

4 November 2008

Derwent London plc (“Derwent London”)

**DERWENT LONDON AGREE
BOUTIQUE HOTEL VENTURE AT THE TEA BUILDING**

Derwent London, one of London’s most dynamic and innovative property developers, has let the former White Swan Pub premises at Tea Building in Shoreditch to Soho House UK Limited.

Derwent London has secured planning permission for a new 10,000 sq ft boutique hotel to complement Nick Jones’ existing venture at Tea Building, Shoreditch House, an exclusive private members club. Building works for the hotel will start early in 2009 and should be completed by Christmas 2009. On completion, Soho House will take a lease expiring in March 2031 at an initial rental of £285,000 per annum with a rent free period of 12 months. There will be a rent review in 2011 and at five-yearly intervals thereafter.

The letting follows on from the launch of Shoreditch House in June 2007. Shoreditch House is arranged over the top two floors of Tea Building and contains a roof-top swimming pool, two bowling alleys, a gym, Cowshed spa and restaurants and bars, all under the control of Soho House UK Limited.

The former White Swan Pub is located on Bethnal Green Road in Tea Building. Derwent London bought the former Lipton Tea warehouse for £22m in 2000 and gave it a £6m makeover in 2003, rebranding it Tea Building. Tenants at Tea Building include the award winning advertising agency Mother as well as other notable names in the architectural, design, advertising and creative industries such as Aegis plc, Tomato Films, Buckley Gray Yeoman Architects and Stephen Archer Architects.

-ends-

For further information please contact:

Dido Laurimore/ Olivia Goodall, Financial Dynamics: Tel: 020 7831 3113

Simon Silver, Head of Development, Derwent London: Tel 020 7659 3000

Notes to editors:

Derwent London plc

Derwent London plc was formed on 1 February 2007 following the merger of Derwent Valley Holdings and London Merchant Securities and converted to REIT status on 1 July 2007. The group is one of London's most innovative office specialist property developers and investors and is well known for its established design-led philosophy and creative management approach to development. Derwent London won the RIBA Client of the Year Award 2007.

Derwent London's core strategy is to acquire and own a portfolio of Central London property that has reversionary rents and significant opportunities to enhance and extract value through refurbishment and redevelopment. The group owns and manages an investment portfolio of over £2.5 billion, of which 94% is located in Central London, with a specific focus on the West End and the areas bordering the City of London. Landmark schemes by Derwent London include: Qube W1, Johnson Building EC1, Davidson Building WC2 and Tea Building E1.

Approximately 50% of the London portfolio is identified as having the opportunity, through development, to achieve significant gains in floor area and therefore, increases in value.