

7 December 2015

Derwent London plc (“Derwent London”)

DERWENT LONDON ANNOUNCES SALE OF WEDGE HOUSE

Derwent London has sold Wedge House, 40 Blackfriars Road SE1, a 38,700 sq ft vacant freehold office building, for £33.5m before costs to Ennismore. Derwent London, in collaboration with Ennismore, obtained planning permission from the London Borough of Southwark this summer for a 110,000 sq ft hotel and office scheme. Ennismore will now undertake the development and operate The Hoxton, Southwark – the 68,200 sq ft hotel that will comprise 192 rooms, a restaurant, conference space and a rooftop bar. In addition there will be 41,800 sq ft of offices.



Derwent London is retained as development manager during the construction of the project and will receive fees of £1.5m for the role. Construction of the 15-storey scheme, designed by architects Lifschutz Davidson Sandilands, is due to commence early next year.

Nigel George, Director, Derwent London, commented:

“Obtaining planning permission and the subsequent sale has allowed us to release value early. The proceeds will be used for our ongoing development pipeline. We look forward to working further with The Hoxton to deliver this exciting Southbank scheme.”

Sharan Pasricha, Founder and CEO of Ennismore / The Hoxton, commented:

“Southwark was an obvious choice for our third London hotel, a neighbourhood that has become an extremely vibrant and cosmopolitan part of the capital with its extensive theatre and food offering. Like our other properties, we hope The Hoxton, Southwark will further enhance the area, and provide a multi-functional space for locals, hotel guests and those who work in the area.”

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Notes to editors

Derwent London plc

Derwent London plc owns a portfolio of commercial real estate predominantly in central London valued at £4.6 billion as at 30 June 2015, making it the largest London-focused real estate investment trust (REIT).

Our experienced team has a long track record of creating value throughout the property cycle by regenerating our buildings via development or refurbishment, effective asset management and capital recycling.

We typically acquire central London properties off-market with low capital values and modest rents in improving locations, most of which are either in the West End or the Tech Belt. We capitalise on the unique qualities of each of our properties – taking a fresh approach to the regeneration of every building with a focus on anticipating tenant requirements and an emphasis on design.

Reflecting and supporting our long-term success, the business has a strong balance sheet with modest leverage, a robust income stream and flexible financing.

Landmark schemes in our 5.8 million sq ft portfolio include Angel Building EC1, The Buckley Building EC1, White Collar Factory EC1, 1-2 Stephen Street W1, Horseferry House SW1 and Tea Building E1.

In 2015 the Group has won awards by Architects' Journal, British Council for Offices, Civic Trust and RIBA and achieved EPRA Gold for corporate and sustainability reporting. In December, Derwent London topped the real estate sector for the sixth year in a row and was placed third overall in the Management Today 2015 awards for 'Britain's Most Admired Companies'.

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

Ennismore

Ennismore (Ennismore.com) is a London-based developer of unique properties and experiences across the world. Ennismore currently owns and operates The Hoxton (www.thehoxton.com), a lifestyle hotel group with its origins in Shoreditch, East London.

Part developer, part operator, and part creative studio; The Hoxton has two operating hotels in London, in Shoreditch and Holborn and one in Amsterdam. Each hotel has approximately 150 bedrooms, and large, active public areas providing a place for locals and hotel guests alike. It also manages and curates Hoxtown (www.hoxtown.com), a monthly calendar of bespoke events at its hotels, which cut across arts, fashion, music and film.

The Hoxton is expanding rapidly and is committed to projects with a gross development value of over £0.5 billion, managed directly by Ennismore. The group's next hotel, The Hoxton, Williamsburg, opens to the public in January 2017, with further acquired sites under construction and development in Paris (2017) and London, Southwark (2018).

As well as The Hoxton, Ennismore led the acquisition and management of Gleneagles in July 2015 and is currently focused on building the legacy of the Scottish landmark. Whilst the company also operates a standalone restaurant division with several new openings planned for 2016, the first of which 'Egg Break' opened in Notting Hill, July 2015.

Ennismore was founded by Sharan Pasricha in 2011.

Forward-looking statements

This document contains certain forward-looking statements about the future outlook of Derwent London. By their nature, any statements about future outlook involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. Actual results, performance or outcomes may differ materially from any results, performance or outcomes expressed or implied by such forward-looking statements.

No representation or warranty is given in relation to any forward-looking statements made by Derwent London, including as to their completeness or accuracy. Derwent London does not undertake to update any forward-looking statements whether as a result of new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast.