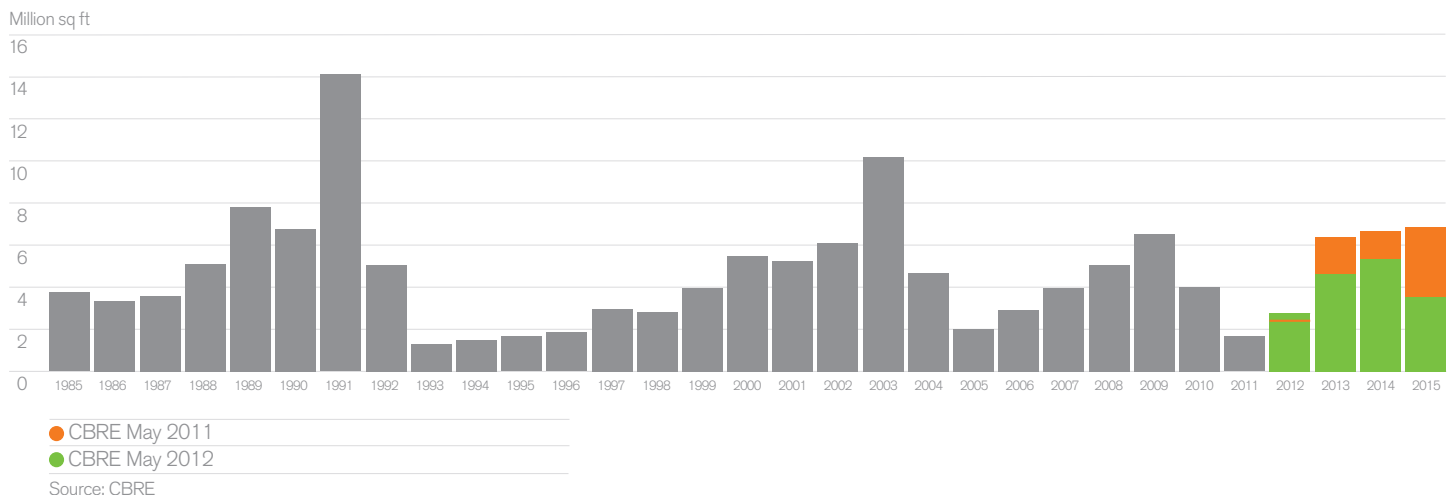
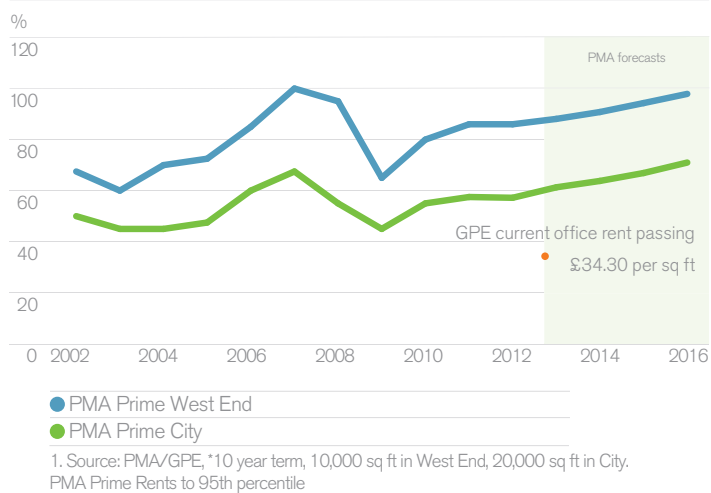


Appendix 1

Central London office potential completions



Headline rents (£ per sq ft)¹



London asset supply and equity demand

	Nov 2011	May 2012
Asset supply		
City	£3.8bn	£2.4bn
West End	£1.2bn	£1.3bn
	£5.0bn	£3.7bn
Equity demand		
	£16.8bn	£18.5bn
	3.4x	5.0x

