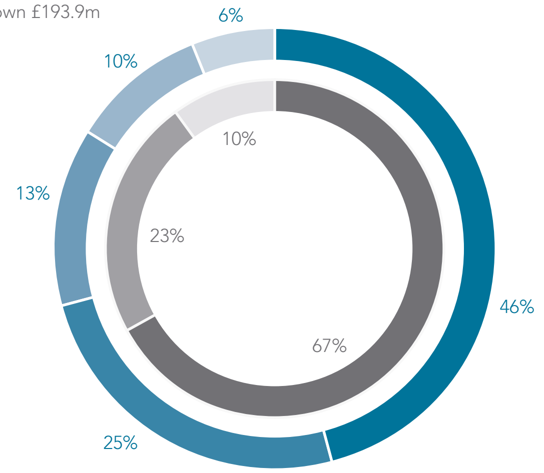
Appendix 1

Portfolio characteristics[1]

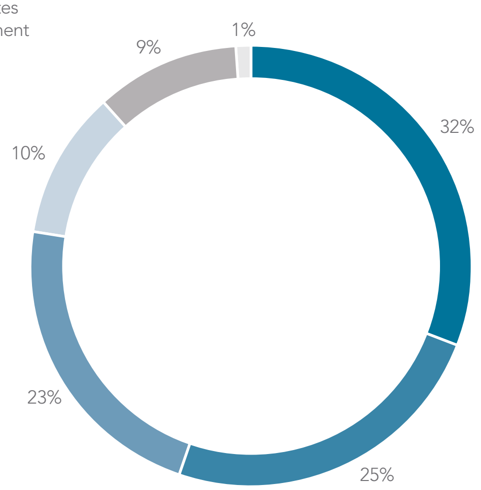
Locations
- North of Oxford Street £1,504.4m
- Rest of West End £828.4m
- City £416.3m
- Southwark £334.8m
- Midtown £193.9m

Business mix
- Office £2,212.8m
- Retail £745.5m
- Residential £319.5m



GPE tenant mix[1]

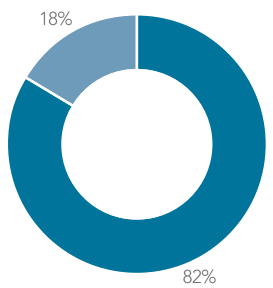
- Retailers and leisure
- Technology, media and telecoms
- Professional services
- Banking and finance
- Corporates
- Government



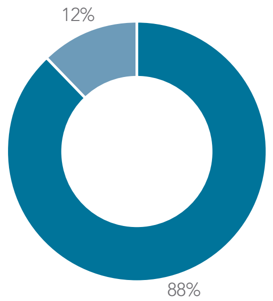
1. GPE share at 30 September 2017.

Joint venture business – contribution to the Group

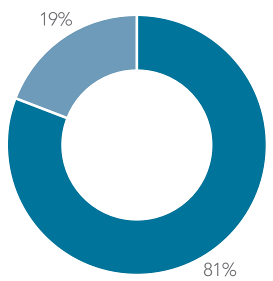
Property assets
- Wholly-owned £2,682.9m
- Joint ventures £594.9m



Net debt
- Wholly-owned £514.6m
- Joint ventures £72.4m



Net assets
- Wholly-owned £2,126.8m
- Joint ventures £508.0m



Appendix 1

Selected lead indicators

Drivers of rents	March 2017 Outlook	**Sept 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	🔴	🔴

