



ANNUAL RESULTS 2017
DERWENT LONDON PLC

CONTENTS

Presenters

John Burns
Simon Silver
Damian Wisniewski
Nigel George
Paul Williams
David Silverman

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INTRODUCTION AND OVERVIEW

John Burns

HIGHLIGHTS 2017

OPERATIONAL

- £41.5m¹ pa of lettings, 1.3% above Dec 16 ERV
- Two major pre-lets to Arup and The Boston Consulting Group at 80 Charlotte Street W1
- EPRA vacancy rate of 1.3%
- £483m (net) of property disposals
- Soho Place W1 development on site

FINANCIAL

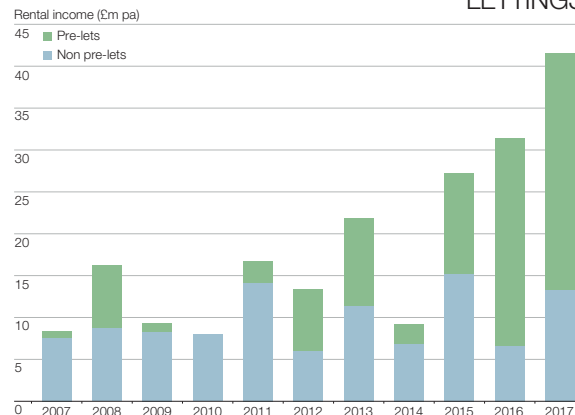
- EPRA earnings per share +22.4%
- Final dividend +10.1%
- EPRA NAV +4.6%
- Special dividend 75p per share

OPPORTUNITIES

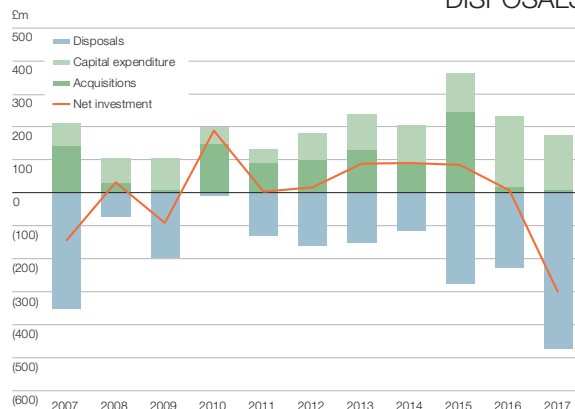
- £87.8m of potential rental growth², 28% pre-let
- £658m of capex required to execute on-site development programme, including Soho Place W1
- £658m net debt, LTV 13.2%

¹ £41.3m net ² Excludes £44.2m of contractual uplifts already allowed for under IFRS accounting

LETTINGS



DISPOSALS



CENTRAL LONDON OFFICE OUTLOOK



Rents

ERV 2018 estimate +2% to -3%

- Economy: Growing slowly
- Supply: Under construction peaking
- Vacancy: Rising to average levels
- Take-up: Levels still good
- Political uncertainty persists

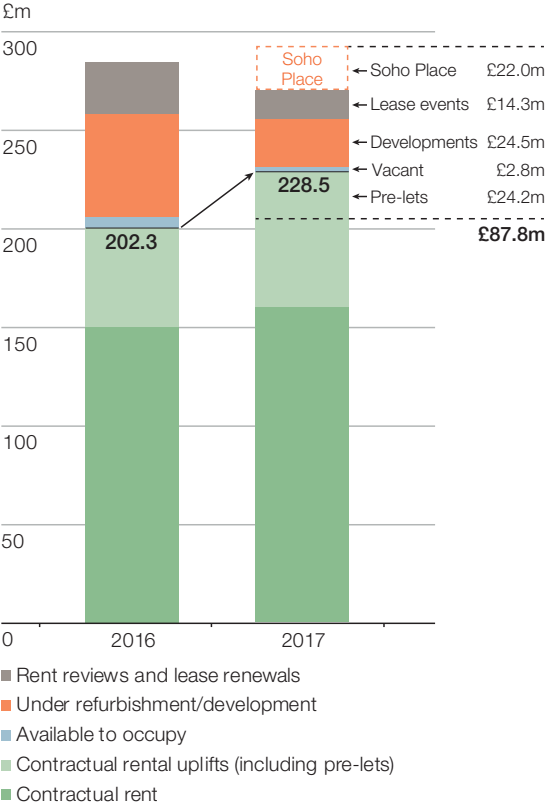
Yields

Broadly flat in 2018

- London remains attractive to global investors
- High levels of investor demand
- Increased supply, especially in the City core
- Property yields attractive but interest rates rising
- Domestic investors less active buyers

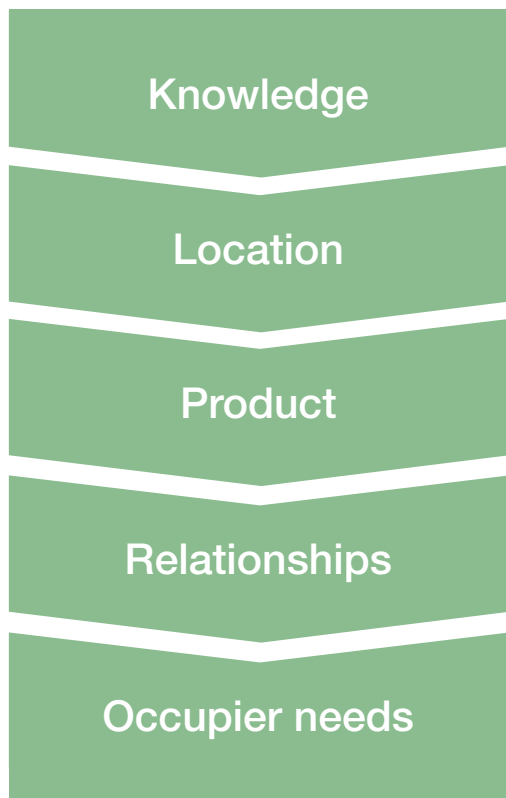
DERWENT LONDON MAINTAINING A GROWTH PROFILE

CAPTURING REVERSION



- Reversion to be captured through contractual uplifts, developments, vacant space, reviews and renewals
- Contractual rent including pre-lets increased 13% to £228.5m
- £87.8m of additional rents to impact earnings, including Soho Place W1
- £658m of capex to complete developments, including Soho Place W1
- Considerable further opportunities beyond 2021

BUILDING A BRAND FOR LONG TERM SUCCESS



- Keeping close to our occupiers and our market experience
- Buying in the right areas, Crossrail and clusters
- Relevant to today's users
- Not over specified means not overly costly
- Selling mature assets
- Enhancing our knowledge
- Gaining trust
- Finding solutions

RESULTS AND FINANCIAL REVIEW

Damian Wisniewski

HEADLINE NUMBERS

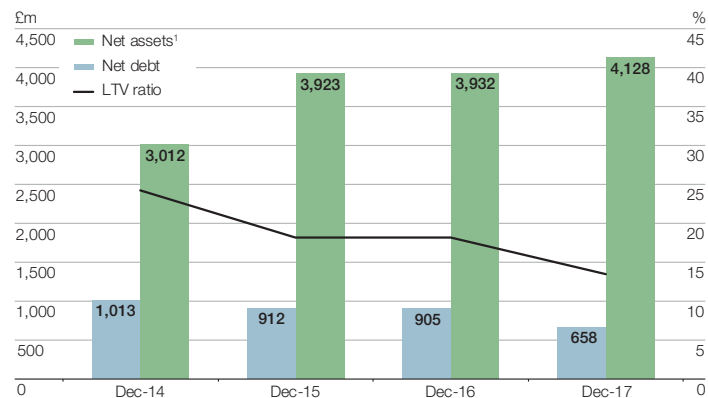
	Dec 2017	Dec 2016	% change
Net asset value	£4,193.2m	£3,999.4m	4.8
EPRA net asset value per share ^{1,2}	3,716p	3,551p	4.6
EPRA triple NAV per share ^{1,2}	3,617p	3,450p	4.8
EPRA total return	7.7%	1.7%	-
Gross property income	£172.2m	£156.0m	10.4
Net rental income	£161.1m	£145.9m	10.4
EPRA earnings ²	£105.0m	£85.7m	22.5
EPRA earnings per share	94.23p	76.99p	22.4
Profit for the year	£313.0m	£53.6m	484.0
Final dividend per share	42.40p	38.50p	10.1
Interim and final dividend per share	59.73p	52.36p	14.1
Special dividend per share	75.00p	52.00p	44.2
Net debt	£657.9m	£904.8m	(27.3)
Loan-to-value (LTV) ratio	13.2%	17.7%	-
NAV gearing	15.7%	22.6%	-
Net interest cover ratio	454%	370%	-

¹ On a diluted basis ² Reconciliations to IFRS figures in Appendices 2 and 4

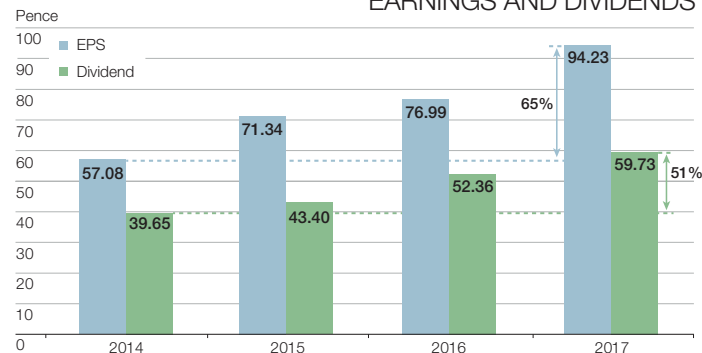
NET ASSETS AND EARNINGS

- EPRA NAV per share up 4.6%:
 - 3,716p from 3,551p
 - Split 0.9%/3.7% in H1/H2
- Equity shareholders' funds increase to £4,128m
- LTV ratio down to 13.2%
- Another year of strong earnings growth:
 - EPRA EPS up 22.4% and by 65% in the past three years
 - See slide 10
- Interim/final dividends increased again:
 - Interim/final dividends up 51% in three years
 - Dividend cover at 1.6 times

NET ASSETS, DEBT AND GEARING



EARNINGS AND DIVIDENDS



Dividend cover	1.4	1.6	1.5	1.6
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¹ Attributable to equity shareholders

EPRA NAV MOVEMENT

■ Revaluation surplus:

Investment properties	£147.9m
Owner-occupied property	£1.8m
Trading property adjustment ¹	£1.0m
Share of JV revaluation surplus	£3.9m
	<u>£154.6m</u>
	138p

