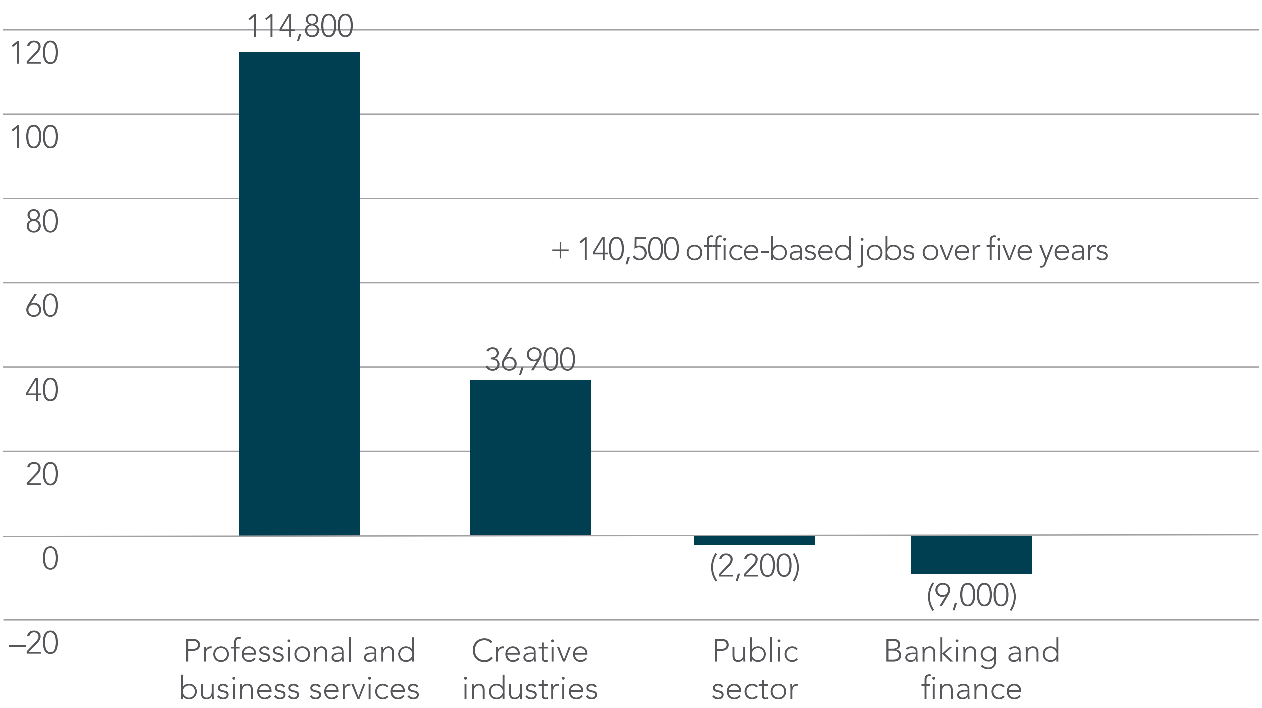
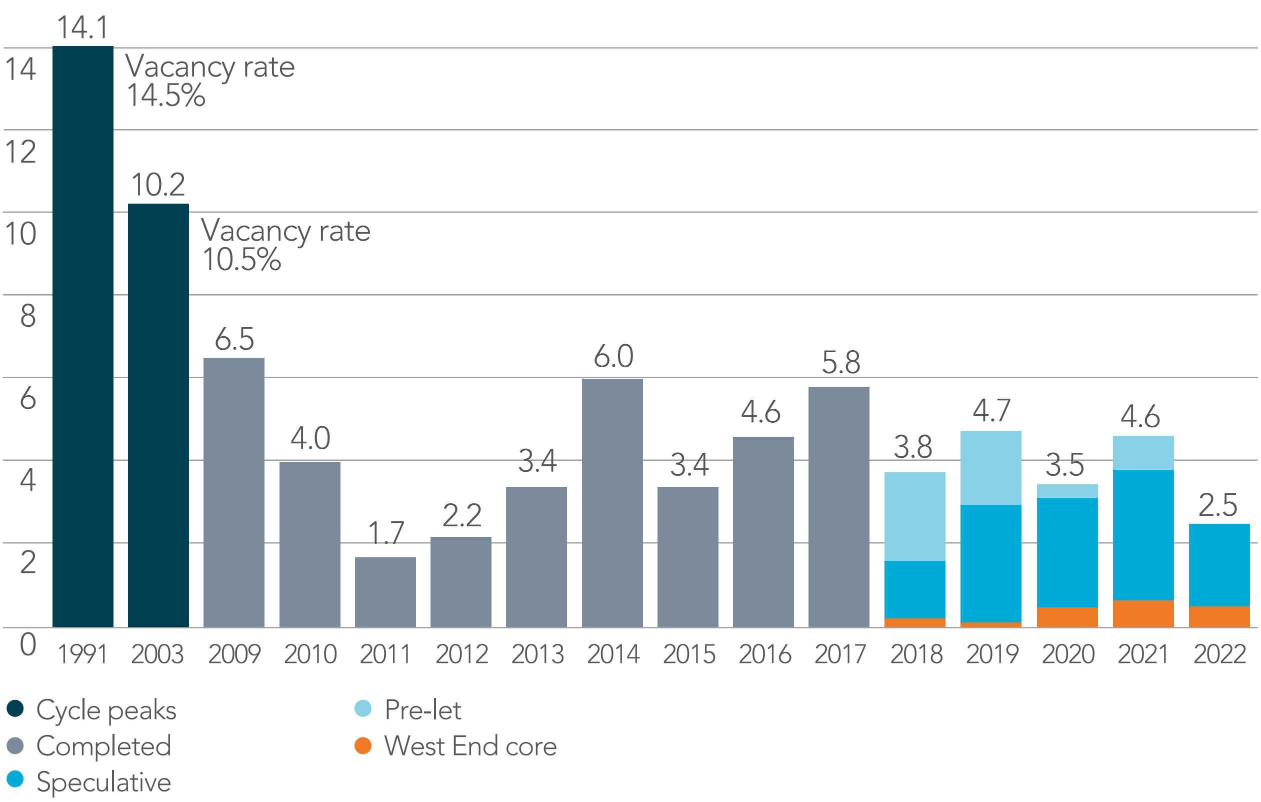
Appendix 1

