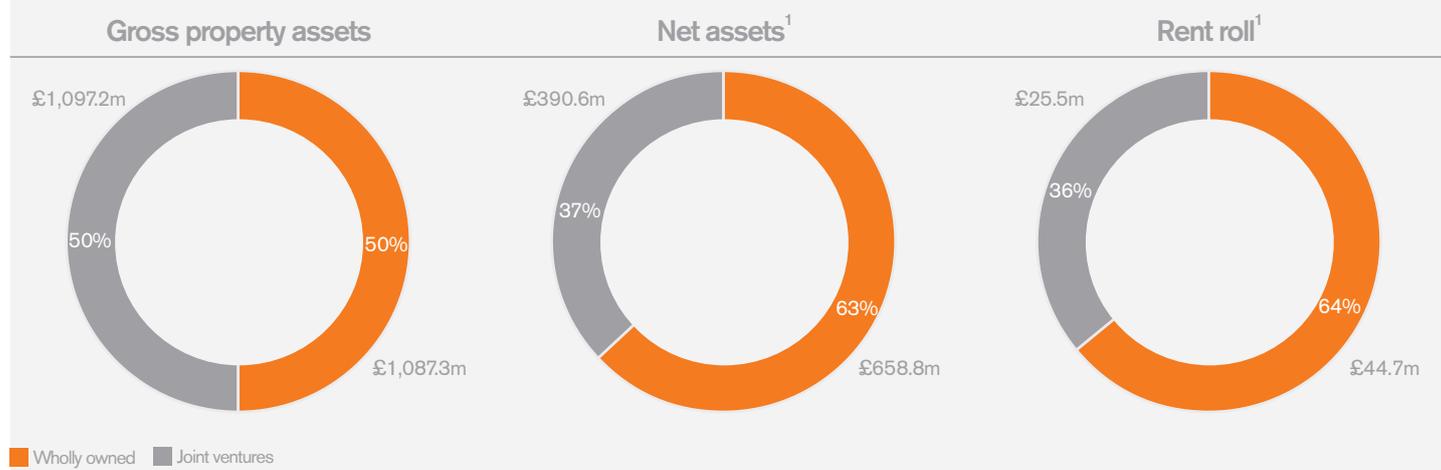


## Joint venture business – contribution to the Group

Values at 31 March 2008



1. Includes Group's share of joint ventures.

### Joint ventures in the context of the Group

It has been a year of significant expansion and major transactions for the JV business.

The JVs have facilitated good relative portfolio performance at Group level for the second half and brought in assets with repositioning, refurbishment and redevelopment potential. All the JVs are structured as 50:50 partnerships with the Group managing the property for an appropriate fee. Our JV partners are well regarded, long term, major owners of UK real estate who rely on our specialism in the central London markets.

Our JVs are increasingly material to the Group, making up 50% of property assets, 37% of net assets and 36% of rent roll at March 2008 (at March 2007: 24%, 16% and 13% respectively).

We believe that the JVs will continue to provide a competitive advantage to the Group as their portfolios are rich with rental growth opportunity and our partners are supportive in terms of capital, reputation and relationships.

### Good performance

On an overall basis, the JVs combined rental income grew by 289% to £21.8 million and adjusted profit before tax increased by 419% to £16.1 million due mainly to the investment in the Great Capital Partnership ("GCP"). On an underlying, like-for-like basis, rental income grew by 36% primarily due to leasing at 180 Great Portland Street, W1.

Management fees payable to the Group by the joint ventures were up substantially to £5.8 million (2007: £1.6 million).

The portfolio movement for the joint ventures produced a reduction of 2.0%, as rental value growth and lease restructuring gains were outweighed by rising investment yields and up front acquisition costs.

Further information on JV financing and commitments are set out in Our financial position.

### Composition and activities of our JV business

The major change during the year was the formation of GCP in April 2007 which subsequently saw further investments in August and December. In early 2008, GCP announced a major property swap and lease restructuring with The Crown Estate and arranged a new £225 million non-recourse debt facility. Further details on these events are set out on page 24 and pages 26 to 29.

