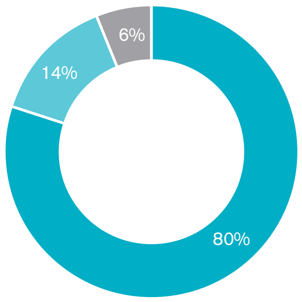
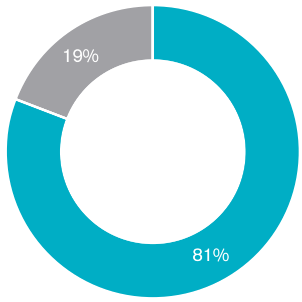
Our locations[1]



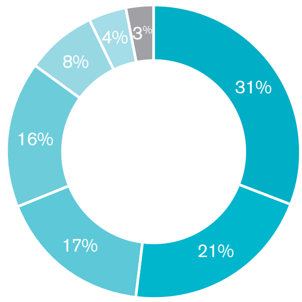
- West End £1,464.9 million
- City £258.1 million
- Southwark £101.6 million

Our business mix[1]



- Office £1,474.1 million
- Retail £350.5 million

Tenant diversity[1]

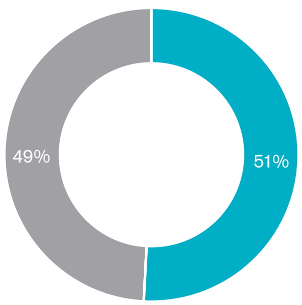


- Retailers and leisure
- Banking and finance
- Media and marketing
- Corporates
- Professional
- Government
- IT and telecoms

1 Includes Group's share of joint ventures.

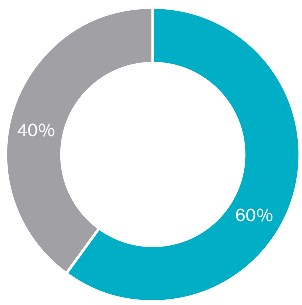
Joint venture business – contribution to the Group

Gross property assets[1]



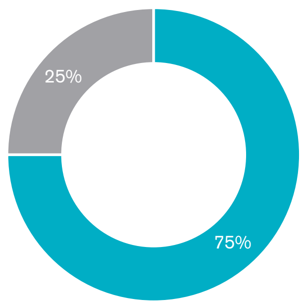
- Wholly-owned £1,189.3 million
- Joint ventures £1,163.4 million

Net assets[2]



- Wholly-owned £705 million
- Joint ventures £462.9 million

Net debt[2]



- Wholly-owned £473.2 million
- Joint ventures £157.3 million

1 100% values at 30 September 2011.

2 GPE share.

Lease profile

At 30 September 2011

			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	23.8	0.5	24.3	1.8	0.1	1.9	26.2
		Retail	4.9	–	4.9	4.2	1.2	5.4	10.3
	Rest of West End	Office	4.9	0.8	5.7	6.7	0.9	7.6	13.3
		Retail	2.6	0.5	3.1	4.0	0.4	4.4	7.5
	Total West End		**36.2**	**1.8**	**38.0**	**16.7**	**2.6**	**19.3**	**57.3**
	City and Southwark	Office	7.4	2.4	9.8	5.6	0.3	5.9	15.7
		Retail	0.8	0.5	1.3	–	–	–	1.3
	Total City and Southwark		**8.2**	**2.9**	**11.1**	**5.6**	**0.3**	**5.9**	**17.0**
Total let portfolio			**44.4**	**4.7**	**49.1**	**22.3**	**2.9**	**25.2**	**74.3**
Voids					1.7			1.5	3.2
Premises under refurbishment					10.5			11.9	22.4
Total portfolio					**61.3**			**38.6**	**99.9**

Rent roll security, lease lengths and voids

At 30 September 2011

			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	39.4	5.1	2.9	0.6	3.0	9.1
		Retail	75.5	9.1	–	78.0	8.3	–
	Rest of West End	Office	–	1.7	5.2	14.8	2.8	4.3
		Retail	6.1	2.3	3.5	80.8	12.9	–
	Total West End		**36.6**	**5.2**	**3.2**	**46.0**	**6.7**	**4.5**
	City and Southwark	Office	58.4	6.0	0.7	62.1	4.8	3.7
		Retail	72.2	8.6	1.1	–	–	–
	Total City and Southwark		**59.8**	**6.3**	**1.1**	**62.1**	**4.8**	**3.8**
Total let portfolio			**40.9**	**5.4**	**2.7**	**50.1**	**6.3**	**4.4**