Source: CBRE/GPE

Appendix 1

Selected lead indicators	Trends in year
Property capital values	
Equity prices	—
Bond prices	↑
Volume of new property 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	—
West End London retail sales	—
Business confidence levels in the central London economy	—
UK output from the financial and business services sector	↓
Employment levels in London's finance and business services sectors	↑

Appendix 2

Portfolio performance		Wholly-owned £m	Joint ventures £m	Total £m	Proportion of portfolio %	Valuation movement %
North of Oxford Street	Office	425.8	53.2	479.0	23.8%	3.2%
	Retail	58.6	87.5	146.1	7.3%	8.8%
Rest of West End	Office	213.7	82.6	296.3	14.8%	15.8%
	Retail	66.9	59.0	125.9	6.3%	23.0%
Total West End		765.0	282.3	1,047.3	52.2%	9.5%
City, Midtown and Southwark	Office	183.9	69.6	253.5	12.6%	3.7%
	Retail	19.8	–	19.8	1.0%	(1.2)%
Total City, Midtown and Southwark		203.7	69.6	273.3	13.6%	3.3%
Investment property portfolio		968.7	351.9	1,320.6	65.8%	8.2%
Development property		82.5	251.9	334.4	16.7%	13.7%
Total properties held throughout the year		1,051.2	603.8	1,655.0	82.5%	9.2%
Acquisitions		283.5	69.0	352.5	17.5%	0.9%
Total property portfolio		1,334.7	672.8	2,007.5	100.0%	7.7%

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		755.7	295.5	1,051.2	854.0	197.2	1,051.2	1,463
Rest of West End		537.3	–	537.3	382.4	154.9	537.3	734
Total West End		1,293.0	295.5	1,588.5	1,236.4	352.1	1,588.5	2,197
City, Midtown and Southwark		342.4	76.6	419.0	399.1	19.9	419.0	1,266
Total		1,635.4	372.1	2,007.5	1,635.5	372.0	2,007.5	3,463
By use:	Office	1,294.3	341.2	1,635.5				
	Retail	341.1	30.9	372.0				
Total		1,635.4	372.1	2,007.5				
Net internal area sq ft 000's		2,845	618	3,463				

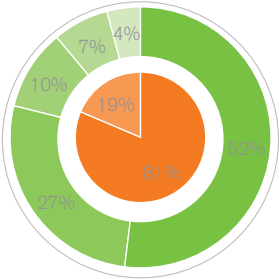
Portfolio characteristics

Our locations

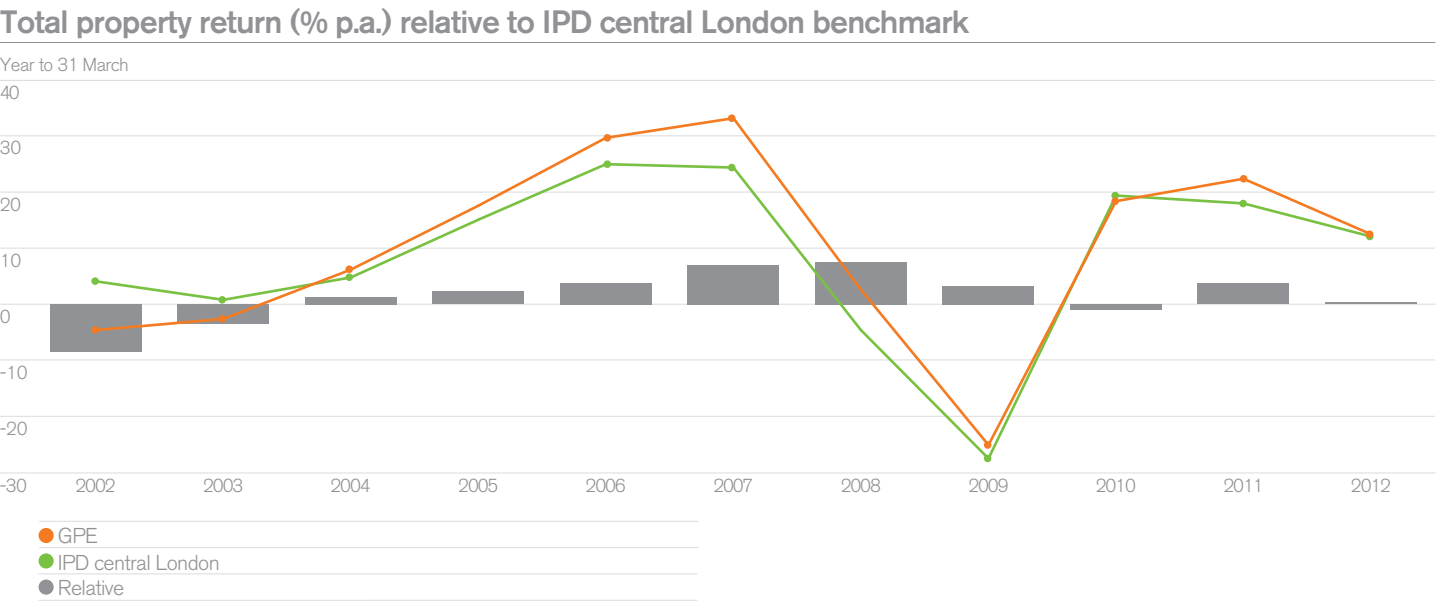
- North of Oxford Street £1,051.2m
- Rest of West End £537.3m
- City £191.3m
- Midtown £141.4m
- Southwark £86.3m