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



Source: CBRE/Oxford Economics

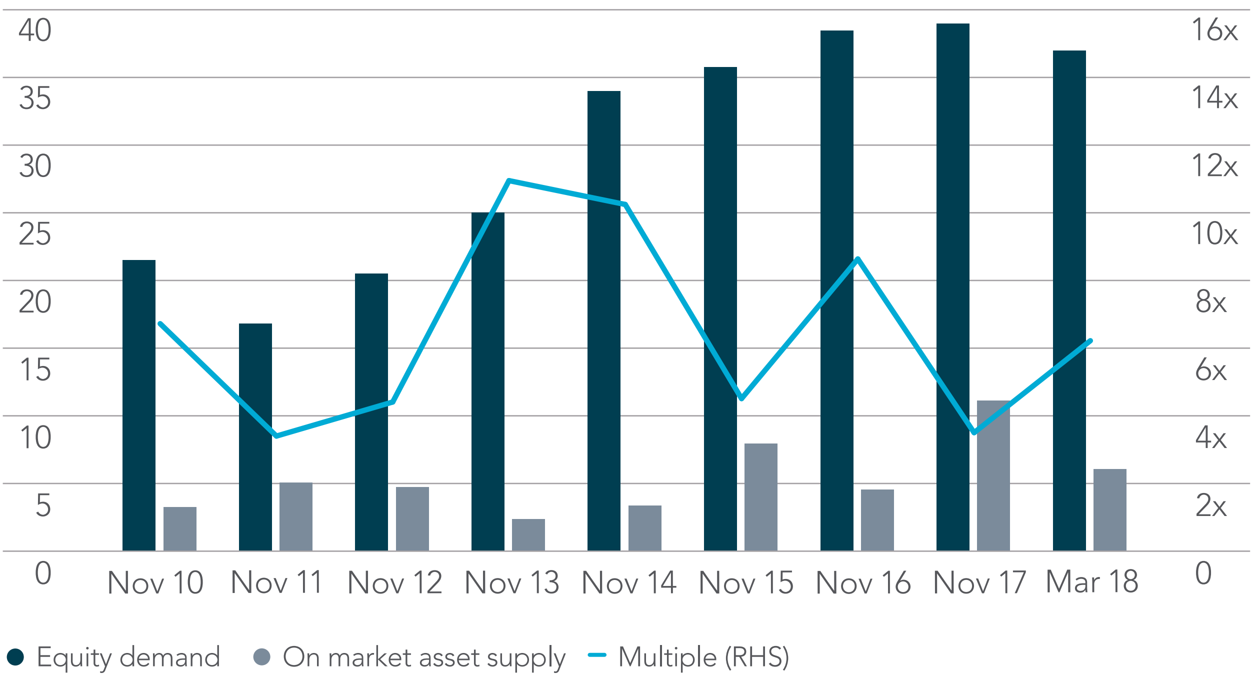
Central London office potential completions million sq ft



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

Drivers of rents	2017 Outlook	**2018 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 2

Portfolio performance

		Wholly owned £m	Joint ventures[1] £m	Total £m	Proportion of portfolio %	Valuation movement %
North of Oxford Street	Office	805.1	–	805.1	28.9	4.0
	Retail	168.4	115.7	284.1	10.2	2.7
	Residential	51.1	–	51.1	1.8	0.7
Rest of West End	Office	250.8	–	250.8	9.0	–
	Retail	237.6	37.4	275.0	9.8	4.8
	Residential	5.5	–	5.5	0.2	(0.7)
Total West End		1,518.5	153.1	1,671.6	59.9	3.2
City, Midtown and Southwark	Office	543.3	142.3	685.6	24.6	0.1
	Retail	29.1	–	29.1	1.0	2.7
	Residential	2.9	–	2.9	0.1	136.6
Total City, Midtown and Southwark		575.3	142.3	717.6	25.7	0.4
Investment property portfolio		**2,093.8**	**295.4**	**2,389.2**	**85.6**	**2.3**
Development property		141.5	209.4	350.9	12.6	7.0
Total properties held throughout the year		**2,235.3**	**504.8**	**2,740.1**	**98.2**	**2.9**
Acquisitions		49.9	–	49.9	1.8	(10.1)
Total property portfolio		**2,285.2**	**504.8**	**2,790.0**	**100.0**	**2.6**

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	1,140.4	141.5	1,281.9	861.7	369.1	51.1	1,281.9	977
Rest of West End	531.3	138.0	669.3	331.3	326.0	12.0	669.3	574
Total West End	**1,671.7**	**279.5**	**1,951.2**	**1,193.0**	**695.1**	**63.1**	**1,951.2**	**1,551**
City, Midtown and Southwark	746.4	92.4	838.8	802.9	32.2	3.7	838.8	1,335
Total	**2,418.1**	**371.9**	**2,790.0**	**1,995.9**	**727.3**	**66.8**	**2,790.0**	**2,886**

