


RESULTS IN BRIEF (Year ended 31st March)	1996 £000	1995 £000
Rent receivable	96,540	93,554
Profit before taxation	47,620	53,097
Profit after taxation	34,747	40,305
Earnings per share – basic	10.7p	12.7p
Earnings per share – adjusted	9.6p	9.7p
Dividends per share	9.0p	8.75p

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COMPANIES HOUSE 27/08/96



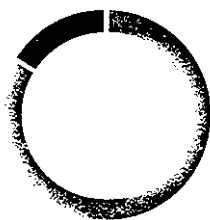
GREAT PORTLAND ESTATES, which became a listed company thirty-seven years ago, now has a portfolio of properties valued at over £1.1 billion. The objectives have been to acquire and develop quality buildings in the United Kingdom, and today we own over 9.4 million square feet of commercial space, let to some 1,200 tenants. Our basic strengths remain sound finances and security of income within a well-diversified portfolio, coupled with able and experienced management.

DUMERS LANE, BURY
180,000 SQ.FT. WAREHOUSE DEVELOPMENT COMPLETED IN 1995



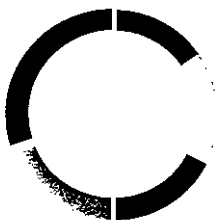
KENT HOUSE, 14-17 MARKET PLACE, W1
 A MULTI-LET BUILDING ON AN ISLAND SITE IN LONDON'S WEST END

CAPITAL VALUE
 BY TENURE



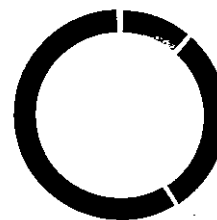
- ▶ FREEHOLD AND LEASEHOLD OVER 900 YEARS 85%
- LEASEHOLD 75-250 YEARS UNEXPIRED 15%

CAPITAL VALUE
 BY LOCATION



- WEST END - NORTH OF OXFORD ST 15%
- WEST END - OTHER 17%
- CITY 18%
- ▶ SOUTH EAST 20%
- REST OF UK 30%

CAPITAL VALUE
 BY USER



- OFFICES & COMMERCIAL 59%
- RETAIL 30%
- INDUSTRIAL 11%

Statement by the Chairman

Our rent roll is £100 million
per annum and total property
assets exceed £1.1 billion

"Property is a long-term business."

I was particularly reminded of the pertinence of that adage as I sat down to write this year's Statement to shareholders since it is just over a decade ago (February 1986 in fact) that I had the privilege of succeeding Basil Samuel as Chairman of Great Portland Estates. At that time the Company, which had been granted a listing on the Stock Exchange twenty-seven years previously, had a rent roll of £21 million per annum and gross property assets of £300 million, largely concentrated in central London and with limited retail exposure. I had just instigated, and we were about to embark on, what I described as the "largest and most exciting development programme" in our history and, indeed, the highly successful lettings on long leases to substantial covenants which we subsequently accomplished

have provided a vital source of earnings ever since. The rapid growth of the late eighties was followed in the early nineties by the severest recession in living memory and many companies, particularly in property, were forcibly reduced in size or even fell by the wayside. Nevertheless, your Board decided on a contra-cyclical strategy during that harsh climate in the belief that the prevailing conditions offered opportunities to expand and realign the portfolio by a mixture of increased investment (amounting to over £500 million in the last five years alone), coupled with selective development and judicious selling. As a result, I am proud to tell you that today, ten years on, our rent roll is £100 million per annum and total property assets exceed £1.1 billion, of which one-half remains in central London and around one-third is now in retail.

OFFICES & COMMERCIAL
BY LOCATION



- WEST END - NORTH OF OXFORD ST 12%
- WEST END - OTHER 13%
- CITY 16%
- SOUTH EAST 11%
- REST OF UK 7%

Over £53 million has been spent on acquisitions during the year

RESULTS AND DIVIDEND

For the past two years I have been voicing my concern that the requirements of the Accounting Standards Board tend to obfuscate, rather than clarify, the comparability of earnings from one period to the next and, if our auditors will not resilite from the pun, 1996 does not provide an exception; thus a cursory glance at the results may prove to be misleading since it must be remembered that the termination of our swap arrangements with Baring Brothers & Co., Limited in February 1995 produced a one-off gain of £9 million last year but, on the debit side, future additional interest costs of £2 million per annum. Apart from this extra burden, I also explained that our policy of extending certain leases to ensure the longevity of our rental stream would lead to some immediate diminution in income. In the circumstances, therefore, I think that I am justified in saying that good progress has been made for the year ended 31st March 1996, in that rent receivable has reached £96.5 million and profits before tax, including those of a capital nature (FRS 3), have grown to £47.6 million (1995:

£44.4 million). Earnings per share on this basis have risen to 10.7p (1995: 10.0p) and your Board is recommending a final dividend of 6.1p (1995: 5.85p), making a total for the year of 9.0p (1995: 8.75p).

BALANCE SHEET AND ASSET VALUES

Activity in the investment and occupational property markets over the last twelve months remained muted and, although short-term interest rates declined, the long-bond market, which is of greater relevance to property, was largely unmoved. Whilst there were perceptible signs of rental growth in most sectors, they were not of sufficient magnitude to maintain yields at the previous levels and, as a consequence, there was a tendency for capital values to fall, particularly for properties let on short unexpired leases where passing rents substantially exceed current market levels.

Against this background it is not surprising that the most widely accepted measure of property values, the Investment Property Databank Index, showed a fall of 4% for the year to March 1996. However,

the results of the independent valuation of our investment portfolio by Hillier Parker were rather better for, after taking into account all capital expenditure (including acquisitions), values were only reduced by 1.8%. The total return from capital and income was 7% (compared to the IPD benchmark of 4% for the same period) and the net asset value per share stood at 198p (1995: 203p).

The investment portfolio at 31st March 1996 was valued at £1,132 million, showing a running yield of 8.5%. Within the various sectors individual valuation movements were as follows:

LOCATION		
London	West End, Victoria & Covent Garden	+0.3%
	City and Holborn	-2.0%
	South East England	-3.3%
Rest of the United Kingdom		-2.9%
USER		
Offices and commercial		-1.5%
Retail		-2.4%
Industrial		-2.0%



OCTAGON CENTRE, HIGH WYCOMBE
A 163,000 SQ.FT. SHOPPING CENTRE IN THE HEART OF HIGH WYCOMBE

PROPERTY REVIEW

ACQUISITIONS

The prevailing investment market conditions provided opportunities to make nine further acquisitions, including four development projects, all of which will eventually add more than £4.8 million of rent in a full year, representing a return of 8.75% on the total capital expenditure of over £53 million.

Details of the specific purchases are as follows:-

TOSHIBA HOUSE, FRIMLEY 73,000 sq.ft. of offices and warehousing on a prominent 4 acre site, close to junction 4 of the M3 motorway. Let to Toshiba (UK) until 2003 at a rent of £372,500 per annum with the next rent review in 1998, this £4.1 million acquisition provides an initial return of 9%.

HALESFIELD 8, TELFORD This 8 acre site was acquired in September, and construction of a 132,000 sq.ft. facility, including 18,500 sq.ft.

of offices, is well advanced, with completion planned for August this year. The entire complex has been pre-let to Bundy (UK), a wholly-owned subsidiary of TI Group, at a rent of just over £500,000 per annum, and the 20 year lease incorporates minimum uplifts at each five-yearly review. The completed investment is expected to show a return in excess of 8% on a capital cost of approximately £6 million.

GEORGE HOUSE, GEORGE SQUARE, GLASGOW George House was built in 1980 and comprises 103,000 sq.ft. of city centre offices, currently producing an income of nearly £1.1 million per annum, against an acquisition cost of £11 million. The six tenants include Ernst & Young and the Royal Bank of Scotland, the former accounting for nearly 70% of the income from two leases running until 2006. Vacant space of 10,000 sq.ft. has been upgraded and, when let, will increase total net income by more than 10%.

52/56 MURRAY PLACE, STIRLING

This 1988 development of 29,000 sq.ft. of prime retail space adjoins the Thistle Centre and is let to Clydesdale Bank, McDonald's and TSB on leases running until 2010 and 2023. The cost of £4.4 million shows an initial yield of about 7.5%, but this is expected to rise following rent reviews in 1998.

GREENWOOD HOUSE, 91/99 NEW LONDON ROAD, CHELMSFORD

Our freehold ownership in central Chelmsford was extended by the acquisition in October of this 46,000 sq.ft. office building currently producing £550,000 per annum on a variety of leases running until 2009. The building was extensively refurbished in 1988 and tenants include Essex County Council, W.S. Atkins, Friends Provident and Abbey National. This acquisition is an important addition to our existing holdings at 85/89 New London Road, and 193/201 Moulsham Street, as not only will it generate an attractive return of over 11%, but the

ISIS HOUSE, HORTON ROAD, POYLE
AN 18,000 SQ.FT. MODERN INDUSTRIAL BUILDING NEAR HEATHROW AIRPORT



combined ownership will provide improved parking and access to the existing properties as well as giving long-term control of a significant town centre land holding.

BELTON ROAD, LOUGHBOROUGH & MOOR STREET, BURY These two retail warehouse developments of 26,000 and 28,500 sq.ft. respectively have been pre-let to Wickes at average rents of £8.50 p.s.f. on 25 year leases from completion of building works and will show an initial return of 8% on the total capital cost of nearly £6 million.

UNITS 1 & 2, 45 UXBRIDGE ROAD, HAYES Acquired in November, these two adjoining freehold retail warehouses total 66,000 sq.ft. on a prominent site in Uxbridge Road, Hayes and are let to MFI and Wickes on leases until 2012 and 2009 respectively. The cost of around £7.1 million reflected an initial yield of just under 8% on the current rent of £576,500 per annum, but this is expected to rise when the rent payable by MFI is reviewed in 1998.

FORSTER SQUARE, BRADFORD Construction work has recently commenced on this 100,000 sq.ft. office building in a city centre location and which is pre-let to the Inland Revenue at £9.20 p.s.f. from completion of the development in April 1997. The total commitment of just over £10 million will show an initial return of 8.75%.

The ability to create windows of opportunity for judicious sales of property is the hallmark of a well run company

DISPOSALS

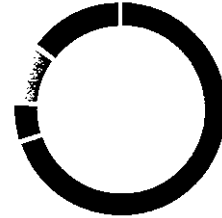
The ability to discern - and even to create - windows of opportunity for judicious sales of property is the hallmark of a well run company and, in a period during which most commentators are agreed that the market has been singularly difficult for sellers, we have been notably successful. Total proceeds for the year to 31st March 1996 amounted to £39 million on an average yield of 7% and showed a surplus of £3.6 million (over 10%) on 1995 values, together with a trading profit of just under £100,000 on a property in Edgware. The investments disposed of were a 14 acre industrial site at Milton Keynes, 10/10A Clarence Street, Kingston, 46 South Street, Chichester and, in London, 120 New Cavendish Street, W1, 4 Chiswell Street, EC1, 19 Bolsover Street, W1, and 1/3 Bonhill Street, EC2, together with some smaller buildings in Great Portland Street and its environs. This brings the total sum raised from sales in just over five years to some £130 million.

LETTINGS, DEVELOPMENT AND MANAGEMENT

In my Statement with the Interim Report I explained that the level of voids was bound to increase with the availability of 160 Great Portland Street, W1, which was duly completed in January and which has been the subject of considerable interest from potential occupiers; I remain optimistic about the prospects for this building. Nevertheless, even when this extra 97,500 sq.ft. is included, the void element of the portfolio stands at a remarkably low level - 2.8% of floor area and 3.4% of the current rent roll - and reflects our continuing efforts to minimise the overheads attaching to empty buildings and to achieve satisfactory lettings in markets which remain sensitive to economic conditions.

I have already drawn attention to those development projects which were acquired during the year and have been pre-let prior to completion - these will add a total of £1.9 million per annum in the fullness of time.

