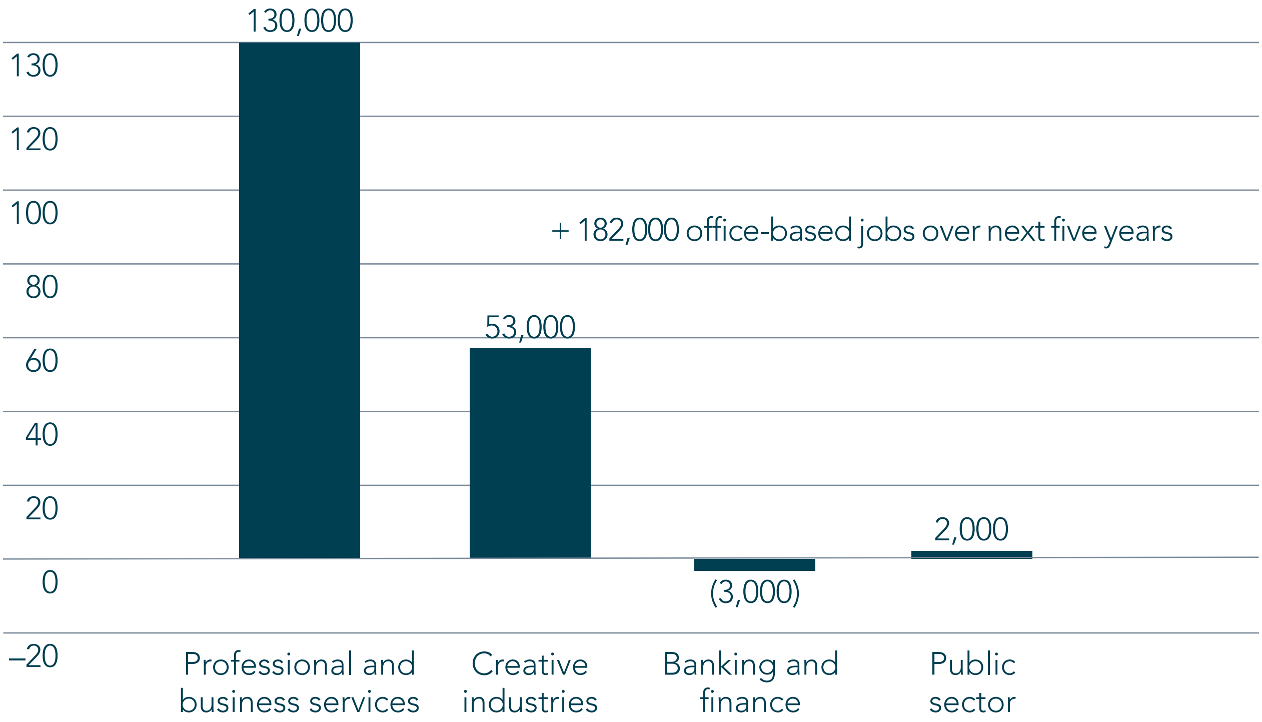
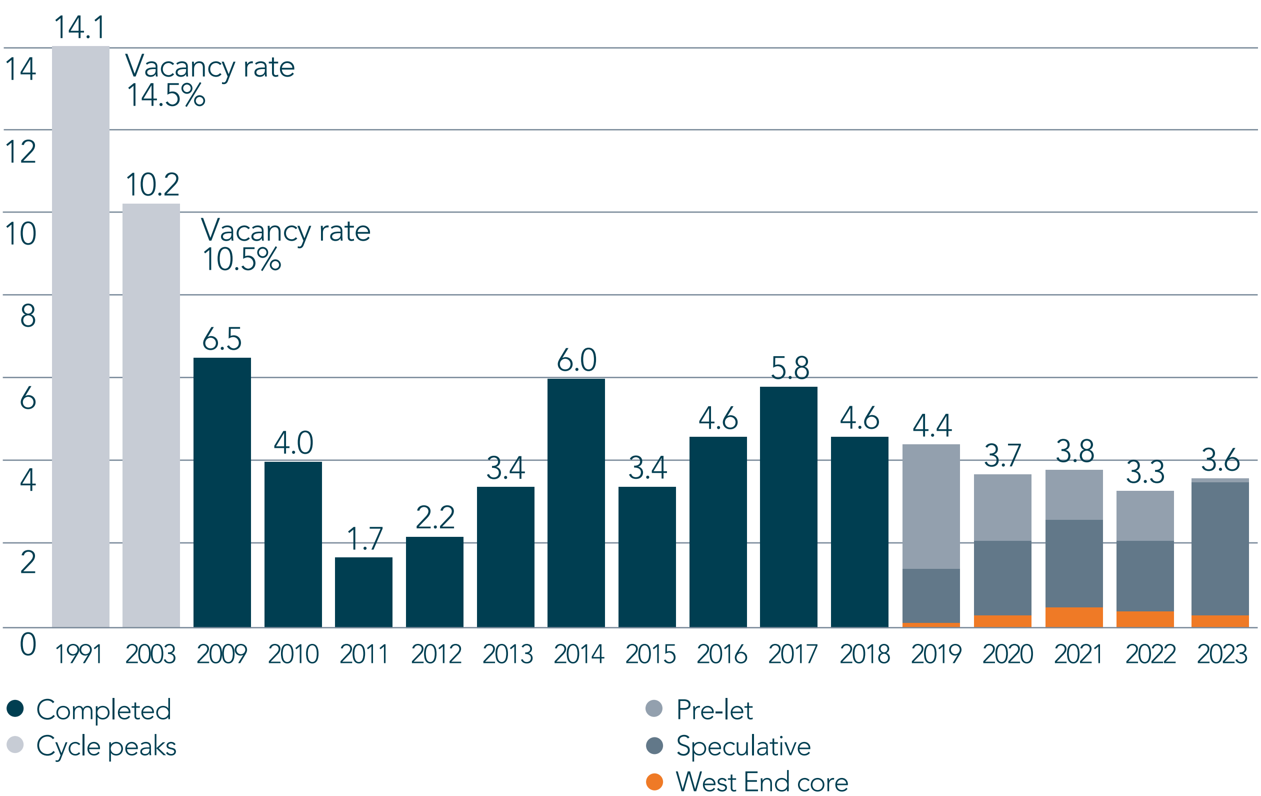
Appendix 1

Forecast office-based employment growth in London (next five years)
thousands of people