Business mix

- Office £1,635.5m
- Retail £372.0m



Appendix 2



Appendix 3

Purchases for the year to 31 March 2012

Description	Price	NIY	No. of props	£ per sq ft
Rathbone Place	120.0	2.1%	1	313
200 & 214 Gray's Inn Road	66.0 ¹	6.4%	1	455
GPE acquisitions from GCP	150.0	4.1%	5	773
Total	336.0		7	464

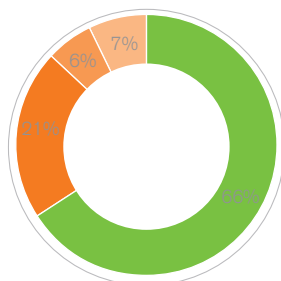
Note 1 Our share net of price adjustment to reflect tenant rent free period.

Sales for the year to 31 March 2012

Description	Price	NIY	No. of props	£ per sq ft
192/194 Oxford Street	19.1	3.9%	1	1,911
201/207 Kensington High Street	6.4	5.5%	1	726
26/40 Kensington High Street	31.3	4.5%	1	534
67/75 Kingsway	8.3	3.6%	1	533
Newman Street – residential	7.0	n/a	8	727
London Bridge Portfolio	27.0	5.5%	6	322
28/29 Savile Row	16.2	1.2%	1	1,017
Old Court Place	3.5	1.2%	1	2,484
Park Crescent East	23.5	2.9%	6	429
184/190 Oxford Street	38.5	4.4%	1	1,480
GCP disposals to GPE	75.0	4.1%	5	773
Total	255.8		32	534

Wholly owned and joint venture property values at 31 March 2012

- Wholly owned £1,334.7m
- Access to new properties £427.1m
- Risk sharing £112.7m
- Bank work out £133.0m



Net investment in joint ventures as at 31 March 2012 £m

Access to new properties		Risk sharing	
capco	139.5	Brookfield	58.7
LVE	70.1	bp	67.7
SCOTTISH WIDOWS	53.7	Bank work out	
STARWOOD CAPITAL GROUP	31.9	EURO INPO	116.6
Total			538.2

Appendix 3

Committed schemes and pipeline

Development	Anticipated finish	New building area ¹	Cost to come £m ²	Current ERV £m ²	Secured income £m ²
Committed – on site					
33 Margaret Street, W1	Oct 2012	103,200	12.1	7.5	7.3
95 Wigmore Street, W1	Jun 2013	111,400	14.7	3.7	–
240 Blackfriars Road, SE1	Mar 2014	237,700	44.7	5.3	2.5
		452,300	71.5	16.5	9.8
Committed					
Walmar House, 288/300 Regent Street, W1	Jan 2014	59,200	9.2	3.6	0.4
City Tower, Basinghall Street, EC2	Jun 2013	139,600	9.2	2.7	1.3
Total of committed		651,100	89.9	22.8	11.5
Near-term					
3 projects	2013–2016	573,700			
Pipeline					
13 Projects		2,056,000			
Total programme					
21 projects, 54% of GPE's existing portfolio		3,280,800			

