

28<sup>th</sup> July 2010

**Derwent London plc (“Derwent London” / “Company”)**

**DERWENT LONDON ANNOUNCES MAJOR WEST END ACQUISITION  
OF c250,000 SQ FT CENTRAL CROSS, LONDON W1**

Derwent London, the specialist central London property investment and regeneration REIT, has exchanged contracts for the acquisition of Central Cross, 18-30 Tottenham Court Road and 1-2 Stephen Street, London W1 for £146 million before costs.

Situated on a 2.1 acre (0.85 ha) site, the 251,000 sq ft (23,300 sq m) freehold property comprises 216,000 sq ft (20,100 sq m) of offices, 24,000 sq ft (2,200 sq m) of ground floor retail space fronting onto Tottenham Court Road and an 11,000 sq ft (1,000 sq m) cinema. The annual rental income is £8.1 million from 21 leases to 10 tenants with an average rent of £34 per sq ft (£366 per sq m) and an average lease length of six years. The net initial yield is 5.5%. 33% of the rental income is secured beyond 2020 whilst 38% is subject to lease expiries or breaks before December 2011. Both the property’s office and retail elements offer significant opportunities for future refurbishment and improvement.

The three principal tenants, who account for nearly 90% of the rental income, are: FremantleMedia Group, one of the largest creators and producers of entertainment brands in the world and who are 90% owned by Bertelsmann AG; Ascent Media, a global media company; and S Technologies, the owner of Skype.

The transaction involves the acquisition of the units in Merbrook Central Cross Property Unit Trust, a Jersey Property Unit Trust which holds the property. The units will be acquired from TCR 1 Limited and TCR 2 Limited, Guernsey registered companies. The acquisition will be financed from Derwent London’s existing bank facilities.

John Burns, Chief Executive, Derwent London, commented:

“We are delighted to have acquired Central Cross which is an excellent addition to our central London portfolio. This acquisition provides strong income at economic rental levels, together with opportunities for active management, future refurbishment and improvement of the office space which Derwent specialises in. We will also be looking to enhance the retail units fronting Tottenham Court Road, which will benefit substantially from nearby infrastructure improvements including Crossrail. This transaction increases our holdings in the north of Oxford Street and Fitzrovia areas of W1 where we will now own 1.5 million sq ft.”

-ends-

**For further information please contact:**

John Burns, Chief Executive, Derwent London: Tel - 020 7659 3000

Damian Wisniewski, Finance Director, Derwent London: Tel - 020 7659 3000

James Rossiter, Kate Holgate, Brunswick Group: Tel - 020 7404 5959

**Notes to editors:**

**Derwent London plc**

Derwent London plc is the largest central London focused REIT with an investment portfolio of £1.9bn as at 31 December 2009. The group is one of London's most innovative office specialist property regenerators and investors and is well known for its established design-led philosophy and creative management approach to development. In April 2010, our recently completed Charlotte Building won the British Council for Offices award for Best Commercial Workplace in London and the South East.

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, regeneration and redevelopment. The group owns and manages an investment portfolio of 5.1m sq ft (475,600 sq m), as of 31 December 2009, of which 95% 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: Arup Phases II & III W1, Qube W1, Horseferry House SW1, Johnson Building EC1, Davidson Building WC2 and Tea Building E1.

Derwent London is due to release 30 June 2010 interim results on 25 August 2010.