Source: CBRE/Oxford Economics

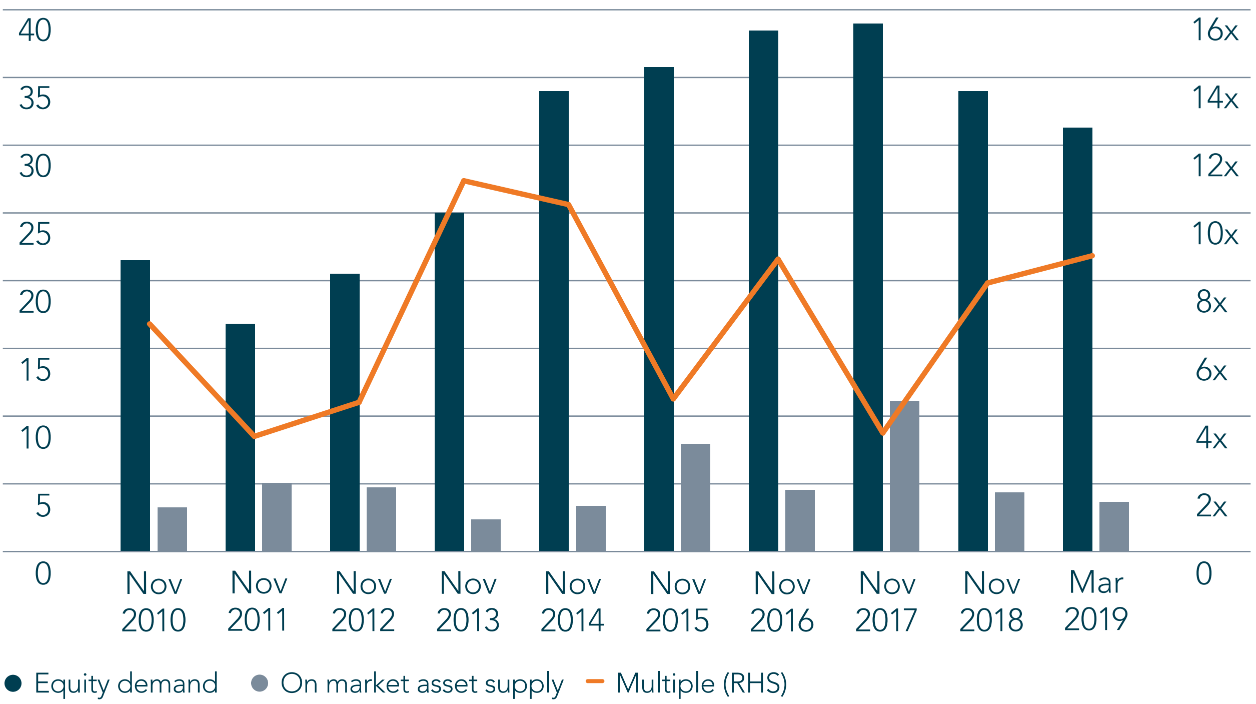
Central London office potential completions million sq ft



Source: CBRE/GPE

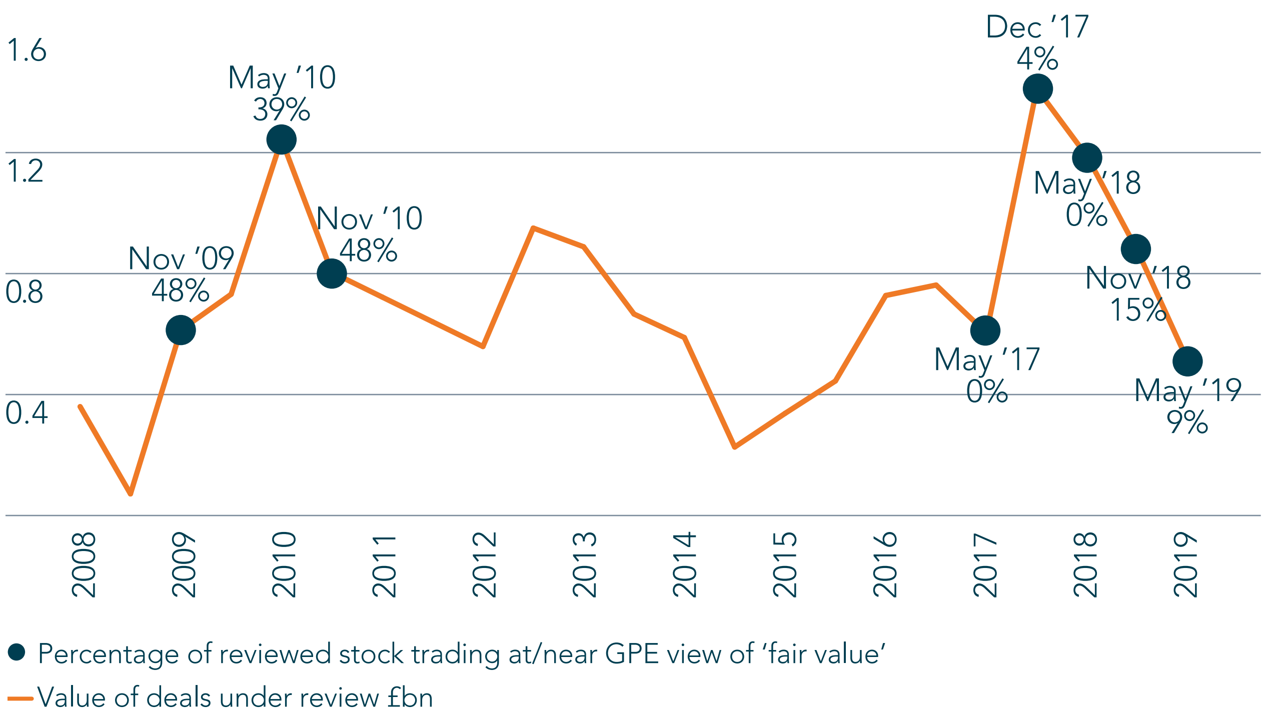
Appendix 1

London equity demand and asset supply £bn



Source: CBRE/GPE

Value of deals under review by GPE £bn



Source: Company data

Appendix 1

Selected lead indicators[1]

Drivers of rents	2018 Outlook	**2019 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	🔴	🔴

1. Near term market outlook assuming orderly Brexit.

Appendix 2

Portfolio performance

		Wholly-owned £m	Joint ventures[1] £m	Total £m	Proportion of portfolio %	Valuation movement %
North of Oxford Street	Office	543.1	–	543.1	21.1	2.3
	Retail	129.9	99.4	229.3	8.9	(8.3)
	Residential	13.7	–	13.7	0.5	2.4
Rest of West End	Office	252.1	–	252.1	9.8	(1.0)
	Retail	241.6	34.4	276.0	10.7	1.2
	Residential	5.5	–	5.5	0.2	1.3
Total West End		1,185.9	133.8	1,319.7	51.2	(0.6)
City, Midtown and Southwark	Office	563.3	227.0	790.3	30.5	(0.5)
	Retail	29.5	3.1	32.6	1.3	1.8
	Residential	3.7	–	3.7	0.1	(0.2)
Total City, Midtown and Southwark		596.5	230.1	826.6	31.9	(0.4)
Investment property portfolio		**1,782.4**	**363.9**	**2,146.3**	**83.1**	**(0.5)**
Development property		207.5	225.2	432.7	16.9	4.1
Total properties held throughout the year		**1,989.9**	**589.1**	**2,579.0**	**100.0**	**0.2**
Acquisitions		–	–	–	–	–
Total property portfolio		**1,989.9**	**589.1**	**2,579.0**	**100.0**	**0.2**