¹ Areas in sq ft and at 100%

² For those held in JV, amounts shown at 50%

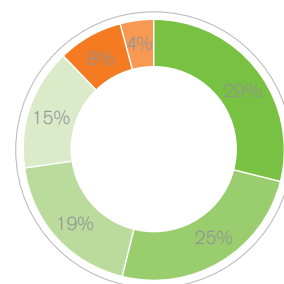
Appendix 3

Top ten tenants

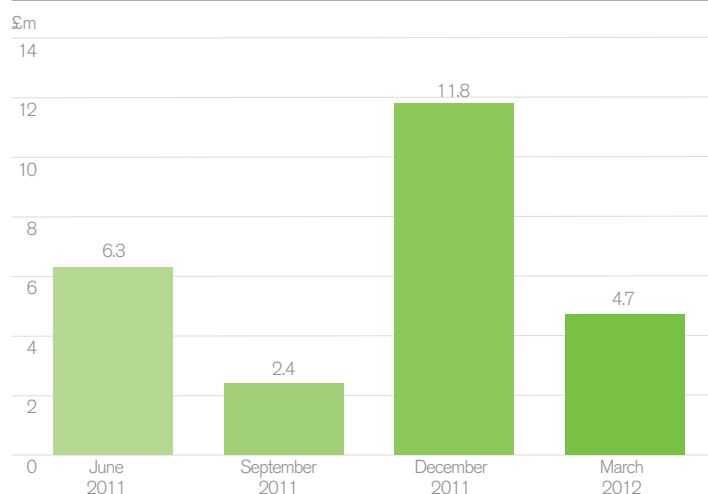
	Rent roll £m	Rent roll %
1 The Engine Group	3.8	5.3
2 Intesa Sanpaolo	2.9	4.0
3 Royal Mail Group	2.6	3.6
4 New Look	2.6	3.6
5 Carlton Communications	2.3	3.2
6 VNU Business Publications	1.8	2.5
7 Kurt Geiger	1.5	2.1
8 Fallon London	1.5	2.1
9 Independent Television News	1.5	2.1
10 Cleary Gottlieb Steen & Hamilton	1.4	1.9
Total	21.9	30.4

GPE tenant mix (including share of joint ventures)

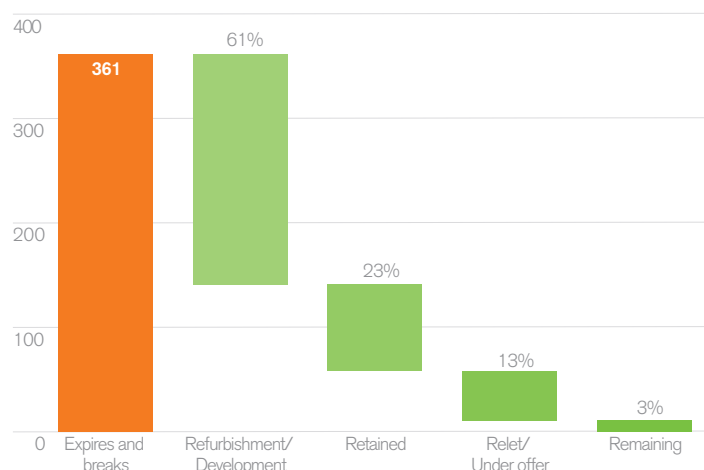
- Retailers and leisure
- Technology, media and telecoms
- Banking and finance
- Corporates
- Professional
- Government



New lettings and renewals by quarter



Tenant retention by area (000 sq ft)



