

Principal properties

	Value banding £m	Offices (O), Retail/restaurant (R), Residential (Re), Industrial (I), Leisure (L)	Freehold (F), Leasehold (L)	Approx net area m ²
West End: Central (68%)				
Fitzrovia/Euston (25%)				
132-142 Hampstead Road, NW1	25-50	O/I	F	21,500
80 Charlotte Street, W1	50-75	O	F	18,600
Arup Phases II & III, 8 Fitzroy Street, W1	75+	O	F	13,700
Qube, 90 Whitfield Street, W1	75+	O/R/Re	F	10,000
95-100 Tottenham Court Road, W1	0-25	O/R	F	6,400
Middlesex House, 34-42 Cleveland Street, W1	25-50	O	F	6,000
88-94 Tottenham Court Road, W1	0-25	O/R	F	4,900
170 Tottenham Court Road, W1	0-25	O/R/Re	F	4,300
80-85 Tottenham Court Road, W1	25-50	O/R	F	4,100
60 Whitfield Street, W1	0-25	O	F	3,400
43 and 45-51 Whitfield Street, W1	0-25	O	F	2,800
120-134 Tottenham Court Road, W1 ¹	25-50	R	F	2,700
53-65 Whitfield Street, W1	0-25	O	F	2,700
Victoria (13%)				
Horseferry House, Horseferry Road, SW1	75+	O	F	15,100
Greencoat and Gordon House, Francis Street, SW1	50-75	O	F	11,900
Riverwalk House, 157-166 Millbank, SW1	25-50	O	F	6,900
Premier House, 10 Greycourt Place, SW1	25-50	O	F	5,800
6-8 Greencoat Place, SW1	0-25	O	F	3,100
232-242 Vauxhall Bridge Road, SW1	0-25	O	F	2,100
Noho (8%)				
Holden House, 54-68 Oxford Street, W1	50-75	O/R	F	8,400
Henry Wood House, 3-7 Langham Place, W1	25-50	O/R	L	7,400
Charlotte Building, 17 Gresse Street, W1	25-50	O	L	4,400
75 Wells Street, W1	0-25	O	L	3,200
7-8, 9 and 10 Rathbone Place, W1	0-25	O/Re	L	2,200*
Soho/Covent Garden (7%)				
Bush House, South West Wing, Strand, WC2	0-25	O	F	10,000
Covent Garden Estate, WC2: 19-26 and 19a Floral Street 26 and 27-32 King Street 34 Rose Street	25-50	O/R	F	6,700
Tower House, 10 Southampton Street, WC2	25-50	O/R	F	4,900
Davidson Building, 5 Southampton Street, WC2	25-50	O/R	F	3,900
Jaeger House, 57 Broadwick Street, W1	0-25	O/R	F	2,300
Belgravia (6%)				
Hyde Park Corner Estate, SW1 1 Grosvenor Place 4 Grosvenor Place 3-5 Pembroke Close	75+	O/Re	L	15,700
Baker Street /Marylebone (5%)				
19-35 Baker Street, W1	25-50	O/R/Re	L	6,700
88-110 George Street, W1	0-25	O/R/Re	L	2,400
30 Gloucester Place, W1	0-25	O/Re	L	2,200
16-20 Baker Street and 27-33 Robert Adam Street, W1	0-25	O/R/Re	L	2,000
17-39 George Street, W1	0-25	O/R/Re	L	2,000
Mayfair (2%)				
25 Savile Row, W1	25-50	O/R	F	3,900
Paddington (2%)				
55-65 North Wharf Road, W2	0-25	O	L	7,800