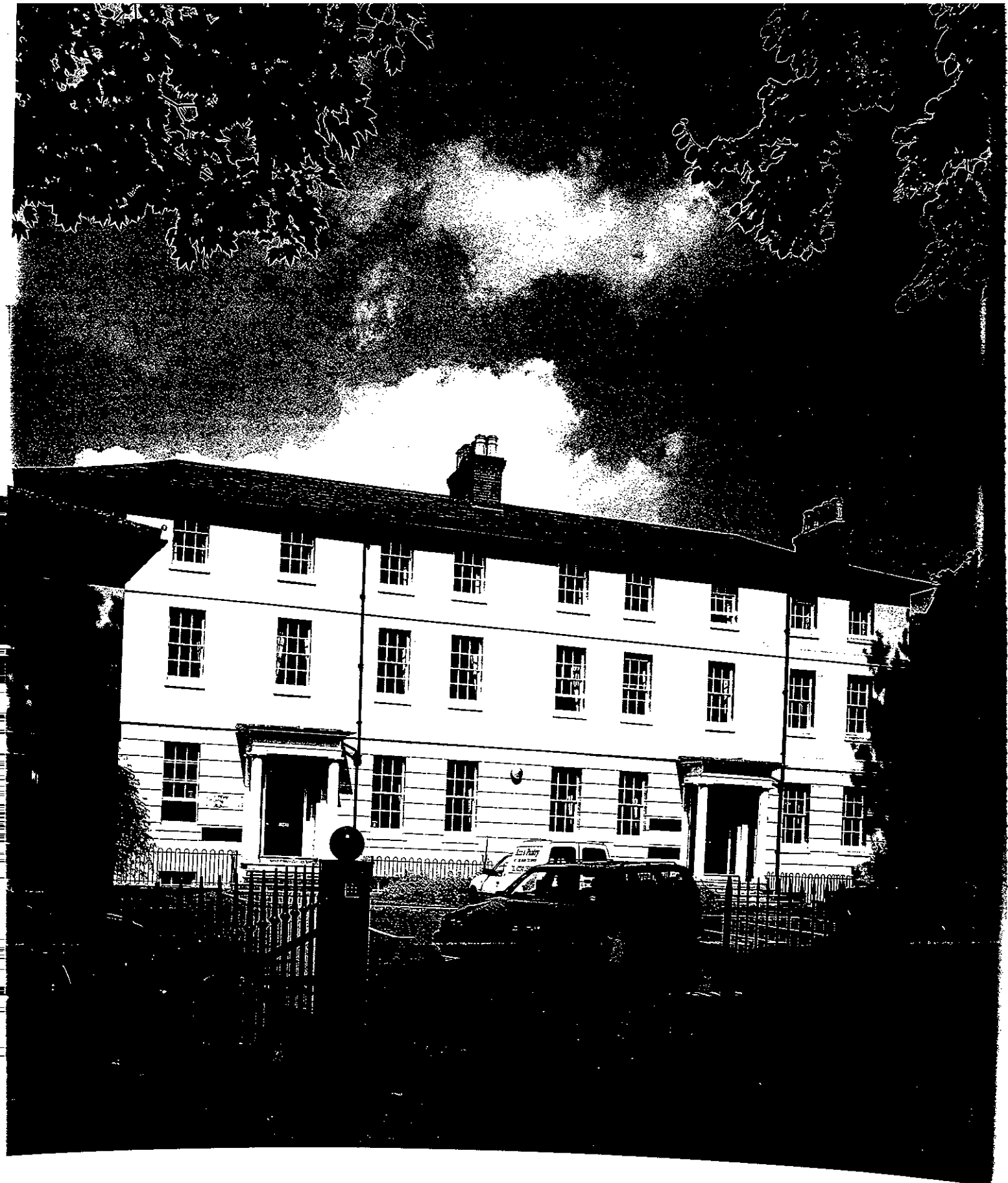
VACANT ACCOMMODATION BY RENTAL VALUE



- WEST END - NORTH OF OXFORD ST £2.4M
- CITY £0.2M
- SOUTH EAST £0.3M
- REST OF UK £0.5M

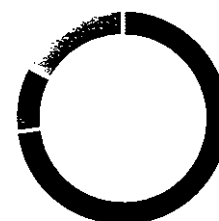
We remain pro-active in our approach to retail and, as I reported with the interim results, the major upgrading of two of our more important shopping centres - Harlow and Burnley - has been completed; in addition to the general enhancement of the environment, further retail units have been created which will provide extra income of £150,000 per annum. The redevelopment of the former 80,000 sq.ft. Toys R Us store at Wood Green, N22 was also finished prior to Christmas and, as anticipated, six of the eight ground floor units have already been let, together with the offices; as a result, the rent receivable has increased by £120,000 per annum.

In the past twelve months, apart from the normal programme of upgrading entrance halls etc., 100,000 sq.ft. have been modernised within the portfolio and a further 150,000 sq.ft. of refurbishments are currently under way throughout the country. It is



TRINITY GARDENS, BROMHAM ROAD, BEDFORD
AN 18,500 SQ. FT. OFFICE BUILDING LET PRINCIPALLY TO NATIONAL WESTMINSTER BANK

RENT ROLL ANALYSIS
BY TENANT



- INSTITUTIONAL COVENANTS & OTHER LISTED COMPANIES 73%
- PROFESSIONAL PRACTICES 10%
- OTHER 17%

encouraging to be able to report that 91 New Cavendish Street, W1 (14,000 sq.ft.) has been let three months ahead of its availability at a level well above expectations, and other floors in our traditional stamping ground north of Oxford Street are also in good demand. With regard to future developments, demolition commenced in May at 27/35 Mortimer Street, W1 (32,000 sq.ft. and four flats) and, outside London, the Company has been designated the appointed developer for Curzon Square, Burnley (87,500 sq.ft. of retail) and is on the short-list of three for the Western Sector, High Wycombe, where proposals were submitted to the Council this April.

In an era where growth is subdued, even more importance should be attached to creative and effective

management, and strenuous efforts continue to be made to add value to the core portfolio. For example, two years ago, I explained the situation with regard to Knollys House, Croydon, where the lease to IBM of the entire 175,000 sq.ft. complex, which gave the tenant the right to break in 2003, had been surrendered in December 1993 with a capital receipt of £1 million to us. We assumed responsibility for the existing sub-leases and, of the remaining 87,500 sq.ft. of space, which stood empty at that time, the vast majority has been refurbished and let; the net effect of our involvement is that 85% of the original revenue is now secure until 2008, the aggregate rental income has increased by £500,000 per annum and the capital value by 25%.

Two topics which I have addressed recently are the security of income

and the level of overrentedness within the portfolio. As to the former, there has been a marginal improvement in the past twelve months. Our annual rent roll – and by that I mean rent currently charged to tenants plus income due to flow from pre-let developments and the ending of rent-free periods – stands at £100 million and, of that figure, 83% derives from leases without breaks before 2001, and 62% before 2006. The second issue, overrentedness, is a complex one but I believe shareholders should focus on the vast proportion of income which would remain assuming that those leases which are due to expire within the next five years are relet at current estimated rental levels. By March 2001 our rent roll would be reduced by a mere 5%, and even this figure will be offset by £1 million per annum from leases with fixed increases.

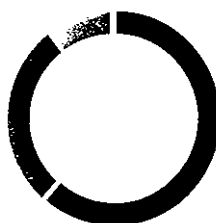


160 GREAT PORTLAND STREET, W1
97,500 SQ.FT. OF PRIME OFFICE AND RETAIL SPACE REDEVELOPED IN 1996

FINANCIAL REVIEW

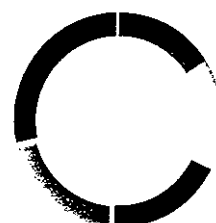
In my opening remarks I commented that rent receivable had reached £96.5 million – an increase of 3.2%, which was due to a number of factors; acquisitions produced an extra £4.8 million and new lettings and reviews £2.5 million, whilst £3.7 million of income was lost through disposals and expiries. In addition, our policy of extending the longevity of our rental stream, at the expense of some short-term diminution in income, cost us £600,000 in the year under review and I anticipate that the year ending 31st March 1997 will suffer by a similar amount. As I mentioned earlier our success in maintaining a low level of voids has resulted in a 25% decline in property expenses (which, in our definition, includes certain refurbishments) and administration costs stand at 3% of turnover. On page 7, I discussed the success of our disposal programme and the proceeds of £39 million (which produced FRS 3

RENT RECEIVABLE 1995/96
BY USER



- OFFICES & COMMERCIAL £59M
- RETAIL £27M
- INDUSTRIAL £10M

RENT RECEIVABLE 1995/96
BY LOCATION



- WEST END - NORTH OF OXFORD ST £15M
- WEST END - OTHER £16M
- CITY £18M
- SOUTH EAST £19M
- REST OF UK £28M

profits of £3.6 million) which, together with an extra £40 million of bank loans, resulted in larger cash balances and, accordingly, higher interest receivable. Interest payable, however, has also risen, partly due to the increased bank loans - and here it must be remembered that we have not capitalised interest on any of our developments - and partly, of course, by £2 million as a consequence of our having fixed higher rates on existing loans after the previous interest rate swap contract automatically terminated on the appointment of an administrator to our counterparty, Baring Brothers & Co., Limited, in February 1995.

The rate of tax for the year under review was 27% and, following recent agreement of principles with the Inland Revenue, I believe that it should be no more than 25% for the next two years, subject to there being no changes in the underlying basis of Corporation Tax. Indeed, it is

interesting to reflect that, during the current debate on property securitisation, the effect of your Board's policy of a high distribution on what I would classify as "clean" profits, coupled with a level of taxation not far removed from the 20% tax credit on dividends, is that shareholders are put in a position closer to tax neutrality than those in the majority of listed companies.

In April 1995 we refinanced our syndicated revolving credit facility, enlarging it by £40 million to £150 million and extending its length by two years to 2001; the margin over Libor was halved and we have subsequently entered into swap contracts to fix the annual interest rate at an overall 9.1%. In November £25 million of undrawn seven year bilateral revolving credit facilities were put in place, £15 million of which have been fixed at 7.5% until November 2000. These,

together with other undrawn facilities of over £60 million and cash of £59 million at the year end, provide us with significant resources for the future; since March we have undertaken capital expenditure and further commitments amounting to £50 million.

In December we repurchased £1,863,000 9.5 per cent. Convertible Unsecured Loan Stock at £101.875, and almost 750,000 ordinary shares have been issued, primarily through the exercise of share options; since the year end another 335,000 have been exercised. At 31st March 1996 the ratio of net debt to gross property assets stood at 38% and net gearing was 68%. The debt profile remained well balanced, with 50% maturing in over 20 years, and our average cost of borrowing was 9.5%; in my view, however, the acid test of gearing is the cover provided by operating profit over net interest, which this year stood at 2.0 times.

CORPORATE GOVERNANCE,
MANAGEMENT AND STAFF

Another year, another Code!

For those shareholders who may care to decipher, and "bury" themselves in, the welter of detailed information which listed companies are now required to produce regarding corporate governance and directors' remuneration, your Company's compliance with the recommendations of the Cadbury Code can be found on page 22; meanwhile, the operative requirements of the Greenbury Code are addressed in the Report of the Remuneration Committee on pages 24 to 27. The only change in the composition of the Board was

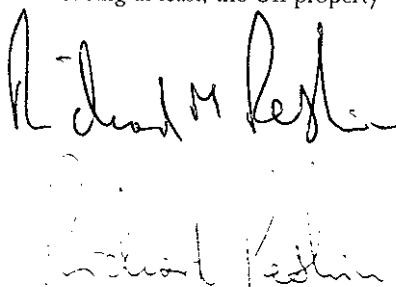
the appointment of John Whiteley as Finance Director on 1st August 1995. As ever, I would like to take this annual opportunity of expressing my appreciation to my co-directors and all the Group's employees for their advice, hard work and unstinting efforts during the past twelve months.

OUTLOOK AND PROSPECTS

Whilst the macro-economic scenario appears to be healthy, providing the happy combination of reasonable growth, subdued inflation and short-term interest rates at historically low levels, there is little doubt that, for the time being at least, the UK property

sector remains relatively lacklustre. Having said that, opportunities will, of course, arise in the future, as they have in the past, to identify and consolidate revenue and asset enhancing prospects.

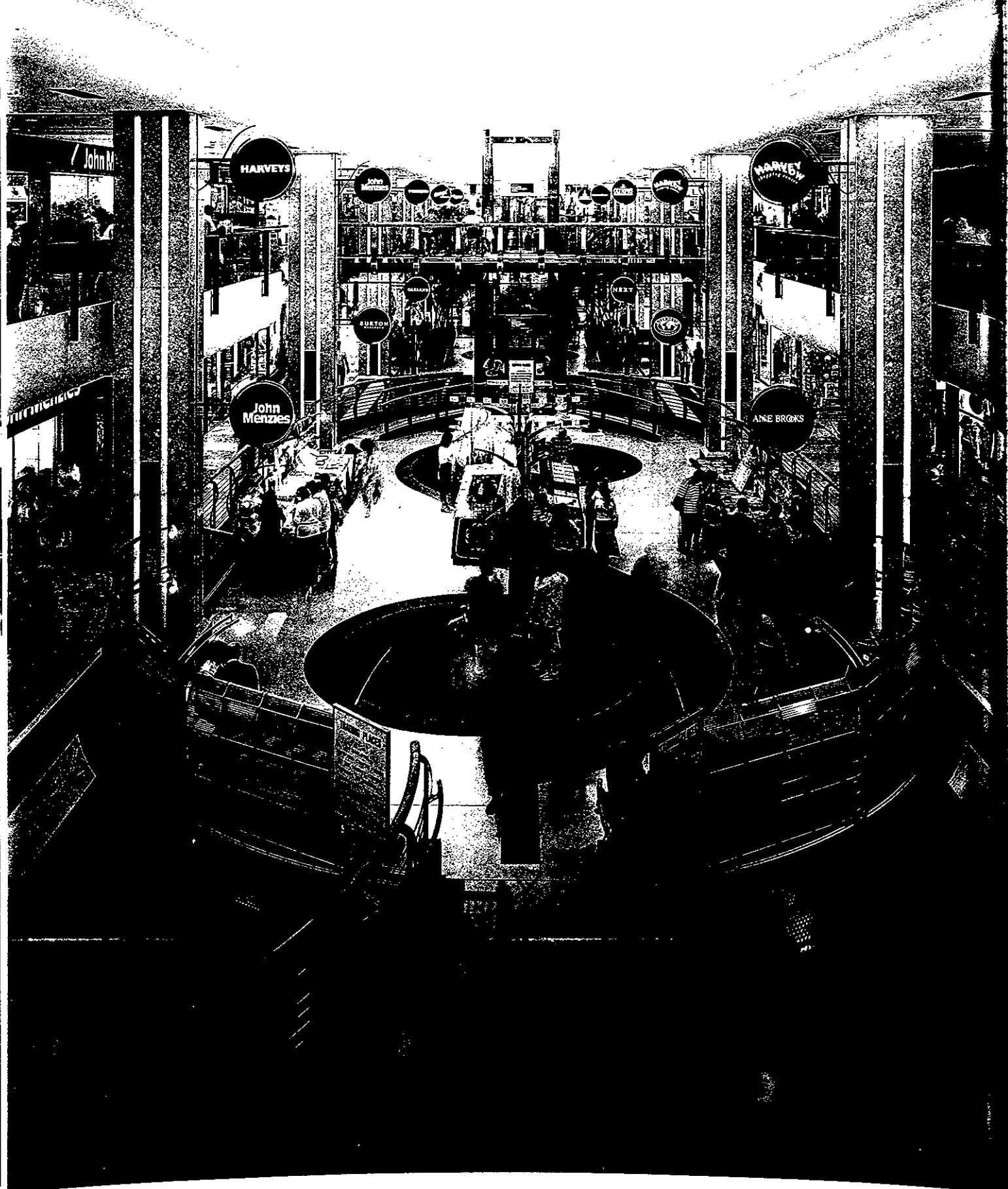
As a result of the strategy and policies pursued over the past few years, your Company now owns a better balanced and diversified portfolio, which is well placed to meet the requirements of present and prospective occupiers, and, with its proven management skills and sound financing, is ready, willing and able to face the challenges of the future.