1. GPE share.

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		786.1	178.5	964.6	617.7	333.1	13.8	964.6	740
Rest of West End		533.6	225.2	758.8	385.4	359.3	14.1	758.8	568
Total West End		**1,319.7**	**403.7**	**1,723.4**	**1,003.1**	**692.4**	**27.9**	**1,723.4**	**1,308**
City, Midtown and Southwark		826.6	29.0	855.6	819.4	32.6	3.6	855.6	1,337
Total		**2,146.3**	**432.7**	**2,579.0**	**1,822.5**	**725.0**	**31.5**	**2,579.0**	**2,645**
By use:	Office	1,585.5	237.0	1,822.5					
	Retail	537.9	187.1	725.0					
	Residential	22.9	8.6	31.5					
Total		**2,146.3**	**432.7**	**2,579.0**					
Net internal area sq ft 000's		2,230	415	2,645					

Appendix 2

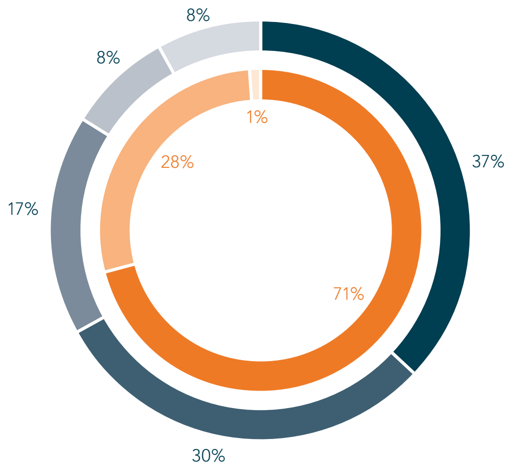
Our portfolio – 100% Central London, with 54% in our development programme

Locations

- North of Oxford Street **£964.6m**
- Rest of West End **£758.8m**
- City **£445.7m**
- Southwark **£209.5m**
- Midtown **£200.4m**

Business mix

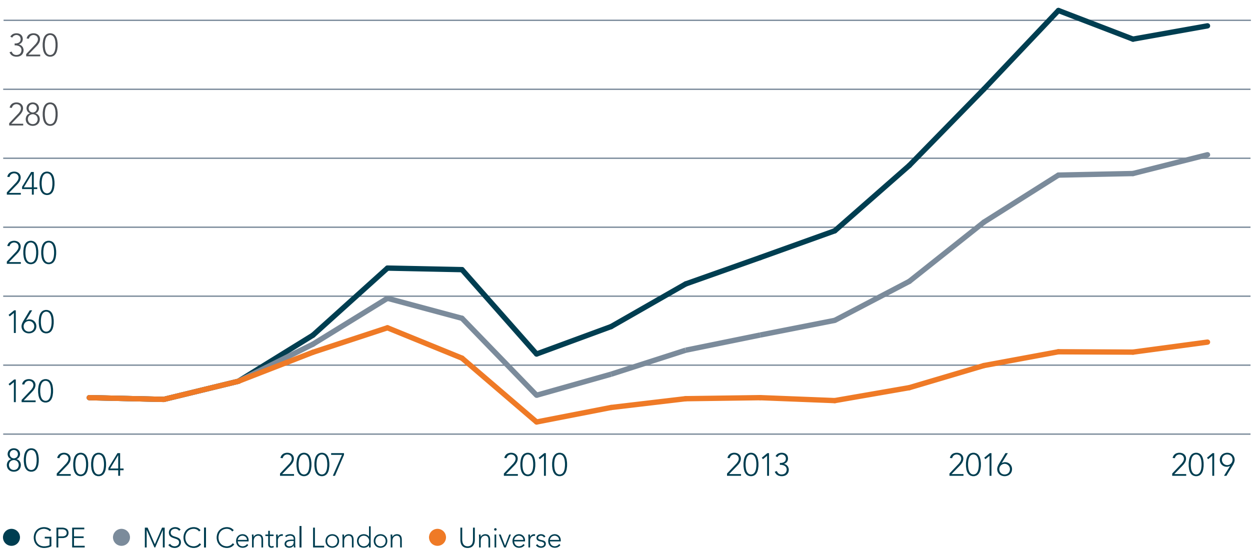
- Office **£1,822.5m**
- Retail **£725.0m**
- Residential **£31.5m**



£2,579 million portfolio valuation
2.6 million sq ft
17% in committed development
100% BREEAM 'Excellent' targeted
37% in development pipeline
47 properties, **35** sites
326 occupiers
£55.20 average office rent per sq ft
£100.4 million rent roll
1.2% rental value uplift in year
8.3% reversionary potential
4.8% vacancy rate
92% <800 metres from a Crossrail station

Long-term outperformance
Relative returns vs MSCI

Relative capital growth % pa[1]



1. 2004 – first pure comparability to MSCI central London.

Appendix 3

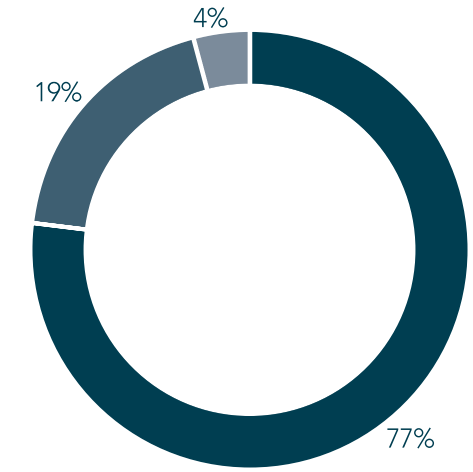
Sales for the year ended 31 March 2019

	Price[1] £m	Premium / (discount) to book value %	Price per sq ft £	NIY %
Commercial				
78/92 Great Portland Street, W1	48.2	2.4	1,362	3.90%
160 Great Portland Street, W1	127.3	(2.0)	1,328	4.08%
32/36 Great Portland Street, W1	18.9	7.3	1,465	3.94%
27/35 Mortimer Street, W1	38.5	0.8	1,242	3.90%
55 Wells Street, W1	64.6	(3.0)	1,674	3.99%
Percy House, 32/33 Gresse Street, W1	25.0	0.0	1,445	3.76%
Commercial total	**322.5**	**(0.6)**	**1,429**	**3.98%**
Residential				
78/92 Great Portland Street, W1	12.0	0.0	1,682	n/a
Rathbone Square, W1	14.4	(2.8)	2,263	n/a
Total	**348.9**	**(0.7)**	**1,459**	**3.98%**

1. Joint ventures at share and after deductions for tenant incentives.

Wholly-owned and joint venture property values at 31 March 2019

- Wholly-owned £1,989.8m
- Risk sharing £489.8m
- Access to new properties £99.4m



Appendix 3

Our development pipeline

City Place House, EC2*

Proposed size	**350,000 sq ft**
Earliest start	**2022**
Opportunity area	**Crossrail**

50 Finsbury Square, EC2

Proposed size	**122,000 sq ft**
Earliest start	**2020**
Opportunity area	**Crossrail**

