

11 July 2012

Derwent London plc (“Derwent London”)

**DERWENT LONDON ANNOUNCES THE ACQUISITION OF
FRANCIS HOUSE, VICTORIA SW1**

Derwent London has completed the acquisition of Francis House, 11 Francis Street, London SW1 for £29.1 million before costs from Property Class England 1, a fund managed by KGAL GmbH & Co. KG.

Francis House is a 57,000 sq ft (5,300m²) freehold office building adjoining Derwent London’s existing holdings at Greencoat & Gordon House and 6-8 Greencoat Place. Together, these properties comprise the majority of an island block covering approximately 1.2 acres. Francis House is a former Victorian depository similar to the group’s existing adjacent holdings, and benefits from generous floor-to-ceiling heights and original warehouse features.

The building is let to Channel Four Television under a lease expiring in February 2020. The total annual income is £1.56 million until February 2015, when there is a fixed rent increase to £1.66 million per annum, reflecting a net initial yield of 5.1%, rising to 5.4%. Part of the ground floor together with the upper floors, which comprise 42,600 sq ft (3,960m²) of office space, are let off a low average rent of £36.65 per sq ft (£395 per m²). In addition, there is storage space on the rest of the ground floor and the basement totalling 14,400 sq ft (1,340m²) which is under-let to House of Fraser at a nominal rent until January 2054.

The majority of the space is sub-let and therefore offers a range of asset management opportunities in the medium term. Rents in the Group’s adjoining Greencoat & Gordon House have achieved in excess of £50 per sq ft (£540 per m²), underpinning the potential for rental growth.

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

“This acquisition increases our presence to over 570,000 sq ft in Victoria, an improving West End village which is diversifying from its traditional occupier base and attracting a

wide range of creative companies. It will provide us with immediate incremental income, and consolidates our existing holdings within the same block which will increase the longer term options available to us.”



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Notes to editors

Derwent London plc is the largest central London focused REIT with an investment portfolio of £2.6bn as at 31 December 2011. The Group is one of London's most innovative office specialist property regenerators and investors and is well known for its 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 (501,000m²), as at 31 December 2011, of which 96% 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 fifth overall in the 2011 Management Today awards for 'Britain's Most Admired Companies' and has also recently won the Estates Gazette Property Company of the Year – Offices award. In 2011, Angel Building was shortlisted for the RIBA Stirling Prize following its RIBA London 2011 award and has also won numerous accolades from organisations such as the British Council for Offices, the British Construction Industry, the American Institute of Architects and New London Architecture. In June 2012 the Tea Building won a RIBA regional award.

For further information see www.derwentlondon.com or follow us on Twitter at @derwentlondon.