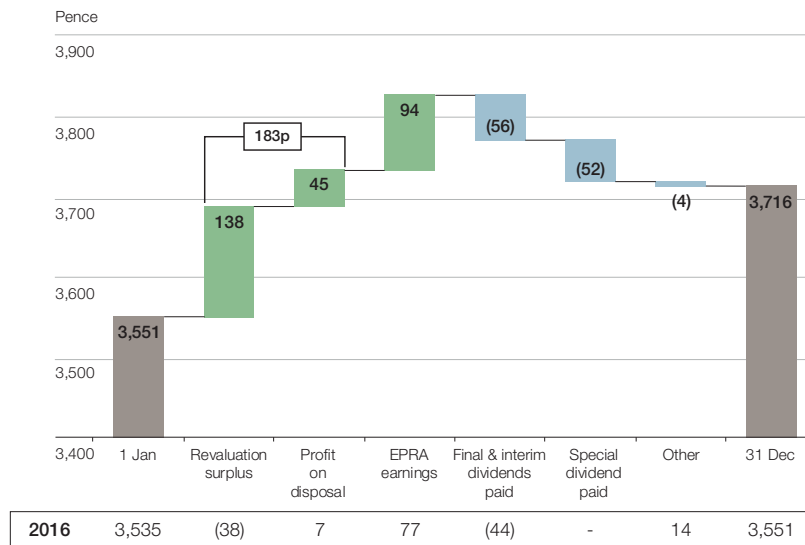
■ Included in the revaluation surplus of 138p:

- 77p added by White Collar Factory, 80 Charlotte Street and The White Chapel Building
- 22p from Angel Building

■ Profit on disposal:

The Copyright Building	£24.9m	22p
132-142 Hampstead Road	£14.6m	
Riverwalk House overage	£5.0m	
8 Fitzroy Street	£4.7m	
Other	£1.1m	
	<u>£50.3m</u>	45p

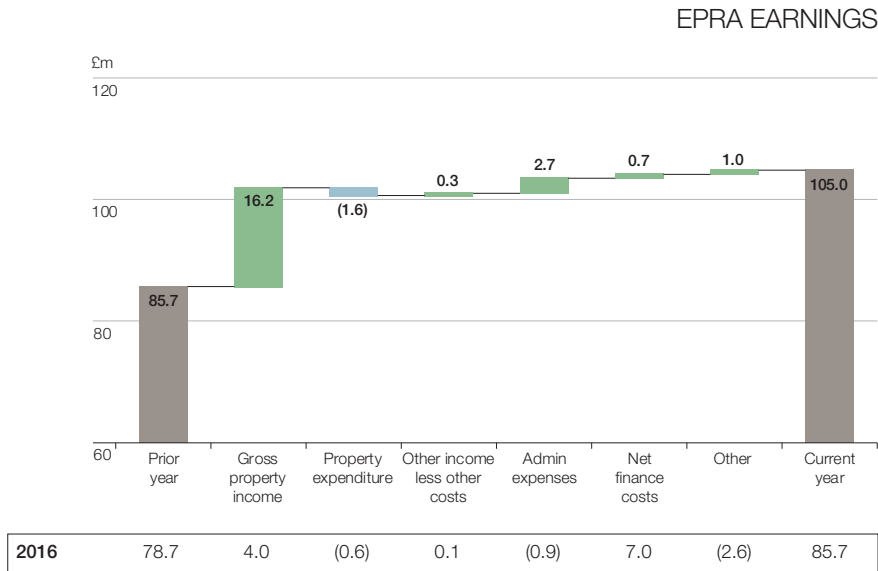
EPRA NAV PER SHARE



¹ Asta House residential units and Welby House

EPRA EARNINGS¹

- EPRA earnings £105.0m, up 22.5% from £85.7m in 2016
- Gross property income analysis on slide 11
- Admin costs fell by 8.7% to £28.2m
- Capitalised interest fell to £9.4m from £13.0m in 2016 on lower capex spend
- EPRA cost ratio² down to 20.8% from 24.0%



¹ An explanation of EPRA adjustments is provided in Appendix 5 ² Including direct vacancy costs

GROSS PROPERTY INCOME

- Lettings and reviews include:

	2017 lettings	2017 reviews	2016 lettings & reviews
White Collar Factory EC1	£11.2m	-	-
The White Chapel Building E1	£1.4m	-	£4.7m
20 Farringdon Road EC1	£0.4m	£0.4m	£1.6m
Johnson Building EC1	-	£1.3m	£0.8m
Angel Building EC1	£1.1m	-	£0.6m
1-2 Stephen Street W1	£0.2m	£0.1m	£1.3m
Network Building W1	£0.7m	£0.1m	£0.6m

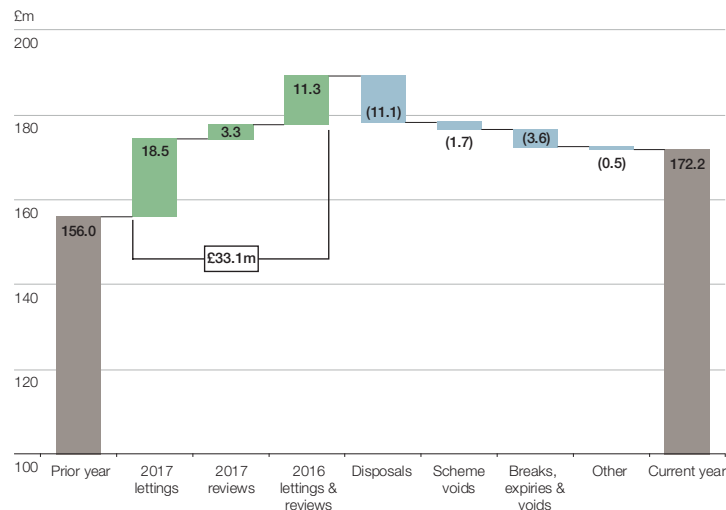
- Disposals reduced income as follows:

8 Fitzroy Street W1	£4.3m
120-134 Tottenham Court Road W1	£2.7m
Tower House WC2	£1.8m
Other	£2.3m

- EPRA like-for-like rental income¹:

	Rental income		Net property income
	Gross	Net	
Compared with 2016	5.1%	5.5%	5.2%

MOVEMENTS IN GROSS PROPERTY INCOME



¹ See Appendix 6 for detailed reconciliation of like-for-like rental income

CASH FLOW

- Decrease in net debt of £246.9m to £657.9m
- Cash from operations benefitted from the increase in cash receipts from tenants and a decrease in variable remuneration

NET CASH FLOW MOVEMENTS

	2017 £m	2016 £m
Cash from operations	83.5	77.7
Acquisitions	(8.5)	(18.0)
Capex	299.4	(213.5)
Disposal proceeds	472.9	224.7
Property and equipment	(5.0)	(4.5)
Financial derivative termination costs	(7.3)	(9.0)
Interim and final dividends paid	(61.8)	(48.6)
Special dividend paid	(57.9)	-
Other cash flow movements	(10.8)	2.0
Decrease in net borrowing	240.1	10.8
Non cash flow items	6.8	(3.9)
Decrease in net debt	246.9	6.9

FORECAST CAPITAL EXPENDITURE¹



¹ Further details of forecast capital expenditure can be found in Appendix 39

PROFORMA IMPACT OF MAJOR PROJECTS AND DISPOSALS

- Assumes no disposals and no further lettings other than those already contracted
- Shows impact of estimated capital expenditure and special dividend of 75p per share

PROFORMA IMPACT OF MAJOR PROJECTS AND SPECIAL DIVIDEND

PROFORMA IMPACT OF SOHO PLACE

	Dec 2017	Capex and contracted income on on-site projects ¹	Special dividend	Proforma 1	Soho Place site acquisition and capex ²	Void costs ³	Proforma 2
Gross property income	£172m	£24m		£196m			£196m
Net property income (adjusted)	£161m	£14m		£175m		£10m	£185m
Interest cost ³	£35m	£5m ⁴	£2m ⁴	£42m	£6m ⁴		£48m
Net interest cover ratio	454%			417%			385%
Portfolio fair value	£4,850m	£265m		£5,115m	£309m		£5,424m
Drawn debt net of cash	£640m	£265m	£84m	£989m	£309m		£1,298m
Loan-to-value ratio	13.2%			19.3%			23.9%

¹ Void costs on un-let developments total £10m, see Appendix 39 for capex ² Includes remaining site acquisition cost of £53m ³ Void costs upon completion of project

⁴ Assuming a marginal interest rate of 2.0%

DEBT SUMMARY

- Total facilities decreased due to cancellation of £100m of the £550m revolving bank facility
- £75m Wells Fargo revolving facility extended by one year to July 2022
- New 5-year £28m facility with HSBC signed in July 2017, replacing existing facility due in June 2018
- New £15m development facility signed in May 2017 for Primister JV (Porters North)
- Substantial headroom under financial covenants as at 31 December 2017:
 - Values could fall by 77% without breaching the gearing covenant
 - Property income could fall by 66% before breaching the interest cover covenant

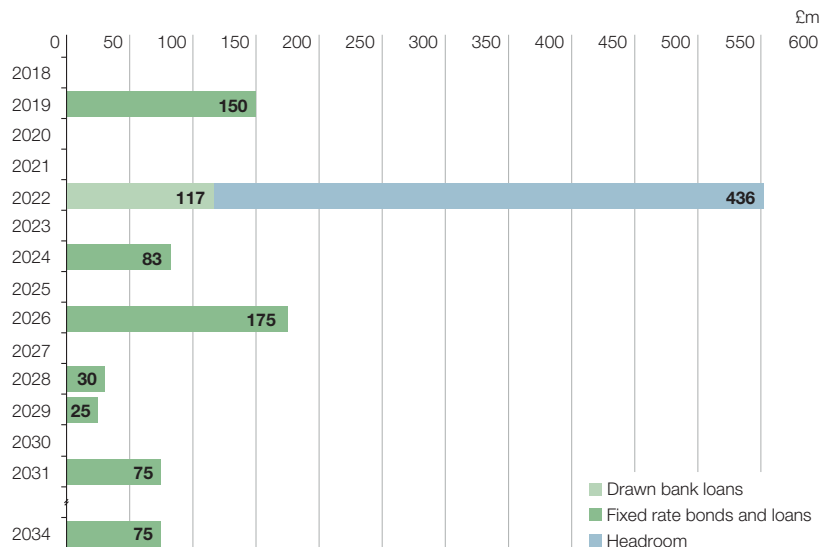
	Dec 2017	Dec 2016
Total facilities	£1,166m	£1,266m
Unutilised facilities and cash	£523m	£383m
Percentage of debt unsecured	61%	68%
Uncharged properties	£3,864m	£3,777m
Uncharged properties % of portfolio	80%	76%
Net debt	£658m	£905m
Gearing:		
LTV ratio	13.2%	17.7%
NAV gearing	15.7%	22.6%
Net interest cover ratio	454%	370%