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	31.3	5.7	37.0	–	–	–	37.0
	Retail	8.3	1.9	10.2	6.2	0.3	6.5	16.7
Rest of West End	Office	17.2	0.9	18.1	–	–	–	18.1
	Retail	9.6	2.7	12.3	2.1	0.2	2.3	14.6
Total West End		**66.4**	**11.2**	**77.6**	**8.3**	**0.5**	**8.8**	**86.4**
City, Midtown and Southwark	Office	30.4	6.3	36.7	11.4	2.0	13.4	50.1
	Retail	2.6	0.2	2.8	0.1	–	0.1	2.9
Total City, Midtown and Southwark		**33.0**	**6.5**	**39.5**	**11.5**	**2.0**	**13.5**	**53.0**
Total let portfolio		**99.4**	**17.7**	**117.1**	**19.8**	**2.5**	**22.3**	**139.4**
Voids				7.9			0.6	8.5
Premises under refurbishment				4.8			4.4	9.2
Total portfolio				**129.8**			**27.3**	**157.1**

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	43.8	6.2	4.2	–	–	–
	Retail	53.5	5.2	7.1	32.4	5.6	–
Rest of West End	Office	36.6	5.4	14.5	–	–	–
	Retail	54.1	6.3	–	100.0	9.5	–
Total West End		**44.7**	**5.9**	**6.8**	**49.8**	**6.6**	**–**
City, Midtown and Southwark	Office	37.3	3.3	4.5	84.0	7.0	3.6
	Retail	67.4	13.5	–	100.0	10.1	–
Total City, Midtown and Southwark		**39.7**	**4.1**	**4.4**	**84.1**	**7.0**	**3.5**
Total portfolio		**43.0**	**5.3**	**6.1**	**69.7**	**6.8**	**2.4**

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	58	70	–	–	3.3	4.5	–	–
	Retail	56	68	133	140	2.8	3.7	5.0	4.1
Rest of West End	Office	76	80	–	–	2.1	4.5	–	4.1
	Retail	84	108	75	81	3.2	4.0	1.9	3.2
Total West End		**65**	**64**	**111**	**102**	**2.9**	**4.3**	**2.7**	**3.8**
City, Midtown and Southwark	Office	45	50	50	51	4.8	5.1	3.5	4.9
	Retail	76	81	43	43	4.5	4.6	3.9	4.8
Total City, Midtown and Southwark		**46**	**51**	**43**	**50**	**4.8**	**5.1**	**3.5**	**4.9**
Total portfolio		**57**	**59**	**58**	**60**	**3.4**	**4.5**	**3.1**	**4.4**

Appendix 1
How we manage risk

Market risk		
Risk	**Impact**	**How we monitor and manage risk**
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.
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.
Heightened political uncertainty and potential negative economic impact following EU referendum and June 2017's general election results.	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 10% in the financial services 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 UK's exit from the EU).

Investment management		
Risk	**Impact**	**How we monitor and manage risk**
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.
Inappropriate asset concentration, building mix, occupiers 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 occupier base with its ten largest occupiers representing only 26% of rent roll. Occupiers covenants are analysed and security sought as appropriate as part of the lease approval process. Regular contact with occupiers is maintained to identify if occupiers are suffering financial difficulties and their proposed actions.

Appendix 1

Asset management		
Risk	**Impact**	**How we monitor and manage risk**
Poor management of voids, rental mis-pricing, low occupier tenant retention, sub-optimal rent reviews, occupier failures and inappropriate refurbishments.	Failure to maximise income from investment properties.	The Group's in-house asset management and leasing teams proactively manage occupiers to ensure changing needs are met including, in light of technological advances, 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. Occupiers covenants are analysed and security sought as appropriate as part of the lease approval process. Regular contact with occupiers is maintained to identify if occupiers are suffering financial difficulties and their proposed actions. Although many occupier's all-in occupational costs are rising given the increase in business rates, our low average office rents of only £52.80 per sq. ft. are expected to provide some protection to our occupiers.

Development management		
Risk	**Impact**	**How we monitor and manage risk**
An inappropriate level of development undertaken as a percentage of the portfolio.	Under performance 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.
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 and programme estimation; – construction cost inflation; – contractor availability and insolvency risk; – insufficient human resources; – a building being inappropriate to occupier demand; – weak demand for residential apartments; – quality and benchmarks of the completed buildings; – construction and procurement delays; – ineffective marketing to prospective occupiers; and – poor development management.	Poor development returns.	See Market risk on page 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. 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. 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' to identify their needs and aspirations including technological advances 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 occupiers before and during the development process. Selection of contractors and suppliers based on track record of delivery and creditworthiness. 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.