New City Court, SE1*

Proposed size	**373,100 sq ft**
Earliest start	**2022**
Opportunity area	**London Bridge**

35 Portman Square, W1

Proposed size	**73,000 sq ft**
Earliest start	**2026**
Opportunity area	**Core West End**

Jermyn Street Estate, SW1

Proposed size	**133,100 sq ft**
Earliest start	**2021-2022**
Opportunity area	**Core West End**

Mount Royal, W1

Proposed size	**92,100 sq ft**
Earliest start	**2022-2023**
Opportunity area	**Core West End**

French Railways House and 50 Jermyn Street, SW1

Proposed size	**75,000 sq ft**
Earliest start	**2021-2022**
Opportunity area	**Core West End**

Kingsland/Carrington House, W1

Proposed size	**51,400 sq ft**
Earliest start	**2022-2023**
Opportunity area	**Prime retail**

Minerva House, SE1

Proposed size	**120,000 sq ft**
Earliest start	**2022**
Opportunity area	**London Bridge**

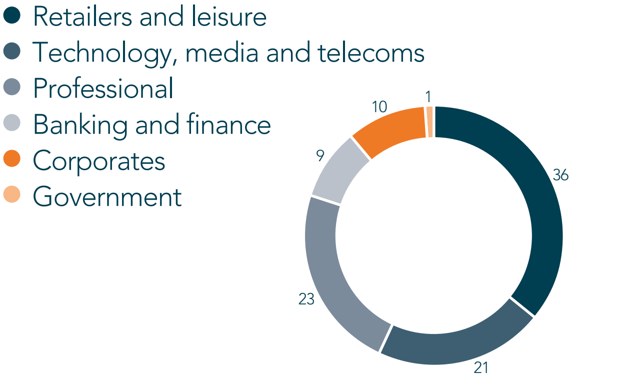
95/96 New Bond Street, W1

Proposed size	**9,600 sq ft**
Earliest start	**2023-2024**
Opportunity area	**Prime retail**

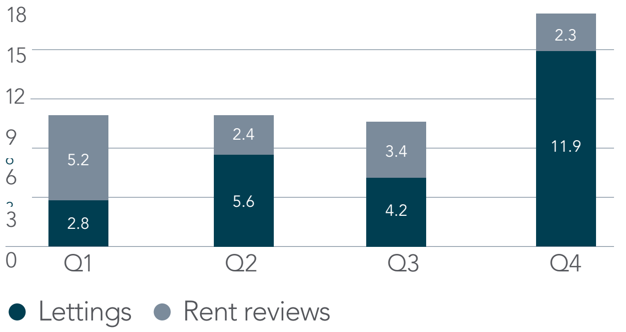
* Computer Generated Image

Appendix 3

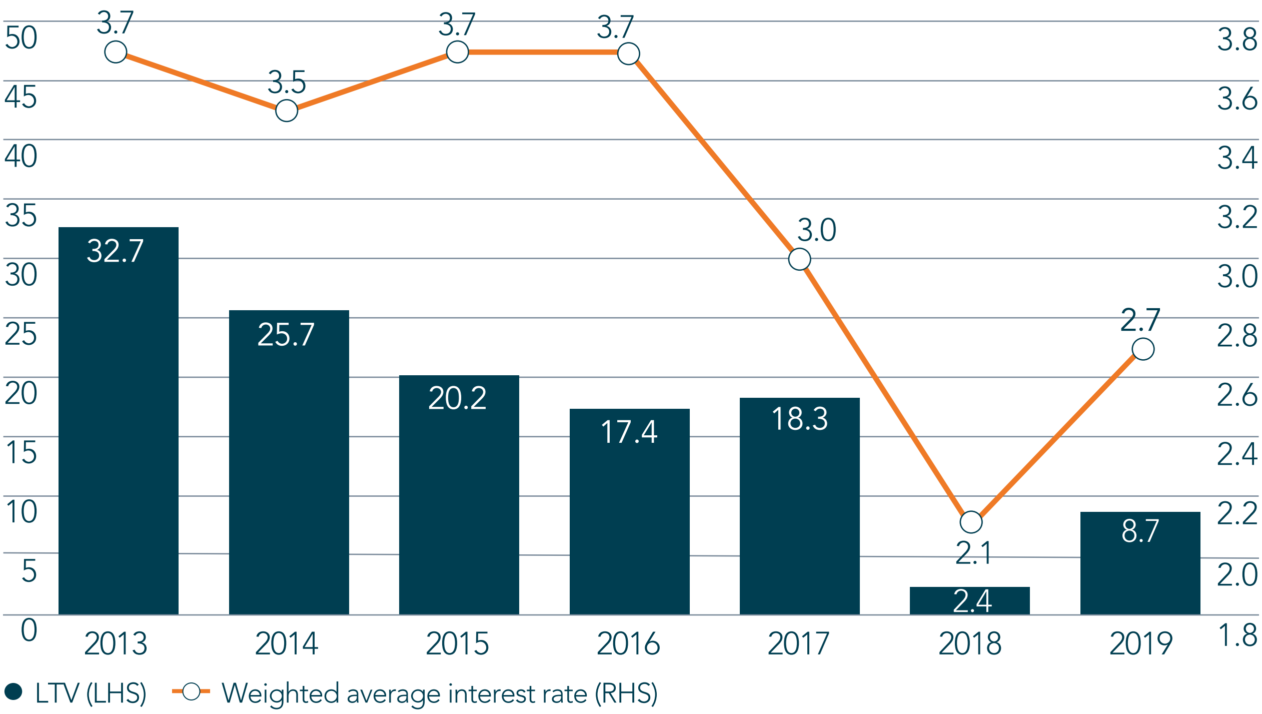
GPE occupier mix %



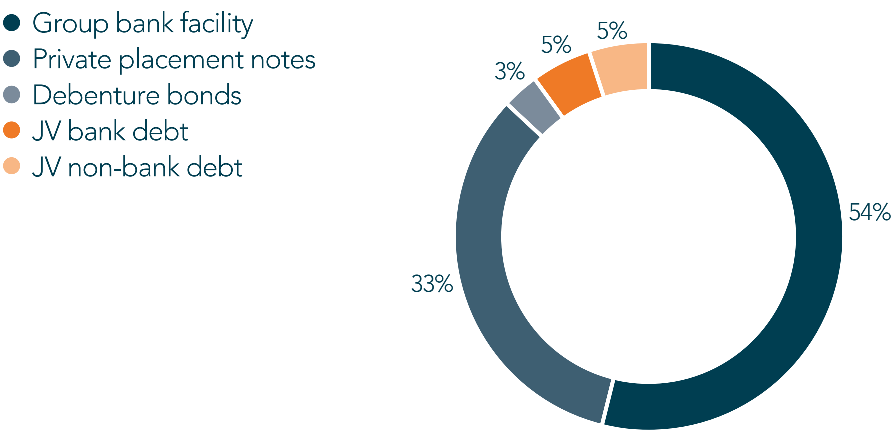
Lettings and rent reviews by quarter 2018/19 £m