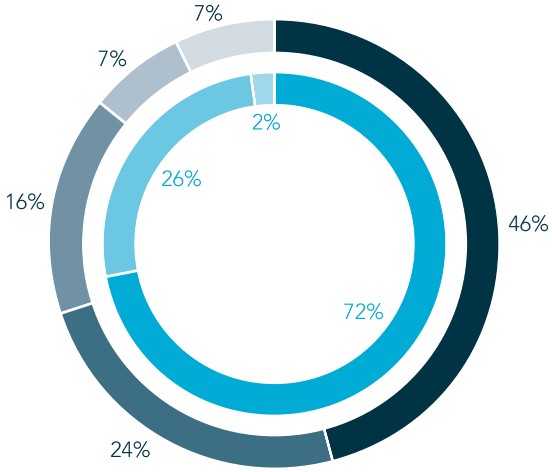
By use:	Office	1,770.4	225.5	1,995,9
	Retail	588.3	139.0	727.3
	Residential	59.4	7.4	66.8
Total		**2,418.1**	**371.9**	**2,790.0**
Net internal area sq ft 000's		2,474	412	2,886

Appendix 2

Our portfolio – 100% central London

Locations
- North of Oxford Street £1,281.9m
- Rest of West End £669.3m
- City £433.9m
- Southwark £209.4m
- Midtown £195.5m

Business mix
- Office £1,995.9m
- Retail £727.3m
- Residential £66.8m



£2,790 million portfolio valuation

2.9 million sq ft

11% in committed development

37% in development pipeline

55 properties, 40 sites

346 occupiers

£54.60 average office rent per sq ft

£107.3 million rent roll

0.3% rental value uplift in year

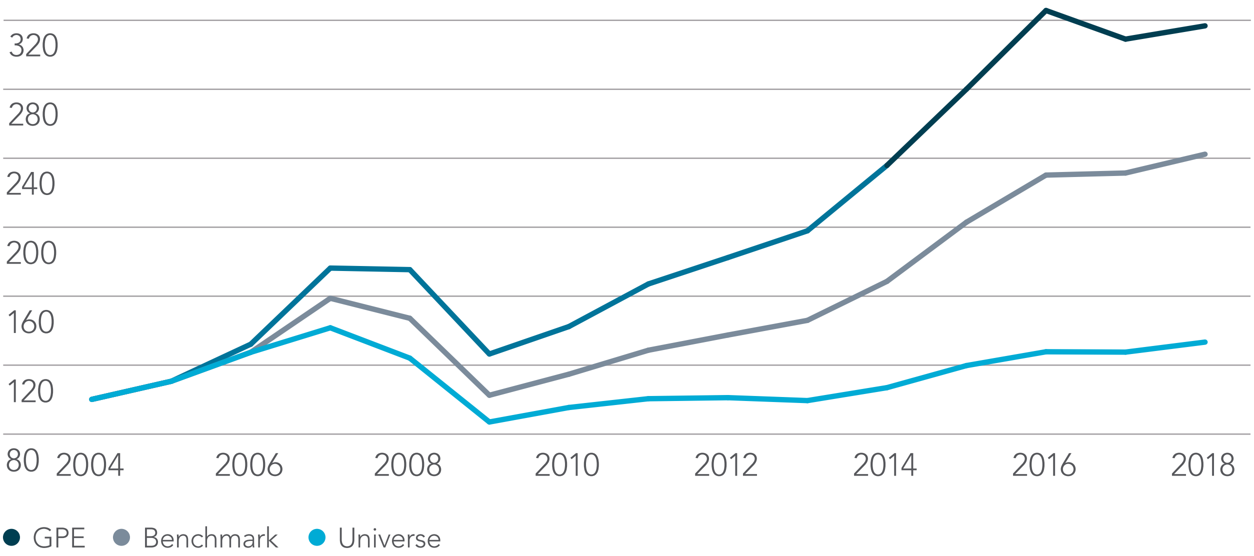
12.1% reversionary potential

4.9% vacancy rate

88% <800 metres from a Crossrail station

Long-term outperformance Relative returns vs IPD

Relative capital growth % pa[1]



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

Appendix 3

Purchases for the year ended 31 March 2018

	Price paid £m	NIY	Area sq ft	Cost per sq ft £
Cityside House and Challenger House, E1	49.6	2.6%	113,300	320
Total	**49.6**	**2.6%**	**113,300**	**320**

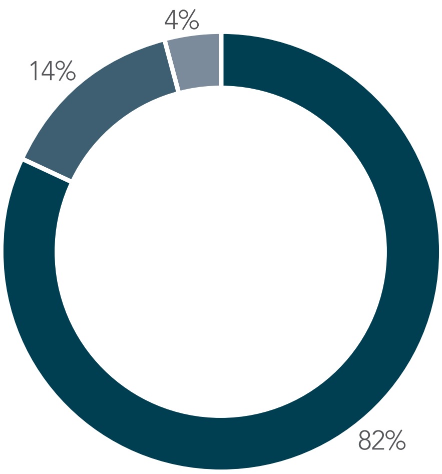
Sales for the year ended 31 March 2018

	Gross price[1] £m	Premium to book value	Price per sq ft £
30 Broadwick Street, W1	185.9	3.2%	1,971
240 Blackfriars Road, SE1	133.0	8.3%	1,176
48 Broadwick Street, W1	4.3	3.6%	1,478
42/44 Mortimer Street, W1	4.8	6.7%	1,500
Wigmore Street buildings, W1	1.0	19.4%	1,500
Total	**329.0**	**5.4%**	**1,412**