Richard Peskin • Chairman & Managing Director



BUCHANAN HOUSE, 24-31 HOLBORN, EC4
65,000 SQ.FT. OF MID-TOWN OFFICES MODERNISED IN 1994



HARVEY CENTRE, HARLOW
REFURBISHED IN 1995, A 430,000 SQ.FT. CITY CENTRE SHOPPING COMPLEX

Major Properties owned by the Group

Properties valued at between £20 million and £50 million

	Tenure	User	Floor Area (sq.ft.)	Gross Rent p.a. (£m)
Harvey Centre, Harlow Major shopping centre anchored by Marks & Spencer, B&S, Littlewoods and Tesco, primarily on 25 year leases. Built in 1983, acquired in 1993, and refurbished in 1995.	Freehold	Retail	430,000	3.7
21 Bloomsbury Street WC1 Let to the Secretary of State for the Environment on a 25 year lease from 1988. Rebuilt behind a listed façade in 1988.	Freehold	Offices	74,000	3.0
Charter Walk Shopping Centre, Burnley Important shopping centre, refurbished in 1995; principal tenants include Mothercare, Boots and Woolworths.	Leasehold	Retail	350,000	3.2
Weybridge Business Park High specification park let on mainly 25 year leases; tenants include Toshiba, Chep and Word Perfect.	Freehold	Offices	156,000	2.7
13-17 Moorgate EC2 Let to Arab Bank and Credito Italiano with 17 and 15 years respectively unexpired. 13-15 redeveloped behind the original façade in 1988.	Leasehold	Offices	61,000	2.7
Royal Oak Industrial Estate, Daventry Located on a 38 acre site, a major distribution centre acquired in June 1994 and let to Argos Distributors and International Distillers and Vintners on leases to 2004 and 2010 respectively, and to Courage.	Freehold	Industrial	981,000	3.0
88-102 Bishopsgate EC2 Let to Willis Corroon and The Chartered Institute of Bankers, and recently subject to complete renovation.	Leasehold/Freehold	Offices	86,000	3.0
Octagon Centre, High Wycombe Award-winning shopping centre refurbished in 1989, containing 80 units anchored by Littlewoods, Mothercare and Boots.	Leasehold	Retail	163,000	2.4
Barnards Court, 90 Fetter Lane EC4 Air-conditioned office building, developed in 1989, and let to two major firms of solicitors, together with a wine bar let to Allied Breweries.	Freehold	Offices	62,000	2.3
Knollys House and Stephenson House, Croydon Recently refurbished office complex, let to a variety of tenants, including IBM, British Rail, and American Express, with the majority of leases expiring in 2008.	Freehold	Offices	175,000	2.6
160 Great Portland Street W1 Full redevelopment completed in early 1996.	Freehold	Offices/Retail	97,500	0.0
Springwood Drive, Braintree Developed in 1991, and let for 25 years, with guaranteed minimum uplift, to Norcros p.l.c.	Freehold	Industrial	345,000	1.8
350-354 Oxford Street W1 Let to the Trustee Savings Bank for 25 years from 1988.	Freehold	Retail	14,000	1.5
80 Bishopsgate EC2 Let to Kansallis Osake Pankki on a lease expiring in 2011.	Freehold/Leasehold	Offices	43,000	1.7

Major Properties owned by the Group

Properties valued at between £10 million and £20 million

	Tenure	User	Floor Area (sq.ft.)	Gross Rent p.a (£m)
178-202 Great Portland Street W1 Principal tenants include General Medical Council and Ted Bates Holdings.	Freehold	Offices	87,000	1.8
183-213 Old Street EC1 Principally offices let on long leases to The Post Office until 2008/9.	Freehold	Offices/Industrial	267,000	1.8
14 Hanover Square and 293-295 Oxford Street W1 Offices let to Harbottle & Lewis and retail to Saxone.	Freehold	Offices/Retail	30,000	1.2
38 Finsbury Square EC2 Developed in 1992 and let to Bloomberg, Fox-Pitt Kelton and Hitachi Zosen.	Freehold	Offices	47,000	1.0
16-29 Park Crescent W1 Let to a variety of institutional tenants with the majority of leases expiring in over 10 years.	Leasehold	Offices	107,000	1.5
Union Square Shopping Centre, Torquay Acquired in June 1993; major tenants include C&A, Somerfield and Iceland with most leases expiring in over 15 years.	Freehold	Retail	94,000	1.2
61 St Mary Axe EC3 Recently refurbished and let to a major firm of solicitors until 2014.	Freehold	Offices	28,000	1.2
Colne Valley Retail Park, Watford Developed in 1989 and let on 25 year leases to MFI and Courts.	Freehold	Retail	82,000	1.0
61-71 Victoria Street SW1 Developed in 1989, with the majority of the office space let to Capita Group until 2017.	Freehold	Offices/Retail	34,000	0.9
79 New Cavendish Street W1 Recently refurbished and let to a major firm of solicitors until 2019.	Freehold	Offices	36,500	1.1
20-30 Great Titchfield Street W1 Mixed office and retail; multi-let, including Body Shop.	Freehold	Offices/Retail	69,000	1.3
Lyne Hill Industrial Estate, Penkridge 24 acre estate occupied by Argos, Transfleet and National Carriers, and let to Suter until 2012, with a guaranteed minimum uplift in 1998.	Freehold	Industrial	539,000	1.1

	Tenure	User	Floor Area (sq.ft.)	Gross Rent p.a (£m)
Drury House, 34-43 Russell Street WC2 Developed in 1989 and largely let to professional practices.	Freehold	Offices	36,000	1.1
Astmoor Industrial Estate, Runcorn Acquired in 1993 and let to a wholly-owned subsidiary of MFI until 2012.	Freehold	Industrial	428,000	1.1
Black Lion House, 45 Whitechapel Road E1 Primarily let to the Inland Revenue and a subsidiary of National Westminster Bank until 2010 and 2013, respectively.	Freehold	Offices	70,000	1.1
King's Walk Shopping Mall, Chelsea SW3 Developed in 1988; major occupiers include The Gap, Jeffrey Rogers and The Prince's Youth Business Trust.	Freehold	Retail	27,000	1.0
George House, George Square, Glasgow Acquired in 1995; major tenants include Ernst & Young, Royal Bank of Scotland and Scottish Enterprise.	Leasehold	Offices	103,000	1.1
Avenue Industrial Estate, Cardiff Acquired in 1994, let to Matsushita, Boots and Great Mills until beyond 2010.	Freehold	Industrial	183,000	1.0
Knighton House, 56 Mortimer Street W1 Refurbished in 1993/94 and the Group's Head Office; other tenants include Wickes and French Connection.	Freehold	Offices/Retail	39,000	0.8
Kent House, 14-17 Market Place W1 Recently refurbished; multi-let.	Freehold	Offices/Retail	58,000	1.0
Wang House, Hounslow West London Refurbished in 1994; let to Wang (UK) until 2009 with fixed annual rental uplifts until 1998.	Freehold	Offices	59,000	0.8
Forster Square, Bradford Development due for completion in April 1997 and pre-let to the Inland Revenue.	Freehold	Offices	100,000	0.9

The tenure of properties designated as freehold is freehold or leasehold with over 900 years unexpired.

Properties owned by the Group

Valued at between £1 million and £10 million

REST OF THE UK

Aberdeen

Regent Centre

Accrington

Unit A Clayton Le Moor Enterprise
Zone

Barkingside

3-19 High Street

Bedford

Trinity Gardens, Bromham Road

Birmingham

1-3 Newhall Street
12-22 Newhall Street

Blackpool

72-76 Church Street ■

Bradford

8-10 Ivegate

Brighton

192 Western Road

Bristol

Northcliffe House, Colston Avenue

Bury

Dumers Lane
Moor Street

Cambridge

16 Market Street

Cardiff

Elgin House, 106 St Mary Street
Globe Centre

Chatham

Mountbatten House, Military Road*

Chelmsford

23 High Street
193-201 Moulsham Street
85-89 New London Road
91-99 New London Road

Colchester

21-23 Head Street &
10-12 Church Street

Esher

105-111 High Street

Frimley

Toshiba House, Frimley Road

Hayes

45 Uxbridge Road

Haywards Heath

Chester House, Harlands Road

Hertford

Bircherley Green Shopping Centre
Centurion House, Railway Street

Hounslow

714-716 London Road

Ilford

261-275 High Road

Leicester

Narborough Road
19 Hotel Street

Liverpool

9-13 Parker Street

Loughborough

Belton Road

Maidenhead

Nicholsons House, Nicholsons
Walk
Costain House, Nicholsons Walk*

Maidstone

Brenchley House, Week Street

Margate

College Square Shopping Centre

Northampton

7a-9 Abington Street
Barclaycard Centre

Orpington

Geco Centre, Knoll Rise

Peterborough

Vicarage Farm Road

Plymouth

Boots Warehouse, Estover Industrial
Estate

Potters Bar

230 High Street

Poyle

Isis House, Horton Road

Preston

25-27 Fishergate

Reading

Avco House, Castle Street

Redhill

Queensway House, Station Road*

Sheffield

1-5 Barkers Pool
Porterbrook House, Pear Street

Shrewsbury

13 Pride Hill

Slough

156-158 High Street

Southampton

St Cross House, Bernard Street

Stevenage

89-95 Queensway

Stirling

52-56 Murray Place

Swindon

Guild House, Farnby Street

Telford

Halesfield 8

West Bromwich

Farley Centre*

All properties are freehold or leasehold with over 900 years unexpired, except those marked with a * which are leasehold with between 75 and 250 years unexpired. Trading properties are marked with a ■.

LONDON

26a Albemarle Street W1	33 and 35 Gresse Street W1	11-19 Broad Court WC2
27 Albemarle Street W1	56-60 Hallam Street W1	33 Chancery Lane WC2
14-18 Brook Street W1	47-50 Margaret Street W1	42-43 Drury Lane WC2
81 Dean Street W1	51-53 Margaret Street W1	55 Drury Lane WC2
22-28 Eastcastle Street W1	63-65 Margaret Street W1	22-25 Northumberland Avenue WC2
38-40 Eastcastle Street W1	75-77 Margaret Street W1	4-5 Bonhill Street EC2
29-30 Fitzroy Square W1	78-80 Margaret Street W1	50-52 Paul Street EC2
23-33 Gosfield Street W1	6-10 Market Place W1	43-51 Worship Street EC2
15-17 Great Portland Street W1	27-35 Mortimer Street W1	26-30 Ely Place EC1
29-35 Great Portland Street W1	43-49 Mortimer Street W1	1-6 Dyers Buildings and 19 Holborn EC1
32-36 Great Portland Street W1	91 New Cavendish Street W1	24-31 Holborn EC4
45-49 Great Portland Street W1	93-97 New Cavendish Street W1	88-96 High Road, Wood Green N22
78-94 Great Portland Street W1	76-77 Newman Street W1	Units 6-17 Garrick Industrial Estate NW9
79-83 Great Portland Street W1	13-14 Park Crescent W1*	190 Great Dover Street SE1
96-122 Great Portland Street W1	77-83 Portland Place W1*	61-63 Croydon Road SE20
107-113 Great Portland Street W1	92-96 Portland Place W1*	38-44 Gillingham Street SW1
136-150 Great Portland Street W1	14-22 Tottenham Street W1	5 Jubilee Place SW3* ■
167-169 Great Portland Street W1	45-51 Whitfield Street W1	Leysfield Road W12
32-34 Great Titchfield Street W1	17-19 Bedford Street WC2	
43-51 Great Titchfield Street W1	19-20 Bow Street WC2	

Directors and Advisors

RICHARD PESKIN MA, LL.M., FRSA, CIMGT
Chairman and Managing Director
Joined the company in 1967,
appointed to the Board in 1968,
becoming Managing Director in
1985 and Chairman in 1986. A non-
executive director of Sun Alliance,
West End Central London Region, and a
member of the General Council of the
British Property Federation. Aged 52.