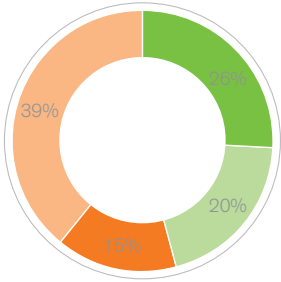
Net gearing and interest cover



Appendix 3

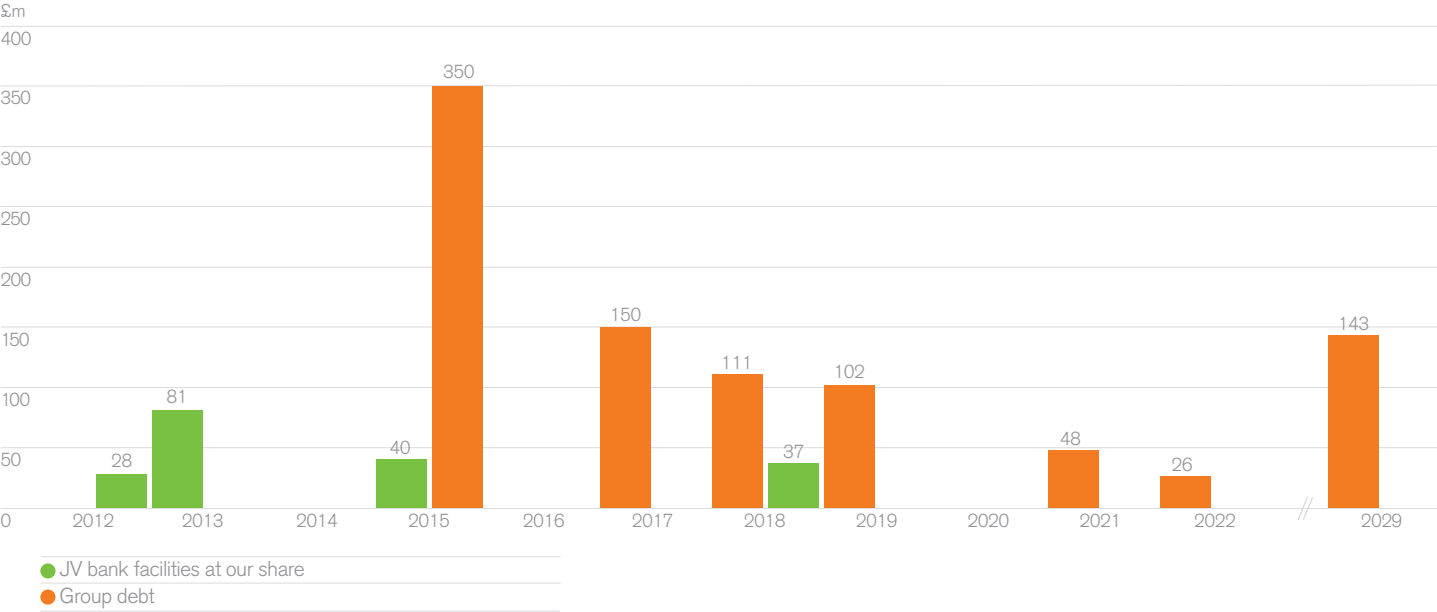
Diversified sources of debt funding

- Secured
- JV bank debt
- Debenture bonds
- Unsecured
- Group revolving bank facilities
- Private placement notes



Based on drawn position at 31 March 2012 (pro forma for £127.7 million private placement).