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

Wholly-owned and joint venture property values at 31 March 2018

- Wholly-owned £2,285.2m
- Risk sharing £389.0m
- Access to new properties £115.8m



Joint venture partners

	Net assets at 31 March 2018
GRP – BP Pension fund	£206.8m
GHS – Hong Kong Monetary Authority	£140.7m
GVP – Liverpool Victoria	£76.1m
Other	£0.1m
Total	**£423.7m**
As % of Group net assets	**17.9%**

Appendix 3

Our total development pipeline[1]

City Place House, EC2*

Proposed size	176,600 sq ft
Earliest start	2019
Opportunity area	Crossrail

50 Finsbury Square, EC2

Proposed size	126,400 sq ft
Earliest start	2020
Opportunity area	Crossrail

New City Court, SE1*

Proposed size	373,900 sq ft
Earliest start	2021-2022
Opportunity area	London Bridge

35 Portman Square, W1

Proposed size	73,000 sq ft
Earliest start	2021-2022
Opportunity area	Core West End

52/54 Broadwick Street, W1

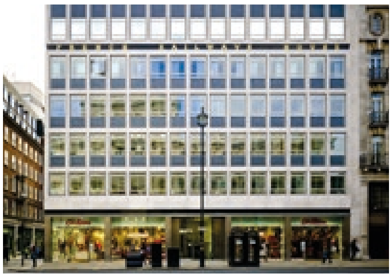
Proposed size	47,000 sq ft
Earliest start	2022-2023
Opportunity area	Crossrail

Jermyn Street Estate, SW1

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

31/34 Alfred Place, WC1

Proposed size	37,200 sq ft
Earliest start	2023-2025
Opportunity area	Crossrail



French Railways House and 50 Jermyn Street, SW1

Proposed size	75,000 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	Prime retail

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	2021-2022
Opportunity area	London Bridge

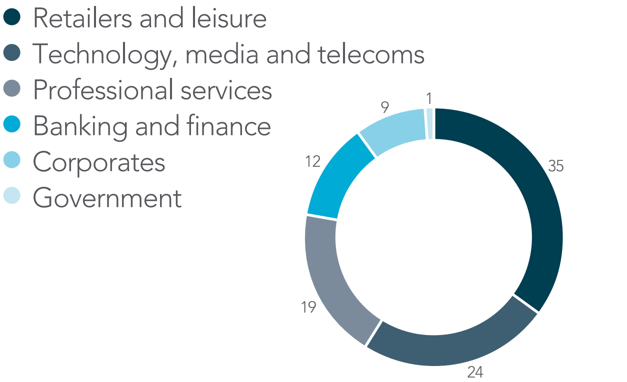
95/96 New Bond Street, W1

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

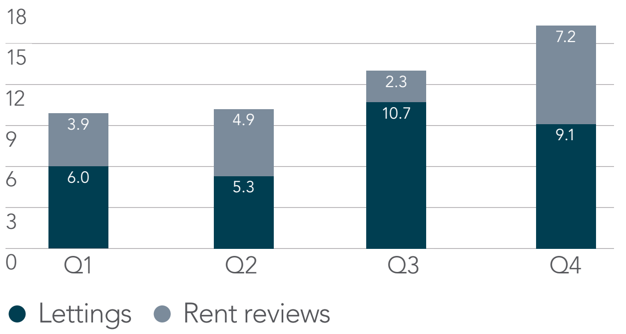
1. One further scheme: Courtyard sites at Whitechapel, E1. Proposed areas are existing areas where insufficient design information exists.
* Computer Generated Image of proposed building.