DEBT FACILITIES

	Dec 2017	Dec 2016
Average spot interest rate (cash basis)	3.80%	3.65%
Average spot interest rate (IFRS basis)	4.11%	3.90%
Marginal interest rate	1.25%	1.10%
Percentage of drawn facilities at fixed rate or hedged	88%	95%
Average maturity of facilities	6.3 years	6.9 years
Average maturity of borrowings	7.6 years	7.7 years

	Dec 2017	Dec 2016
Unsecured bank loans	£89m	£260m
Secured bank loans	£28m	£28m
Unsecured bonds and non-bank loans	£355m	£355m
Secured bonds and non-bank loans	£258m	£258m
Total facilities drawn	£730m	£901m

MATURITY PROFILE OF DEBT FACILITIES



VALUATION AND PORTFOLIO ANALYSIS

Nigel George

VALUATION

Investment portfolio valued at £4.9bn

- Underlying growth 3.9% 2016: (0.2)%:
 - West End 1.9% 2016: (0.7)%
 - City Borders 7.5% 2016: 1.0%
- Strong sale prices achieved:
 - 11.8% net surplus above Dec 16 book value
 - Including disposals, portfolio uplift 4.9%
- MSCI IPD Central London Offices¹ 3.6%

Developments outperformed

- Valued at £756m, uplift of 16.0% in 2017:
 - White Collar Factory EC1 (completed H1 2017) 17.7%
 - 80 Charlotte Street W1 (2017 pre-lets) 15.4%
 - Brunel Building W2 13.2%

Vacancy rate

- Remained low at 1.3% (Dec 2016: 2.6%)

	Portfolio valuation £m	Joint venture valuation £m ²	Total £m	H1 2017 valuation movement % ³	H2 2017 valuation movement % ³	Full year valuation movement % ³
West End	2,890.3	20.6	2,910.9	0.8	1.1	1.9
City Borders ⁴	1,850.8	26.7	1,877.5	2.4	5.0	7.5
Central London	4,741.1	47.3	4,788.4	1.4	2.6	4.0
Provincial	101.2	-	101.2	0.5	0.0	0.5
Underlying	4,842.3	47.3	4,889.6	1.4	2.5	3.9
Acquisitions	8.0	-	8.0	(7.7)	(6.5)	(7.1)
Investment portfolio	4,850.3	47.3	4,897.6	1.4	2.5	3.9

¹ Quarterly Index ² 50% joint venture interests in 9 and 16 Prescott Street E1 and Porters North N1 ³ Calculated on an underlying basis

⁴ Principally properties in the Tech Belt - Appendix 42

PROPERTY RETURN

Total property returns in 2017

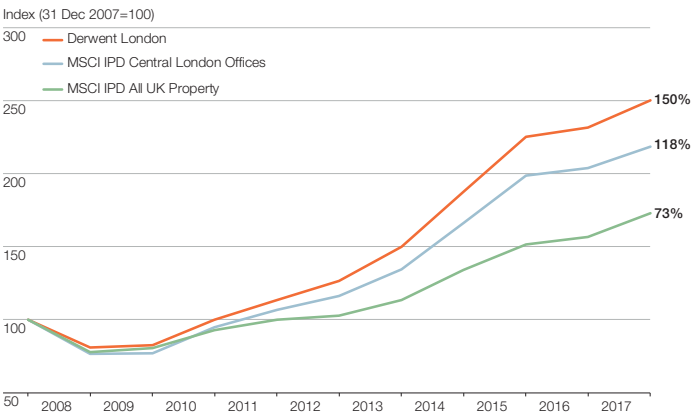
■ Derwent London	8.0%
■ MSCI IPD Central London Offices ¹	7.1%
■ MSCI IPD All UK Property ¹	10.2%

5-YEAR PERFORMANCE

Total property return (%)



10-YEAR CUMULATIVE TOTAL PROPERTY RETURN



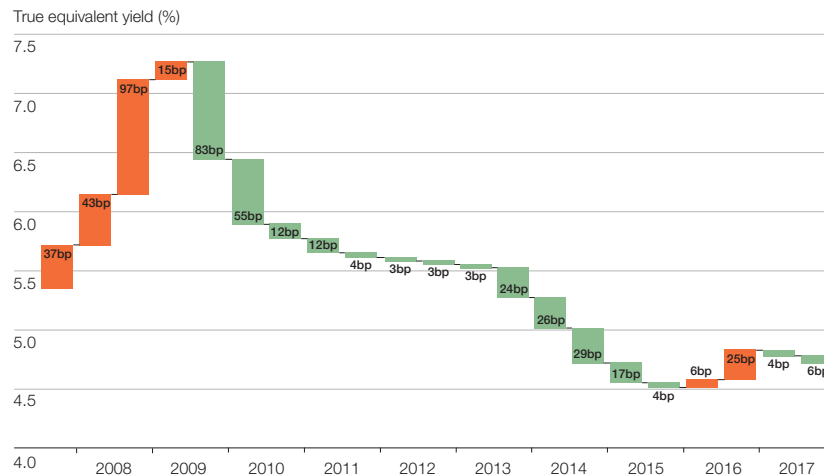
¹ Quarterly Index

MOVEMENT IN YIELDS

EPRA yields

- Net initial yield 3.4% (Dec 2016: 3.4%):
 - 'Topped-up' net initial yield 4.4% (Dec 2016: 4.1%)
- True equivalent yield 4.73% (Dec 2016: 4.83%):
 - 10 basis points tightening in 2017
- Net reversionary yield 4.8% (Dec 2016: 4.9%)

TRUE EQUIVALENT YIELD MOVEMENT¹



¹ Post H2 2010 portfolio on an EPRA basis
Derwent London plc Annual Results 2017

RENTAL VALUE GROWTH

- Underlying rental growth of 1.7%:
 - City Borders 3.0%, West End 0.7%

- Examples of performance:

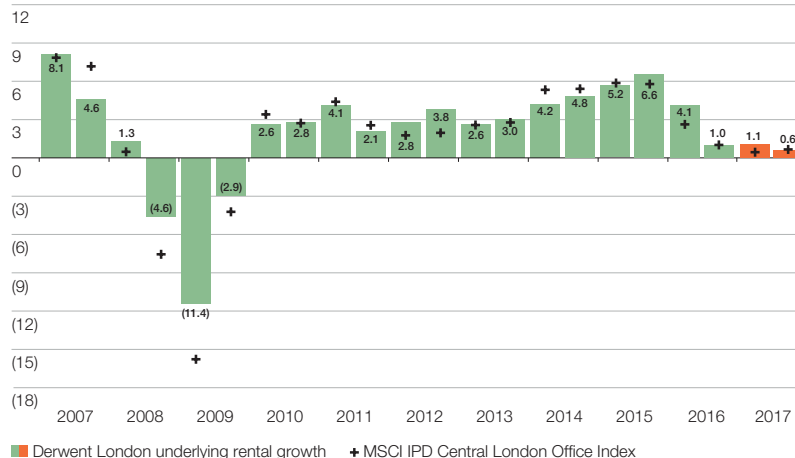
Building	ERV uplift %	Comments
88 Rosebery Avenue EC1	19.6	Rent reviews
4 & 10 Pentonville Road N1	14.0	Rent reviews
Angel Building EC1	9.2	Asset management
Tea Building E1	3.5	Asset management

- Potential to drive rents - average office rent £49.74 psf¹ (Dec 2016: £44.98 psf)

Central London offices	Portfolio % ²	Passing rent £ psf ¹	'Topped-up' rent £ psf ¹	ERV £ psf ³
Core income	59	37.97	53.26	55.67
Potential projects	30	33.78	36.67	41.83
	89	36.56	47.65	51.11
On-site developments	11	-	78.67	72.32
	100	34.10	49.74	53.72

RENTAL VALUE GROWTH

Half-yearly rental value growth (%)



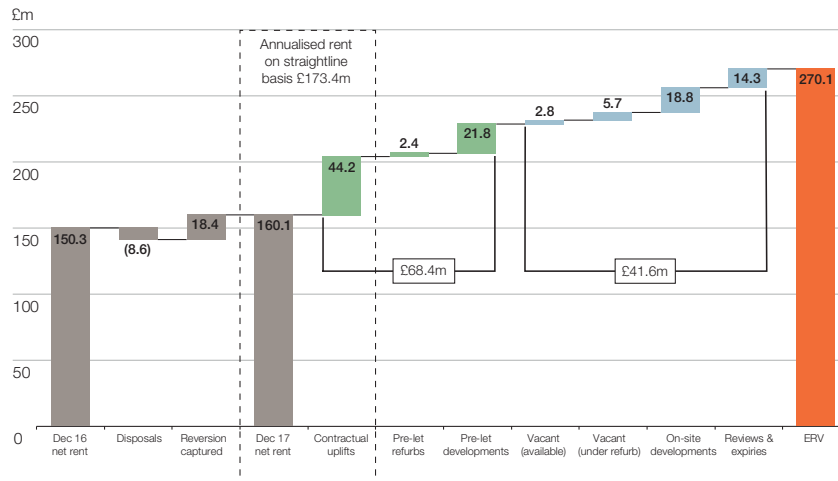
¹ Calculated on the 'topped-up' rental of let office area ² Based on entire portfolio area - see Appendix 19 ³ Total office area

BUILD-UP OF PORTFOLIO ERV

- Net income of £160.1m:
 - £18.4m captured in 2017
- Significant potential reversion £110.0m¹:
 - 62% (£68.4m) locked in, including:
 - White Collar Factory EC1 £10.5m
 - Angel Building EC1 £8.0m
 - The White Chapel Building E1 £6.6m
 - 80 Charlotte St W1 (pre-let) £21.8m²

- EPRA vacancy rate 1.3%

BUILD-UP OF ERV



On-site developments	Let £m	Vacant £m	ERV £m	Delivery
80 Charlotte Street W1	21.8 ²	4.0	25.8	2019
Brunel Building W2	-	14.8	14.8	2019
Total on-site	21.8	18.8	40.6	

¹ Requires additional capex as set out in Appendix 39 ² Initial rent on Arup space £11.2m pa, subject to 2.25% annual uplifts for the first 15 years

DEVELOPING A PRODUCT

Simon Silver

CURRENT PROJECTS

Delivery		Refurb sq ft	Development sq ft
2018	The White Chapel Building E1	89,000	
	Johnson Building EC1	57,200	
	25 Savile Row W1	18,700	
2019	Brunel Building W2		243,000
	80 Charlotte Street W1		380,000
2021	Soho Place W1		285,000
		164,900	908,000