LTV and cost of debt %



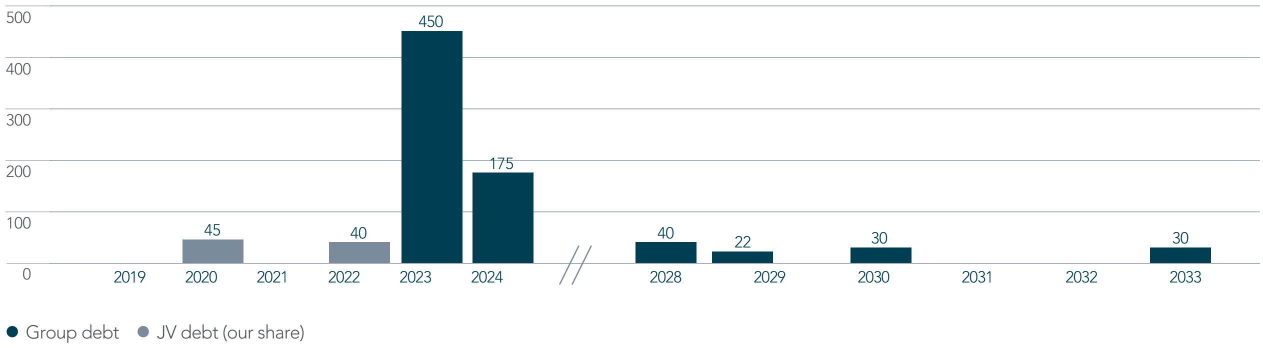
Sources of debt funding[1]



1. Based on committed facilities.

Appendix 3

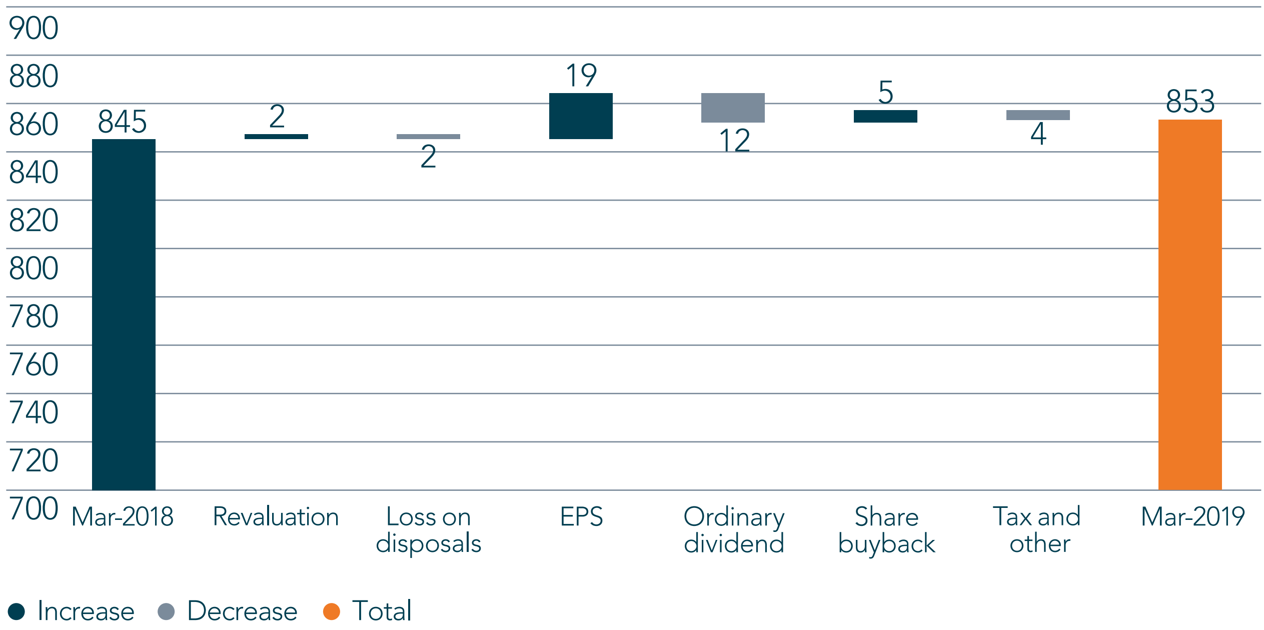
Debt maturity profile[1] £m



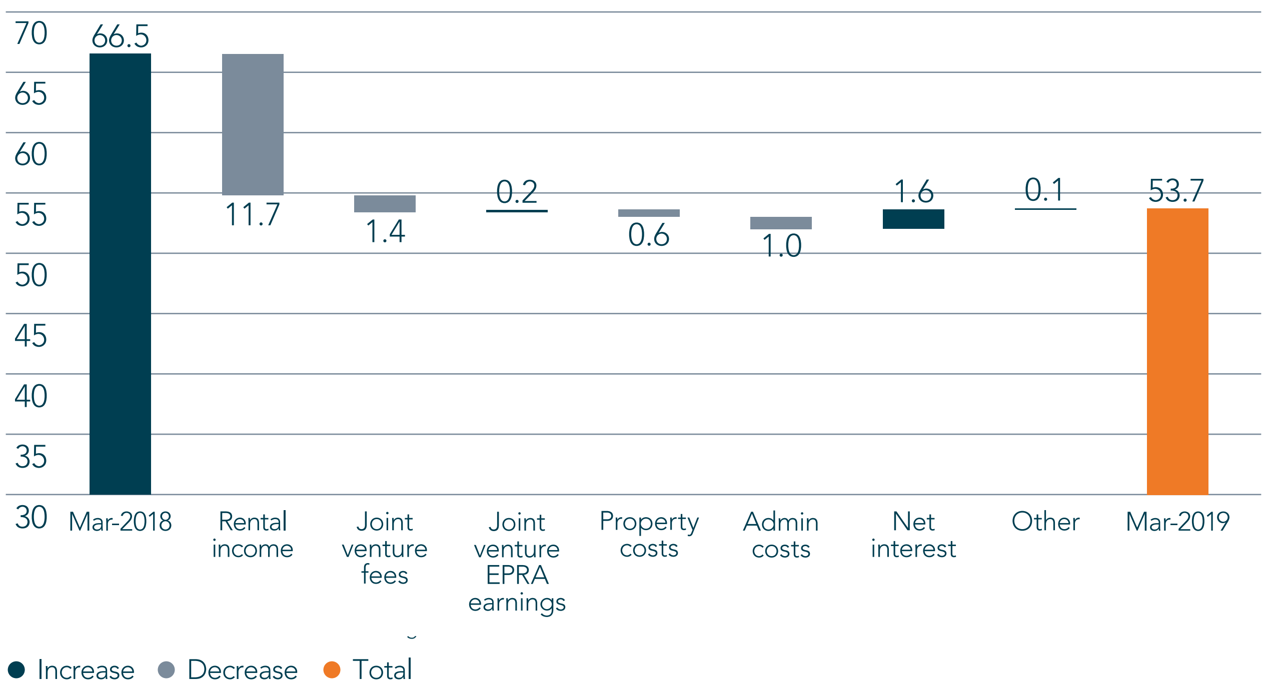
1. Based on committed facilities.

