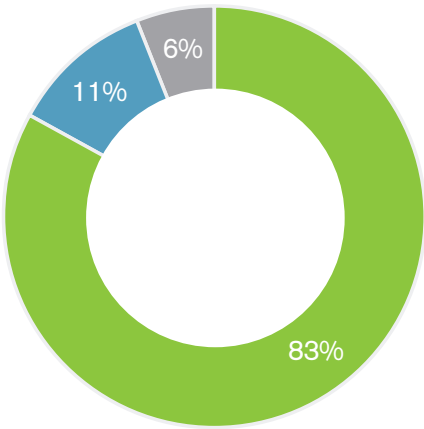
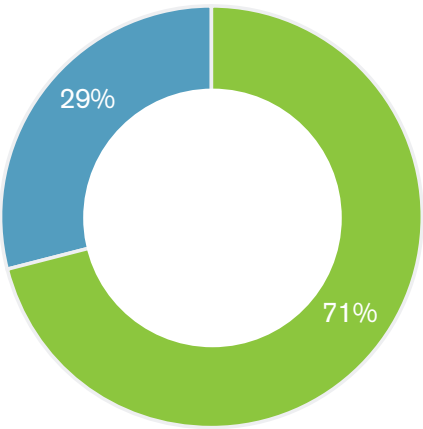


Our locations¹



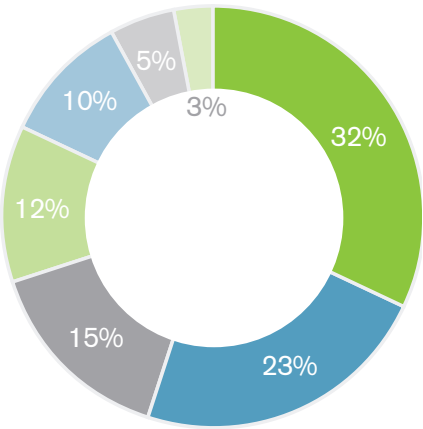
- West End – £935.3m
- City – £120.9m
- Southwark – £72.9m

Our business mix¹



- Office – £804.3m
- Retail – £324.8m

Our tenants¹



- Retailers and leisure
- Media and marketing
- Banking and finance
- Corporates
- Professional
- Government
- IT and telecoms

¹ Includes Group's share of joint ventures

Rental income

			At 31 March 2009						
			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 St	Office	19.8	(2.2)	176	3.6	0.9	4.5	22.1
		Retail	4.0	0.2	4.2	4.1	0.9	5.0	9.2
	Rest of West End	Office	8.6	0.9	9.5	7.4	(0.1)	7.3	16.8
		Retail	4.7	1.2	5.9	4.0	0.3	4.3	10.2
	Total West End		37.1	0.1	37.2	19.1	2.0	21.1	58.3
	City and Southwark	Office	11.9	1.9	13.8	1.1	0.2	1.3	15.1
		Retail	0.6	0.6	1.2	0.1	–	0.1	1.3
	Total City and Southwark		12.5	2.5	15.0	1.2	0.2	1.4	16.4
Total let portfolio			49.6	2.6	52.2	20.3	2.2	22.5	74.7
Voids					4.5			2.1	6.6
Premises under refurbishment					2.0			0.6	2.6
Total portfolio					58.7			25.2	83.9

Rent roll security, lease lengths and voids

			At 31 March 2009					
			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 St	Office	63.1	8.3	11.9	24.8	4.0	20.2
		Retail	66.7	7.1	4.1	77.2	10.2	5.7
	Rest of West End	Office	22.6	3.0	2.0	49.9	4.7	7.2
		Retail	53.7	9.3	4.1	81.5	12.2	0.6
	Total West End		52.9	7.0	7.8	58.2	7.4	8.1
	City and Southwark	Office	10.3	2.7	6.5	16.7	2.1	12.6
		Retail	14.4	6.6	–	75.6	11.4	–
	Total City and Southwark		10.5	2.9	6.2	22.4	3.0	11.7
Total let portfolio			42.2	6.0	7.4	56.1	7.1	8.7