Appendix 3

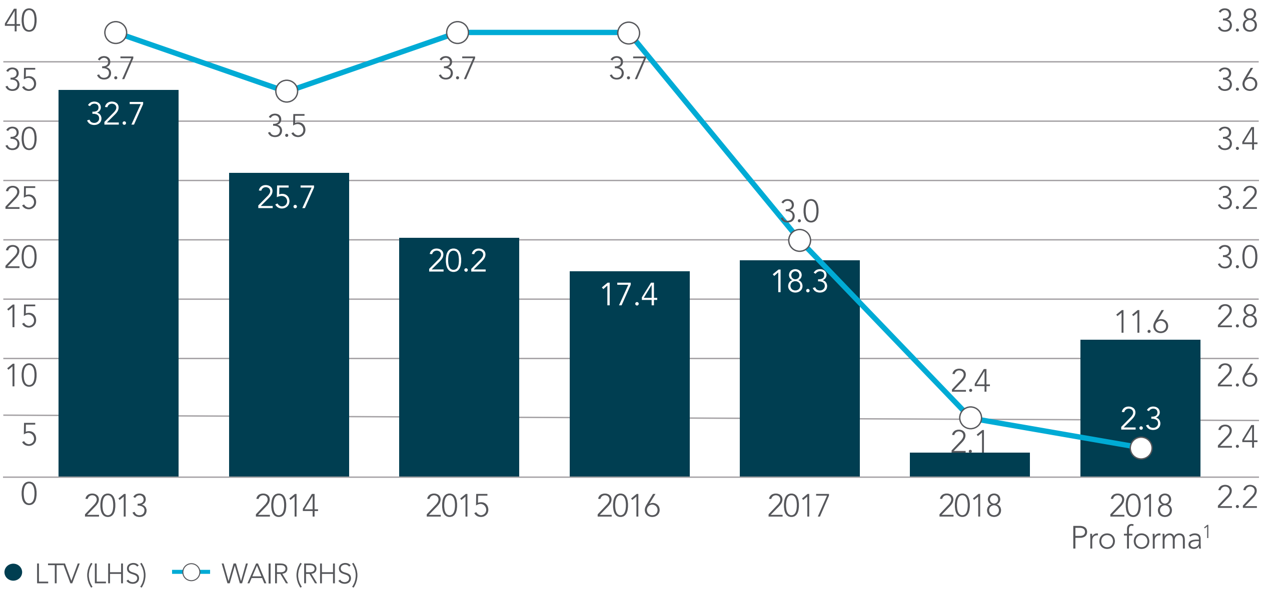
GPE occupier mix %



Lettings and rent reviews by quarter 2017/18 £m

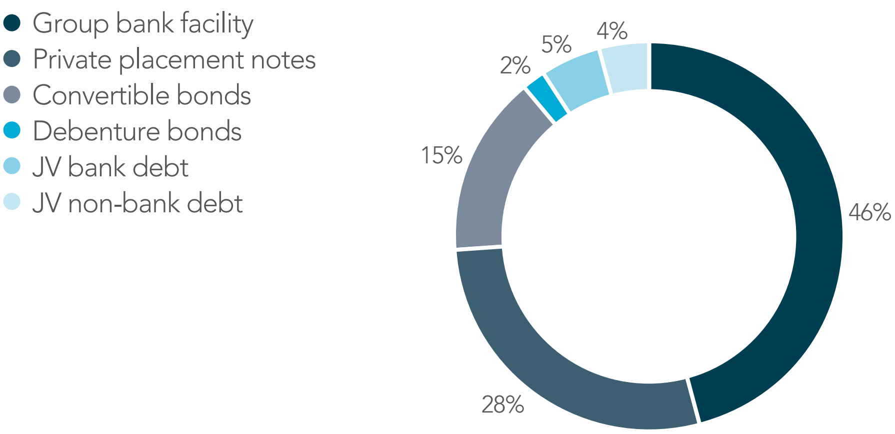


LTV and cost of debt %



1. Pro forma for £306 million capital return, sales completed since 31 March 2018 and draw down of £100 million USPP notes.

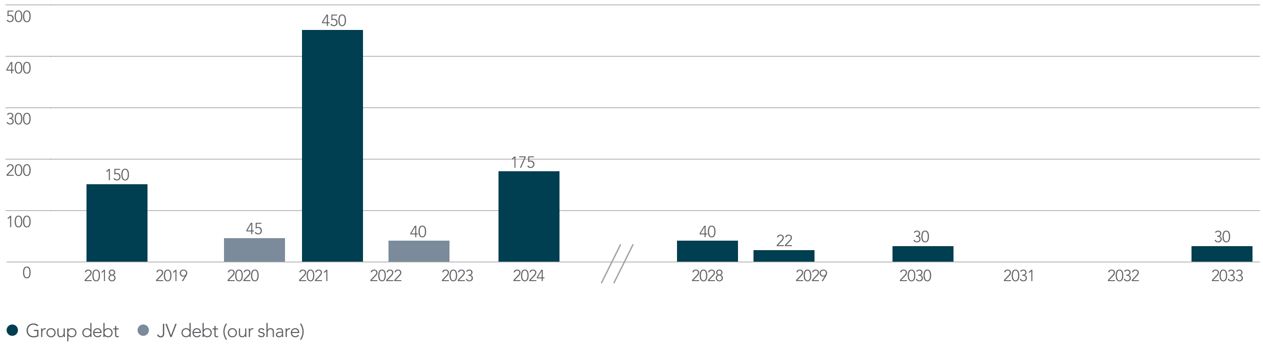
Sources of debt funding[1]