Appendix 4

EPRA NAV pence



EPRA earnings £m



Appendix 4

Debt analysis

	March 2019	March 2018
Net debt excluding JVs (£m)	**156.6**	(5.2)
Net gearing	**6.8%**	0%
Total net debt including 50% JV non-recourse debt (£m)	**224.0**	67.5
Loan to property value	**8.7%**	2.4%
Total net gearing	**9.7%**	2.9%
Interest cover	**n/a**	n/a
Weighted average interest rate	**2.7%**	2.1%
Weighted average cost of debt	**3.2%**	3.2%
% of debt fixed/hedged	**100%**	100%
Cash and undrawn facilities (£m)	**608**	814

EPRA performance measures

Measure	Definition of Measure	March 2019	March 2018
EPRA earnings*	Recurring earnings from core operational activities	**£53.7m**	£66.5m
EPRA EPS*	EPRA earnings divided by the weighted average number of shares	**19.5p**	20.4p
Diluted EPRA EPS*	EPRA earnings divided by the diluted weighted average number of shares	**19.4p**	20.4p
EPRA costs (by portfolio value)*	EPRA costs (including direct vacancy costs) divided by market value of the portfolio	**1.2%**	1.1%
EPRA net assets*	Net assets adjusted to include the valuation surplus from trading properties and exclude the fair value of financial instruments and deferred tax	**£2,310.1m**	£2,371.2m
EPRA NAV*	EPRA net assets divided by the number of shares at the balance sheet date on a diluted basis	**853p**	845p
EPRA triple net assets*	EPRA net assets amended to include the fair value of financial instruments, debt, deferred tax and tax on sale of trading properties	**£2,301.5m**	£2,363.8m
EPRA NNNAV*	EPRA triple net assets divided by the number of shares at the balance sheet date on a diluted basis	**850p**	842p
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	**3.3%**	3.6%
EPRA "topped up" NIY	EPRA NIY adjusted to include rental income in rent-free periods (or other unexpired lease incentives)	**3.6%**	3.8%
EPRA vacancy rate	ERV of non-development vacant space as a percentage of ERV of the whole portfolio	**8.6%**	8.6%

* Audited; reconciliation to IFRS numbers included in note 9 to the financial statements.

Appendix 5

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	24.0	0.9	24.9	–	–	–	24.9
		Retail	6.3	–	6.3	6.5	(0.4)	6.1	12.4
	Rest of West End	Office	13.1	0.3	13.4	–	–	–	13.4
		Retail	9.7	1.7	11.4	2.1	0.1	2.2	13.6
	Total West End		**53.1**	**2.9**	**56.0**	**8.6**	**(0.3)**	**8.3**	**64.3**
	City, Midtown and Southwark	Office	25.4	4.7	30.1	10.6	1.0	11.6	41.7
		Retail	2.6	–	2.6	0.1	–	0.1	2.7
	Total City, Midtown and Southwark		**28.0**	**4.7**	**32.7**	**10.7**	**1.0**	**11.7**	**44.4**
Total let portfolio			**81.1**	**7.6**	**88.7**	**19.3**	**0.7**	**20.0**	**108.7**
Voids					6.7			0.6	7.3
Premises under refurbishment					22.4			13.5	35.9
Total portfolio					**117.8**			**34.1**	**151.9**

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	31.7	4.9	0.9	–	–	–
		Retail	63.1	5.1	1.6	30.8	4.0	–
	Rest of West End	Office	5.7	2.9	2.2	–	–	–
		Retail	35.4	5.2	0.8	100.0	8.0	–
	Total West End		**29.8**	**4.5**	**1.4**	**47.9**	**5.0**	**–**
	City, Midtown and Southwark	Office	20.7	3.2	12.4	45.7	7.3	4.6
		Retail	66.7	12.5	9.4	100.0	14.7	37.5
	Total City, Midtown and Southwark		**25.0**	**4.1**	**12.4**	**46.2**	**7.4**	**5.0**
Total portfolio			**28.1**	**4.3**	**5.7**	**46.9**	**6.3**	**1.8**

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	68.6	74.5	–	–	3.9	4.5	–	–
		Retail	55.7	81.3	140.4	132.0	3.8	4.1	5.9	4.1
	Rest of West End	Office	74.6	74.8	–	–	3.8	4.7	–	–
		Retail	102.2	118.1	74.8	128.0	3.8	4.1	4.2	4.1
	Total West End		**72.4**	**76.7**	**115.4**	**117.7**	**3.9**	**4.4**	**5.5**	**4.1**
	City, Midtown and Southwark	Office	45.3	54.2	44.7	49.7	3.9	5.1	2.9	4.8
		Retail	79.4	80.5	48.2	46.0	3.1	4.6	–	4.6
	Total City, Midtown and Southwark		**47.2**	**54.4**	**44.8**	**49.6**	**3.9**	**5.1**	**2.8**	**4.8**
Total portfolio			**61.1**	**66.2**	**61.5**	**78.6**	**3.9**	**4.6**	**3.8**	**4.6**

Appendix 5

Top ten occupiers

	Occupier	Use	Rent roll (our share) £m	% of rent roll (our share)
1	Bloomberg L.P.	Office	5.7	5.6
2	New Look	Office	3.8	3.8
3	Turner Broadcasting	Office	3.0	2.9
4	Richemont UK Limited	Office	2.6	2.6
5	Winckworth Sherwood LLP	Office	2.5	2.5
6	Kurt Geiger Limited	Office	2.5	2.5
7	Carlton Communications Limited	Office	2.4	2.4
8	Superdry	Retail	2.1	2.1
9	ITN Limited	Office	1.8	1.8
10	Dennis Publishing Limited	Office	1.6	1.6
	Total		**28.0**	**27.8**