Brunel Building W2

2018 REFURBISHMENTS: THE WHITE CHAPEL BUILDING E1



- 89,000 sq ft redevelopment
- Pre-let to Fotografiska as The London Museum of Photography
- Establishing a major new cultural landmark and a new building identity

2018 REFURBISHMENTS: JOHNSON BUILDING EC1



2018 REFURBISHMENTS: 25 SAVILE ROW W1

- 18,700 sq ft scheme
- Refurbishment of upper floors with the addition of two new rooftop offices



- 243,000 sq ft canalside offices
- Striking external diagrid structure
- Opposite Paddington station
- 17,000 sq ft column-free floors with 3.5m floor to ceiling heights
- On-site restaurant
- Two large roof terraces
- 260 cycle spaces and 26 showers



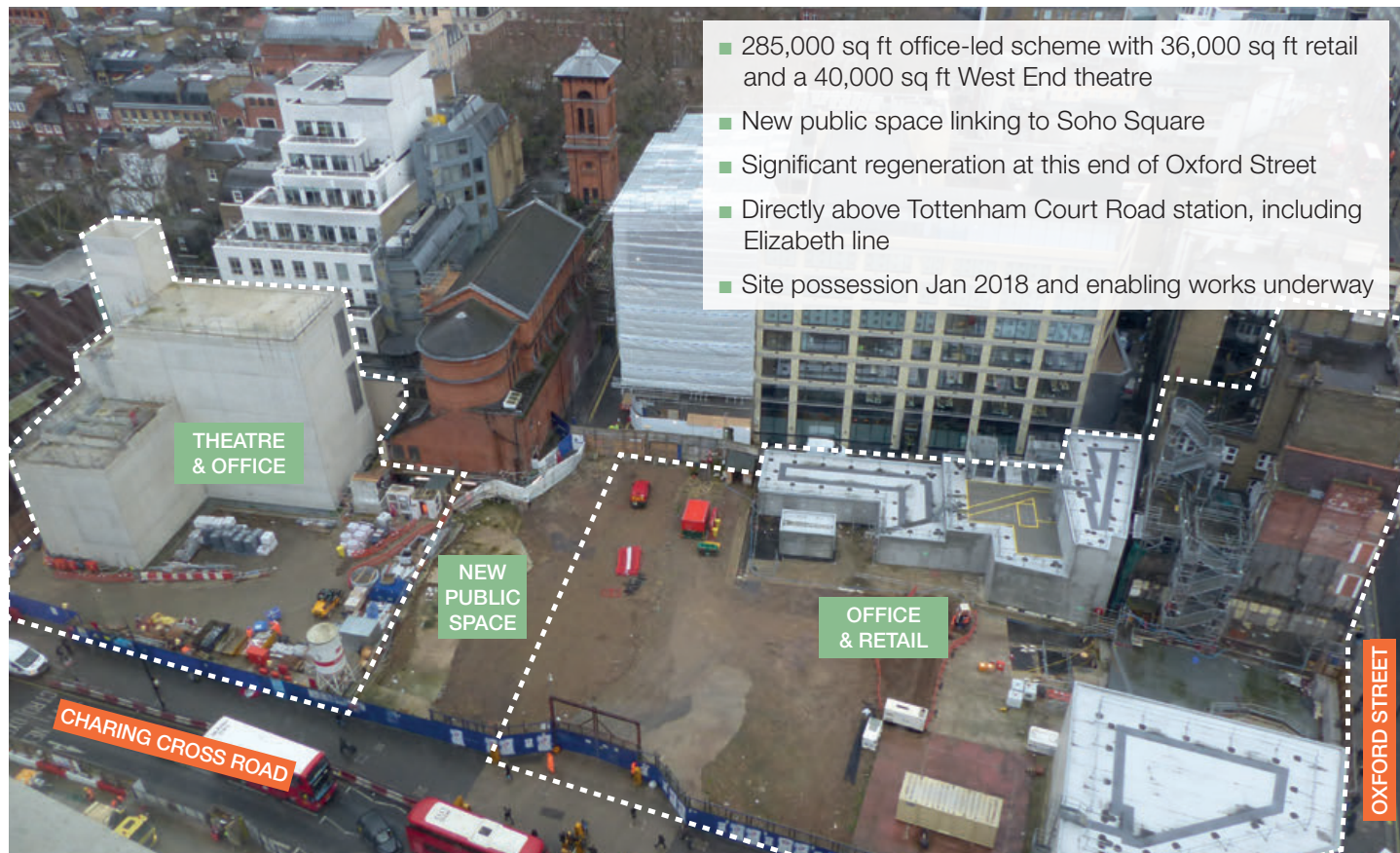
80 CHARLOTTE STREET W1: FIT FOR THE FUTURE

- Mixed-use scheme of 380,000 sq ft
- Large 40,000 sq ft flexible floorplates
- Extensive rooftop terraces with panoramic views
- Offices predominately pre-let to Arup and BCG





SOHO PLACE W1: OUR NEXT MAJOR PROJECT





MAKING AN IMPACT

- Two developments completed in 2017:
 - White Collar Factory EC1 - 96% profit on cost
 - The Copyright Building W1 - 23% profit on cost
- Two developments on site at year end:
 - 623,000 sq ft with £40.6m ERV (£21.8m pre-let)
 - £252m capex to complete
 - Delivery 2019
- Three current refurbishments:
 - 164,900 sq ft with £7.5m ERV (£2.4m pre-let)
- Soho Place W1:
 - Site possession in Jan 2018
 - 285,000 sq ft with £22.0m ERV
 - Preliminary works underway
- Total developments and refurbishments:
 - 1.07m sq ft with £70.1m ERV

White Collar Factory EC1



ASSURED PIPELINE INTO THE NEXT DECADE

- 568,000 sq ft of planning consents:
 - 86% uplift in existing floor area
 - Two gained in 2017 (19-35 Baker Street and Holden House)



Monmouth House EC1
125,000 sq ft¹



19-35 Baker Street W1²
293,000 sq ft¹



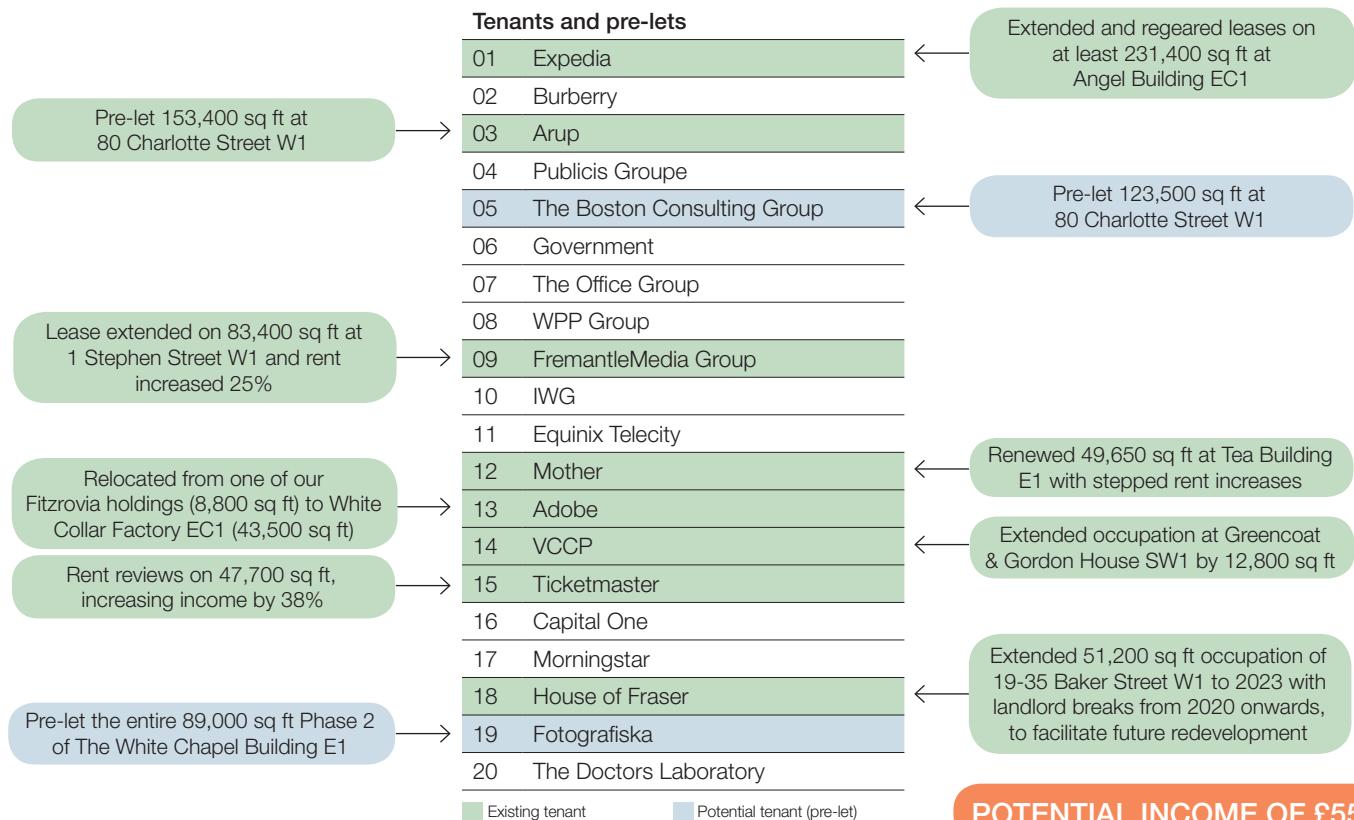
Holden House W1
150,000 sq ft¹

¹ Proposed floorspace ² Joint venture - 55% interest

BUILDING RELATIONSHIPS

Paul Williams

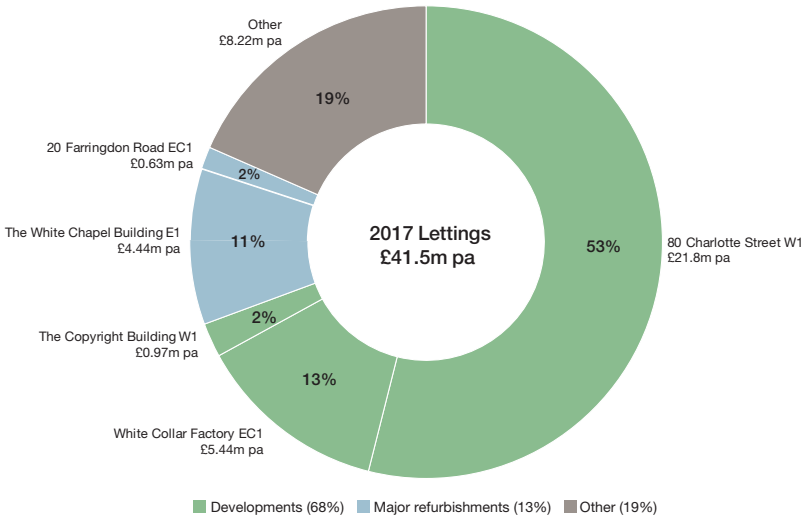
STAYING CLOSE



POTENTIAL INCOME OF £55M

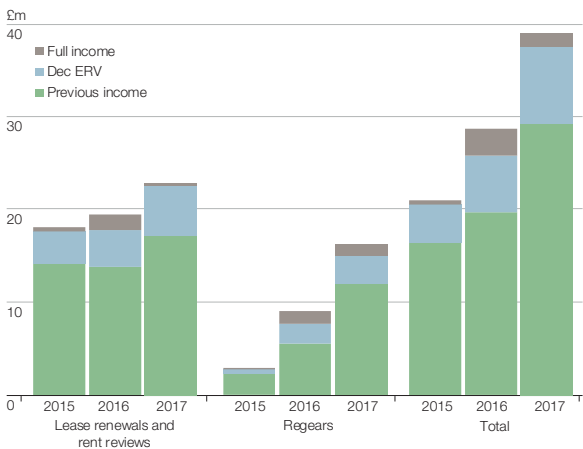
RESULTS

LETTING ACTIVITY



- Developments and major refurbishments comprised 81% of 2017 letting activity
- 58% to TMT and creative firms
- Average rent £60.60 psf

