

17 May 2011

Derwent London plc (“Derwent London” / “the Group”)

**DERWENT LONDON ANNOUNCES DISPOSAL OF FIVE
PROPERTIES IN COVENT GARDEN FOR £68 MILLION**

Derwent London has exchanged contracts for the disposal of five freehold properties in Covent Garden, London WC2, to Capital & Counties Properties (“Capco”) for £68 million, before costs. The properties comprise: 19a and 19-26 Floral Street, 26 and 27-32 King Street and 34 Rose Street. The adjacent properties, which front King Street and Floral Street, provide 71,900 sq ft (6,680m²) of office, retail and residential accommodation around a central courtyard. There are 10 tenants, producing an annual rental income of £2.5 million. The disposal reflects a net initial yield of 3.5%.

The office component comprises 46,000 sq ft (4,275m²) with tenants including F&C Asset Management and Beale & Co Solicitors. The retail element is 23,000 sq ft (2,135m²) and there is 2,900 sq ft (270m²) of residential. Retail tenants include Moss Bros, Hackett and Carluccio’s.

John Burns, Chief Executive Officer at Derwent London, commented:

“We have owned these properties since 1999 and they have shown good capital appreciation during this period. However, having identified a purchaser with major holdings in the immediate area, we have taken the opportunity to recycle capital with this sale realising a value significantly above the December 2010 valuation.”

Ian Hawksworth, Chief Executive Officer at Capco, stated:

“This acquisition is in line with our strategy to increase our ownership in Covent Garden through the acquisition of key properties and brings the value of our estate to over £700 million. This deal will allow us to continue to add value to our holdings through the repositioning of King Street as the home of contemporary luxury within Covent Garden while also extending our residential and office portfolio”.

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Notes to editors

Derwent London plc

Derwent London plc is the largest central London focused REIT with an investment portfolio of £2.4 billion as at 31 December 2010. 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.

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 5.4 million sq ft (500,000m²), as at 31 December 2010, 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 Angel Building EC1, Arup Phases II & III W1, Qube W1, Horseferry House SW1, Johnson Building EC1, Davidson Building WC2 and Tea Building E1.

Derwent London came first in the property sector in the 2010 awards for 'Britain's Most Admired Companies'.

Capital & Counties Properties PLC (Capco)

CAPCO is one of the largest investment and development property companies that specialises in central London real estate and is a constituent of the FTSE 250 Index. CAPCO holds 3.3 million square feet of assets valued at £1.4 billion (31 December 2010) in three landmark London estates: Covent Garden, which has assets valued at £640 million, including the historic Market Building; Earls Court & Olympia Group and 50% of the Empress State building in Earls Court amounting to aggregate property assets of £481 million, and The Great Capital Partnership, a joint venture with Great Portland Estates, which holds prime West End properties of which CAPCO's share is £260 million. The company is listed on the London Stock Exchange and the JSE, Johannesburg.