Appendix 6

Market risk

Risk	Impact	How we monitor and manage risk	Likelihood change from last year	Impact change from last year	Commentary
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 portfolio 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.	→	→	The central London real estate market marginally outperformed the wider UK market, demonstrated by MSCI's Central London TPR exceeding its universe TPR by 90 basis points on an absolute basis during the year ended 31 March 2019, although this follows two consecutive years of underperformance. Whilst the outlook for retail property outside central London has weakened significantly, the relatively muted outlook for central London office and retail rents means the likelihood of this risk after mitigation has been maintained.
Weakening macro-economic environment for property investment.	Property valuations may decline, with increased property yields and reduced occupier 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.	→	→	The UK macro-economic growth and interest rate outlook has remained mixed over the last 12 months, in part driven by continued geo-political uncertainty associated with the ongoing Brexit negotiations. When combined with limited UK stock market growth, despite increased price volatility, the likelihood of this risk has been maintained.
Heightened political uncertainty and potential negative economic impact of ongoing negotiations to exit from the EU.	Reluctance by investors and occupiers to make investment decisions whilst outcomes remain uncertain and/or reduced attractiveness of London as a global commercial centre. Disruption to development programme through potential impact on supply chain and labour markets.	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. The Group aims to maintain low financial leverage throughout the property cycle. The Group has a diverse occupier base with around 9% 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). Reviews undertaken of potential for advance delivery of materials.	→	→	Although investor and occupier demand for London commercial property has remained broadly resilient over the last year, there has been a slowdown in investment market activity since the start of 2019 given the previous expectation that the UK would be leaving the EU on 29 March 2019 and the ongoing uncertainty as to when a resolution to the Brexit negotiation impasse will be achieved. Whilst evidence suggests that UK economic growth has been lower than would have been expected had the EU referendum not taken place, principally as investment decisions have been delayed, looking ahead it still remains possible that the final negotiations to leave the EU may result in arrangements that are materially damaging to the UK economy and/or central London. These could reduce levels of investor and occupier demand as a result of reduced trade and relocation of corporations and financial institutions away from the UK. These risks would likely be further increased by any additional impediments for London's businesses to access talented employees from the EU and beyond, along with challenges to the supply chain for our development activities. In addition, the continuing uncertainty could also contribute to a potential change in the political landscape at both a local and UK level, which could adversely impact the prospects of both private sector business and the property sector. Taken together, the likelihood of this risk has been maintained at an elevated level, as has the risk after mitigation given our continued net sales activity, our financial strength (with a current loan to value of only 8.7%) and our costs now 98% fixed with our contractors on our three committed development schemes.

Appendix 6

Investment management

Risk	Impact	How we monitor and manage risk	Likelihood change from last year	Impact change from last year	Commentary
Incorrect reading of the property market 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.	→	→	The Group has continued to profitably recycle capital and take advantage of strong investor demand for well let, attractively located properties with sales totalling £348.9 million in the year. With limited availability of attractively priced acquisition opportunities and the depth of opportunity in our existing portfolio, we made no acquisitions in the year. With our strategic focus and capital discipline, there has been no change to the likelihood of this risk after mitigation.
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. 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.	→	→	The Group continues to monitor its portfolio mix and asset concentration risk. The Group has a diverse occupier base with its ten largest occupiers representing only 27.8% of rent roll. Our largest asset is only 8.7% of the total portfolio and 22.8% of the portfolio was held in joint ventures at 31 March 2019. In addition, following the sale of 11 apartments in the year, residential property now represents only 1% of our portfolio. As a result, there has been no change to the likelihood of this risk after mitigation.

Appendix 6

Portfolio management

Risk	Impact	How we monitor and manage risk	Likelihood change from last year	Impact change from last year	Commentary
Poor management of voids, rental mis-pricing, low occupier retention, sub-optimal rent reviews, occupier failures and dissatisfaction, and inappropriate refurbishments.	Failure to maximise income from investment properties.	The Group's in-house portfolio management and leasing teams proactively manage occupiers to ensure changing needs are met, 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. Independent occupier satisfaction surveys now undertaken every two years and new Head of Occupier Services role created during the year to strengthen our service delivery. EPC ratings reviewed in context of lease expiries to ensure improvements integrated into refurbishment plans.	→	→	The Group continues to actively manage the portfolio to maximise occupancy and drive rental growth. With a healthy occupier retention rate of 50% over the year, the Group maintained a relatively low void rate which was 4.8% at 31 March 2019 (4.9% at 31 March 2018). During the year, we secured £24.5 million of new rental income, with 37% of total lettings represented by pre-lets or lettings at recently completed developments. The rent reviews completed over the year were settled at an average increase of 19.2% above the previous passing rent. Whilst there was an increase in the number of our occupiers on our internal 'watchlist' (21 at 31 March 2019, compared to 22 a year earlier), particularly given the challenges in the UK retail sector, occupier delinquencies during the year represented only 0.17% of total rent roll. Moreover, at 31 March 2019 we held rent deposits and bank guarantees totalling £25.1 million (including for some of our larger retail occupiers). As a result of these performances and our current initiatives, there has been no change to the likelihood of this risk after mitigation.
Failure to react to evolving occupier needs including consideration of wellbeing, increased flexibility and enhanced sustainable building design (incorporating environmental performance and climate change resilience), combined with impact of technological advances on ways of working.	Buildings and lease structures cease to appeal to occupiers and investors, reducing income and valuations.	Our Director of Workplace and Innovation is responsible for keeping the Board up to date on market developments and incorporating innovation in the GPE portfolio. New Head of Office Leasing role created, whose remit includes managing the Group's approach to flexible office offerings. Reviews undertaken of further opportunities for flex space offering across the portfolio, including broadening our product offering. Guiding Principles of Design developed to outline our expectations of all parties involved in our refurbishment and development projects.	→	→	Our flex space offerings now represent 4% of our office space, which would rise to 10% when including space currently under appraisal. To ensure that we address the ever evolving workplace needs and future proof our developments, our Design Review Panel, chaired by our Director of Workplace and Innovation, meets weekly and challenges our professional teams to ensure that we create space that fulfils our occupiers' evolving needs. During the year, partnering with five continental European office REITS, we carried out research to understand what end users want and held a series of focus groups to understand what people expect from their office in the future.

Appendix 6

Development management

Risk	Impact	How we monitor and manage risk	Likelihood change from last year	Impact change from last year	Commentary
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.	→	→	The Group has made no new development commitments during the year, although committed development exposure has increased from 11% of the total portfolio 12 months ago to 17% today given capital expenditure. However, the Group's speculative development risk has reduced given pre-lettings during the year, increasing the pre-let proportion from 11% to 21%. As a result, the impact of this risk and likelihood after mitigation is unchanged, particularly given the quality of the space that we are delivering, all in close proximity to Crossrail stations.
Inability to profitably deliver the development programme and pipeline through: – incorrect reading of the property cycle; – inappropriate location; – failure to gain viable planning consents; – failure to reach agreement with adjoining owners/ freeholders on acceptable terms; – inappropriate level of speculative development; – incorrect cost and programme estimation; – construction cost inflation; – contractor availability and insolvency risk; – insufficient supply of labour; – insufficient Development Management team resource; – a building being inappropriate to occupier demand; – 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 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. arly engagement with local residents and community groups. Active engagement with planning authorities. Early engagement with adjoining owners and freeholders. 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 Project Management. Third party resource expertise used to support in-house teams, where appropriate. Sustainable Development Brief in place to ensure sustainable building design. Working with agents, potential occupiers and purchasers to identify their needs and aspirations including sustainability, wellbeing and technological advances during the planning application and design stages. Design Review Panel reviews building design and specification to ensure it is appropriate for likely occupier needs, including appropriate sustainability benchmarks. In-house Leasing/Marketing team liaise with external advisers on a regular basis and marketing timetables designed in accordance with leasing/marketing objectives. Sustainable building design, including climate change mitigation and adaption, considered at an early design stage. All our major developments are subject to a minimum BREEAM rating requirement of 'Very Good' for major refurbishments and 'Excellent' for new build developments. 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. Reviews undertaken of potential for advance delivery of materials. 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.	→	→	The Group's committed development exposure has not materially changed over the year with the three on-site schemes progressing well. These schemes have a combined GDV £775.9 million of which 21.3% is already de-risked through pre-lettings with capex to come of £139.5 million, down from £239.6 million a year ago. As a result, the impact of this risk and likelihood after mitigation is unchanged, with occupier demand remaining healthy for prime, new build space in central London and the supply of such space remaining tight.