1. Based on pro forma committed facilities.

Appendix 3

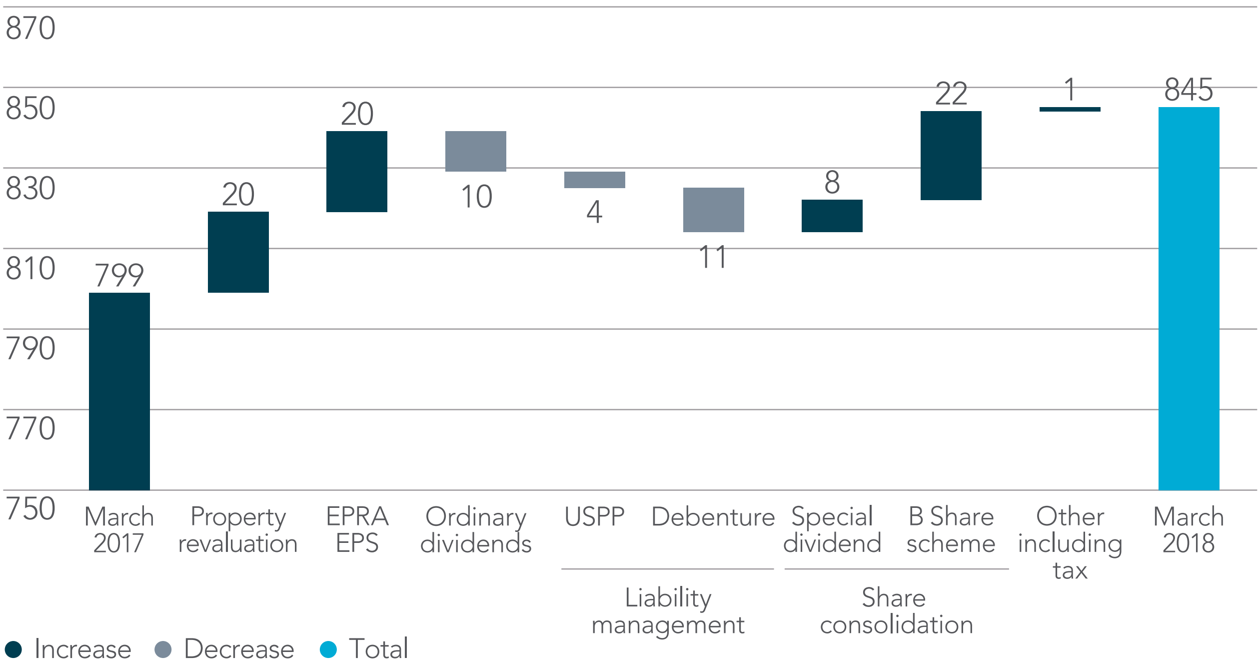
Debt maturity profile[1] £m



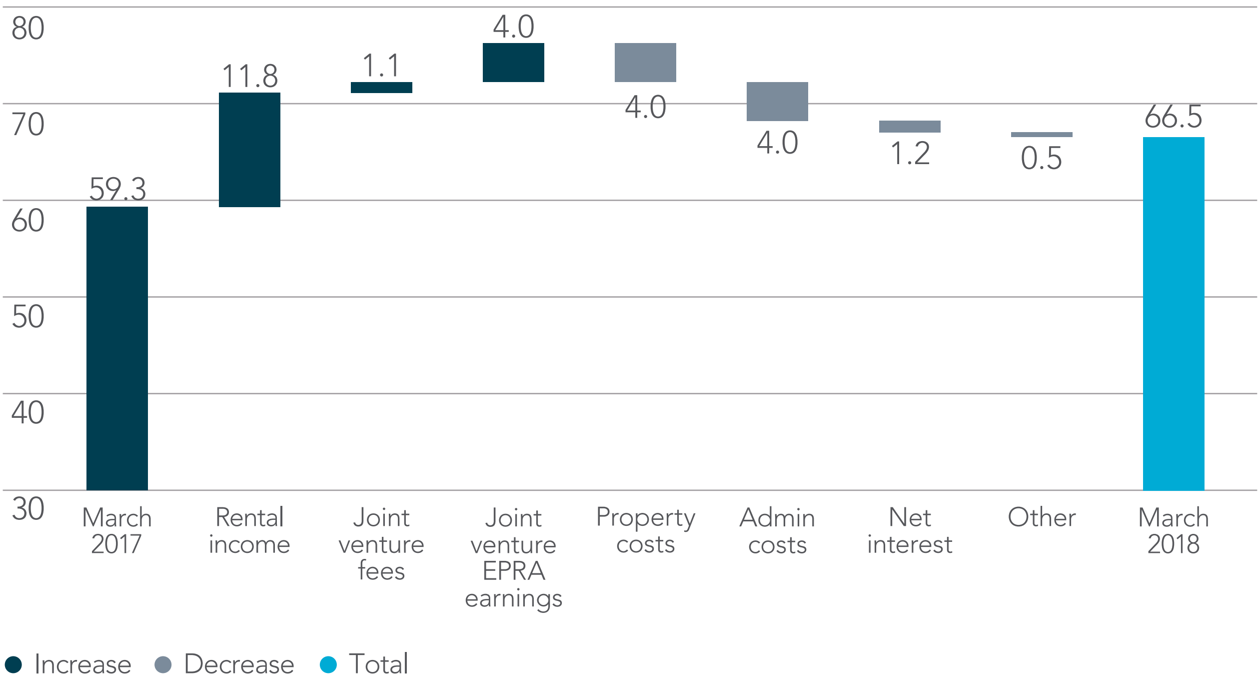
1. Based on pro forma committed facilities.

Appendix 4

EPRA NAV pence



EPRA earnings £m



Appendix 4

Debt analysis

	Pro forma[1]	March 2018	March 2017
Net debt excluding JVs (£m)	**243.0**	**(5.2)**	502.8
Net gearing	**11.8%**	**0%**	18.4%
Total net debt including 50% JV non-recourse debt (£m)	**315.7**	**67.5**	576.8
Loan to property value	**11.6%**	**2.4%**	18.3%
Total net gearing	**15.4%**	**2.9%**	21.1%
Interest cover	**n/a**	**n/a**	n/a
Weighted average interest rate	**2.3%**	**2.1%**	3.0%
Weighted average cost of debt	**n/a**	**3.2%**	4.0%
% of debt fixed/hedged	**100%**	**100%**	82%
Cash and undrawn facilities (£m)	**666**	**814**	378

1. Pro forma for £306 million capital return, sales completed since 31 March 2018 and draw down of £100 million USPP notes.