ROGER PAYTON LL.B., FRSA
Deputy Chairman, Non-Executive
A director of Baring Brothers
from 1970 to 1984. Chairman of
Richardson Westgarth and Jarvis,
and a non-executive director of
a number of other companies.
Appointed to the Board in 1985,
becoming Deputy Chairman in 1990.
Aged 65. *Chairman of Audit and
Remuneration Committees*

PATRICK HALL FRICS
Deputy Managing Director
Formerly with CIN Properties,
Abbey Life and N.M. Rothschild,
and a partner with Mason Philips.
Joined the Board in 1991. Member of
the Policy Committee of the British
Property Federation. Appointed
Deputy Managing Director in 1994.
Aged 47.

PAUL GITTENS FSVA
Executive Director
Having spent five years with Great
Universal Stores, joined the Group
in 1970. Appointed to the Board
in 1989. Aged 49.

PETER SHAW FRICS, ACIARB
Executive Director
Formerly with Central and District
Properties, and Chief Executive of
County & District Properties. Joined
the Group in 1991 and appointed
to the Board in 1994. Aged 50.

JOHN WHITELEY BA (ECON), FCA
Finance Director
Formerly with Spicer & Pegler,
and Ernst & Young, joined the
Group in 1992 and appointed
to the Board in 1995. Aged 37.

DAVID WITTY CBE, MA
Non-Executive Director
Chief Executive of Westminster
City Council from 1977 to 1984.
Chairman London Enterprise
Property Company 1984 to 1985.
Appointed to the Board in 1987.
Aged 71.

NORMAN D FORD FCCA
Non-Executive Director
Joined the Company in 1957,
becoming Company Secretary in
1959; retired in 1991 when he was
appointed to the Board. Aged 67.
*Member of Audit and Remuneration
Committees*

LEONARD S. JARRAD FRICS
Non-Executive Director
Senior Partner, Hillier Parker from
1975 to 1990. Past President of
the British Council of Shopping
Centres. Appointed to the Board
in 1990. Aged 66. *Member of
Remuneration Committee*

HOWARD PERLIN FCA
Non-Executive Director
Director of Sears from 1984
to 1994. Director of Satellite
Information Services (Holdings)
and Century Inns. Appointed to
the Board in 1994. Aged 49.
Member of Audit Committee

BANKERS

Barclays Bank
Lloyds Bank
Midland Bank
Coutts & Co
Bank of Scotland

SOLICITORS

Nabarro Nathanson
50 Stratton Street
London W1X 6NX

AUDITORS

Ernst & Young
Becket House
1 Lambeth Palace Road
London SE1 7EU

MERCHANT BANKERS

Baring Brothers
International Limited
60 London Wall
London EC2M 5TQ

STOCKBROKERS

Cazenove & Co
12 Tokenhouse Yard
London EC2R 7AN

REGISTRARS

Independent Registrars
Group Limited
Bourne House
34 Beckenham Road
Beckenham
Kent BR3 4TU

SECRETARY

Christopher Barrett, FCA

REGISTERED OFFICE

Knighton House
56 Mortimer Street
London W1N 8BD
Tel (0171) 580 3040
Fax (0171) 631 5169
Registered Number 596137



BARNARDS COURT, 90 FETTER LANE, EC4
62,000 SQ.FT. AIR-CONDITIONED OFFICE BUILDING DEVELOPED IN 1989

Corporate Governance

The Company has complied throughout the year with the provisions of The Code of Best Practice published by the Cadbury Committee on the Financial Aspects of Corporate Governance.

BOARD OF DIRECTORS

The Board currently comprises five executive directors and five non-executive directors and is responsible to the shareholders for the proper management of the Group. It meets at least four times a year, setting and monitoring Group strategy, reviewing performance, ensuring adequate funding, examining major acquisition possibilities, formulating policy on key issues and reporting to shareholders.

The appointment of directors is a matter for the Board as a whole and follows a formal selection process. Under the Company's Articles of Association, up to one-third of directors retire by rotation each year, and may offer themselves for re-election by shareholders on the approval of the rest of the Board. Audit and Remuneration Committees deal with specific aspects of the Group's affairs.

AUDIT COMMITTEE

The Audit Committee comprises Roger Payton, its Chairman, Howard Perlin and Norman Ford. It meets at least twice a year and provides a forum for reporting by the Group's external auditors. Meetings are also attended, by invitation, by certain senior executives. The Audit

Committee is also responsible for reviewing a wide range of financial matters including the annual and half-year profit figures, statements and accompanying reports, and monitoring the controls which are in force to ensure the integrity of the financial information reported to shareholders. It also advises the Board on the appointment of external auditors and on their remuneration both for audit and non-audit work.

REMUNERATION COMMITTEE

The Remuneration Committee, currently Roger Payton (Chairman), Leonard Jarrad and Norman Ford, has been in existence for a number of years and has responsibility for determining the remuneration, contract terms and other benefits for executive directors. The Report of the Remuneration Committee is set out on pages 24 to 27.

INTERNAL FINANCIAL CONTROL

The directors are responsible for the effectiveness of the Group's system of internal financial control. The internal control systems are designed to meet the particular needs of the Group and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. The key procedures which the directors have established with a view to providing effective internal financial control are:

Control environment – there is a clear organisational structure with well defined lines of responsibility and delegation of authority.

Risk management – the Group's strategy, policy on key business issues and risks, and short to medium-term financial objectives are approved and monitored by the Board. Board approval is required for major items of capital expenditure.

Financial reporting – the Group operates a comprehensive system of management information reporting, forecasting of profits and cashflows, and performance monitoring.

Control procedures – the Board has formally adopted a schedule of matters which are required to be brought to it for decision. Authorisation levels from the Board are clearly defined and reviewed periodically.

Monitoring – the Audit Committee considers internal financial control matters with management and external auditors, and reports on them to the Board.

The directors confirm that they have carried out a review of the effectiveness of the system of internal financial control as it operated during the year ended 31 March 1996.

GOING CONCERN

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Report by the Auditors on Corporate Governance

TO GREAT PORTLAND ESTATES P.L.C.

In addition to our audit of the accounts, we have reviewed the directors' statements on page 22 on the Company's compliance with the paragraphs of the Code of Best Practice specified for our review by the London Stock Exchange. The objective of our review is to draw attention to any non-compliance with those paragraphs of the Code which is not disclosed.

We carried out our review in accordance with Bulletin 1995/1 "Disclosures relating to corporate governance" issued by the Auditing Practices Board, and assessed whether

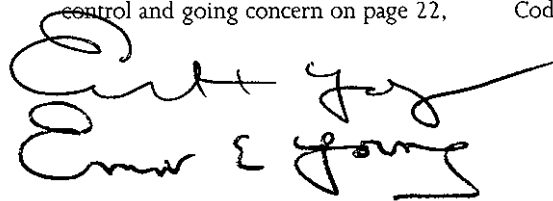
the directors' statements on going concern and internal financial control are consistent with the information of which we are aware from our audit. That Bulletin does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of either the Company's system of internal financial control or its corporate governance procedures nor on the ability of the Company to continue in operational existence.

OPINION

With respect to the directors' statements on internal financial control and going concern on page 22,

in our opinion the directors have provided the disclosures required by paragraphs 4.5 and 4.6 of the Code (as supplemented by the related guidance for directors) and such statements are consistent with the information of which we are aware from our audit work on the accounts.

Based on enquiry of certain directors and officers of the Company, and examination of relevant documents, in our opinion the directors' statement on page 22 appropriately reflects the Company's compliance with the other paragraphs of the Code specified for our review.

A handwritten signature in black ink, appearing to read 'Ernst & Young', is written over the printed name of the firm.

Ernst & Young • Chartered Accountants

London

11th June 1996

Report of the Remuneration Committee

1 THE REMUNERATION COMMITTEE

The Remuneration Committee (the "Committee") comprises:

Roger Payton (Chairman)
Leonard S. Jarrad
Norman D. Ford

Each is a non-executive director and has been a member of the Committee since 1st April 1995. The constitution and operation of the Committee complied throughout the year with Section A of the best practice provisions issued by the Study Group on Directors' Remuneration (the Greenbury Committee), and annexed to the Stock Exchange Listing Rules. The Committee also confirms that full consideration has been given to Section B of the best practice provisions, annexed to the Listing Rules, in determining the remuneration packages for directors in the year.

The Committee meets at least once a year to consider and establish, for recommendation to the Board, Company policy on the remuneration of executive directors and, following prior consultation with Richard Peskin, to approve the remuneration of certain senior executives.

2 REMUNERATION OF EXECUTIVE DIRECTORS

2.1 POLICY

The Committee decides the remuneration policy which is to apply to executive directors. In determining the policy, it considers a number of factors, including:

- the importance of attracting, retaining and motivating executives of the appropriate calibre and experience;
- the size and long-term nature of the Company's business; and
- the degree of influence that performance-related rewards can have on returns to shareholders, and on the performance of the business.

The remuneration policy for executive directors, therefore, has been designed to address the interests of both directors and shareholders, and currently comprises three main elements:

- basic salary and benefits;
- share options; and
- pensions.

2.2 BASIC SALARY AND BENEFITS

Basic annual salaries are reviewed by the Committee annually, or on promotion, and are assessed having regard to Company and individual performance, and salary levels in comparable organisations, particularly within the listed property sector. Basic salary is the only element of executive directors' remuneration which attracts pension contributions.

Taxable benefits are provided at a similar level as for comparable positions, and include a car and life, disability and health insurance.

2.3 SHARE OPTIONS

Executive directors participate in the 1988 Employee Share Option Scheme. The Committee approves all grants of options under the Scheme. Options may be exercised only if, over a subsequent three year period, the percentage growth in earnings per share exceeds the percentage growth in the Retail Prices Index. Executive directors are encouraged to hold shares after exercise, subject to the need to finance any costs of acquisition and associated tax liability. Options granted to executive directors under the Scheme are set out in paragraph 5 below. The Board's present intention is that no further options should be granted under this Scheme.

2.4 OTHER REMUNERATION

- A) **SHARE PARTICIPATION PLAN** The Great Portland Estates 1995 Share Participation Plan was approved at the Annual General Meeting in 1995 and applies to all head office employees, including executive directors. Under the terms of the Plan, up to £150,000 per annum can be allocated towards the purchase of the Company's shares in the open market for the benefit of those who have been with the Company for at least three years. The allocation is calculated on a weighted basis, having regard to length of employment and current salary, both of which are capped to prevent executive directors benefitting unduly. Nevertheless, the Committee has regard to the shares awarded to executive directors under the Plan in setting their basic salaries. Executive directors are encouraged to retain shares acquired under the Plan, notwithstanding their associated tax liability.
- B) **ANNUAL PERFORMANCE-RELATED BONUSES** Each year the Committee considers the appropriateness of short-term and long-term incentive schemes (other than share options) in assessing overall remuneration of executive directors. To date, no such schemes have been adopted.

2.5 PENSIONS

Executive directors are eligible to be members of the Group Pension Plan on the same basis as other members of the Plan; otherwise, a contribution calculated as a proportion of basic salary is made to the personal pension of the director. The Plan is non-contributory and provides members with a maximum pension of up to two-thirds of pensionable salary on retirement at age 65. The Plan also provides a death in service benefit of four times pensionable salary and pensions for dependant relatives on death whether in service or following retirement.

2.6 SERVICE CONTRACTS

The notice of termination of the service contract of each executive director is twelve months, with the exception of Mr. Richard Peskin, whose notice of termination will be twelve months after 30th September 1996.

3 REMUNERATION OF NON-EXECUTIVE DIRECTORS

The fees of non-executive directors are reviewed periodically by the full Board after considering recommendations by the executive directors. Non-executive directors do not have service contracts and are not eligible for the Share Option Scheme or Share Participation Plan.

Report of the Remuneration Committee

4 DIRECTORS' REMUNERATION DETAILS

	Salary/fees (Note 1) £000	Benefits £000	Total 1996 £000	Total 1995 £000	Pensions 1996 £000	Pensions 1995 £000
Executive directors						
Richard Peskin	373	7	380	357	75	70
Patrick Hall	175	10	185	156	41	37
Paul Gittens	126	8	134	116	23	22
Peter Shaw	99	10	109	99	20	18
John Whiteley (Note 2)	64	5	69		12	
Total executive directors	<u>837</u>	<u>40</u>	<u>877</u>	<u>728</u>	<u>171</u>	<u>147</u>
Non-executive directors						
Roger Payton	15		15	15		
David Witty	10		10	10		
Leonard S Jarrad	10		10	10		
Norman D Ford	10		10	10		
Howard Perlin	10		10	10		
Total non-executive directors	<u>55</u>		<u>55</u>	<u>55</u>		
Total directors	<u>892</u>	<u>40</u>	<u>932</u>	<u>783</u>	<u>171</u>	<u>147</u>

Note 1 – Salaries include shares awarded under the 1995 Share Participation Plan.

Note 2 – John Whiteley was appointed a director on 1st August 1995 and accordingly his salary and benefits relate to the eight months to 31st March 1996.