Appendix 1

Financial risks		
Risk	**Impact**	**How we monitor and manage risk**
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.
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 30 September 2017. We estimate that, absent any mitigating management actions, property values could fall by around 68% from their 30 September 2017 levels before Group debt covenants could be endangered.
Inappropriate capital structure.	Sub-optimal NAV per share growth.	Regular review of current and forecast capital requirements, gearing levels and other financing ratios. Maintain balance sheet discipline, with surplus equity capital returned to shareholders in appropriate circumstances.

People		
Risk	**Impact**	**How we monitor and manage risk**
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.

Appendix 1

Regulatory		
Risk	**Impact**	**How we monitor and manage risk**
Increased regulatory risk, including tax, planning, environmental, fire safety 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. Through meetings with local politicians, planning officers and experienced advisors we monitor any changing planning policy/sentiment that may impact our portfolio. Lobbying property industry matters is undertaken by active participation of the Executive Directors and other Executive Committee members 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.
Health and Safety incidents. Loss of life or injury to members of the public, occupiers, contractors or employees.	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 fire, health and safety areas including employee, contractor, members of the public and occupier 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.
Business interruption risk		
Risk	**Impact**	**How we monitor and manage risk**
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 (including penetration testing), the Group's data is regularly backed up and replicated, and staff awareness training on cyber risk is 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.

Appendix 2

Portfolio performance

		Wholly-owned £m	Share of joint ventures £m	Total £m	Proportion of portfolio %	Valuation movement %
North of Oxford Street	Office	786.1	–	786.1	24.0	0.8
	Retail	244.4	115.6	360.0	11.0	0.1
	Residential	31.4	–	31.4	1.0	5.3
Rest of West End	Office	400.8	71.6	472.4	14.4	0.2
	Retail	266.0	79.1	345.1	10.5	2.8
	Residential	5.1	5.8	10.9	0.3	3.6
Total West End		1,733.8	272.1	2,005.9	61.2	1.0
City, Midtown and Southwark	Office	541.4	266.0	807.4	24.6	0.7
	Retail	30.0	2.0	32.0	1.0	5.9
	Residential	1.2	0.1	1.3	–	0.9
Total City, Midtown and Southwark		572.6	268.1	840.7	25.6	0.9
Investment property portfolio		**2,306.4**	**540.2**	**2,846.6**	**86.8**	**0.9**
Development property*		326.9	54.7	381.6	11.7	1.6
Total properties held throughout the period		**2,633.3**	**594.9**	**3,228.2**	**98.5**	**1.0**
Acquisitions		49.6	–	49.6	1.5	(7.6)
Total property portfolio		**2,682.9**	**594.9**	**3,277.8**	**100.0**	**0.9**

* Including trading properties at valuation.

