33	39	38	4.1	5.8	6.1	6.5
	Total City and Southwark		**26**	**32**	**35**	**37**	**3.9**	**5.9**	**3.8**	**6.2**
Total portfolio			**34**	**41**	**40**	**42**	**3.8**	**5.1**	**4.5**	**5.4**

Appendix 6

Risk and impact	Mitigation	Change From last year	Commentary
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.	→	The central London real estate market has considerably out performed the wider UK Market during the year ended 31 March 2011, demonstrated by IPD's central TPR exceeding IPD's universe by 6.7 percentage points and the outlook continues to be favourable.
Economic recovery falters resulting in worse than expected performance of the business given decline in economic output	Regular economic updates received and scenario planning for different economic cycles. 46% of income from committed developments secured.	→	Whilst the economic environment appears to have stabilised and take up has increased markedly on last year, there remains the continued downward pressure from the Eurozone Sovereign debt crisis and the impact of the Government's austerity measures have yet to be seen.
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 choice of those buildings with limited relative potential performance.	↓	With independent forecasts indicating that capital values are expected to rise over the near to medium term, limited disposals were made during the year. The Group has committed in excess of £370 million since its Rights Issue in May 2009 equating to nearly a quarter of the portfolio at 31 March 2011. With the market having risen from the low of 2009, the risk of missing compelling acquisitions has lessened.
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 continues to maintain a low void rate which was 2.7% at 31 March 2011. Tenant delinquencies were less than 1% of the rent roll for the year to 31 March 2011. The Group continues to actively manage the portfolio to maximise occupancy and drive rental growth.
Development			
Poor development returns relating to: – incorrect reading of the property cycle; – inappropriate location; – failure to gain viable planning consents; – level of development undertaken as a percentage of the portfolio; – level of speculative development; – contractor availability and insolvency risk; – quality of the completed buildings; 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. 46% 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.	↑	With forecasted supply of central London office space expected to be scarce in the near to medium term, the Group has embarked on a near-term development programme to capitalise on the expected resulting rental growth. The Group's exposure to development risk has increased accordingly.

Risk and impact	Mitigation	Change From last year	Commentary
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.	↓	Since 31 March 2010, the Group has refinanced all of its 2012 debt maturities. Pro forma undrawn cash and committed credit facilities are £518 million.
Adverse interest rate movements reduce profitability	Formal policy to manage interest rate exposure by having a high proportion of debt with fixed or capped interest rates through derivatives.	→	With the strength of economic recovery still uncertain, the timing of interest rate rises remains unclear.
Inappropriate capital structure results in suboptimal NAV per share growth	Regular review of current and forecast debt levels.	→	The Group's existing capital structure is well placed to take advantage of opportunities as they arise and to deliver our near-term development programme.
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. 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.	→	With increased levels of activity, the Group has strengthened and broadened its team and the process to appoint a new Finance Director is ongoing. At the 2010 AGM, shareholders approved a new Long Term Incentive Plan.
Regulatory			
Adverse regulatory risk including tax, planning, environmental legislation and EU directives increases cost base and reduces flexibility	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.	↑	During the year new Building Regulations came into effect requiring further reductions on carbon emissions whilst the risk to the Group from increasing regulation having unforeseen consequences and the impact of certain EU directives including the AIFM directive continues to be uncertain.
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.	↑	The Group had no reportable accidents during the year, however, as a result of our near-term development programme we have increased exposure to health and safety incidents on our development sites.