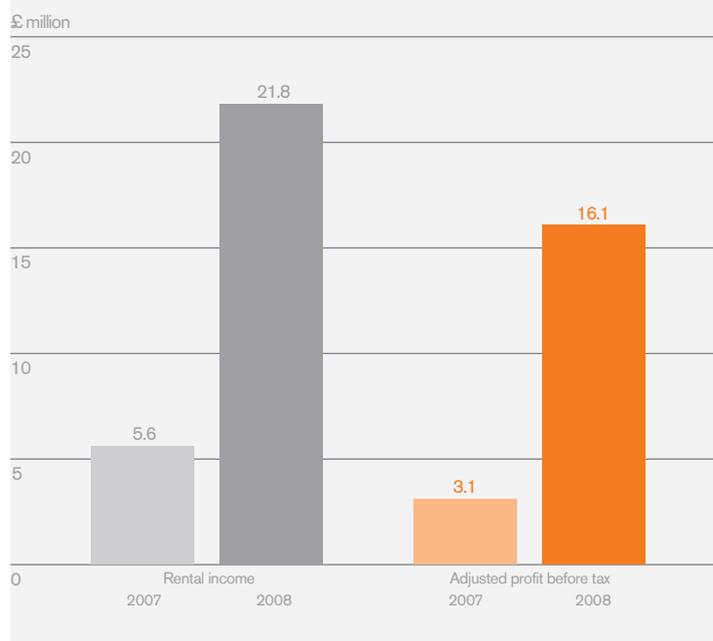
At Great Wigmore Partnership ("GWP") we have seen excellent results in leasing at the completed 180 Great Portland Street, W1 development, where the last office lease was signed at £67.50 per sq ft in January, some 38% ahead of the rental value of the building at the start of the letting campaign a year earlier. At the Wigmore Street Island Site there has been good progress in working up a potential redevelopment of the offices through securing planning consent and aligning occupational leases to gain vacant possession.

The two Great Victoria joint ventures, ("GVP1") and ("GVP2"), produced solid performance with encouraging lettings at the Mount Royal retail block in Oxford Street and the completion of the redevelopment at the former Liberty department store at 208/222 Regent Street, W1 where the retailer GAP, the last of the new lettings at the building, opened for trading in August.

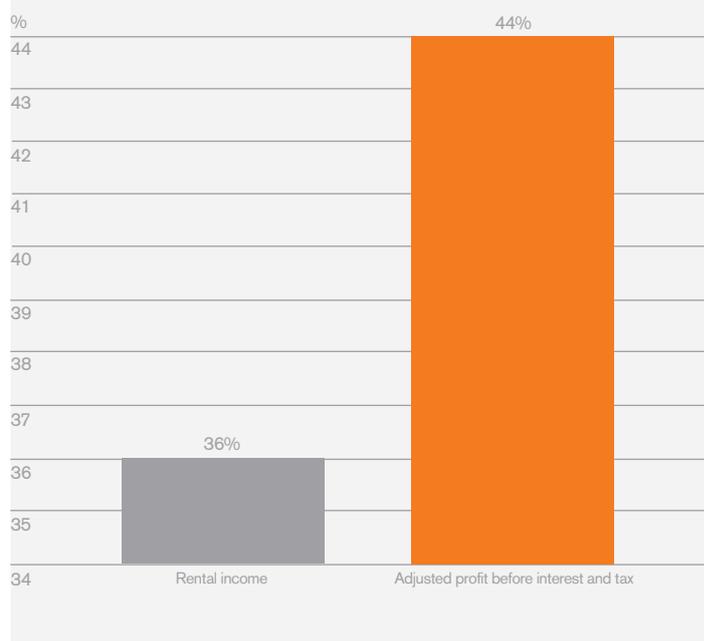
Just before the year end, we set up The Great Ropemaker Partnership ("GRP"), a new 50:50 JV with BP Pension Fund, to own and potentially develop 240 Blackfriars Road, SE1. GRP acquired the site from the Group for an initial consideration of £20.5 million. In addition, £2.0 million is payable in enhanced fees if the site is redeveloped and a further £5.0 million in priority payments become due if various performance hurdles are met.

**Growth in joint venture income and profit**

Years to 31 March

**Like-for-like growth in joint venture income and profit**

Year to 31 March 2008

**Joint venture statistics**

At 31 March 2008

**Operating statistics**

Name	Great Victoria Partnerships	Great Wigmore Partnership	Great Capital Partnership	Great Ropemaker Partnership
Partner	Liverpool Victoria	Scottish Widows	Liberty International	BP Pension Fund
Ownership	50:50	50:50	50:50	50:50
Manager	GPE	GPE	GPE	GPE
Date commenced	January 2005	July 2006	April 2007	March 2008
Location in London	W1, SW1,	W1	W1, SW1, EC1, EC4, E1, W8	SE1

**Financial statistics**

	£m	£m	£m	£m	Total £m
Rent roll <sup>1</sup>	5.9	4.3	15.3	–	25.5
Property value <sup>1</sup>	129.3	79.4	327.7	12.2	548.6
Net debt <sup>1</sup>	42.7	(1.0)	104.1	–	145.8
Net investment in JV <sup>1</sup>	84.3	78.7	216.8	10.8	390.6
Fees payable to GPE <sup>2</sup>	0.5	1.2	4.1	–	5.8

1. 50%.  
2. 100%.