Rental values and yields

At 30 September 2011

			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	34	37	27	45	4.0	5.2	3.7	4.7
		Retail	35	35	73	85	3.3	5.2	4.5	4.9
	Rest of West End	Office	35	45	38	42	1.2	4.7	5.0	5.3
		Retail	45	52	57	63	2.3	4.8	4.6	5.1
	Total West End		**35**	**39**	**45**	**49**	**3.1**	**5.1**	**4.6**	**5.1**
	City and Southwark	Office	27	33	40	40	3.9	5.9	5.8	6.3
		Retail	21	33	–	20	4.1	5.6	–	6.1
	Total City and Southwark		**27**	**34**	**40**	**40**	**3.9**	**5.9**	**5.8**	**6.3**
Total portfolio			**33**	**37**	**44**	**47**	**3.3**	**5.2**	**4.9**	**5.3**

The Group views effective risk management as integral to the delivery of superior returns to shar›olders. 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 received and scenario planning for different economic cycles. 35% 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 choice of those buildings with limited relative potential performance. Regular review of the prospective performance of individual units 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.
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. 35% 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. Regular review of the prospective performance of individual units and their business plans with Joint Venture partners.

Risk and impact	Mitigation
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 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.
Inappropriate capital structure results in sub-optimal NAV per share growth	Regular review of current and forecast debt and gearing levels.
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.
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.
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.

Portfolio performance to 30 September 2011

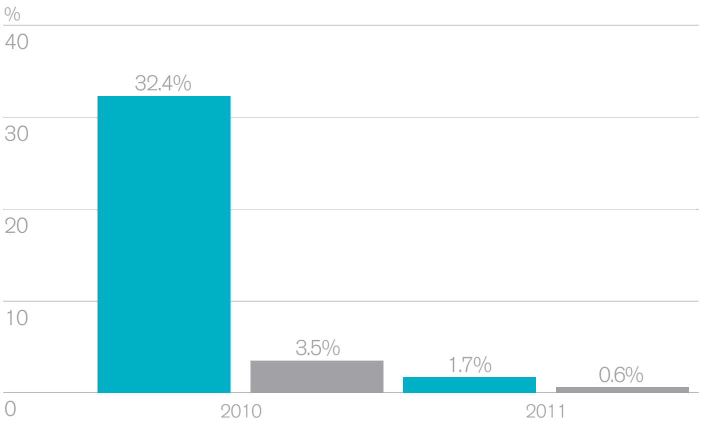
		Wholly-owned £m	Share of joint venture £m	Total £m	Proportion of portfolio %	Six month valuation movement %
North of Oxford Street	Office	426.2	73.1	499.3	27.4	0.9
	Retail	87.3	85.0	172.3	9.4	0.9
Rest of West End	Office	209.7	121.6	331.3	18.2	8.2
	Retail	59.4	70.9	130.3	7.1	9.8
Total West End		782.6	350.6	1,133.2	62.1	3.9
City and Southwark	Office	176.1	71.0	247.1	13.5	2.6
	Retail	19.5	0.1	19.6	1.1	(1.1)
Total City and Southwark		195.6	71.1	266.7	14.6	2.3
Investment property portfolio		978.2	421.7	1,399.9	76.7	3.6
Development property		85.1	213.6	298.7	16.4	5.3
Total properties held throughout the period		**1,063.3**	**635.3**	**1,698.6**	**93.1**	**3.9**
Acquisitions		126.0	–	126.0	6.9	0.1
Total portfolio		**1,189.3**	**635.3**	**1,824.6**	**100.0**	**3.6**