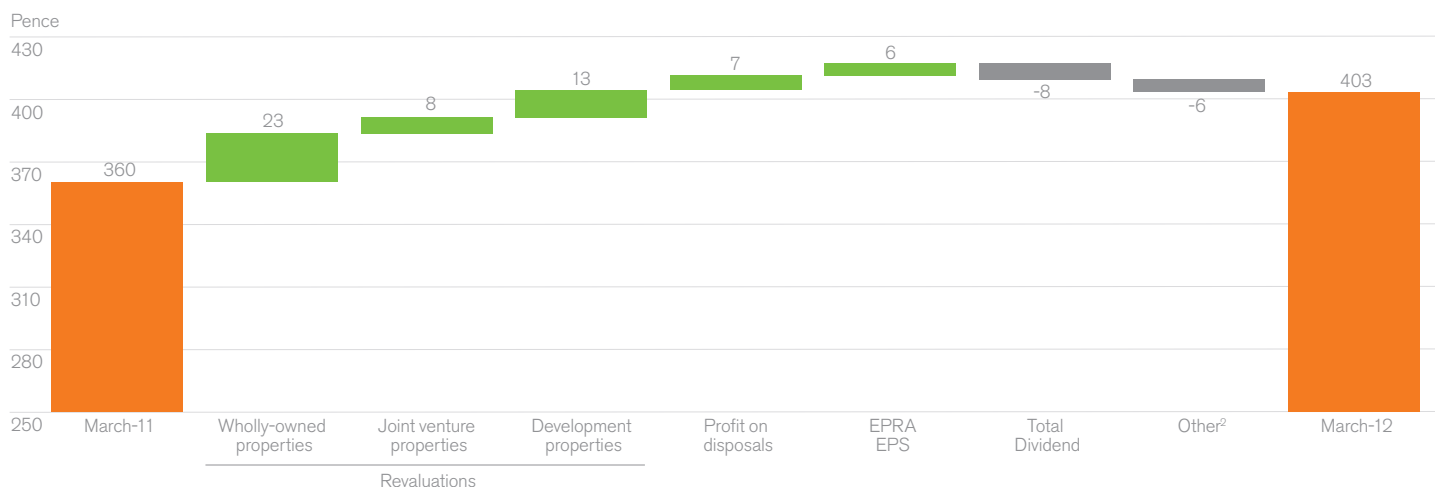
Debt maturity profile



Based on committed facilities at 31 March 2012 (pro forma for £127.7 million private placement to be drawn down in May 2012 and £63.0 million GCP debt paid down in April 2012)