EPRA performance measures

Measure	Definition of Measure	March 2018	March 2017
EPRA earnings*	Recurring earnings from core operational activities	**£66.5m**	£59.3m
EPRA EPS*	EPRA earnings divided by the weighted average number of shares	**20.4p**	17.3p
Diluted EPRA EPS*	EPRA earnings divided by the diluted weighted average number of shares	**20.4p**	17.3p
EPRA costs (by portfolio value)*	EPRA costs (including direct vacancy costs) divided by market value of the portfolio	**1.1%**	0.9%
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	**£2,371.2m**	£2,735.9m
EPRA NAV*	EPRA net assets divided by the number of shares at the balance sheet date on a diluted basis	**845p**	799p
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	**£2,363.8m**	£2,679.3m
EPRA NNNAV*	EPRA triple net assets divided by the number of shares at the balance sheet date on a diluted basis	**842p**	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	**3.6%**	3.0%
EPRA "topped up" NIY	EPRA NIY adjusted to include rental income in rent-free periods (or other unexpired lease incentives)	**3.8%**	3.3%
EPRA vacancy rate	ERV of non-development vacant space as a percentage of ERV of the whole portfolio	**8.6%**	8.0%

* 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	32.9	1.9	34.8	–	–	–	34.8
		Retail	9.4	2.0	11.4	6.4	0.1	6.5	17.9
	Rest of West End	Office	11.4	0.6	12.0	–	–	–	12.0
		Retail	8.8	2.3	11.1	2.1	0.2	2.3	13.4
	Total West End		**62.5**	**6.8**	**69.3**	**8.5**	**0.3**	**8.8**	**78.1**
	City, Midtown and Southwark	Office	27.4	4.9	32.3	6.2	1.0	7.2	39.5
		Retail	2.7	–	2.7	–	–	–	2.7
	Total City, Midtown and Southwark		**30.1**	**4.9**	**35.0**	**6.2**	**1.0**	**7.2**	**42.2**
Total let portfolio			**92.6**	**11.7**	**104.3**	**14.7**	**1.3**	**16.0**	**120.3**
Voids					7.4			0.6	8.0
Premises under refurbishment					18.7			17.1	35.8
Total portfolio					**130.4**			**33.7**	**164.1**

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	47.3	6.6	5.3	–	–	–
		Retail	50.0	5.3	1.6	31.3	5.0	–
	Rest of West End	Office	4.7	3.2	15.5	–	–	–
		Retail	40.2	5.1	–	100.0	9.0	–
	Total West End		**38.9**	**5.5**	**5.8**	**48.6**	**6.0**	**–**
	City, Midtown and Southwark	Office	20.3	3.2	5.4	48.4	5.0	4.6
		Retail	70.0	13.5	1.2	–	–	–
	Total City, Midtown and Southwark		**24.9**	**4.2**	**5.5**	**48.4**	**5.0**	**4.5**
Total portfolio			**34.3**	**5.1**	**5.7**	**48.5**	**5.6**	**1.6**

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	64.3	71.0	–	–	3.4	4.3	–	–
		Retail	56.5	77.3	137.6	141.1	3.2	4.1	5.1	4.1
	Rest of West End	Office	71.0	74.1	–	107.4	3.6	4.6	–	–
		Retail	90.5	114.7	74.8	122.3	3.7	4.0	3.9	3.7
	Total West End		**66.8**	**72.2**	**113.6**	**116.2**	**3.4**	**4.3**	**4.8**	**4.0**
	City, Midtown and Southwark	Office	46.0	53.8	39.4	48.8	4.5	5.1	3.4	5.0
		Retail	81.2	80.3	–	47.5	3.8	4.6	–	–
	Total City, Midtown and Southwark		**47.9**	**53.9**	**39.4**	**48.8**	**4.5**	**5.1**	**3.4**	**5.0**
Total portfolio			**59.2**	**64.6**	**63.3**	**76.5**	**3.7**	**4.5**	**4.1**	**4.5**

Appendix 5

Top ten occupiers

	Occupier	Use	Rent roll (our share) £m	% of rent roll (our share)
1	Bloomberg L.P.	Office	5.7	5.3
2	Double Negative Limited	Office	5.4	5.0
3	New Look	Office	3.8	3.5
4	Richemont UK Limited	Office	2.6	2.4
5	Kurt Geiger Limited	Office	2.5	2.3
6	Winckworth Sherwood LLP	Office	2.5	2.3
7	Carlton Communications Limited	Office	2.3	2.2
8	Superdry	Retail	2.1	2.0
9	Williams Lea Limited	Office	1.7	1.6
10	ITN Limited	Office	1.6	1.5
	Total		**30.2**	**28.1**

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 under-performs 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 underperformed the wider UK market for the second consecutive year, demonstrated by IPD's universe TPR exceeding IPD's central London by 110 basis points on an absolute basis during the year ended 31 March 2018. This relative under-performance over the last 12 months was driven in part by stronger growth in office rents outside central London and particularly strong growth in both capital values and rents for UK industrial and logistics properties (which are very rare in central London). The relatively muted outlook for central London office and retail rents, combined with seven years of central London property out-performance from 2008 to 2015, 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 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.	→	→	The UK macro-economic growth and interest rate outlook has remained mixed over the last 12 months, in part driven by ongoing geo-political uncertainty following the EU referendum result and progress to date in exit 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.	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 of 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 occupier base with around 12% 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).	↗	→	Although investor and occupier demand for London commercial property has remained broadly resilient over the last year, the negotiations to leave the EU may result in arrangements that are damaging to the UK economy and/or central London. The negotiations together with the transition is expected to take several years, creating uncertainty which may impact investment, capital, financial and occupier markets. In the long term, exit from the EU 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. In addition, the uncertainty may 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. As a result, the likelihood of this risk has marginally increased. However, the likelihood after mitigation has been maintained given our continued net sales activity and financial strength, with a current pro forma loan to value of only 11.6%, taking into account our most recent £306 million return of capital to shareholders.