	Value banding £m	Offices (O), Retail/restaurant (R), Industrial (I), Leisure (L)	Freehold (F), Leasehold (L)	Approx. net area m ²
West End: Borders (6%)				
Islington/Camden (5%)				
Angel Building, 407 St. John Street, EC1	50-75	O	F	24,400*
Balmoral Grove Buildings, N1 and 1-9 Market Road, N7	0-25	O/I	F	4,500
Suncourt House, 18-26 Essex Road, N1	0-25	O/R	F	2,500
2-12 Pentonville Road, N1	0-25	O	F	2,400
14 Pentonville Road, N1	0-25	O	F	1,700
Ladbroke Grove (1%)				
Portobello Dock and Kensal House, W10	0-25	O	F	5,000
City: Borders (21%)				
Old Street (6%)				
1 Oliver's Yard, EC2	50-75	O/R	F	17,200
City Road Estate, EC1:	0-25	O/R	F	9,500
70-74 City Road				
Sophia House, 76 City Road				
Transworld House, 82-100 City Road				
36-37 Featherstone Street				
13-15 Mallow Street				
Monmouth House, 58-64 City Road, EC1	0-25	O	F	3,900
186 City Road, EC1	0-25	O	F	3,600
210 Old Street, EC1	0-25	O	F	2,100
18-30 Leonard Street, EC2	0-25	-	F	Site
Clerkenwell (6%)				
88 Rosebery Avenue, EC1	25-50	O	F	9,500
Morelands Buildings, 5-27 Old Street, EC1	0-25	O/R	L	7,400
Woodbridge House, 30 Aylesbury Street, EC1	25-50	O	F	7,000
The Turmill, 63 Clerkenwell Road, EC1	0-25	O	F	4,200
5-8 Hardwick Street and 161 Rosebery Avenue, EC1	0-25	O	F	3,300
151 Rosebery Avenue, EC1	0-25	O	F	2,300
Holborn (5%)				
The Johnson Building, 77 Hatton Garden, EC1	75+	O	F	14,100
40 Chancery Lane, WC2 and 20-21 Took's Court, EC4	0-25	O	F/L	5,700
6-7 St. Cross Street, EC1	0-25	O	F	3,100
Shoreditch (4%)				
Tea Building, Shoreditch High Street, E1	50-75	O	F	23,000
60 Commercial Road, E1	0-25	O	F	2,800
Provincial (5%)				
Scotland (5%)				
Strathkelvin Retail Park, Bishopbriggs, Glasgow	25-50	R	F	28,600
The Triangle Centre, Bishopbriggs, Glasgow	0-25	O/R	F	6,800
Land, Bishopbriggs, Glasgow	25-50	-	F	5,500 acres

¹ Includes a 324-room hotel.

* Proposed areas.

() Percentages weighted by valuation.

Development pipeline

Planning consents

	Net contracted rental income per annum £m	Existing floor area m ²	Proposed floor area m ²	Floor area uplift %	Comments
Paddington 55-65 North Wharf Road, W2	1.6	7,800	29,400	276	Planning consent was granted in January 2008 for the redevelopment of these low rise 1960s buildings, which occupy a prime Paddington Basin location. This major project would provide a 22,300m ² office building, a 100-unit residential block totalling 6,800m ² and 300m ² of retail space.
Southbank Wedge House, 30-40 Blackfriars Road, SE1	0.3	3,600	7,500	108	Planning consent was granted in January 2008 for a new ten-storey office development in this improving Southbank location.
Holborn 40 Chancery Lane, WC2*	1.0	6,600	9,100	38	Planning consent obtained in February 2008 for a new office building. This would replace three buildings; two of which we have an interest in and an adjacent building of 900m ² , which is owned by the freeholder of part of our ownership.
Old Street City Road Estate, EC1	0.8	9,500	23,300	146	A planning permission obtained on appeal in October 2008 to redevelop the existing collection of buildings to provide 13,100m ² of residential and 10,200m ² of commercial space. However, a predominantly office scheme is now under consideration.
18-30 Leonard Street, EC2	–	Site	5,100	n/a	Planning consent for 3,200m ² of residential (47 units) and 1,900m ² of office space.
	3.7	27,500	74,400	171	

* Includes Tooks Court

Appraisal studies

	Net contracted rental income per annum £m	Existing floor area m ²	Comments
Euston 132-142 Hampstead Road, NW1	2.0	21,500	This building offers a significant redevelopment opportunity. Planning studies for regeneration and extension of the existing buildings are being finalised and a planning application is being prepared for submission later this year.
Fitzrovia 80 Charlotte Street, W1	4.3	18,600	A large island block occupied by Saatchi & Saatchi in the heart of our Fitzrovia Estate. The site offers the potential for a major regeneration project.
Belgravia Hyde Park Corner Estate, SW1	5.2	15,700	Two substantial office buildings occupying a landmark location on Hyde Park Corner and offering significant redevelopment potential. Planning studies are being evaluated in conjunction with our freeholders, the Grosvenor Estate.
Victoria Riverwalk House, 157-166 Millbank, SW1	2.3	6,900	A prime riverside location overlooking the Thames. Potential to substantially increase the site density through redevelopment when the lease expires in 2011.
Clerkenwell 63 Clerkenwell Road, EC1	0.3	4,200	Planning permission for a new build office scheme was refused in November 2009. This is being appealed, with a decision expected in May 2010.
Shoreditch 60 Commercial Road, E1	0.5	2,800	Planning permission for a mixed use scheme was refused in November 2009. Development options are being re-evaluated.
	14.6	69,700	