Report of the Remuneration Committee

5 SHARE OPTIONS

The movement in the year of options granted to directors to subscribe for ordinary shares under the 1988 Employee Share Option Scheme was as follows:

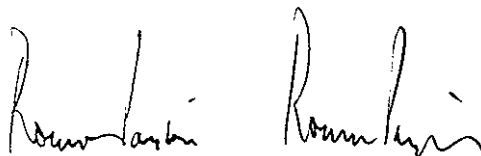
	At 1st April 1995 (number)	Issued in year (number)	Exercised in year (number)	At 31st March 1996 (number)	Exercise price	Date from which exercisable	Expiry date
Richard Peskin	309,591			309,591	298.24p	23rd Nov 1991	22nd Nov 1998
	51,598			51,598	285.86p	22nd Nov 1992	21st Nov 1999
	154,795			154,795	203.66p	20th Nov 1993	19th Nov 2000
	103,196		(103,196)*		178.13p	21st Nov 1994	20th Nov 2001
	619,184		(619,184)**		115.31p	4th Dec 1995	3rd Dec 2002
	<u>1,238,364</u>		<u>(722,380)</u>	<u>515,984</u>			
Patrick Hall	51,599			51,599	178.13p	21st Nov 1994	20th Nov 2001
	103,197			103,197†	115.31p	4th Dec 1995	3rd Dec 2002
	100,000			100,000	216.00p	17th Nov 1996	16th Nov 2003
		50,000		50,000	170.00p	23rd June 1998	22nd June 2005
	<u>254,796</u>	<u>50,000</u>		<u>304,796</u>			
Paul Gittens	49,535			49,535	298.24p	23rd Nov 1991	22nd Nov 1998
	8,256			8,256	285.86p	22nd Nov 1992	21st Nov 1999
	45,407			45,407	203.66p	20th Nov 1993	19th Nov 2000
	51,599			51,599	178.13p	21st Nov 1994	20th Nov 2001
	154,796			154,796†	115.31p	4th Dec 1995	3rd Dec 2002
	<u>309,593</u>			<u>309,593</u>			
Peter Shaw	50,000			50,000	216.00p	17th Nov 1996	16th Nov 2003
		50,000		50,000	170.00p	23rd June 1998	22nd June 2005
	<u>50,000</u>	<u>50,000</u>		<u>100,000</u>			
John Whiteley	50,000			50,000	216.00p	17th Nov 1996	16th Nov 2003
		50,000		50,000	170.00p	23rd June 1998	22nd June 2005
	<u>50,000</u>	<u>50,000</u>		<u>100,000</u>			

*Options in respect of 50,000 ordinary shares were exercised when the Company's share price was 177p, and in respect of 53,196 ordinary shares when it was 173p.

**Options in respect of 619,184 ordinary shares were exercised when the Company's share price was 167p.

†Since 31st March 1996, Mr Hall exercised options in respect of 103,197 ordinary shares and Mr Gittens in respect of 154,796 ordinary shares when the Company's share price was 169p.

The market price of the Company's ordinary shares at 31st March 1996 was 167p, and the range during the year was 159p to 197p.



Roger Payton • Chairman of Remuneration Committee

Report of the Directors

The directors submit their report and the group accounts for the year ended 31st March 1996.

THE BUSINESS OF THE GROUP

The principal business of the Group is the investment in, and development of, freehold and leasehold properties. A review of the development of the Group's business during the year, its position at the year end and its future prospects is set out in the Statement by the Chairman on pages 3 to 12.

RESULTS AND DIVIDENDS FOR THE YEAR

The Group profit and loss account is set out on page 34 and shows a profit for the year attributable to shareholders of £34,747,000. An interim dividend of 2.9p per share was paid on 4th January 1996 amounting to £9,383,000 and the directors propose a final dividend of 6.1p per share amounting to £19,803,000, making total distributions for the year of £29,186,000.

FREEHOLD AND LEASEHOLD PROPERTIES

A valuation of the Group's investment property portfolio was carried out by Hillier Parker on the basis of open market value at 31st March 1996 which amounted to £1,132,313,000. No account has been taken of any additional value which may be attributed to the portfolio if it were to be grouped judiciously prior to sale. The stock of trading properties is at cost to the Group, or at net realisable value if lower.

DIRECTORS

Mr. John Whiteley was appointed a director on 1st August 1995. The other directors whose names appear on page 20 served as directors of the Company throughout the year to 31st March 1996. Mr. Richard Peskin, Mr. Roger Payton and Mr. David Witty are the directors retiring by rotation, Mr. Whiteley will retire at the Annual General Meeting pursuant to Article 96, and, being eligible, all will offer themselves for re-election. Mr. Peskin has a service contract with the Company which is determinable on 12 months' notice after 30th September 1996, and Mr. Whiteley has a service contract with the Company which is determinable on 12 months' notice. As non-executive directors, Mr. Payton and Mr. Witty do not have service contracts with the Company. Details of directors' other interests are given in note 30 to the accounts.

DIRECTORS' SHAREHOLDINGS†

	At 31st March 1996			At 31st March 1995*		
	Ordinary Shares	Convertible Loan Stock	1988 Option Scheme	Ordinary Shares	Convertible Loan Stock	1988 Option Scheme
Richard Peskin and family						
– beneficial	2,850,000		515,984	2,115,000		1,238,364
– trustee	3,300,000			3,616,758		
Patrick Hall and family	6,650		304,796	4,250		254,796
Paul Gittens and family	7,150		309,593	1,250		309,593
Peter Shaw and family	34,300		100,000	32,500		50,000
John Whiteley and family	3,300		100,000	1,500		100,000
Roger Payton	23,159	1,750		23,159	1,750	
David Witty	2,250			2,250		
Leonard S Jarrad and family	19,795	500		19,795	500	
Norman D Ford and family						
– beneficial	50,692	11,237		50,692	11,237	
– trustee	38,668			38,668		
Howard Perlin	1,000			1,000		

† – beneficial unless otherwise stated

* – or at date of appointment

Options granted to directors to subscribe for ordinary shares under the 1988 Employee Share Option Scheme are disclosed in the Report of the Remuneration Committee on pages 24 to 27. As at 3rd June 1996, Mr Hall and family held 37,658 ordinary shares, Mr Gittens and family held 53,534 ordinary shares and Mr Shaw and family held 34,820 ordinary shares in the Company; movements since the year end in share options held by Mr Hall and Mr Gittens are set out on page 27; there have been no other changes in the shareholdings of any director between 1st April 1996 and 3rd June 1996. No director had any interest in the Company's debenture stock or in the shares or debenture stock of any subsidiary undertaking during the year.

OTHER SHAREHOLDERS

As at 3rd June 1996, the directors had been notified, in accordance with Sections 198 to 208 of the Companies Act 1985, of the following interests in the issued share capital of the Company:

	Number of ordinary shares	Percentage of issued ordinary share capital
PDFM Limited	60,766,949	18.72
Mercury Asset Management plc	36,433,306	11.22
M&G Group P.L.C.	22,049,044	6.79

Save as disclosed above, the directors are not aware of any other interest in the Company's issued share capital required to be recorded in the register maintained by the Company under Section 211 of the Companies Act 1985.

SHARE CAPITAL

In accordance with the provisions of Section 80 of the Companies Act 1985 (the "Act") the directors are prevented from exercising their powers under the Articles to allot shares without an authority in terms of the Act contained either in the Articles or in a resolution of the shareholders in general meeting. Such authority was last given by the shareholders in general meeting on 18th July 1995 and it is proposed to renew such authority at this year's Annual General Meeting (Resolution 8), such authority to expire at the conclusion of the next following Annual General Meeting of the Company, or, if earlier, the date 15 months after the passing of the Resolution. The authority will be in respect of 75,361,397 ordinary shares, representing 23.2 per cent. of the issued share capital as at 3rd June 1996. The directors have no present intention of exercising the authority, if granted.

The Act requires that an allotment of shares for cash may not be made unless the shares are first offered to existing shareholders on a pre-emptive basis in accordance with the terms of the Act. In accordance with general practice, the directors propose that advantage be taken of the provisions of Section 95 of the Act to disapply the Act's pre-emptive requirements. Accordingly, a special resolution (set out as Resolution 9 in the Notice of Meeting) will be proposed at this year's Annual General Meeting which, if passed, will have the effect of granting the directors the power pursuant to Section 95 of the Act, to allot equity securities for cash up to an aggregate nominal amount of £8,107,580 representing approximately 5 per cent. of the issued ordinary share capital of the Company as at 3rd June 1996 and to allot equity securities for cash in connection with a rights issue, in each case as if the pre-emption requirements of Section 89 of the Act did not apply. This authority will expire at the conclusion of the next following Annual General Meeting of the Company, or, if earlier, the date 15 months after the passing of the Resolution. No issue of shares will be made which would effectively alter the control of the Company without prior approval of the Company's shareholders in general meeting being obtained.

PURCHASE OF OWN SHARES

Under Section 166 of the Act, the Company cannot purchase its own shares unless the purchase has first been authorised by the Company in general meeting. The authority, when given, is subject to renewal at each Annual General Meeting. Such authority was last given by the shareholders in general meeting on 18th July 1995 and it is proposed to renew such authority for a further period which will end the day before the next Annual General Meeting. The directors are seeking to renew the authority in respect of 32,430,000 ordinary shares being 10 per cent. of the present issued ordinary share capital at a maximum price per ordinary share, exclusive of expenses, of 5 per cent. above the average of the middle market quotations for the ordinary shares as taken from the London Stock Exchange Daily Official List for the ten business days preceding the date of purchase. The minimum price per ordinary share, exclusive of expenses, for any purchase will be 50p which is the nominal value of the ordinary shares. The directors have no present intention to exercise the authority if granted. The effect of any such purchase will clearly depend on the price at which it is made. On 3rd June 1996, the middle market quotation for the ordinary shares as derived from the London Stock Exchange Daily Official List was 173p.

ARTICLES OF ASSOCIATION

Resolution 11 set out in the Notice of Meeting contains various alterations to the Articles of Association of the Company. Paragraphs (a) to (d) make changes to allow for the entry of the Company's ordinary shares into the Crest settlement system, paragraph (e) corrects an error, paragraphs (f) and (h) are to conform with current Stock Exchange practice, and paragraph (g) is to allow the Company to pay dividends by automated bank transfer if possible.

CREST SETTLEMENT SYSTEM

CREST is the new settlement system for shares and other securities, which is being developed by the Bank of England and which is expected to replace the existing settlement system by early 1997. CREST will be operated by CRESTCO Limited, whose shareholders are from a broad spectrum of participants in the UK securities market. It will be a voluntary system which will enable shareholders to hold and transfer their shareholdings in electronic form rather than in paper if they wish. Shareholders who wish to retain their certificates will be able to continue to do so. The system will offer shareholders the option of sponsored membership enabling them to hold shares in their own name in electronic form, while authorising an intermediary, such as a broker, to operate the membership on their behalf. Such shareholders will continue to have a direct relationship with the issuing company, just as if they had retained share certificates. Since entry into CREST by the shareholder is voluntary and his/her rights are not changed, companies are able to make their ordinary shares available for settlement in CREST by board decision. The Company hereby gives you notice, in accordance with the Uncertificated Securities Regulations 1995 (the "Regulations") that on 10th June 1996, the Company resolved by a resolution of its directors that title to the ordinary shares of 50p each in the capital of the Company, in issue or to be issued, may be transferred by means of a relevant system. The resolution of the directors will become effective immediately prior to CRESTCO Limited granting permission for the shares concerned to be transferred by means of the CREST system.

The above notice is the notice that the Company is obliged to give its members, under the Regulations, of the passing of a directors' resolution (as defined in the Regulations) in relation to its ordinary shares. The directors' resolution will enable the Company's ordinary shares to join CREST in due course. The shares have not become transferable by means of the CREST system merely by virtue of passing of the directors' resolution, nor will they become so by virtue of the directors' resolution becoming effective: the permission of the Operator of the System, CRESTCO Limited, must also be given before the shares become so transferable. The effect of the directors' resolution is to disapply, in relation to the ordinary shares, those provisions of the Company's Articles of Association that are inconsistent with the holding and transfer of those shares in CREST and any provision of the Regulations, as and when the shares concerned enter the CREST system.

Shareholders should also note that under the Regulations they have the right by ordinary resolution:

- a) until the directors' resolution referred to above comes into effect in accordance with its terms, to resolve that it shall not come into effect; and
- b) once the directors' resolution referred to above is effective in accordance with its terms and the permission of the Operator of the System, CRESTCO Limited, has been given to the shares concerned becoming transferable by means of the CREST system, to resolve that the directors of the Company shall take the necessary steps to ensure that title to the shares concerned shall cease to be transferable by means of the CREST system and that the directors' resolution shall cease to have effect.

MARKET VALUES 1965 AND 1982

The market value of the 50p ordinary shares of the Company at 6th April 1965 (adjusted for subsequent scrip and rights issues on the basis that the rights were taken up) was £0.38, and the value of the shares at 31st March 1982 (similarly adjusted) was £1.32.

THE ENVIRONMENT AND HEALTH AND SAFETY

The Company closely monitors its responsibilities with regard to the environment and health and safety. In developing new properties, or refurbishing existing ones, particular attention is paid to environmental issues, including energy conservation, the recycling of natural resources and the minimisation of noise levels. Potential acquisitions are subject to environmental surveys, where appropriate, to ensure that ground conditions meet the Company's requirements.

The Group employs a Health and Safety Manager who is directly accountable to a main Board director for the implementation of the Group's health and safety policy. The Group maintains a database, on a property-by-property basis, of health and safety policies of suppliers whose employees work in its buildings, and ensures that each of its employees receives health and safety training to an appropriate level.

SUPPLIER PAYMENT POLICY

Whilst it does not agree a payment policy with suppliers in advance, it is the Company's intention to settle supplier invoices within one week of their receipt by the Company.