Appendix 4

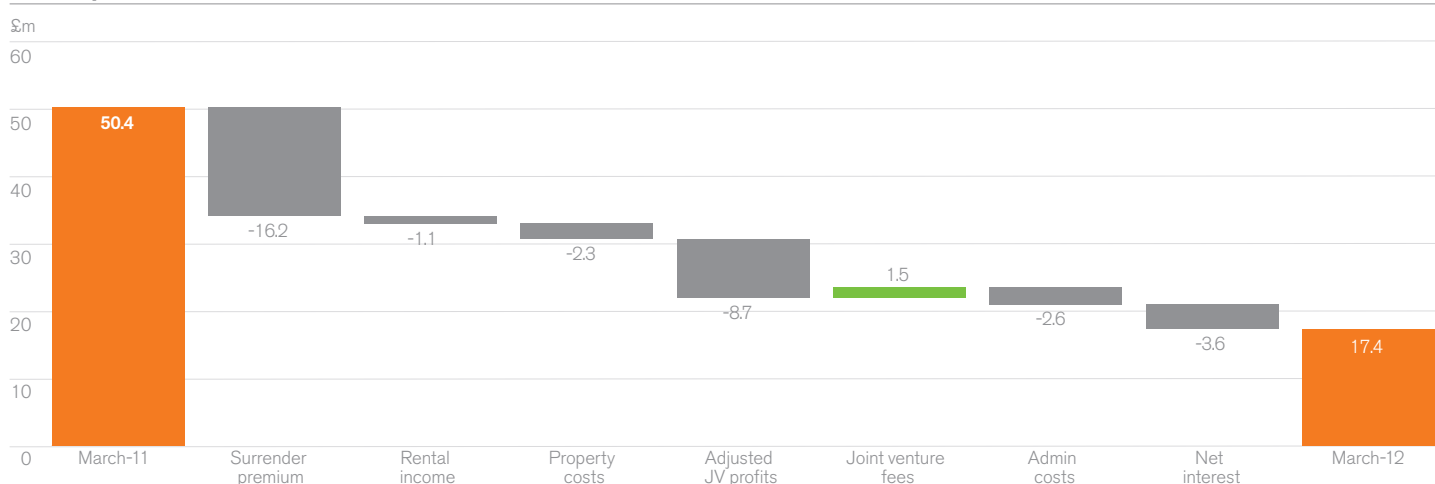
EPRA net assets per share¹



1. Adjusted per EPRA guidance

2. Includes 7 pence per share provision for potential profit share payment to Eurohypo

EPRA profits before tax¹



1. Adjusted per EPRA guidance

Debt analysis

	March 2012 £m	March 2011 £m
Net debt excluding JVs	499.1	349.1
Net gearing	40.3%	31.4%
Total net debt including 50% JV non-recourse debt	686.9	514.0
Loan-to-property value	34.2%	31.1%
Total net gearing	55.5%	46.2%
Interest cover	2.0x	4.0x
Weighted average cost of debt	4.5%	4.3%
% of debt fixed/hedged	69%	57%
Cash and undrawn facilities	457 ¹	518

Note 1: Pro forma for £127.7 million US private placement proceeds to be drawn down on 30 May 2012 and property investment transactions which had not completed by 31 March 2012.

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	23.7	1.5	25.2	1.3	0.1	1.4	26.6
		Retail	3.9	(0.1)	3.8	3.9	1.6	5.5	9.3
	Rest of West End	Office	9.0	2.1	11.1	4.2	0.7	4.9	16.0
		Retail	3.6	0.5	4.1	3.3	0.6	3.9	8.0
Total West End			40.2	4.0	44.2	12.7	3.0	15.7	59.9
	City, Midtown and Southwark	Office	8.3	1.2	9.5	9.7	1.0	10.7	20.3
		Retail	0.9	0.5	1.4	—	—	—	1.3
Total City, Midtown and Southwark			9.2	1.7	10.9	9.7	1.0	10.7	21.6
Total let portfolio			49.4	5.7	55.1	22.4	4.0	26.4	81.5
Voids					2.3		1.5	3.8	
Pre-let developments/refurbishments					4.8		9.5	14.3	
Premises under development/refurbishment					6.0		8.8	14.8	
Total portfolio					68.2		46.2	114.4	

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	30.5	5.2	2.4	—	3.6	5.1
		Retail	50.2	7.7	1.3	70.9	7.9	4.2
	Rest of West End	Office	2.8	2.2	3.4	6.1	3.1	2.8
		Retail	36.9	4.9	8.7	79.4	13.2	0.6
Total West End			26.8	4.7	3.3	45.3	7.4	3.9
	City, Midtown and Southwark	Office	81.1	8.0	4.4	39.8	5.3	1.9
		Retail	70.9	7.7	—	—	—	—
Total City, Midtown and Southwark			80.1	7.9	4.0	39.8	5.3	2.0
Total let portfolio			37.0	5.3	3.4	42.9	6.5	3.2




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	34	38	27	53	4.5	5.3	4.6	4.7
		Retail	30	31	78	103	5.1	5.2	4.2	5.0
	Rest of West End	Office	35	46	41	47	1.3	4.6	3.9	5.4
		Retail	56	61	53	63	1.4	4.7	4.3	5.2
Total West End			35	41	49	58	3.5	5.2	4.2	5.2
	City, Midtown and Southwark	Office	31	36	35	40	3.8	5.8	5.6	6.5
		Retail	21	32	–	28	4.1	5.7	–	–
Total City, Midtown and Southwark			30	36	35	40	3.8	5.8	5.6	6.5
Total let portfolio			34	40	42	49	3.5	5.2	4.5	5.5