ASSET MANAGEMENT



- 771,900 sq ft of rent reviews, lease renewals and regears concluded in 2017
- Income up 33%, from £29.0m to £38.6m pa
- On average 3.8% above Dec 16 ERV

EXISTING RELATIONSHIPS



Expedia @ Angel Building EC1

- Increased their occupancy in the building by 2.5 times
- Option to be the sole tenant in the building
- Lease extended from 2021 to 2030
- Benefits from our building clusters as Expedia has a significant presence at Angel Square



Mother @ Tea Building E1

- Original anchor tenant in the building
- Lease renewed for 10 years
- Green Tea specification

EXISTING RELATIONSHIPS (2)



Adobe @ White Collar Factory EC1

- Located on 'Silicon Roundabout' in the heart of the Tech Belt
- Significant expansion to their London presence and a consolidation of offices
- New European sales and marketing hub featuring a Customer Experience Centre
- Offices designed to inspire creativity and collaboration



VCCP @ Greencoat & Gordon House SW1

- A history of expansion with us in Victoria:
 - VCCP initially took 2,900 sq ft in 2005
 - In 2017 VCCP took the newly refurbished 12,800 sq ft Gordon Studio
 - Occupation now 65,700 sq ft at a rent of £3.4m pa

FORGING NEW RELATIONSHIPS

BCG

THE BOSTON CONSULTING GROUP

Timing

Product

Location

Pricing

Flexibility

Long term relationships

Clustering potential

80 Charlotte Street W1



CEMENTING RELATIONSHIPS

OCCUPIERS



- Regular face-to-face meetings
- Property websites for our occupiers
- Social media sites and building message boards
- Regular energy-use monitoring

COMMUNITIES



- Fitzrovia and Tech Belt Community Funds
- Staff volunteering scheme
- Career guidance workshops

THIRD PARTY PROFESSIONALS



- Close relationships with our consultants and advisors - architects, agents, engineers, contractors etc

THE EVOLVING NEEDS OF THE OCCUPIER

David Silverman

OCCUPIER OUTLOOK

2017 Take-up

- At 13.2m sq ft take-up was 7% above 2016, and above trend
- West End take-up at 4.8m sq ft, the best year since 2007

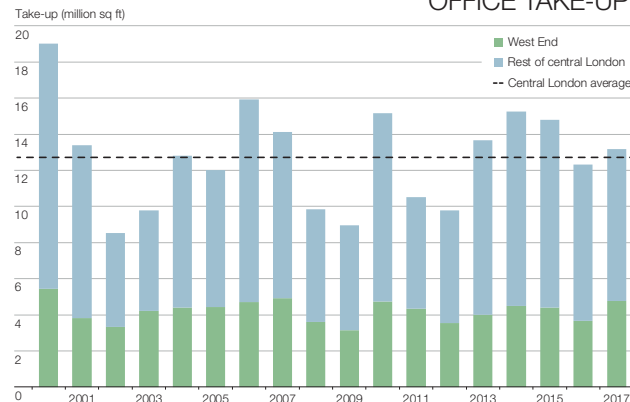
Supply

- Based on space under construction, supply has peaked:
 - 47% pre-let
- Available space under construction totals 6.3m sq ft:
 - West End 1.1m sq ft

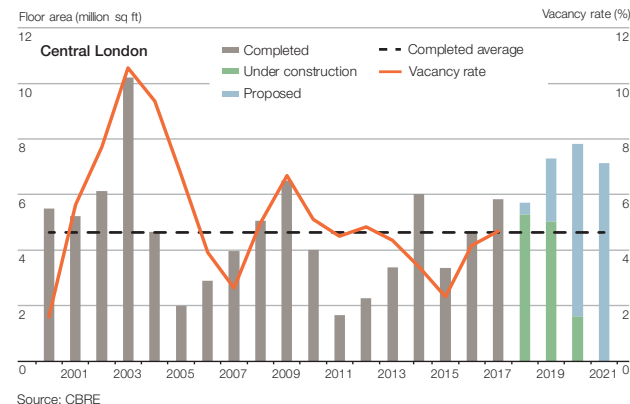
Vacancy rate

- Central London vacancy rate has been rising for two years, to 4.7%:
 - Close to 10-year average of 4.5% and below 15-year average of 5.3%
- City 5.8% (+0.8%) and West End 3.7% (+0.4%)

OFFICE TAKE-UP



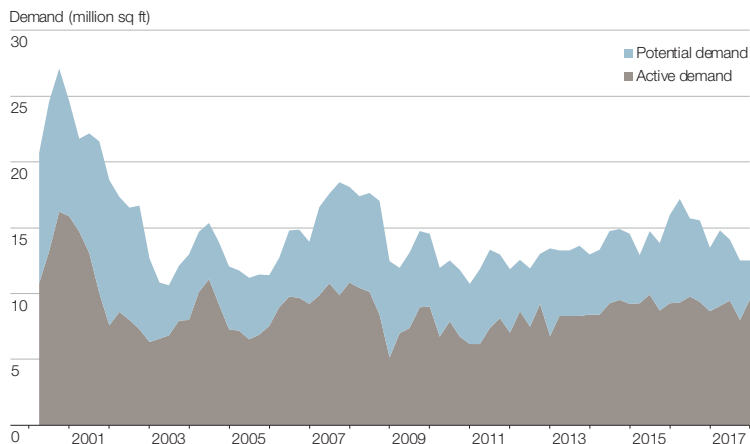
OFFICE DEVELOPMENT PIPELINE



DEMAND OUTLOOK

- 13.2m sq ft of take-up in 2017
- 9.6m sq ft of active demand at the year end:
 - 4.3m sq ft in the West End

CENTRAL LONDON OFFICE DEMAND



Source: JLL

Derwent London plc Annual Results 2017

- Current large space requirements still dominate:



WARNER MUSIC GROUP



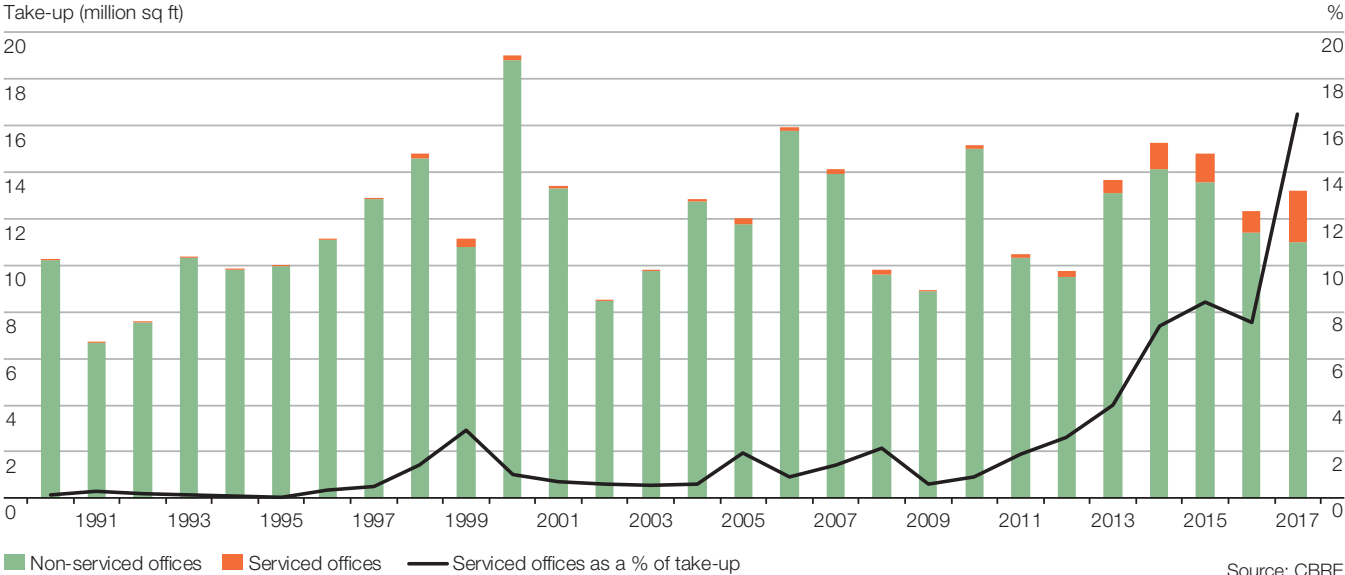
CHANGING WORKING PRACTICES

Changing business practices

- Increased economic and political uncertainty
- Shift in the economy to creatives
- Changing technology
- New focus on accommodation

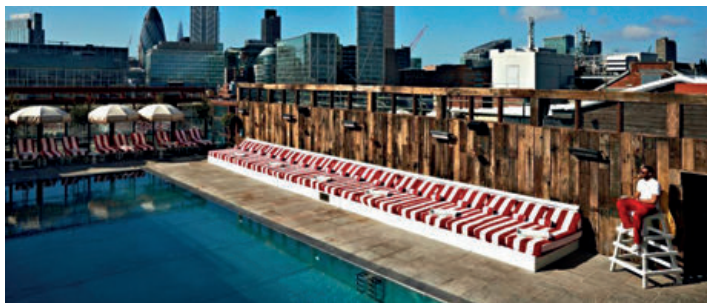
Evolving serviced office model

- Simple
- Full service



Source: CBRE

CREATING THE RIGHT ENVIRONMENTS



- Amenities in our buildings:
 - Cafés and restaurants
 - Cycle storage and showers
 - Connectivity
- WiredScore:
 - 3.0m sq ft of our portfolio is Wired Certified
 - Two buildings are Platinum rated
 - Since initial survey 30% improved from Silver to Gold ratings