CHARITABLE AND OTHER DONATIONS

During the year the Company made donations for charitable purposes amounting to £58,000; no contributions for political purposes were made.

AUDITORS

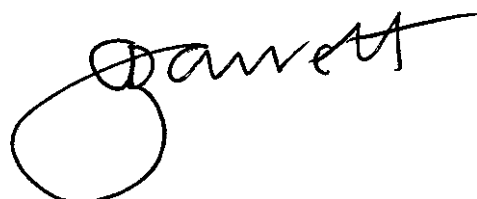
A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the Board



Christopher Barrett • Secretary

11th June 1996.



Statement of Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors confirm that they have complied with the above requirements in preparing the accounts.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Auditors

TO THE MEMBERS OF GREAT PORTLAND ESTATES P.L.C.

We have audited the accounts on pages 34 to 50, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and on the basis of accounting policies set out on page 39. We have also examined the amounts disclosed relating to the emoluments and share options of the directors which form part of the Report of the Remuneration Committee on pages 24 to 27.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 32 the Company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

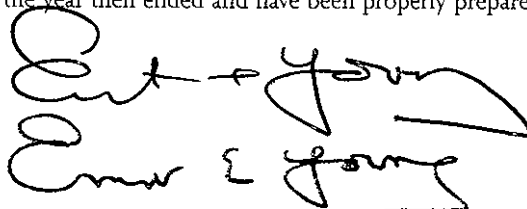
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of affairs of the Company and of the Group as at 31st March 1996 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

The image shows two handwritten signatures in black ink. The top signature is a stylized cursive signature, likely of a partner or director. The bottom signature is also in cursive and appears to be 'Ernst & Young'.

Ernst & Young • Chartered Accountants

Registered Auditor

London

11th June 1996

Group Profit and Loss Account

For the year ended 31st March 1996

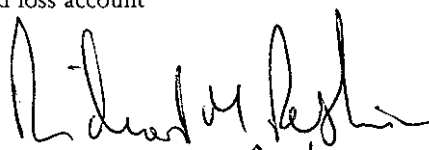
	Notes	1996 £000	1995 £000
Rent receivable	2	96,540	93,554
Ground rents		(1,938)	(1,523)
Net rental income		94,602	92,031
Property and refurbishment costs	3	(4,616)	(6,163)
Administration expenses	4	(3,303)	(3,519)
		86,683	82,349
Trading profits	6	95	342
Operating profit		86,778	82,691
Profit on sale of investment properties		3,579	979
Profit on ordinary activities before interest		90,357	83,670
Interest receivable	7	4,576	3,243
Interest payable	7	(47,313)	(42,542)
Exceptional item – termination of swap	8		8,726
Profit on ordinary activities before taxation		47,620	53,097
Tax on profit on ordinary activities	9	(12,873)	(12,792)
Profit on ordinary activities after taxation	10	34,747	40,305
Dividends	11	(29,186)	(28,311)
Retained profit for the year		5,561	11,994
Earnings per share – basic	12	10.7p	12.7p
Earnings per share – adjusted	12	9.6p	9.7p

A statement of the movement on reserves is given in note 24

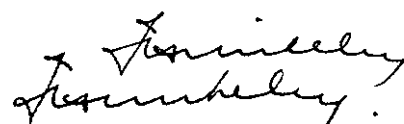
Group Balance Sheet

At 31st March 1996

	Notes	1996 £000	1995 £000
Tangible fixed assets			
Freehold land and buildings		868,891	869,330
Leasehold properties			
Over 900 years		91,570	102,495
75-250 years		171,852	162,102
	13	<u>1,132,313</u>	<u>1,133,927</u>
Current assets			
Stock of trading properties	13	5,469	5,569
Debtors	15	17,020	16,966
Cash at bank and short-term deposits	27	59,246	31,378
		<u>81,735</u>	<u>53,913</u>
Creditors: amounts falling due within one year	16	75,421	72,833
Net current assets/(liabilities)		<u>6,314</u>	<u>(18,920)</u>
Total assets less current liabilities		<u>1,138,627</u>	<u>1,115,007</u>
Creditors: amounts falling due after more than one year			
Debenture loans	17	236,250	236,250
Convertible loan stock	18	55,104	57,281
Mortgage loan	19	14,069	14,069
Bank loans	20	190,000	150,000
		<u>495,423</u>	<u>457,600</u>
		<u>643,204</u>	<u>657,407</u>
Capital and reserves			
Called up share capital	22	162,152	161,777
Share premium account	23	166,264	165,708
Revaluation reserve	24	263,371	267,104
Other reserves	24	30,455	43,838
Profit and loss account	24	20,962	18,980
		<u>643,204</u>	<u>657,407</u>


Richard Peskin

Richard Peskin • Director



John Whiteley • Director

11th June 1996

Company Balance Sheet

At 31st March 1996

	Notes	1996 £000	1995 £000
Fixed asset investments	14	<u>923,315</u>	<u>895,856</u>
Current assets			
Debtors	15	225,782	240,955
Cash at bank and short-term deposits		<u>58,198</u>	<u>30,739</u>
		283,980	271,694
 Creditors: amounts falling due within one year	 16	 <u>61,930</u>	 <u>46,111</u>
Net current assets		<u>222,050</u>	<u>225,583</u>
 Total assets less current liabilities		 <u>1,145,365</u>	 <u>1,121,439</u>
 Creditors: amounts falling due after more than one year			
Debenture loans	17	234,500	234,500
Convertible loan stock	18	55,104	57,281
Mortgage loan	19	14,069	14,069
Bank loans	20	<u>190,000</u>	<u>150,000</u>
		<u>493,673</u>	<u>455,850</u>
		<u>651,692</u>	<u>665,589</u>
 Capital and reserves			
Called up share capital	22	162,152	161,777
Share premium account	23	166,264	165,708
Revaluation reserve	24	282,881	299,997
Other reserves	24	10,945	10,945
Profit and loss account	24	<u>29,450</u>	<u>27,162</u>
		<u>651,692</u>	<u>665,589</u>

Richard Peskin

Richard Peskin • Director

John Whiteley

John Whiteley • Director

11th June 1996

Group Statement of Total Recognised Gains and Losses

For the year ended 31st March 1996

	1996 £000	1995 £000
Profit for the year	34,747	40,305
Unrealised deficit on revaluation of properties	(20,695)	(27,372)
Total recognised gains and losses for the year	<u>14,052</u>	<u>12,933</u>

Note of Historical Cost Profits and Losses

For the year ended 31st March 1996

	1996 £000	1995 £000
Reported profit on ordinary activities before taxation	47,620	53,097
Realisation of property revaluation deficits of previous years	(16,962)	(2,811)
Historical cost profit on ordinary activities before taxation	<u>30,658</u>	<u>50,286</u>
Historical cost (loss)/profit for the year retained after taxation and dividends	<u>(11,401)</u>	<u>9,183</u>

Group Statement of Cash Flows

For the year ended 31st March 1996

	Notes	1996 £000	1995 £000
Net cash inflow from operating activities	26	<u>77,118</u>	<u>86,781</u>
Returns on investments and servicing of finance			
Interest received		4,459	3,573
Interest paid		(34,483)	(43,886)
Dividends paid		(28,311)	(25,869)
Cash received on termination of interest rate swap			500
Net cash outflow from returns on investments and servicing of finance		<u>(58,335)</u>	<u>(65,682)</u>
Taxation			
Corporation tax paid		(14,449)	(13,336)
Corporation tax refunded			1,153
Tax paid		<u>(14,449)</u>	<u>(12,183)</u>
Investing activities			
Payments to acquire tangible fixed assets		(54,133)	(92,048)
Receipts from sales of tangible fixed assets		38,631	6,285
Net receipts from short-term deposits			18,000
Net cash outflow from investing activities		<u>(15,502)</u>	<u>(67,763)</u>
Net cash outflow before financing		<u>(11,168)</u>	<u>(58,847)</u>
Financing			
New bank loans		40,000	
Issue of ordinary share capital		928	
Redemption of loan stock		(1,892)	
Repayment of debenture			(6,250)
Share issue costs			(22)
Net cash inflow/ (outflow) from financing		<u>39,036</u>	<u>(6,272)</u>
Increase/ (decrease) in cash and cash equivalents	27	<u>27,868</u>	<u>(65,119)</u>

Notes forming part of the Accounts

1 ACCOUNTING POLICIES

- A) **ACCOUNTING CONVENTION** The accounts are prepared under the historical cost convention as modified by the revaluation of tangible fixed assets and investments in subsidiary undertakings. They are prepared in accordance with applicable accounting standards and therefore certain fixed assets are not depreciated in accordance with the Companies Act 1985, as explained in note 1G.
- B) **BASIS OF CONSOLIDATION** The Group accounts consolidate the accounts of the Company and all its subsidiary undertakings for the year ended 31st March. No profit and loss account is presented for the Company as permitted by Section 230 of the Companies Act 1985.
- C) **RENT RECEIVABLE** This comprises rental income on investment and trading properties for the year, exclusive of service charges receivable. Service charges are credited against relevant expenditure.
- D) **PROPERTY AND REFURBISHMENT COSTS** Irrecoverable running costs directly attributable to specific properties within the Group's portfolio are charged to the profit and loss account as property expenses. Costs incurred in the improvement of the portfolio which, in the opinion of the directors, are not of a capital nature are written off to the profit and loss account as incurred.
- E) **ADMINISTRATION EXPENSES** All costs not directly attributable to individual properties are treated as administration expenses.
- F) **PROPERTIES** Trading properties are included at the lower of cost and net realisable value. Investment properties, including those in the course of development, are professionally valued each year, on an open market basis, and any surpluses or deficits arising are taken to revaluation reserve. Transfers of trading properties to investment properties are recorded at the lower of cost and net realisable value. Disposals of investment and trading properties are recognised where contracts have been exchanged during the accounting period and completion has taken place before or shortly after the year end. Net surpluses arising on the sale of investment properties are transferred to capital reserve, which is distributable.
- G) **DEPRECIATION** In accordance with Statement of Standard Accounting Practice No. 19, no depreciation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. Although the Companies Act 1985 would normally require the systematic annual depreciation of fixed assets, the directors believe that this policy of not providing depreciation is necessary in order for the accounts to give a true and fair view, since the current value of investment properties, and changes in that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been shown cannot be separately identified or quantified.
- H) **DEFERRED TAXATION** No provision is made for tax liabilities which would arise if investment properties owned by the Group were to be realised at the amounts at which they are stated in the accounts. Provision is only made for deferred tax if the directors expect liabilities to arise in the foreseeable future.
- I) **SUBSIDIARY UNDERTAKINGS** Shares in subsidiary undertakings are valued at amounts equal to their original cost and any subsequent movement in the capital reserves of those subsidiaries, thus reflecting in the Company's balance sheet the surplus arising from the revaluation and the sale of investment properties of those subsidiaries.
- J) **PENSIONS** The Company contributes to a defined benefit pension scheme which is funded with assets held separately from those of the Company. Contributions are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the Company. The regular cost is attributed to individual years using the projected unit method. Variations in pension cost, which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and the amounts charged to profit and loss account are treated as either provisions or prepayments in the balance sheet.
- K) **INTEREST** Interest attributable to properties in the course of development is written off to the profit and loss account as incurred, except in the special circumstances where developments have been pre-let.
- L) **PREMIUMS ON LOAN STOCK** Premiums on loan stock are released to the profit and loss account over the life of the loan stock, or until conversion, whichever is the earlier. Such premiums are included within the carrying value of the loan stock.

Notes forming part of the Accounts

	1996	1995
	£000	£000
2 TURNOVER AND SEGMENTAL ANALYSIS		
Rent and service charges receivable	105,981	101,863
Less: service charges receivable	<u>(9,441)</u>	<u>(8,309)</u>
Rent receivable	<u>96,540</u>	<u>93,554</u>
Rent receivable by location:		
West End – North of Oxford Street	14,773	15,399
West End – Other	16,054	16,124
London City	17,864	18,593
South East of England	19,459	21,853
Rest of United Kingdom	<u>28,390</u>	<u>21,585</u>
	<u>96,540</u>	<u>93,554</u>

Rent receivable is stated exclusive of value added tax, and arose wholly from continuing operations in the United Kingdom. No operations were discontinued during the year. Service charges receivable have been credited against relevant expenditure (see notes 3 and 4).