Portfolio management

Principal lettings

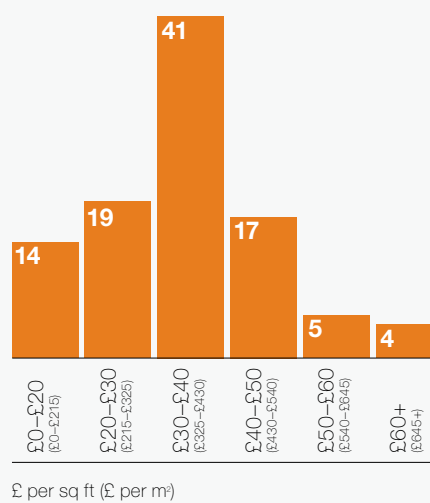
	Approximate net area m ²	Rental per annum £m	Headline rental £ per m ²	Headline rental £ per sq ft	Comments
Qube, W1	4,455	2.3	590	55	Office lettings to EDF Energy and ScanSafe.
1 Grosvenor Place, SW1	2,490	1.1	500	46	Seven lettings including Jupiter Investment, Aralon Advisory Services and Chenavari Financial Group.
Charlotte Building, W1	1,850	0.9	475	44	Two office lettings: Unanimis and Icon Entertainment.
Portobello Dock, W10	3,435	0.7	240	22	Canal Building let to Innocent Drinks and four other transactions.
Tea Building, E1	3,055	0.6	240	22	Seven lettings including Soho House, Albion Brand Communication, Jacob Bailey and Oakley.
43 Whitfield Street, W1	1,315	0.4	355	33	Three office lettings: University of Leeds, Feilden Clegg Bradley Studios and Zuhlke Engineering.
45-51 Whitfield Street, W1	1,135	0.3	305	28	Entire office building pre-let to Target Media.
4 Grosvenor Place, SW1	750	0.3	485	45	Three office lettings: Vertex Data Science, Gulfstream Management and Perry Capital.
75 Wells Street, W1	615	0.3	455	42	Three office lettings including Bio Agency and Kin UK.
88-110 George Street, W1	465	0.2	385	36	Retail lettings to Tesco and Food Philosophy.

Ten principal tenants % of rental income¹

Government	7.5
Arup	6.4
Burberry	4.6
Saatchi & Saatchi	3.7
BT	3.6
MWB Business Exchange	2.7
Thomson Reuters	2.3
Pinsent Masons	2.1
BBC	2.0
House of Fraser	1.7
	36.6

¹Based upon contracted net rental income of £114.9m pa

Office rent banding %



Five year summary

	2009 £m	2008 £m	2007 £m	2006 £m	2005 £m
Gross property income	123.8	119.0	111.7	51.3	49.5
Net property income	114.8	95.5	103.8	58.0	46.6
Recurring profit before tax	60.2	23.3	38.0	16.4	16.7
(Loss)/profit on disposal of properties and investments	(16.6)	1.2	130.8	2.9	9.6
(Loss)/profit before tax	(34.9)	(606.5)	(99.8)	242.8	150.4
Net assets	1,163.9	1,215.0	1,841.9	783.4	606.2
Investment property at fair value	1,918.4	2,108.0	2,671.7	1,282.7	1,009.8
Revaluation (deficit)/surplus	(81.1)	(602.1)	90.3	223.2	124.1
Net debt	723.4	865.4	782.8	349.8	303.9
Cash flow	139.5	(83.7)	116.9	(59.4)	34.5
Net cash inflow/(outflow) from operating activities	66.4	38.3	28.4	(5.6)	13.7
Acquisitions	10.2	31.9	140.7	48.9	40.3
Capital expenditure on properties	94.6	72.9	68.3	18.9	26.7
Disposals	195.5	72.6	352.4	31.2	97.8
Recurring earnings per share (p)	55.55	22.83	35.14	27.44	26.23
Dividend per share					
IFRS (p)	24.50	23.15	18.025	13.95	12.825
Distribution of year earnings (p)	27.00	24.50	22.50	14.75	13.65
Adjusted net asset value per share (p)	1,168	1,226	1,801	1,770	1,335
Net asset value per share (p)	1,117	1,170	1,770	1,460	1,134
Total return (%)	(2.7)	(30.6)	2.8	33.6	25.5
Gearing					
Balance sheet (%)	62.2	71.2	42.5	44.7	50.1
Profit and loss – ICR (%)	330	247	224	257	241

A list of definitions is provided on page 108.