FLEXIBILITY AND OPTIONALITY



Tea Building E1

- Short lease strategy since 2001



The Office Group and Derwent London

- White Collar Factory EC1 - 41,300 sq ft
- 2 Stephen Street W1 - 34,200 sq ft
- Angel Square EC1 - 40,700 sq ft

A PRODUCT DRIVEN MARKET

- Occupier demand remains good
- Evolving expectations for office use
- Serviced office sector likely to continue to grow:
 - 4% of London office space
 - 5% of Derwent London's 'topped-up' income
- Derwent London has always believed in creating great spaces



The White Chapel Building E1

SUMMARY

John Burns

SUMMARY

Our market

- Economic and political uncertainty continues
- Good occupier and investment demand
- ERV guidance of +2% to -3% in 2018
- Investment yields expected to be broadly stable in 2018

Derwent London

- Good interest in the Derwent London product
- Growth potential enhanced by Soho Place
- Financial strength enables another special dividend
- Dividend growth in 2018 expected to be 10%

APPENDICES

APPENDICES

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APPENDIX 1 - GROUP BALANCE SHEET

	Dec 2017 £m	Dec 2016 £m
Investment property	4,670.7	4,803.8
Owner-occupied property	46.5	34.2
Investments in joint ventures	39.7	36.0
Other non-current assets	110.9	113.0
	4,867.8	4,987.0
Other current assets and liabilities	(31.0)	(73.5)
Trading property	25.3	11.7
Cash and cash equivalents	87.0	17.7
	81.3	(44.1)
Financial liabilities - non-current	(744.9)	(922.5)
Other non-current liabilities	(11.0)	(21.0)
	(755.9)	(943.5)
Total net assets	4,193.2	3,999.4
Non-controlling interest	(64.9)	(67.1)
Attributable to equity shareholders	4,128.3	3,932.3

APPENDIX 2 - NET ASSET VALUE PER SHARE

	£m	Dec 2017 Diluted p	£m	Dec 2016 Diluted p
Net assets attributable to equity shareholders	4,128.3	3,694	3,932.3	3,521
Revaluation of trading properties net of tax	1.0		-	
Fair value of secured bonds	(37.7)		(36.6)	
Fair value of unsecured convertible bonds	(11.8)		(8.0)	
Fair value of fixed rate secured loan	(4.9)		(5.2)	
Fair value of fixed rate unsecured private placement notes	(23.5)		(18.7)	
Unamortised issue and arrangement costs	(8.6)		(10.3)	
EPRA triple NAV	4,042.8	3,617	3,853.5	3,450
Fair value of debt and costs	86.5		78.8	
Deferred tax on revaluation surplus	4.5		5.3	
Fair value of derivatives	7.9		17.3	
Fair value adjustment to secured bonds on acquisition less amortisation	12.9		14.0	
Non-controlling interest in respect of the above	(1.5)		(2.6)	
EPRA NAV	4,153.1	3,716	3,966.3	3,551

APPENDIX 3 - GROUP INCOME STATEMENT

	Year ended Dec 2017 £m	Year ended Dec 2016 £m
Gross property income	172.2	156.0
Profit on disposal of trading properties	-	1.9
Reversal/(write-down) on trading properties	1.0	(1.6)
Other income less other costs	2.7	2.4
Property outgoings	(11.1)	(9.5)
Net property and other income	164.8	149.2
Administrative expenses	(28.2)	(30.9)
Revaluation surplus/(deficit)	H1 45.9 H2 102.0	61.4 (98.5)
Profit on disposal of investment properties	50.3	7.5
Net finance costs	(27.1)	(27.8)
Joint venture (JV) results	JV revaluation 3.9 Other JV profit 1.1	1.8 0.5
Derivatives fair value movement	9.4	0.3
Financial derivative termination costs	(7.3)	(9.0)
IFRS profit before tax	314.8	54.5
Tax charge	(1.8)	(0.9)
IFRS profit for the year	313.0	53.6
Attributable to:		
Equity shareholders ¹	314.0	58.7
Non-controlling interest	(1.0)	(5.1)
	313.0	53.6

¹ A reconciliation of the IFRS profit attributable to shareholders to the EPRA earnings is shown in Appendix 4

APPENDIX 4 - RECONCILIATION OF IFRS PROFIT AND EPRA EARNINGS

	Year ended Dec 2017 £m	Year ended Dec 2016 £m
IFRS profit for the year attributable to shareholders	314.0	58.7
Revaluation (surplus)/deficit	(147.9)	37.1
Joint venture revaluation surplus	(3.9)	(1.8)
Profit on disposal of properties	(50.3)	(7.5)
Profit on disposal of trading properties	-	(1.9)
(Reversal of write-down)/write-down of trading property	(1.0)	1.6
Derivatives fair value movement	(9.4)	(0.3)
Financial derivative termination costs	7.3	9.0
Tax adjustment	(0.4)	(1.7)
Non-controlling interest in respect of the above	(3.4)	(7.5)
EPRA earnings	105.0	85.7

APPENDIX 5 - EXPLANATION OF EPRA ADJUSTMENTS

	2017 IFRS £m	Adjustments			2017 EPRA basis £m	2016 EPRA basis £m
		A £m	B £m	C £m		
Net property and other income	164.8		(1.0)		163.8	148.9
Administrative expenses	(28.2)				(28.2)	(30.9)
Revaluation surplus	147.9		(147.9)		-	-
Profit on disposal of investment property	50.3	(50.3)			-	-
Net finance costs	(27.1)				(27.1)	(27.8)
Derivatives fair value movement	9.4			(9.4)	-	-
Financial derivative termination costs	(7.3)			7.3	-	-
Share of results of joint ventures	5.0		(3.9)		1.1	0.5
Profit before tax	314.8	(50.3)	(152.8)	(2.1)	109.6	90.7
Tax charge	(1.8)	1.1	(1.5)	-	(2.2)	(2.6)
Profit for the year	313.0	(49.2)	(154.3)	(2.1)	107.4	88.1
Non-controlling interest	1.0	-	(3.8)	0.4	(2.4)	(2.4)
Earnings attributable to equity shareholders	314.0	(49.2)	(158.1)	(1.7)	105.0	85.7
Earnings per share	281.79p				94.23p	76.99p

A – Disposal of investment and trading properties and associated tax and non-controlling interest

B – Reversal of write-down of trading properties and revaluation on investment property and in joint ventures, and associated deferred tax and non-controlling interest

C – Fair value movement and termination costs relating to derivative financial instruments and associated non-controlling interest

APPENDIX 6 - EPRA LIKE-FOR-LIKE RENTAL INCOME

	Properties owned throughout the year £m	Acquisitions £m	Disposals £m	Development property £m	Total £m
2017					
Gross rental income	143.6	-	4.8	23.7	172.1
Property expenditure	(6.0)	-	(0.6)	(4.4)	(11.0)
Net rental income	137.6	-	4.2	19.3	161.1
(Write-down)/reversal of write-down of trading property	-	(0.6)	-	1.6	1.0
Other ¹	2.7	-	-	-	2.7
Net property income	140.3	(0.6)	4.2	20.9	164.8
2016					
Gross rental income	136.6	-	15.6	3.2	155.4
Property expenditure	(6.2)	(0.1)	(0.6)	(2.6)	(9.5)
Net rental income	130.4	(0.1)	15.0	0.6	145.9
Profit on disposal of trading properties	-	-	1.9	-	1.9
Write-down of trading property	-	-	-	(1.6)	(1.6)
Other ¹	3.0	-	-	-	3.0
Net property income	133.4	(0.1)	16.9	(1.0)	149.2
Increase based on gross rental income	5.1%				10.7%
Increase based on net rental income	5.5%				10.4%
Increase based on net property income	5.2%				10.5%

¹ Includes surrender premiums paid or received, dilapidation receipts and other income

APPENDIX 7 - DEBT FACILITIES

	Drawn £m	Undrawn £m	Total £m	Maturity
6.5% secured bonds	175.0	-	175.0	March 2026
3.99% secured loan	83.0	-	83.0	October 2024
1.125% unsecured convertible bonds	150.0	-	150.0	July 2019
4.41% unsecured private placement notes	25.0	-	25.0	January 2029
4.68% unsecured private placement notes	75.0	-	75.0	January 2034
3.46% unsecured private placement notes	30.0	-	30.0	May 2028
3.57% unsecured private placement notes	75.0	-	75.0	May 2031
Non-bank loans	613.0	-	613.0	
Bilateral term - secured	28.0	-	28.0	July 2022
Bilateral revolving credit - unsecured	12.5	62.5	75.0	July 2022
Club revolving credit - unsecured	76.5	373.5	450.0	January 2022
Committed bank facilities	117.0	436.0	553.0	
At 31 December 2017	730.0	436.0	1,166.0	

- In addition, the Primister JV has a £15m bank facility, of which £13.4m was drawn at 31 December 2017. This facility will be repaid and cancelled in March 2018 following the disposal of the property currently held by the JV

APPENDIX 8 - NET DEBT

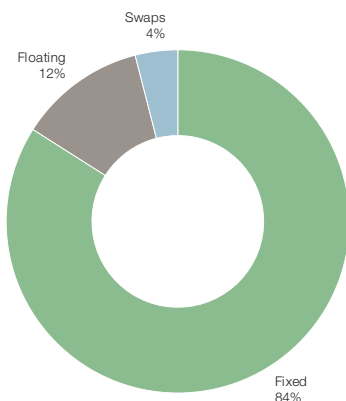
	Dec 2017 £m	Dec 2016 £m
Financial liabilities - due after more than 1 year	744.9	922.5
Acquired fair value of secured bonds less amortisation	(12.9)	(14.0)
Equity component of unsecured bonds	12.6	12.6
Unwinding of discount of unsecured bonds	(9.1)	(7.0)
Unamortised issue and arrangement costs	8.6	10.3
Leasehold liabilities	(14.1)	(23.9)
Facilities - drawn	730.0	900.5
Facilities - undrawn	436.0	365.5
Total debt facilities	1,166.0	1,266.0

	Dec 2017 £m	Dec 2016 £m
Financial liabilities	744.9	922.5
Cash and cash equivalents	(87.0)	(17.7)
Net debt	657.9	904.8