	1996	1995
	£000	£000
3 PROPERTY AND REFURBISHMENT COSTS		
Property and refurbishment costs	13,022	13,581
Less: recovered through service charges	<u>(8,406)</u>	<u>(7,418)</u>
	<u>4,616</u>	<u>6,163</u>

	1996	1995
	£000	£000
4 ADMINISTRATION EXPENSES		
Management and administration expenses	3,019	3,268
Less: recovered through service charges	<u>(1,035)</u>	<u>(891)</u>
Directors' remuneration: fees	55	80
other emoluments	877	703
pension contributions	171	147
Auditors' remuneration: audit fee	77	75
other fees	<u>139</u>	<u>137</u>
	<u>3,303</u>	<u>3,519</u>

Included within administration expenses are staff costs, including those of directors, comprising:

	1996	1995
	£000	£000
Wages and salaries	2,685	2,481
Social security costs	254	244
Other pension costs	<u>482</u>	<u>692</u>
	3,421	3,417
Less: recovered through service charges	<u>(420)</u>	<u>(407)</u>
	<u>3,001</u>	<u>3,010</u>

Notes forming part of the Accounts

The average number of employees of the Group, including directors, was:

	1996 Number	1995 Number
On-site property management	26	28
Head office and administration	<u>50</u>	<u>48</u>
	<u>76</u>	<u>76</u>

	1996 Chairman and highest-paid director £000	1995 Chairman and highest-paid director £000
5 DIRECTORS' EMOLUMENTS		
Fees		25
Salary (including benefits in kind)	<u>380</u>	<u>332</u>
	380	357
Pension contributions	<u>75</u>	<u>70</u>
	<u>455</u>	<u>427</u>

	1996 Number	1995 Number
The emoluments (excluding pension contributions) of the directors fell within the following ranges:		
£5,001 – £10,000	4	3
£10,001 – £15,000	1	2
£65,001 – £70,000	1	–
£95,001 – £100,000	–	1
£105,001 – £110,000	1	–
£115,001 – £120,000	–	1
£130,001 – £135,000	1	–
£155,001 – £160,000	–	1
£180,001 – £185,000	1	–
£355,001 – £360,000	–	1
£375,001 – £380,000	1	–

The emoluments of the directors are set out in detail in the Report of the Remuneration Committee on pages 24 to 27.

Notes forming part of the Accounts

	1996	1995
6 TRADING PROFITS	£000	£000
Proceeds from sale of properties	200	650
Cost of sales	<u>(105)</u>	<u>(308)</u>
	<u>95</u>	<u>342</u>
	1996	1995
7 INTEREST	£000	£000
Receivable		
Short-term deposits	4,087	2,867
Other	<u>489</u>	<u>376</u>
	<u>4,576</u>	<u>3,243</u>
Payable		
Bank loans and overdrafts	16,830	11,775
Other	<u>30,483</u>	<u>30,767</u>
	<u>47,313</u>	<u>42,542</u>
	1996	1995
8 EXCEPTIONAL ITEM	£000	£000
Profit on termination of swap	<u> </u>	<u>8,726</u>

In February 1995, an interest rate swap contract was terminated on the appointment of an administrator to the contract's counterparty, Baring Brothers & Co., Limited. The exceptional item represents the profit which crystallised on the date of termination.

	1996	1995
9 TAX ON PROFIT ON ORDINARY ACTIVITIES	£000	£000
Corporation tax at 33% (1995: 33%) on profit for the year	12,873	12,192
Prior year adjustment	<u> </u>	<u>600</u>
	<u>12,873</u>	<u>12,792</u>

The difference between the standard rate of tax and the effective rate principally reflects the benefit of capital allowances available on plant and equipment in respect of properties purchased and developed.

Notes forming part of the Accounts

10 PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the Company was £31,474,000 (1995: £38,043,000).

	1996	1995
	£000	£000
11 DIVIDENDS		
Interim at 2.9p on 323,555,033 ordinary shares (1995: 2.9p on 323,554,045 ordinary shares)	9,383	9,383
Proposed final at 6.1p on 324,638,603 ordinary shares (1995: 5.85p on 323,554,045 ordinary shares)	19,803	18,928
	<u>29,186</u>	<u>28,311</u>

The final dividend will be payable on 19th July 1996 to shareholders on the register at 25th June 1996.

12 EARNINGS PER SHARE

Earnings per share are based on income attributable to ordinary shareholders of £34,747,000 (1995: £40,305,000) and on the weighted average of 323,779,817 ordinary shares in issue (1995: 318,195,478 ordinary shares), and are not materially different when calculated on a fully diluted basis.

The directors believe that earnings per share before exceptional items and profits or losses on sales of investment properties provide a more meaningful measure of the Group's performance. Accordingly, earnings per share on that adjusted basis have been disclosed on the face of the profit and loss account and calculated as follows:

	1996	1996	1995	1995
	Profit	Earnings	Profit	Earnings
	after tax	per share	after tax	per share
	£000	pence	£000	pence
Basic	34,747	10.7	40,305	12.7
Exceptional item			(8,561)	(2.7)
	<u>34,747</u>	<u>10.7</u>	31,744	10.0
Profit on sale of investment properties	(3,579)	(1.1)	(945)	(0.3)
Adjusted	<u>31,168</u>	<u>9.6</u>	<u>30,799</u>	<u>9.7</u>

Notes forming part of the Accounts

13 PROPERTIES	Freehold £000	Leasehold over 900 years £000	Leasehold 75-250 years £000	Total £000
Fixed asset investment properties				
At 1st April 1995 – as previously stated	884,280	87,545	162,102	1,133,927
– reclassification	<u>(14,950)</u>	<u>14,950</u>		
– as restated	869,330	102,495	162,102	1,133,927
Additions at cost	42,798		11,335	54,133
Disposals	<u>(28,920)</u>	<u>(6,132)</u>		<u>(35,052)</u>
Deficit on revaluation	883,208	96,363	173,437	1,153,008
	<u>(14,317)</u>	<u>(4,793)</u>	<u>(1,585)</u>	<u>(20,695)</u>
At 31st March 1996	<u>868,891</u>	<u>91,570</u>	<u>171,852</u>	<u>1,132,313</u>
Current asset trading properties				
Net book value at 31st March 1996	<u>3,290</u>		<u>2,179</u>	<u>5,469</u>
Net book value at 31st March 1995	<u>3,390</u>		<u>2,179</u>	<u>5,569</u>
Total properties				
Net book value at 31st March 1996	<u>872,181</u>	<u>91,570</u>	<u>174,031</u>	<u>1,137,782</u>
Net book value at 31st March 1995	<u>872,720</u>	<u>102,495</u>	<u>164,281</u>	<u>1,139,496</u>

The freehold/feuhold and leasehold investment properties were valued by external valuers, Hillier Parker, Chartered Surveyors, as at 31st March 1996, on the basis of Open Market Value in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors.

If the investment properties were to be sold at the amounts at which they have been valued in the accounts, no liability to taxation on capital gains would arise (1995: £nil).

The historical cost of investment properties at 31st March 1996 was £888,942,000 (1995: £886,823,000).

14 FIXED ASSET INVESTMENTS	1996 £000	1995 £000
Company		
Subsidiary undertakings		
Shares at valuation at 1st April 1995	352,835	379,228
Deficit on revaluation	<u>(17,116)</u>	<u>(26,393)</u>
Shares at valuation at 31st March 1996	335,719	352,835
Loans to subsidiary undertakings	<u>587,596</u>	<u>543,021</u>
	<u>923,315</u>	<u>895,856</u>

The historical cost of the shares in subsidiary undertakings at 31st March 1996 was £34,737,000 (1995: £34,737,000).

The Company owns all of the issued ordinary share capital of the following principal subsidiary undertakings, all of which are registered in England and operate in the United Kingdom:

	Principal Activity
B & HS Management Limited	Property management
City & Corporate Holdings Limited	Property investment
Collin Estates Limited	Property investment
Courtana Investments Limited	Property investment
J.L.P. Investment Company Limited	Property investment
Knighton Estates Limited	Property investment
Limco Group PLC	Property trading
Petra Investments Limited	Property investment
Pontsarn Investments Limited	Property investment

	1996 £000	1995 £000
15 DEBTORS		
Group		
Rental debtors	9,730	10,133
Advance corporation tax recoverable 1st January 1998	4,951	4,732
Other debtors	1,818	1,211
Prepayments	521	890
	<u>17,020</u>	<u>16,966</u>
Company		
Amounts owed by subsidiary undertakings	220,417	235,383
Advance corporation recoverable 1st January 1998	4,951	4,732
Other debtors	414	442
Prepayments		398
	<u>225,782</u>	<u>240,955</u>

Notes forming part of the Accounts

	1996	1995
	£000	£000
16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Group		
Accruals and rents in advance	41,531	28,220
Current corporation tax	9,740	11,097
Other taxes and social security costs	1,863	1,383
Other creditors	2,484	13,205
Proposed dividend	19,803	18,928
	<u>75,421</u>	<u>72,833</u>
Company		
Amounts owed to subsidiary undertakings	23,405	17,471
Accruals	15,318	2,784
Current corporation tax	1,360	2,415
Other taxes and social security costs	1,855	1,396
Other creditors	189	3,117
Proposed dividend	19,803	18,928
	<u>61,930</u>	<u>46,111</u>

	Group		Company	
	1996	1995	1996	1995
	£000	£000	£000	£000
17 DEBENTURE LOANS				
First mortgage debenture stock				
Repayable within five years				
At £9.312 per cent. redeemable 1997	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>
Repayable after five years				
At £9.50 per cent. redeemable 2016	100,000	100,000	100,000	100,000
At £6.00 per cent. redeemable not later than 2019	1,750	1,750		
At £10.75 per cent. redeemable not later than 2021	130,000	130,000	130,000	130,000
	<u>231,750</u>	<u>231,750</u>	<u>230,000</u>	<u>230,000</u>
	<u>236,250</u>	<u>236,250</u>	<u>234,500</u>	<u>234,500</u>

Certain of the freehold and leasehold properties and cash are charged to secure the first mortgage debenture stock.

Notes forming part of the Accounts

	Group		Company	
	1996 £000	1995 £000	1996 £000	1995 £000
18 CONVERTIBLE LOAN STOCK				
Repayable after five years				
9.5 per cent. convertible unsecured loan stock 2002	53,610	55,476	53,610	55,476
Premium thereon	1,494	1,805	1,494	1,805
	<u>55,104</u>	<u>57,281</u>	<u>55,104</u>	<u>57,281</u>

The loan stock is convertible by the stockholder any year between 1992 and 2002 at a price of £2.75 per 50p ordinary share, and redeemable by the Company in 2002 at par.

	Group		Company	
	1996 £000	1995 £000	1996 £000	1995 £000
19 MORTGAGE LOAN				
10.91 per cent. mortgage loan repayable in 2017	14,069	14,069	14,069	14,069

Certain of the freehold and leasehold properties are charged to secure the mortgage loan.

	Group		Company	
	1996 £000	1995 £000	1996 £000	1995 £000
20 BANK LOANS				
Bank loans	190,000	150,000	190,000	150,000

The bank loans are unsecured and expire between 1998 and 2001. The Company has entered into swap arrangements to fix the rates of interest on the bank loans, which has resulted in a weighted average rate of 8.8 per cent.

21 LOAN ANALYSIS

The debenture loans, convertible loan stock, mortgage loan and bank loans are repayable as follows:

	Group		Company	
	1996 £000	1995 £000	1996 £000	1995 £000
Amounts falling due:				
after five years	450,923	303,100	449,173	301,350
between two and five years	44,500	154,500	44,500	154,500
	<u>495,423</u>	<u>457,600</u>	<u>493,673</u>	<u>455,850</u>

Notes forming part of the Accounts

	1996 Number	1996 £000	1995 Number	1995 £000
22 SHARE CAPITAL				
Authorised ordinary shares of 50p each	<u>400,000,000</u>	<u>200,000</u>	<u>400,000,000</u>	<u>200,000</u>
Allotted, called up and fully paid				
At 1st April 1995	323,554,045	161,777	305,051,564	152,526
Exercise of share options	748,179	374		
Issued for non-cash consideration	988	1	18,502,481	9,251
At 31st March 1996	<u>324,303,212</u>	<u>162,152</u>	<u>323,554,045</u>	<u>161,777</u>

In August 1995, £2,718 of 2.5 per cent. convertible unsecured loan stock 2002 were converted into 933 ordinary shares.

Options to subscribe for ordinary shares in the Company under the 1988 Employee Share Option Scheme are held by directors and employees and are exercisable between three years and ten years from the date of grant. Existing options have been granted as follows:

Date originally granted	Price	At 1st April 1995 Number	Granted in year Number	Exercised in year Number	Lapsed in year Number	At 31st March 1996 Number
23rd November 1988	298.24p	458,196				458,196
22nd November 1989	285.86p	76,366				76,366
20th November 1990	203.66p	316,815				316,815
21st November 1991	178.13p	257,993		103,196		154,797
4th December 1992	115.31p	1,160,969		644,983	25,799	490,187
17th November 1993	216.00p	425,000			10,000	415,000
23rd June 1995	170.00p		150,000			150,000
		<u>2,695,339</u>	<u>150,000</u>	<u>748,179</u>	<u>35,799</u>	<u>2,061,361</u>

	1996 £000	1995 £000
23 SHARE PREMIUM ACCOUNT		
At 1st April 1995	165,708	139,214
Premium on exercise of share options	554	
Premium on shares issued for non-cash consideration	2	26,516
Share issue costs		(22)
At 31st March 1996	<u>166,264</u>	<u>165,708</u>

Notes forming part of the Accounts

	Other reserves			Total other reserves	Revaluation reserve	Profit and loss account
	Capital redemption reserve	Acquisition reserve	Capital reserve			
24 RESERVES	£000	£000	£000	£000	£000	£000
Group						
At 1st April 1995	421	8,589	34,828	43,838	267,104	18,980
Deficit on revaluation					(20,695)	
Transfer			(16,962)	(16,962)	16,962	
Realised capital surplus			3,579	3,579		(3,579)
Retained profit for the year						5,561
At 31st March 1996	<u>421</u>	<u>8,589</u>	<u>21,445</u>	<u>30,455</u>	<u>263,371</u>	<u>20,962</u>
Company						
At 1st April 1995	421	8,589	1,935	10,945	299,997	27,162
Deficit on revaluation					(17,116)	
Retained profit for the year						2,288
At 31st March 1996	<u>421</u>	<u>8,589</u>	<u>1,935</u>	<u>10,945</u>	<u>282,881</u>	<u>29,450</u>

The transfer from capital reserve to revaluation reserve represents past revaluation deficits realised on the disposal of investment properties during the year.