Appendix 6

Risk and impact	Mitigation	Change	Commentary
Market risk		from last year	
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 outperformed the wider UK Market during the year ended 31 March 2012, demonstrated by IPD's central London TPR exceeding IPD's universe by 5.8 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 are received and scenario planning for different economic cycles. 50% of income from committed developments secured.	↑	Over the last 12 months the UK has again witnessed the negative impact on business sentiment from the continued process of global financial deleveraging, the Eurozone debt crisis and political instability in many parts of the world, including the Arab states. The resulting uncertainty has seen GDP growth expectations decline.
Investment management			
Not sufficiently capitalising on market investment opportunities through difficulty in sourcing investment opportunities at attractive prices, poor investment decisions and mis-timed 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 churn of those buildings with limited relative potential performance. Regular review of the prospective performance of individual assets and their business plans with Joint Venture partners.	—	The Group has continued to invest and recycle capital against a backdrop of moderate capital value growth in central London and a surfeit of buyers to sellers in the investment market. During the year acquisitions totalling £336.0 million with low average capital value of £464 per sq ft were made together with disposals of £255.8 million at an average capital value of £534 per sq ft.
Asset management			
Failure to maximise income from investment properties through poor management of voids, mis-pricing, 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 has a diverse tenant base with its ten largest tenants representing around 30% of rent roll.	—	The Group continues to maintain a low void rate which was 3.3% at 31 March 2012. Tenant delinquencies were less than 1% of the rent roll for the year to 31 March 2012. The Group continues to actively manage the portfolio to maximise occupancy and drive rental growth.

Appendix 6

Risk and impact	Mitigation	Change	Commentary
Development management		from last year	
<p>Poor development returns relating to:</p> <ul style="list-style-type: none"> –incorrect reading of the property cycle; –inappropriate location; –failure to gain viable planning consents; –level of speculative development; –contractor availability and insolvency risk; –quality and benchmarks of the completed buildings; and –poor development management 	<p>See market risk above.</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 actual costs and estimated returns are regularly monitored to signpost prompt decisions on project management, leasing and ownership.</p> <p>50% of income from committed developments secured.</p> <p>Due diligence is undertaken on the financial stability of demolition and main contractors prior to awarding of contracts.</p> <p>Working with agents, potential occupiers' needs and aspirations are identified during the planning application and design stages.</p> <p>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.</p> <p>Regular review of the prospective performance of individual assets and their business plans with Joint Venture partners.</p>		<p>The Group's development programme of high quality core central London projects continues to attract quality tenants with £16.7 million of pre-lets secured during the year.</p>
<p>Level of development undertaken as a percentage of the portfolio leads to underperformance against KPIs</p>	<p>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.</p> <p>Developments only committed to when pre-lets obtained and/or market supply considered to be sufficiently constrained.</p>		<p>With forecasted supply of central London office space expected to be scarce in the near to medium term, the Group has continued its near-term development programme to capitalise on the expected resulting rental growth.</p>
Financial risks			
<p>Limited availability of further capital constrains the growth of the business</p>	<p>Cash flow and funding needs are regularly monitored to ensure sufficient undrawn facilities are in place.</p> <p>Funding maturities are managed across the short, medium and long term.</p> <p>The Group's funding measures are diversified across a range of bank and bond markets. Strict counterparty limits are operated on deposits.</p>		<p>Since 31 March 2011, the Group has continued to diversify and extend the maturity ladder of its debt financing. Pro forma cash and undrawn credit facilities are £457 million.</p>

Appendix 6

Risk and impact	Mitigation	Change	Commentary
Financial risks continued		from last year	
Adverse interest rate movements reduce profitability Adverse market movements negatively impact on debt covenants through increased interest rates or a fall in capital values.	Regular review of current and forecast debt levels and financing ratios. Formal policy to manage interest rate exposure by having a high proportion of debt with fixed or hedged interest rates through derivatives. Significant headroom over all financial covenants at 31 March 2012.	—	The slow forecast recovery of the UK economy is expected to result in a continued low interest rate environment in the near term. Central London property values are expected to benefit from rental value growth and continued strong investment demand.
Inappropriate capital structure results in sub-optimal NAV per share growth	Regular review of current and forecast debt and gearing levels and financing ratios.	—	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 and succession planning. The Group 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.	—	Nick Sanderson joined as Finance Director in July 2011. Other senior managers remain unchanged. New employees recruited in 2010/11 to strengthen and broaden the team are performing well.
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 2013 new Building Regulations will come 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 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 Health and 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 one reportable accident during the year resulting in a contractor requiring three days off work. There were no other incidents across the Group's investment or development portfolio.