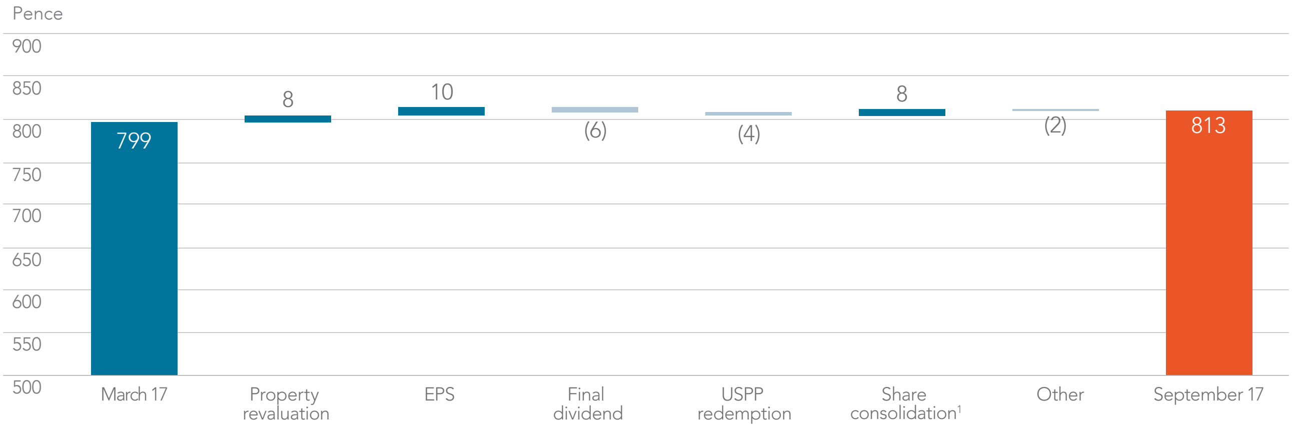
Portfolio characteristics

		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		1,177.5	326.9	1,504.4	831.6	366.4	306.4	1,504.4	1,088
Rest of West End		828.4	–	828.4	472.3	345.2	10.9	828.4	468
Total West End		**2,005.9**	**326.9**	**2,332.8**	**1,303.9**	**711.6**	**317.3**	**2,332.8**	**1,556**
City, Midtown and Southwark		890.3	54.7	945.0	908.9	33.9	2.2	945.0	1,555
Total		**2,896.2**	**381.6**	**3,277.8**	**2,212.8**	**745.5**	**319.5**	**3,277.8**	**3,111**
By use:	Office	2,114.5	98.3	2,212.8					
	Retail	737.2	8.3	745.5					
	Residential	44.5	275.0	319.5					
Total		**2,896.2**	**381.6**	**3,277.8**					
Net internal area sq ft 000's		2,760	351	3,111					

* Including trading properties at valuation.