The realised capital surplus represents the profit on sale of investment properties.

	1996 £000	1995 £000
25 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
Profit for the financial year	34,747	40,305
Dividends	(29,186)	(28,311)
	5,561	11,994
Other recognised gains and losses relating to the year (net)	(20,695)	(27,372)
New share capital issued	931	35,767
Costs of share issues		(22)
Net (decrease)/increase in shareholders' funds	(14,203)	20,367
Opening shareholders' funds	657,407	637,040
Closing shareholders' funds	<u>643,204</u>	<u>657,407</u>

Notes forming part of the Accounts

	1996	1995
	£000	£000
26 OPERATING PROFIT		
Reconciliation of operating profit to net cash inflow from operating activities:		
Operating profit	86,778	82,691
Decrease in stock of trading properties	100	292
(Increase)/decrease in debtors	(320)	1,437
(Decrease)/increase in creditors	<u>(9,440)</u>	<u>2,361</u>
Net cash inflow from operating activities	<u>77,118</u>	<u>86,781</u>

27 CASH AT BANK AND SHORT-TERM DEPOSITS

Analysis of balances as shown in the Group balance sheet and changes during the current year:

	Cash	Short-term	Total
	at bank	deposits	£000
	£000	£000	£000
At 31st March 1994	96,497	18,000	114,497
Change in year	<u>(65,119)</u>	<u>(18,000)</u>	<u>(83,119)</u>
At 31st March 1995	31,378		31,378
Change in year	<u>27,868</u>		<u>27,868</u>
At 31st March 1996	<u>59,246</u>		<u>59,246</u>

28 CAPITAL COMMITMENTS

At 31st March 1996 there were outstanding contracts of subsidiary undertakings for capital expenditure amounting to £25,000,000 (1995: £12,000,000).

29 PENSION COMMITMENTS

The Group contributes to a defined benefit pension scheme. The pension cost relating to the scheme is determined with the advice of an independent qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation of the scheme was conducted as at 1st October 1993, using the following main assumptions:

Rate of return on investments – 9 per cent. per annum

Rate of salary increases – 8.5 per cent. per annum

The valuation showed that the market value of the scheme's assets at 1st October 1993 amounted to £6,189,000 and the actuarial value was sufficient to cover 98 per cent. of the benefits that had accrued to the members of the scheme at that date, allowing for expected future increases in earnings. The Group's share of the deficiency does not have a material effect on the Group's accounts.

The total pension cost for the Group of £482,000 (1995: £692,000) is included in administration expenses (see note 4).

Contributions by the Group to the scheme represent the pension cost calculated by the actuary to fund the pension liabilities in respect of accruing service with the Group.

30 DIRECTORS' INTERESTS

Mr Richard Peskin and Mr Paul Gittens are trustees and members of the pension scheme to which the Group contributes. There are no other interests in contracts which are required to be disclosed under the Companies Act 1985.

Analysis of Ordinary Shareholdings

At 31st March 1996

ORDINARY SHARES OF 50P EACH	Number of Holders	Total Shares	Holdings %	Issued Capital %
Nominees and banks	1,385	258,903,788	27.86	79.84
Private holders	3,228	27,122,276	64.92	8.36
Investment trusts and funds	143	14,631,115	2.88	4.51
Assurance and insurance companies	80	13,659,698	1.61	4.21
Pension funds	14	4,491,074	0.28	1.39
Commercial and industrial companies	100	1,211,100	2.01	0.37
Miscellaneous	22	4,284,161	0.44	1.32
	<u>4,972</u>	<u>324,303,212</u>	<u>100.00</u>	<u>100.00</u>
RANGE				
1- 500	720	175,051	14.48	0.05
501- 1,000	667	521,566	13.41	0.16
1,001- 5,000	2,192	5,385,507	44.09	1.66
5,001- 10,000	413	2,988,017	8.31	0.92
10,001- 50,000	425	9,975,345	8.55	3.08
50,001- 100,000	141	10,456,969	2.83	3.23
100,001- and above	414	294,800,757	8.33	90.90
	<u>4,972</u>	<u>324,303,212</u>	<u>100.00</u>	<u>100.00</u>

Financial Calendar

	1996
Registration qualifying date for 1995/96 final dividend	25th June
Annual General Meeting	16th July
1995/96 final dividend payable	19th July
Announcement of 1996/97 interim results	19th November
Registration qualifying date for 1996/97 interim dividend (provisional)	3rd December
	1997
1996/97 interim dividend payable (provisional)	3rd January
Announcement of 1996/97 full year results	June

Note: provisional dates will be confirmed in the 1996/97 Interim Report.

Progress Chart

Based on the Group Accounts for the six years ended 31st March 1996

	1991	1992	1993	1994	1995	1996
	£000	£000	£000	£000	£000	£000
ASSETS						
Investment properties at professional valuation	814,217	874,127	823,357	1,038,797	1,133,927	1,132,313
Other net assets/(liabilities)	49,849	10,838	(6,799)	62,367	(18,920)	6,314
Assets of the Group	864,066	884,965	816,558	1,101,164	1,115,007	1,138,627
FINANCED BY						
Issued share capital	107,000	115,750	115,751	152,526	161,777	162,152
Reserves (note A)	505,953	374,306	295,906	484,514	495,630	481,052
Ordinary shareholders' interest	612,953	490,056	411,657	637,040	657,407	643,204
Debenture stock and loans	251,113	394,909	404,901	464,124	457,600	495,423
Total funds invested	864,066	884,965	816,558	1,101,164	1,115,007	1,138,627
PROFIT AND LOSS ACCOUNT						
Rent receivable	58,912	70,691	83,836	83,734	93,554	96,540
Ground rents	(1,069)	(1,372)	(1,962)	(1,712)	(1,523)	(1,938)
Net rental income	57,843	69,319	81,874	82,022	92,031	94,602
Property and administration expenses	(8,060)	(7,690)	(9,507)	(11,031)	(9,682)	(7,919)
	49,783	61,629	72,367	70,991	82,349	86,683
Trading profits	912	92	114	1,055	342	95
Associated undertakings	(801)	(708)				
Operating profit	49,894	61,013	72,481	72,046	82,691	86,778
Profit/(loss) on sale of investment properties	4,611	580	611	(385)	979	3,579
Profit before interest	54,505	61,593	73,092	71,661	83,670	90,357
Interest receivable	8,005	3,487	1,805	5,085	3,243	4,576
Interest payable	(24,132)	(30,590)	(40,854)	(42,601)	(42,542)	(47,313)
Exceptional items		(14,196)		(9,665)	8,726	
Profit before taxation	38,378	20,294	34,043	24,480	53,097	47,620
Taxation	(13,816)	(9,670)	(6,979)	(8,450)	(12,792)	(12,873)
Profit after taxation	24,562	10,624	27,064	16,030	40,305	34,747
Earnings per share – basic (note B)	11.9p	4.7p	11.3p	5.5p	12.7p	10.7p
Earnings per share – adjusted (note C)	9.6p	10.7p	11.0p	8.9p	9.7p	9.6p

Note A: Reserves include surplus on valuation of investment properties.

Note B: Restated in accordance with FRS3 and adjusted for scrip and rights issues.

Note C: As note B, but excluding the effect of exceptional items and profit/(loss) on sale of investment properties.

Notice of Meeting

NOTICE is hereby given that the thirty-ninth Annual General Meeting of Great Portland Estates P.L.C. will be held at the Café Royal, 68 Regent Street, London W1, on Tuesday, 16th July 1996 at 10.30 am, for the following purposes, namely:

- 1 To receive and adopt the accounts for the year ended 31st March 1996.
 - 2 To authorise the payment of a final dividend.
 - 3 To re-elect Richard Peskin as a director of the Company.
 - 4 To re-elect Roger Payton as a director of the Company.
 - 5 To re-elect David Witty as a director of the Company.
 - 6 To reappoint John Whiteley as a director of the Company.
 - 7 To reappoint Ernst & Young as auditors, and to authorise the directors to agree their remuneration.
- As special business, to consider and, if thought fit, to pass the following Resolutions which will be proposed as to that numbered 8 as an Ordinary Resolution, and to those numbered 9, 10 and 11 as Special Resolutions.

ORDINARY RESOLUTION

- 8 That the directors be generally authorised pursuant to and in accordance with Section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot and to make offers or agreements to allot relevant securities (as defined in Section 80(2) of the Act) up to an aggregate nominal amount equivalent to the nominal value of the authorised but unissued share capital of the Company as at the date hereof provided that this authority shall expire on 15th October 1997 or the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

The authority conferred by this Resolution shall operate in substitution for and to the exclusion of any previous authority given to the directors to allot relevant securities which remains unexercised save that any such authority shall be deemed to subsist until the date on which it would otherwise have expired so far as is necessary to enable the Company to comply with any offer or agreement involving allotment of relevant securities made prior to the passing of this Resolution.

SPECIAL RESOLUTIONS

- 9 That subject to Resolution 8 being passed and pursuant to and in accordance with the authority thereby granted, the directors be and are hereby empowered pursuant to Section 95 of the Act and for the purposes of Article 8(B) of the Articles of Association of the Company to allot equity securities (as defined in Section 94 of the Act) for cash pursuant to such authority as if Section 89(1) of the Act did not apply to any such allotment provided that this power shall be limited:
 - a) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders (notwithstanding that by reason of such exclusions as the directors may deem necessary to deal with problems arising in any overseas territory, in connection with fractional entitlements or otherwise howsoever the equity securities to be issued are not offered to all of such ordinary shareholders in proportion to the number of ordinary shares held by each of them); and
 - b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £8,107,580,

and shall expire at the commencement of the next Annual General Meeting of the Company after passing of this Resolution or on 15th October 1997, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

- 10 That the Company be and it is hereby authorised to make market purchases (within the meaning of Section 163(3) of the Act) of its ordinary shares of 50p each upon or subject to the following conditions:
- a) the maximum number of ordinary shares which may be purchased is 32,430,000;
 - b) the maximum price at which ordinary shares may be purchased shall be 5% above the average of the middle market quotations for the ordinary shares as taken from the London Stock Exchange Daily Official List for the ten business days preceding the date of purchase and the minimum price shall be 50p, being the nominal value of the ordinary shares, in both cases exclusive of expenses; and
 - c) the authority to purchase conferred by this resolution shall expire on the date of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may before such expiry enter into a contract of purchase under which such purchase may be completed or executed wholly or partly after the expiration of this authority.
- 11 That the Articles of Association of the Company be amended as follows:
- a) by the insertion at the beginning of Article 12 of the Articles of Association of the words "Subject to the provisions of Article 12A,";
 - b) by inserting a new Article 12A after the existing Article 12 as follows:
"Nothing in these Articles shall require title to any shares or other securities of the Company to be evidenced by a certificate if the Statutes so permit. The directors have the power to adopt and implement any arrangements it thinks fit for recording title to shares or other securities of the Company which accord with the Statutes and the rules and regulations of the London Stock Exchange.";
 - c) by the insertion at the beginning of Article 33 of the Articles of Association of the words "Subject to the provisions of Article 34A,";
 - d) by inserting a new Article 34A after the existing Article 34 as follows:
"Nothing in these Articles shall require shares or other securities of the Company to be transferred by a written instrument if the Statutes so permit. The directors have the power to adopt and implement any arrangements it thinks fit to evidence the transfer of title to shares or other securities of the Company which accord with the Statutes.";
 - e) by deleting the word "Board" in Article 87 and inserting in its place the word "directors";
 - f) by deleting Article 107(E);
 - g) by deleting the existing Article 128 and substituting therefor the following new Article 128:
"128. Any dividend, instalment of dividend or interest in respect of any share may be paid by cheque or warrant (or by any other method, including standing order or other bank credit transfer, which the directors consider appropriate) payable to the order of the member entitled thereto, or, in the case of joint holders, of that member whose name stands first on the register in respect of the joint holding. Every such cheque or warrant shall (unless otherwise directed) be sent by post to the last registered address of the member entitled thereto, and payment in accordance with this Article 128 in favour of the person whose name appears on the register of members as the holder of any share, or, in the case of joint holders, of any one of such holders, or of his or their agent duly appointed in writing, shall be a good discharge to the Company for all dividends or other payments made in respect of such share. Every such payment shall be sent at the risk of the person entitled to the money represented thereby."; and

Notice of Meeting

- h) by deleting the words "leading daily newspaper published in London" in Article 145 and inserting in place thereof the words "national newspaper".

By order of the Board



Christopher Barrett • Secretary

11th June 1996

A member of the Company entitled to attend and vote at this meeting may appoint one or more proxies to attend and vote in his stead. A form of proxy is enclosed. A proxy need not also be a member of the Company. Lodgement of the form of proxy will not preclude a shareholder from attending the meeting and voting in person.

Note: The following documents will be available for inspection at the registered office of the Company during usual business hours on any weekday (except Saturdays and Public Holidays) until the date of the meeting and at the place of the meeting for a period of fifteen minutes prior to and during the meeting:

- a) a statement of all transactions of each director and of their family interests in each class of the share capital and debentures of the Company and its subsidiaries;
- b) copies of all contracts of service whereunder directors of the Company are employed by the Company or any of its subsidiaries; and
- c) copies of the Articles of Association of the Company.