List of definitions

Net assets per share or net asset value (NAV)

Equity shareholders' funds divided by the number of ordinary shares in issue at the balance sheet date.

Adjusted net asset value per share

NAV adjusted to exclude deferred tax on the property revaluation surplus and fair value adjustments to the carrying value of assets and liabilities.

European Public Real Estate Association (EPRA)

A not-for-profit association with a membership of Europe's leading property companies, investors and consultants which strives to establish best practices in accounting, reporting and corporate governance and to provide high-quality information to investors.

Recurring net property income

Net property income excluding development income.

Recurring profit before taxation

Profit before tax excluding development income, the revaluation movement in investment properties and financial instruments and the profit on disposal of investment properties.

Adjusted recurring profit before taxation

Recurring profit before taxation adjusted for items which are unlikely to be repeated to the same level in the future, and are excluded to show the underlying trend.

Earnings per share (EPS)

Profit for the year attributable to equity shareholders divided by the weighted average number of ordinary shares in issue during the financial year.

Recurring earnings per share

Earnings per share adjusted to exclude the after tax effect of non-recurring items, profits or losses on sales of properties and investments, and the fair value adjustments to the carrying value of assets and liabilities.

Diluted earnings per share

Earnings per share adjusted to include the dilutive effects of potential shares issuable under the group's share option schemes. However, a loss per share cannot be reduced by dilution in accordance with IAS 33, Earnings per Share.

Property income distribution (PID)

Dividends from profits of the group's tax-exempt property rental business under the REIT regulations.

Non PID

Dividends from profits of the group's taxable residual business.

Net debt

Borrowings plus bank overdraft and loans less cash and cash equivalents.

Balance sheet gearing

Net debt divided by net assets.

Profit and loss gearing/Interest cover ratio (ICR)

Gross property income, excluding surrender premiums, less ground rent divided by interest payable on borrowings less interest receivable. This is similar to the group's most commonly used interest cover ratio covenant.

Property gearing/Loan-to-value ratio (LTV)

The nominal value of borrowed funds divided by the fair value of investment property. This is equivalent to the loan-to-value calculations used in the group's bank covenants.

Ground rent

The rent payable by the group for its leasehold properties. Under IFRS, these leases are treated as finance leases and the cost allocated between interest payable and property outgoings.

Building Research Establishment Environmental Assessment Method (BREEAM)

The BREEAM rating assesses the operational and the embodied environmental impacts of individual buildings. The ratings are Pass, Good, Very Good, Excellent and Outstanding.

IPD Central London Offices Index

An index, compiled by Investment Property Databank Limited, of the central and inner London offices in their quarterly valued universe.

Capital return

The annual valuation movement arising on the group's portfolio expressed as a percentage return on the valuation at the beginning of the year adjusted for acquisitions and capital expenditure.

Total return

The movement in adjusted net asset value per share between the beginning and the end of each financial year plus the dividend per share paid during the year, expressed as a percentage of the adjusted net asset value per share at the beginning of the year.

Total property return

The annual capital appreciation, net of capital expenditure, plus the net annual rental income received, expressed as a percentage of capital employed (property value at the beginning of the year plus capital expenditure).

Total shareholder return

The growth in the ordinary share price as quoted on the London Stock Exchange plus dividends per share received for the period, expressed as a percentage of the share price at the beginning of the year.

Rent roll

The annualised contracted rental income, net of ground rents.

Initial yield

The rent roll generated by a property or by the portfolio as a whole expressed as a percentage of its valuation. Where applicable, the valuation is adjusted to include any capital expenditure required for scheme completion.

True equivalent yield

The constant capitalisation rate which, if applied to all cash flows from the portfolio, including current rent, reversions to valuers' estimated rental value and such items as voids and expenditures, equates to the valuation having taken into account notional purchasers' costs. Assumes rent is received quarterly in advance.

Reversionary yield

The anticipated yield based upon the valuers' estimated rental value of a property or portfolio, expressed as a percentage of its valuation. Where applicable, the valuation is adjusted to include any capital expenditure required for scheme completion.

Reversion

The reversion is the difference between the rent roll of a property or portfolio and the rental value as estimated by the group's external valuers. The reversion is derived from contractual rental increases, rent reviews, lease renewals and the letting of vacant space.

Underlying portfolio

Properties that have been held for the whole of the financial year.

Vacancy rate

The rental value of vacant space in a property or portfolio, that is immediately available for occupation, expressed as a percentage of the estimated rental value.