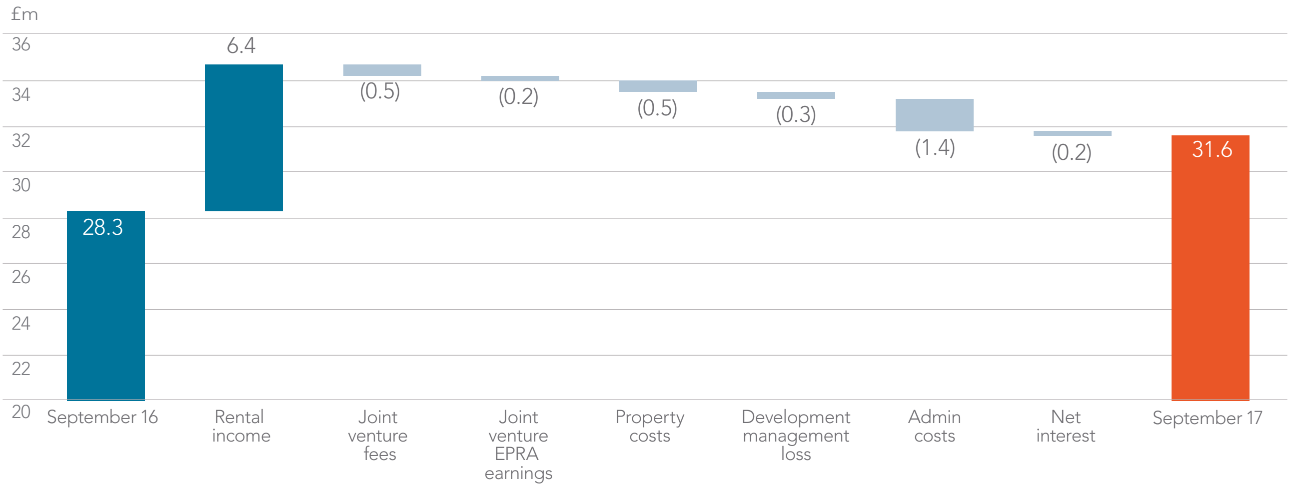
Appendix 3

EPRA NAV per share



1. Impact of 19 for 20 share consolidation with special dividend.

EPRA earnings



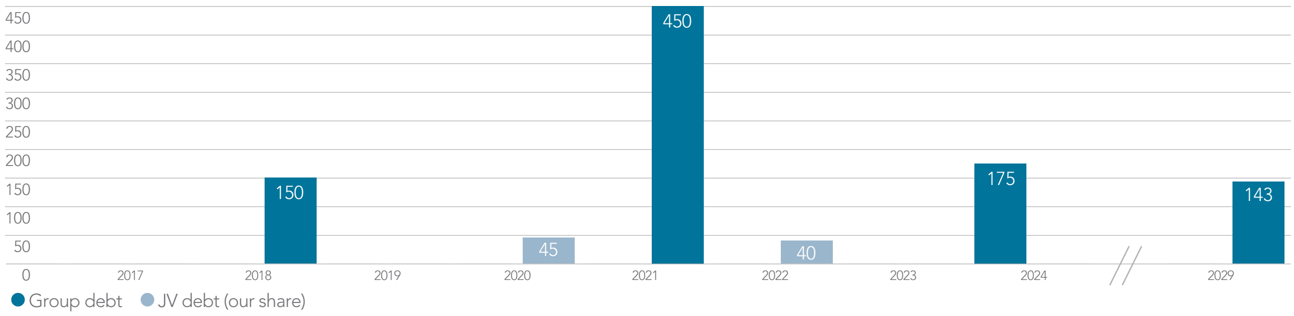
Debt analysis

	Pro forma[1]	Sept 2017	March 2017
Net debt excluding JVs (£m)	**432.3**	**514.6**	502.8
Net gearing	**16.4%**	**19.5%**	18.4%
Total net debt including 50% JV non-recourse debt (£m)	**504.7**	**587.0**	576.8
Loan-to-property value	**15.4%**	**17.9%**	18.3%
Total net gearing	**19.2%**	**22.3%**	21.1%
Interest cover		**n/a**	n/a
Weighted average interest rate		**2.7%**	3.0%
Weighted average cost of debt		**3.3%**	4.0%
% of debt fixed/hedged		**90%**	82%
Cash and undrawn facilities (£m)	**497**	**415**	378

1. Pro forma for remaining net deferred proceeds (£82.3m) from the sale of 73/89 Oxford St, W1 and Rathbone Square, W1 (commercial).

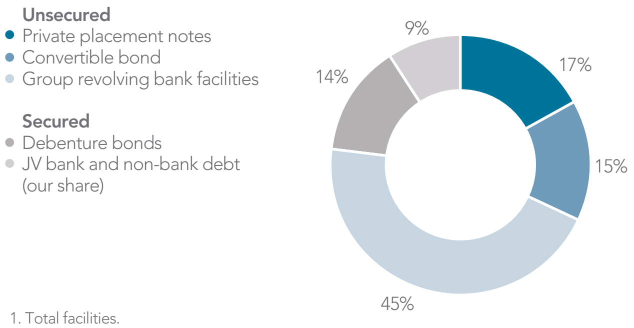
Appendix 3

Debt maturity profile[1] £m



1. Based on committed facilities at 15 November 2017.

Diversified sources of debt funding[1]



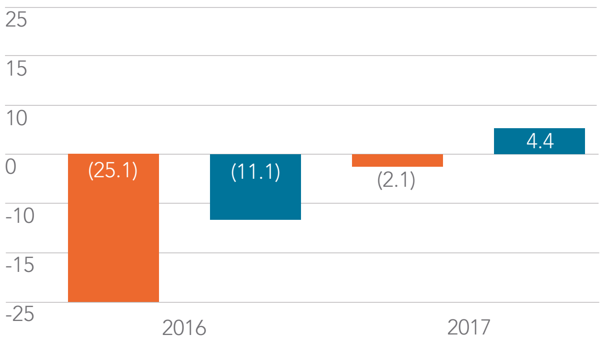
1. Total facilities.