Appendix 6

Financial risks

Risk	Impact	How we monitor and manage risk	Likelihood change from last year	Impact change from last year	Commentary
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.	→	→	The Group has continued to be active in managing its debt facilities, ensuring an attractive maturity ladder and maintaining diverse funding sources, predominantly borrowing on an unsecured basis. During the year, the Group refinanced its £450 million committed revolving credit facility, extending both its maturity and lowering its cost, drew down on £100 million new private placement notes and redeemed its £150 million convertible bond. As a result, the Group's weighted average debt maturity has increased to 6.4 years, and the Group has cash and undrawn credit facilities of £608 million. With our liquidity and debt position remaining exceptionally strong, the likelihood of this risk has not changed.
Increased interest rates and/or a fall in capital values, along with adverse exchange rate movements.	Adverse market movements negatively impact on debt covenants and cost of imported material for developments.	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 31 March 2019. Exchange rates fixed at the earliest opportunity on development sub-contracts.	→	→	Whilst broader economic and political uncertainties have kept global interest rates at relatively low levels, the Bank of England Base Rate increased by 0.25% in August 2018 to a still modest 0.75%, some way behind rates in the US. The expectation of any significant increases in UK interest rates over the next 12 months is low. Moreover, 100% of the Group's debt is currently at fixed or hedged interest rates, and the Group's weighted average interest rate remains low at only 2.7% (falling to 2.3% on a fully drawn basis). As a result, the risk likelihood after mitigation is unchanged, particularly given that we estimate property values could fall around 75% from their 31 March 2019 levels before Group debt covenants could be endangered, even before factoring in mitigating management actions.
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.	→	→	The Group's existing capital structure remains well placed to take advantage of opportunities as they arise and to deliver our current development commitments. As a result, the risk likelihood after mitigation is unchanged.

Appendix 6

People

Risk	Impact	How we monitor and manage risk	Likelihood change from last year	Impact change from last year	Commentary
Inability to attract, develop, motivate and retain talent in order to execute our business plans and maintain our inclusive and collegiate culture.	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, including introduction of mentoring programme. Clear articulation of GPE values so all existing and prospective employees understand our core beliefs and behaviours. Health and wellbeing programme implemented following earlier roll out of mental health training programme. Focus on people engagement with regular two-way communication and responsive employee-focused activities e.g. employee engagement surveys and flexible working. High profile, attractive development pipeline and high quality assets to manage.	→	→	The motivation of our people and maintaining our strong collaborative culture remains fundamental to the delivery of our strategic priorities. During the year, through our 'Together we thrive' initiative involving all our employees, we articulated our corporate values which we are embedding into all our activities, including employee appraisal and recruitment processes. We also launched our health and wellbeing programme for our employees, and held our inaugural annual Community Day working with our charity partner Centrepoint. Our staff retention remains high at 87% and our continued focus on growing the breadth and depth of our talent, providing focused development support where needed, means the risk likelihood after mitigation has fallen marginally over the year.

Appendix 6

Regulatory

Risk	Impact	How we monitor and manage risk	Likelihood change from last year	Impact change from last year	Commentary
Evolving planning, tax, environmental, fire safety and other regulation and practice reducing the relative attractiveness of our buildings and impeding the financial and operational performance of the Group, including increasing costs of compliance and/or risk of non-compliance.	Impairment of the Group's ability to deliver business plans, increased cost base and potential negative impact on property values given reduced investor and occupier interest in buildings and/or reputational damage.	Senior Group representatives spend considerable time, using experienced advisers as appropriate, to ensure compliance with current and potential future regulations. The Group actively engages with local politicians, planning officers and experienced specialist advisors to ensure our proposals are developed to comply with current and emerging policy. The Group also engages with local residents and community groups early in the design process to ensure that their feedback is considered as schemes evolve. Lobbying of property industry matters is undertaken by active participation of the Executive Directors and other Executive Committee members through relevant industry bodies. Sustainability Committee meets at least quarterly to consider strategy in respect of environmental legislation and to address key areas of climate change, carbon, energy, waste and biodiversity. Environmental management system in place. Energy reduction plan for every key property. We maintain a low-risk tax status and have regular meetings with HMRC.	↗	↗	lIn addition to the significant regulatory and tax uncertainty associated with the UK's exit from the EU, the introduction of capital gains tax for overseas investors on UK commercial property from April 2019 may impact the weight of investment appetite. In addition, updated draft guidance from HMRC regarding tax on sales of developments prior to completion by REITs may impact activity going forward. We are closely monitoring a number of local plan and other policy consultations by our key local authorities and the New London Plan Examination in Public. In Westminster, in particular, we have submitted representations on the draft City Plan and Oxford Street District Consultations. The sustainability requirements of the emerging London Plan have been integrated within our long-term sustainability strategy and Sustainable Development Brief. Only 0.4% of our portfolio (by area) is EPC F or G rated. Where units are vacant they are being refurbished to improve the rating or where they are currently let plans are in place to improve the rating when they become vacant. We have noted the conclusion of The Independent Review of Building Regulations and Fire Safety. We have reviewed our own processes and we are introducing occupier safety checks to support our occupiers with managing fire safety. Taken together, the risk likelihood after mitigation has marginally increased over the year.
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 manage health and safety risk in connection with our employees, contractors, members of the public and occupiers. Competency checks are undertaken for all consultants and contractors. We have a thorough accident investigation process supporting our employees and supply chain to learn from accidents and incidents to improve safety outcomes. Regular safety tours are undertaken by our Senior Management Team and Executive Committee.	→	→	We continue to focus on ensuring that we have a best in class and proactive health and safety culture at GPE, which we reinforced during the year with the recruitment of an additional Health and Safety Manager. When combined with no significant change to our level of development and refurbishment activities over the year, including in our occupied buildings, the likelihood of this risk after mitigation is unchanged. The Group had three reportable accidents during the year.

Appendix 6

Business interruption

Risk	Impact	How we monitor and manage risk	Likelihood change from last year	Impact change from last year	Commentary
An external event such as a power shortage, extreme weather, environmental incident, civil unrest or terrorist 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. The Group's insurance policies include cover for catastrophic events including fire, storm, riots and terrorism.	→	→	The likelihood of this risk is unchanged given the Home Office/ MI5 continue to assess the UK threat from international terrorism as severe.
Cyber threat or attack.	Business disruption to the Group's portfolio and operations and/or reputational damage from data loss.	The Group's Business Continuity Plan is regularly reviewed and recovery of data at off-site recovery centre is tested during the year. Regular testing of IT security is undertaken including penetration testing of key systems. The Group's data is regularly backed up and replicated. Employee awareness training on cyber risk is undertaken regularly. Cyber risk insurance in place.	→	→	Given the increased incidence of attempted cyber attacks on UK business, we have continued to invest time and resources in our cyber security measures, both in our head office and across our portfolio.