APPENDIX 9 - FIXED RATES AND HEDGING

	Dec 2017	Dec 2016
Proportion of drawn facilities at fixed rates or hedged	88%	95%
Weighted average duration of swaps ¹	1.2 years	4.6 years
Mark-to-market cost of swaps	£7.9m	£17.3m
Weighted average duration of fixed rate instruments	8.2 years	9.2 years

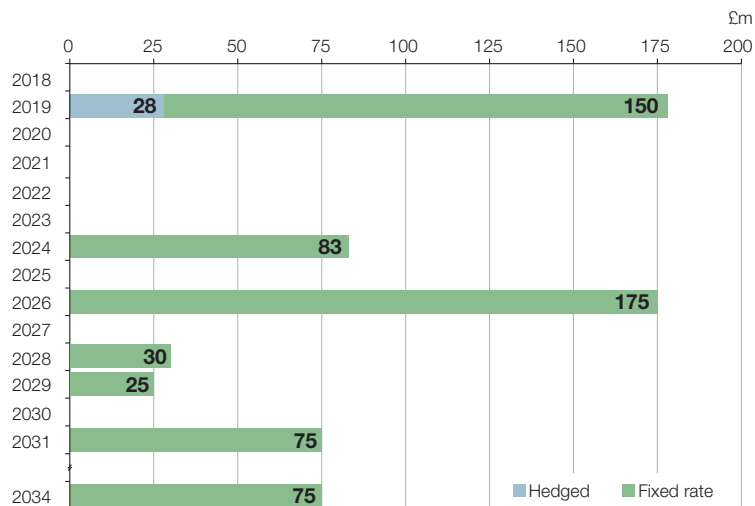
HEDGING PROFILE¹



¹Excludes the following forward-start swaps:

Principal £m	Rate %	Start date	Expiry date
70.0	3.99	March 2018	March 2020
40.0	2.45	October 2018	July 2022
75.0	1.36	April 2019	April 2025

MATURITY PROFILE OF FIXED RATES AND SWAPS¹



APPENDIX 10 - VALUATION PERFORMANCE BY VILLAGE

	Valuation Dec 2017 £m	Weighting Dec 2017 %	Valuation movement 2017 ¹ %
West End Central			
Fitzrovia ²	1,442.7	29	2.4
Victoria	540.0	11	(3.8)
Baker Street/Marylebone	179.2	4	(5.3)
Paddington	131.3	3	13.2
Mayfair	92.4	2	(2.1)
Soho/Covent Garden	53.0	1	4.1
	2,438.6	50	0.8
West End Borders			
Islington/Camden	480.2	10	7.9
West End	2,918.8	60	1.9
City Borders			
Clerkenwell	595.1	12	5.2
Old Street	543.5	11	11.3
Shoreditch/Whitechapel	441.8	9	8.6
Holborn	295.0	6	4.0
Other	2.2	-	0.0
	1,877.6	38	7.5
Central London	4,796.4	98	4.0
Provincial	101.2	2	0.5
Investment portfolio	4,897.6	100	3.9

¹ Underlying - properties held throughout the period ² Includes North of Oxford Street

APPENDIX 11 - RENTAL VALUE GROWTH

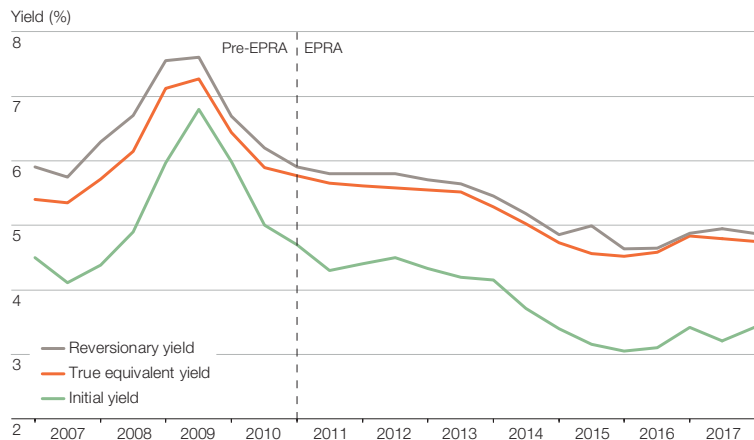
RENTAL VALUE GROWTH¹

	2016 %	H1 2017 %	H2 2017 %	2017 %
West End	5.5	0.7	0.0	0.7
City Borders	4.4	1.7	1.3	3.0
Central London	5.1	1.1	0.6	1.7
Provincial	4.5	1.2	1.2	2.4
Underlying	5.1	1.1	0.6	1.7

¹ On EPRA portfolio

APPENDIX 12 - VALUATION YIELDS

YIELD PROFILE¹



EPRA INITIAL YIELDS

	Net initial yield %	'Topped-up' initial yield %
West End	3.7	4.4
City Borders	3.0	4.4
Central London	3.4	4.4
Provincial	6.3	6.5
EPRA portfolio	3.4	4.4

TRUE EQUIVALENT YIELDS²

	Dec 2016 %	H1 2017 movement basis points	Jun 2017 %	H2 2017 movement basis points	Dec 2017 %
West End	4.70	(7)	4.63	(1)	4.62
City Borders	4.96	(5)	4.91	(12)	4.79
Central London	4.79	(3)	4.76	(7)	4.69
Provincial	6.89	-	6.89	(2)	6.87
Underlying	4.83	(4)	4.79	(6)	4.73

¹ Six-monthly data ² On EPRA portfolio

APPENDIX 13 - CONTEXT TO YIELD MOVEMENT

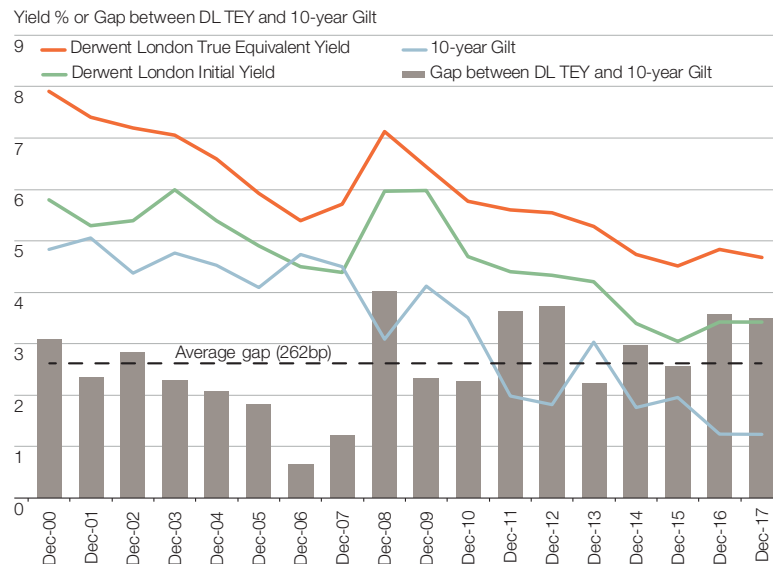
- 350bp spread between true equivalent yield and 10-year Gilt:

- Gilt yield remained low and flat in 2017
- Buoyant investor demand
- Strong occupier demand

- Undemanding capital values²:

- Central London £961 psf:
- West End £1,013 psf
- City Borders £899 psf

VALUATION YIELDS¹



¹ Post H2 2010 portfolio on an EPRA basis ² Excludes 0.62m sq ft of on-site developments - Appendix 39

APPENDIX 14 - PORTFOLIO STATISTICS BY VILLAGE

	Valuation £m	Weighting %	Floor area ¹ '000 sq ft	Vacant floor area '000 sq ft	Net contracted rental income £m pa	Average rental income £ psf	Vacant space rental value £m pa	Lease reversion ⁴ £m pa	Total reversion £m pa	Estimated rental value £m pa
West End Central										
Fitzrovia ²	1,442.7	29	1,385	119	47.5	37.78	4.9	30.6	35.5	83.0
Victoria	540.0	11	590	9	22.2	38.15	0.2	4.6	4.8	27.0
Baker Street/Marylebone	179.2	4	196	1	8.5	43.74	0.1	1.2	1.3	9.8
Paddington	131.3	3	243	243	(0.1)	-	14.8	0.1	14.9	14.8
Mayfair	92.4	2	43	19	0.2	77.40 ³	1.9	2.2	4.1	4.3
Soho/Covent Garden	53.0	1	108	-	-	0.23	-	-	-	-
	2,438.6	50	2,565	391	78.3	36.21	21.9	38.7	60.6	138.9
West End Borders										
Islington/Camden	480.2	10	516	-	15.6	30.27	-	11.1	11.1	26.7
	480.2	10	516	-	15.6	30.27	-	11.1	11.1	26.7
West End	2,918.8	60	3,081	391	93.9	35.07	21.9	49.8	71.7	165.6
City Borders										
Clerkenwell	595.1	12	650	38	22.7	38.73	1.5	6.1	7.6	30.3
Old Street	543.5	11	548	24	14.8	28.27	0.6	12.3	12.9	27.7
Shoreditch/Whitechapel	441.8	9	596	-	15.7	26.43	-	10.0	10.0	25.7
Holborn	295.0	6	294	57	7.8	34.78	3.3	4.1	7.4	15.2
Other	2.2	-	-	-	-	-	-	-	-	-
City Borders	1,877.6	38	2,088	119	61.0	31.74	5.4	32.5	37.9	98.9
Central London	4,796.4	98	5,169	510	154.9	33.67	27.3	82.3	109.6	264.5
Provincial	101.2	2	343	2	5.2	15.39	-	0.4	0.4	5.6
Investment portfolio	4,897.6	100	5,512	512	160.1	32.42	27.3	82.7	110.0	270.1

¹ Includes 0.62m sq ft of on-site developments ² Includes North of Oxford Street ³ Owner-occupied area (part 25 Savile Row W1) excluded