Rental values and yields

			At 31 March 2009							
			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 St	Office	45	39	26	32	4.9	6.9	5.4	7.2
		Retail	41	36	61	72	5.0	6.1	5.4	6.3
	Rest of West End	Office	43	48	37	36	5.4	6.2	6.3	6.9
		Retail	60	75	45	50	4.1	5.5	5.5	6.1
Total of West End			45	44	39	41	4.9	6.4	5.7	6.6
	City and Southwark	Office	28	31	24	33	7.5	7.6	4.6	8.0
		Retail	13	27	42	48	2.7	6.8	6.5	7.6
	Total City and Southwark			26	31	26	34	7.3	7.6	4.7
Total portfolio			38	39	38	40	5.4	6.6	5.7	6.7

The Group views effective risk management as integral to the delivering 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	Mitigation
<p>Market risk</p> <p>Concentration of assets in central London.</p> <p>Property markets are cyclical. Performance depends on general economic conditions, a combination of supply and demand for floor space as well as overall return aspirations of investors.</p> <p>Constrained credit markets have served to put downward pressure on property valuations and slowed occupational demand with the potential for increased void levels and tenant defaults.</p> <p>The impact of changes in legislation particularly in respect of environmental legislation and planning regulations.</p>	<p>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.</p> <p>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 estimated returns are regularly monitored to allow prompt decisions on leasing and ownership to be determined.</p> <p>The Group's rents remain low by comparison to the market.</p> <p>Tenants are proactively managed to ensure changing needs are met with a focus on retaining income, where appropriate, and maintaining a diverse tenant mix by industry sector and size. Formal covenant procedures are completed on all new tenants to ensure rent deposits or guarantees are secured where appropriate.</p> <p>Through the use of experienced advisers and direct contact, senior Group representatives spend considerable time ensuring that buildings are maintained and refurbished or redeveloped in line with current regulations and changing tenant demands including, for example, changing environmental legislation requirements, in the most cost-effective manner.</p>
<p>Development</p> <p>Failure to obtain or delays in gaining planning consents.</p>	<p>Planning applications are proactively managed. The Company monitors changes in planning legislation and has strong relationships with planning authorities and consultants.</p>
<p>Letting risk.</p>	<p>Market analysis including a good understanding of tenants' requirements which influence building design and sensitivities are included within the development appraisals.</p> <p>The Company has resource dedicated to the letting of the developments supported by a strong network of specialist leasing agents.</p>
<p>Investment</p> <p>Difficulty in sourcing investment opportunities at attractive prices.</p> <p>Portfolio returns impaired by inappropriate recycling of capital.</p>	<p>The Company 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.</p> <p>Business plans are produced on an individual asset basis to ensure the appropriate churn of those buildings with relative limited potential performance.</p>

Risk	Mitigation
Investment Inability to recycle out of ex-growth assets at the latest valuation due to credit market difficulties resulting in a limited pool of potential buyers.	The Company has dedicated resource to identify potential buyers even in thin markets.
Attracting and retaining the right people Achieving the Company's aims requires people of the highest calibre.	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 the identification of training needs.
Reputation Health & Safety and Environment ("HSE").	The Company has dedicated HSE personnel to oversee the Company's HSE Management Systems including regular risk assessments and annual audits to proactively address key HSE areas including energy usage and employee, contractor and tenant safety.
Financial risks Liquidity risk.	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 market bonds. Strict counterparty limits are operated on deposits.
Adverse interest rate movements.	Formal policy to manage interest rate exposure by having a high proportion of debt with fixed or capped interest rates through derivatives.
Breach of borrowing covenants.	Financial ratios are monitored and regularly reported to the Board.
Non-compliance with REIT regulations.	The Group's accounts and forecast financial measures are regularly compared to REIT limits and reported to the Board.