EPRA performance measures

Measure	Definition of Measure	**Sept 2017**	Sept 2016
EPRA earnings	Recurring earnings from core operational activities	**£31.6m**	£28.3m
EPRA earnings per share	EPRA earnings divided by the weighted average number of shares	**9.6p**	8.3p
Diluted EPRA earnings per share	EPRA earnings divided by the diluted weighted average number of shares	**9.6p**	8.3p
EPRA costs (by portfolio value)	EPRA cost (including direct vacancy costs) divided by market value of the portfolio	**1.0%**	0.8%
		Sept 2017	March 2017
EPRA net assets	Net assets adjusted to exclude the fair value of financial instruments	**£2,647.1m**	£2,735.9m
EPRA NAV	EPRA net assets divided by the number of shares at the balance sheet date on a diluted basis	**813p**	799p
EPRA triple net assets	EPRA net assets amended to include the fair value of financial instruments and debt	**£2,616.3m**	£2,679.3m
EPRA NNNAV	EPRA triple net assets divided by the number of shares at the balance sheet date on a diluted basis	**804p**	782p
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	**3.2%**	3.0%
EPRA "topped up" NIY	EPRA NIY adjusted to include rental income in rent-free periods (or other unexpired lease incentives)	**3.6%**	3.3%
EPRA vacancy	ERV of non-development vacant space as a percentage of ERV of the whole portfolio	**6.6%**	8.0%

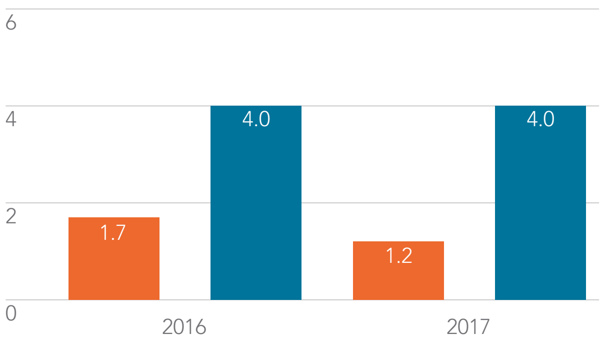
Appendix 3

Total Shareholder Return (%) (TSR)*



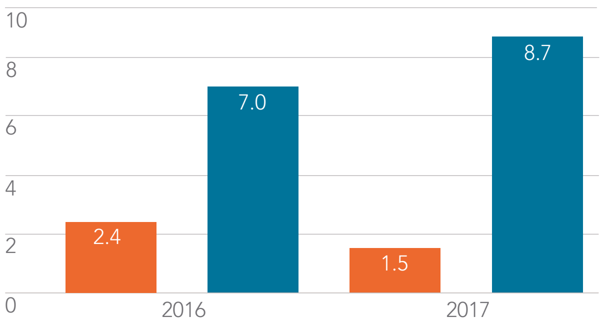
Commentary
The TSR of the Group was down 2.1% for the year compared to 4.4% up for the FTSE 350 Real Estate (excluding agencies).

Total Accounting Return (%) (TAR growth)*



Commentary
TAR was +1.2% over the year reflecting the increase in value of the property portfolio. This compares to the lower end of the target range of 4% growth required for any payment to be made under the TAR based element of the Group's remuneration schemes.

Total Property Return (%) (TPR)*



Commentary
The Group generated a portfolio TPR of 1.5% in the year whereas the IPD Central and Inner London Quarterly Index produced a total return of 8.7%, resulting in an absolute underperformance of 7.2 percentage points, and a relative underperformance of 6.6 percentage points.

GPE Benchmark

* Year to September.