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 long-let, well-located properties with sales totalling £329.0 million in the year. With limited availability of attractively priced acquisitions opportunities and the depth of opportunity in our existing portfolio, we made only one acquisition in the year for £49.6 million. 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. The Group has a diverse occupier base with its ten largest occupiers representing only 28.1% 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.	→	→	The Group continues to monitor its portfolio mix and asset concentration risk. Following our sale of Rathbone Square, W1 in the year ended 31 March 2017, our largest asset is now only 10.2% of the total portfolio and 18.1% of the portfolio was held in joint ventures at 31 March 2018. 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 survey undertaken and new Head of Occupier Services role created to strengthen our service delivery.	→	→	The Group continues to actively manage the portfolio to maximise occupancy and drive rental growth. With a healthy occupier retention rate of 40% over the year, the Group maintained a relatively low void rate which was 4.9% at 31 March 2018, down from 6.8% at 31 March 2017 despite our recent development and refurbishment completions. During the year, we secured £31.1 million of new rental income, with 58% of total lettings represented by pre-lets or lettings at recently completed developments. The rent reviews competed over the year were settled at average increase of 29.6% above the previous passing rent. Occupier delinquencies during the year represented only 0.1% of total rent roll and at 31 March 2018 we held rent deposits and bank guarantees totalling £31.7 million (including for some of our larger retail occupiers). 88% of our occupiers who participated in our inaugural occupier satisfaction survey described our service as good or excellent. 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 workplace needs including occupiers seeking increased flexibility and enhanced building design, 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.	Creation of Director of Workplace and Innovation role who is responsible for keeping the Board up to date on market developments and incorporating innovation in the GPE portfolio. Reviews undertaken of further opportunities for flex space offering across the portfolio.	↗	↗	We identified this is an emerging risk last year and a new risk for this year given the pace of evolution in workplace needs and technology.

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's committed development exposure has not materially changed over the year, falling from 12% of the total portfolio 12 months ago to 11% today. However, 88.8% of this committed exposure is on a speculative basis, up from 34.8% a year ago. As a result, the impact of this risk has marginally increased, although the likelihood after mitigation is unchanged given the quality of the space that we are delivering, all in close proximity to Crossrail stations and with a significant proportion being retail units in prime central London shopping locations.
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; – 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. Design Review Panel reviews building design and specification to ensure appropriate for likely occupier needs. 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.	→	↗	Although the Group successfully completed three developments since 31 March 2017, the Group's committed development exposure has not materially changed over the year given the recent commitment to three new schemes. These schemes have a combined GDV £756.8 million of which 11.2% is already de-risked through pre-lettings with capex to come of £239.6 million, up from £44.5 million a year ago. As a result, the impact of this risk has marginally increased, although with occupier demand remaining healthy for prime, new build space in central London and the supply of such space remaining tight, the likelihood after mitigation is unchanged.

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 it debt facilities, ensuring an attractive maturity ladder and maintaining diverse funding sources, predominantly borrowing on an unsecured basis. During the year, the Group redeemed £121.0 million of high coupon, secured debenture bonds and raised £100 million of new unsecured private placement notes. When combined with the Group's £450 million committed revolving credit facility which is currently undrawn, the Group's weighted average debt maturity has increased to 5.7 years (pro forma for draw down in June 2018 of the new private placement notes). Cash and undrawn credit facilities increased from £378 million at 31 March 2017 to £666 million today (31 March 2018 position pro forma for subsequent transactions). 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.	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 31 March 2018.	→	→	Whilst broader economic and political uncertainties have kept global interest rates at relatively low levels, the Bank of England base rate increased for the first time in 10 years in November 2017, although the increase was to a modest 0.5% and some way behind increases implemented in the US. Moreover, there remains an expectation of further modest increases in UK interest rates. However, 100% of the Group's debt is currently at fixed or hedged interest rates, and the Group's weighted average interest rate fell over the year to 2.3% given our refinancing activities. As a result, the risk likelihood after mitigation is unchanged, particularly given that we estimate property values could fall be around 78% from their 31 March 2018 pro forma 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
Incorrect level and mix/retention of people, to execute our business plan and maintain our collegiate inclusive culture, 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, including introduction of mentoring programme. Health and wellbeing programme being developed following roll out of mental health training programme. 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.	→	→	The motivation of our people and maintaining our strong collaborative culture remains fundamental to the delivery of our strategic priorities. Staff retention remains high at 87% and 89% of our employees would recommend GPE as a great place to work. Moreover, our continued focus on growing the breadth and depth of our talent, providing focused development support where needed combined with the restructuring of some of our teams and twelve internal promotions during the year, means the risk likelihood after mitigation is unchanged 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
Increased costs of compliance and/or risk of non compliance with growing regulatory obligations including tax, planning, environmental, fire safety and other legislation.	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. Through meetings with local politicians, planning officers and experienced advisors we monitor any changing planning policy/sentiment that may impact our portfolio. 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 address key areas of 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.	↗	↗	In 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 2019 may impact the weight of investment appetite. Following the recent local elections, we are closely monitoring whether changes in the political landscape, particularly within Westminster City Council, impacts any existing planning policy and/or procedures. Only 3% of 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 are monitoring the consultation process for the London Plan and have included a number of its themes in our sustainability strategy. It is likely that the inquiry into the Grenfell Tower fire will result in changes to the regulatory regime. We are monitoring the process closely. 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 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. Regular site and health and safety checks undertaken by our Development and Project Management teams, Executive Committee members and external third parties.	↗	↗	With increased levels of both development and refurbishment activity, including in our occupied buildings, the likelihood of this risk after mitigation has marginally increased. The Group had five reportable accidents during the year.

Appendix 6

Business interruption risk

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 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 was 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. Staff awareness training on cyber risk is undertaken regularly. Cyber risk insurance secured during the year.	↗	↗	We have identified this as a new risk this year given the increased incidence of attempted cyber attacks on UK businesses.