Portfolio characteristics as at 30 September 2011

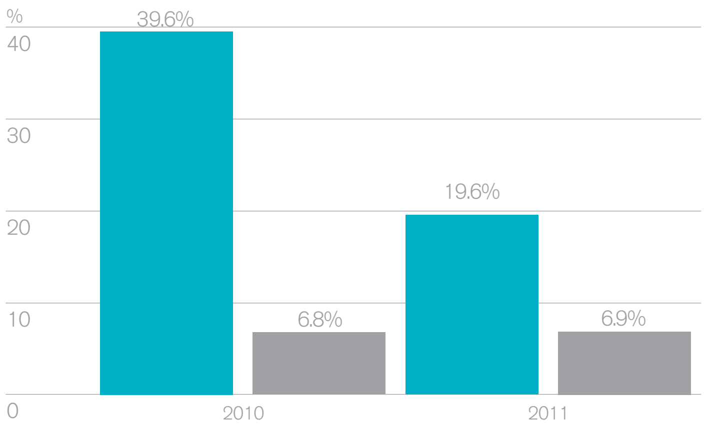
		Investment properties £m	Development properties £m	Total property portfolio £m	Office £m	Retail £m	Total £m	Net internal area sq ft 000's
North of Oxford Street		797.5	205.8	1,003.3	803.0	200.3	**1,003.3**	1,599
Rest of West End		461.6	–	461.6	331.3	130.3	**461.6**	753
Total West End		1,259.1	205.8	1,464.9	1,134.3	330.6	**1,464.9**	2,352
City and Southwark		266.8	92.9	359.7	339.8	19.9	**359.7**	800
Total		1,525.9	298.7	1,824.6	1,474.1	350.5	**1,824.6**	3,152
By use:	Office	1,185.8	288.3	1,474.1				
	Retail	340.1	10.4	350.5				
Total		**1,525.9**	**298.7**	**1,824.6**				
Net internal area sq ft 000's		2,755	397	3,152				

Group key performance indicators

Total Shareholder Return (TSR)*



Adjusted net assets per share growth*



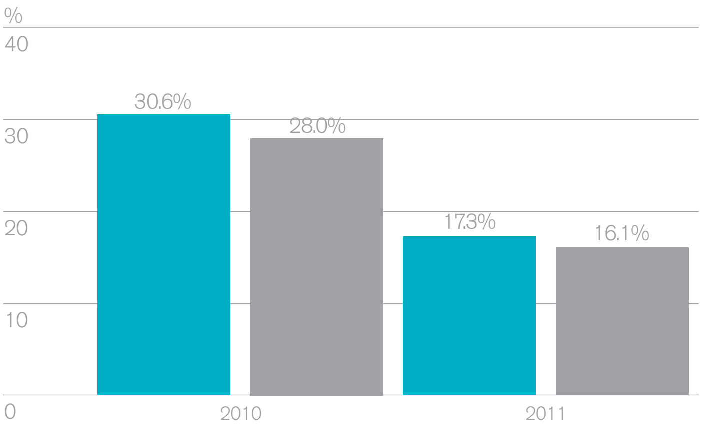
Commentary

The TSR of the Group outperformed the FTSE 350 Real Estate Index by 1.1 percentage points and in absolute terms it was 1.7%.

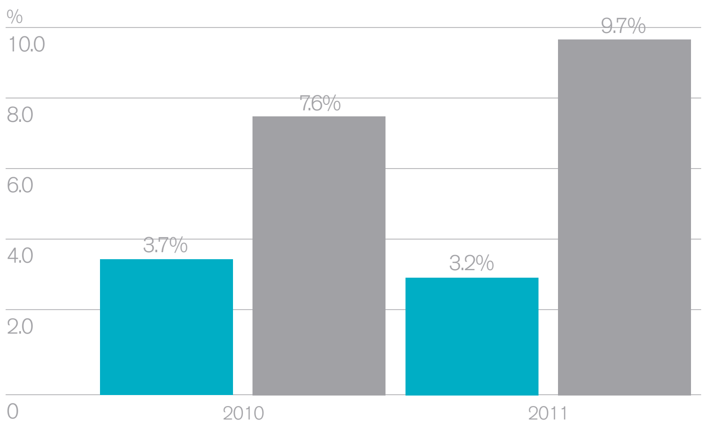
Commentary

Net assets per share increased by 19.6% over the year as driven by the continued recovery in the property investment market. Our RPI benchmark stayed at broadly the same level as last year causing a 12.7 percentage point relative outperformance for the year.

Portfolio Total Property Return (TPR)*



EPRA vacancy*



Commentary

The Group generated a portfolio TPR of 17.3% in the year whereas the benchmark produced a return of 16.1% resulting in a relative outperformance of 1.0 percentage points.

Commentary

The Group's vacancy rate was 3.2% compared to the benchmark of 9.7% resulting in an outperformance of 6.5 percentage points.

GPE Benchmark

* Year to September.