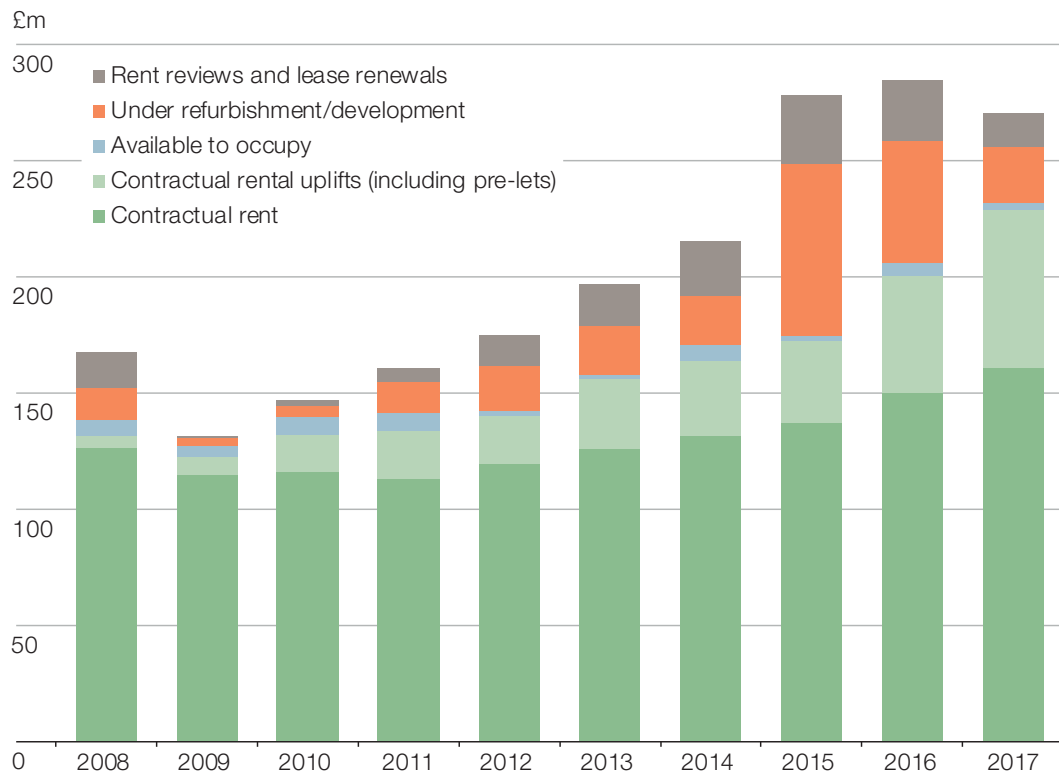
⁴ Contractual uplifts, rent review/lease renewal reversion and pre-lets

APPENDIX 15 - BUILD-UP OF PORTFOLIO ERV

	£m	Rent uplift pa £m	Rent pa £m
Contracted rental income, net of ground rents			160.1
Contractual rental uplifts			
White Collar Factory EC1	10.5		
Angel Building EC1	8.0		
The White Chapel Building E1 (Phase 1)	4.2		
40 Chancery Lane WC2	2.8 ¹		
Other	18.7	44.2	
Pre-let refurbishments			
The White Chapel Building E1 (Phase 2)	2.4	2.4	
Vacant space²			
Available to occupy	2.8		
Under refurbishment	5.7	8.5	
Lease reversions			
Anticipated rent reviews and lease renewals		14.3	69.4
			229.5
Two on-site developments (non-EPRA)³			
Pre-let element	21.8		
On-site	18.8		40.6
Estimated rental value			270.1

¹ Net income after deduction of ground rent ² Detailed in Appendix 18 ³ Capex to complete £252m excluding capitalised interest - see Appendix 39

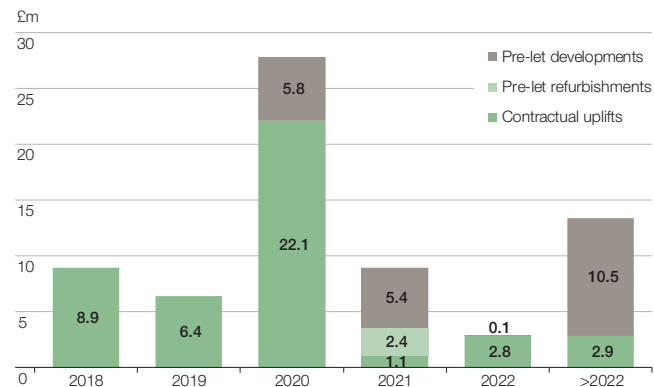
APPENDIX 16 - EVOLUTION OF PORTFOLIO ERV



APPENDIX 17 - TIMING OF THE REVERSION

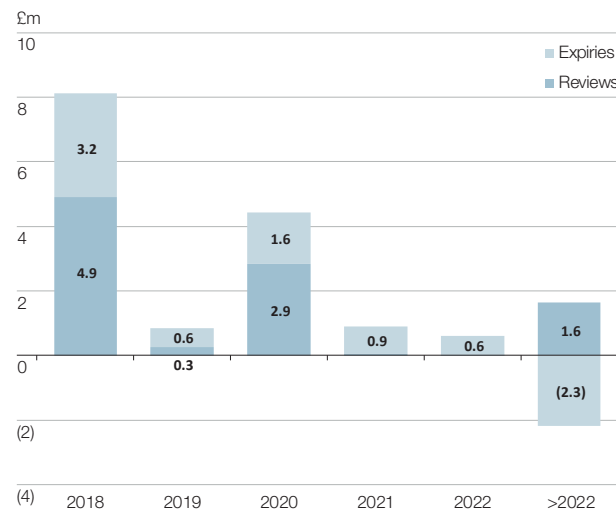
- £68.4m of the reversion locked in:
 - Contractual rental uplifts £44.2m
 - Pre-let refurbishments £2.4m
 - Pre-let developments £21.8m

CONTRACTUAL UPLIFTS AND PRE-LETS



- £14.3m of the reversion from reviews and expiries:
 - 63% due over the next two years

REVIEWS AND EXPIRIES

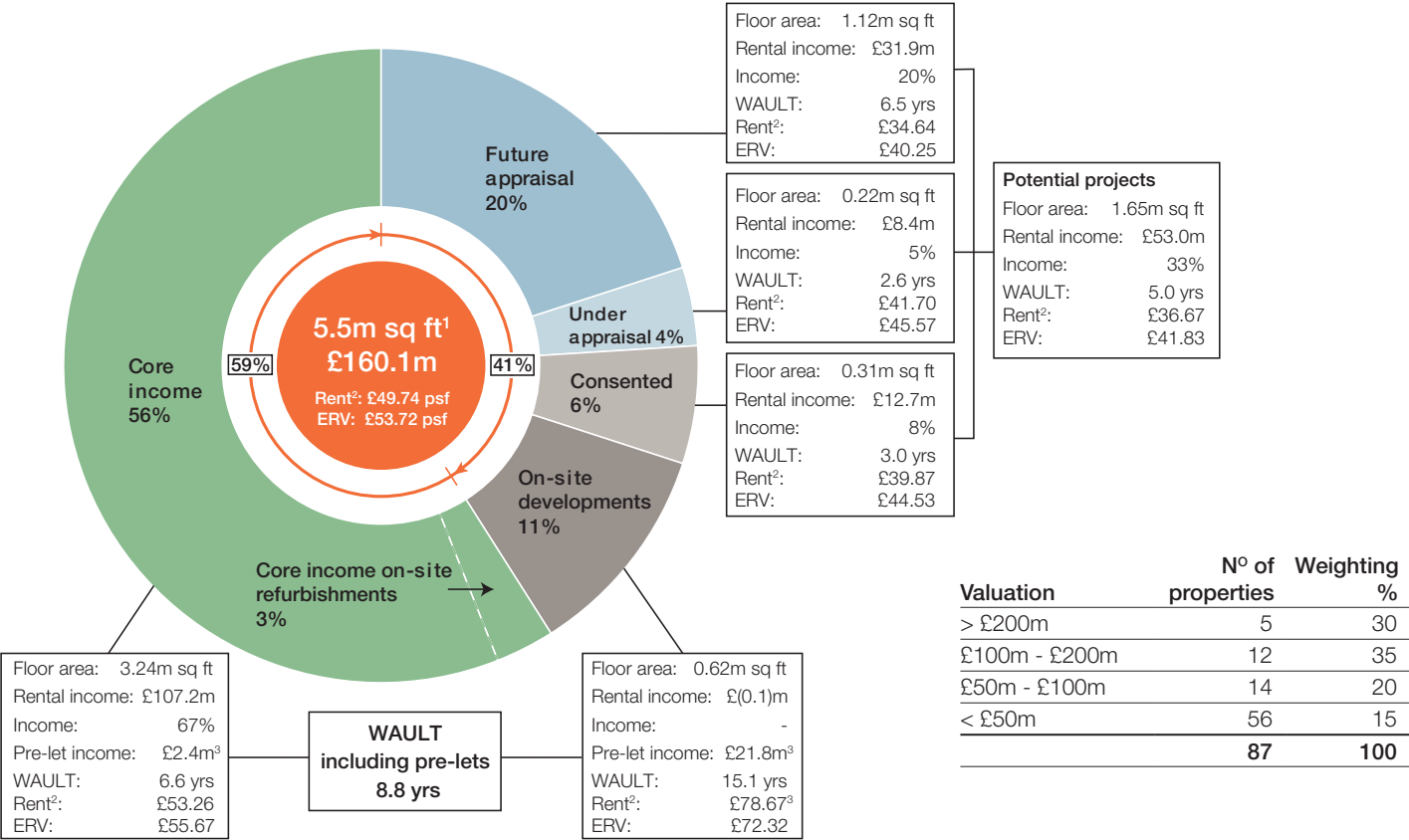


	2018	2019	2020	2021	2022	>2022
Rent psf	£39	£43	£47	£52	£34	£67
ERV psf	£48	£49	£53	£54	£41	£60
Uplift %	23	14	13	4	21	(10)

APPENDIX 18 - AVAILABLE SPACE AND PROJECTS

	Vacant area '000 sq ft	Pre-let area '000 sq ft	Total area '000 sq ft	Gross vacant ERV £m pa	Ground rent £m pa	Net vacant ERV £m pa	Pre-let rent ERV £m pa	Total net ERV £m pa	Comment
Available to occupy (EPRA)									
White Collar Factory EC1	20	-	20	0.6	-	0.6	-	0.6	All exchanged or under offer
3-4 Hardwick Street EC1	10	-	10	0.5	-	0.5	-	0.5	
Charlotte Building W1	7	-	7	0.4	-	0.4	-	0.4	
Other	30	-	30	1.4	0.1	1.3	-	1.3	
	67	-	67	2.9	0.1	2.8	-	2.8	
Under refurbishment									
Johnson Building EC1	57	-	57	3.2	-	3.2	-	3.2	
25 Savile Row W1	19	-	19	1.9	-	1.9	-	1.9	
Morelands EC1	7	-	7	0.3	-	0.3	-	0.3	6,150 sq ft let in Q1 2018 at £0.2m pa
Other	14	-	14	0.3	-	0.3	-	0.3	
	97	-	97	5.7	-	5.7	-	5.7	
On-site developments (non-EPRA)									
80 Charlotte Street W1	105	275	380	4.0	-	4.0	21.8	25.8	
Brunel Building W2	243	-	243	15.2	0.4	14.8	-	14.8	
	348	275	623	19.2	0.4	18.8	21.8	40.6	
Total									
	512	275	787	27.8	0.5	27.3	21.8	49.1	

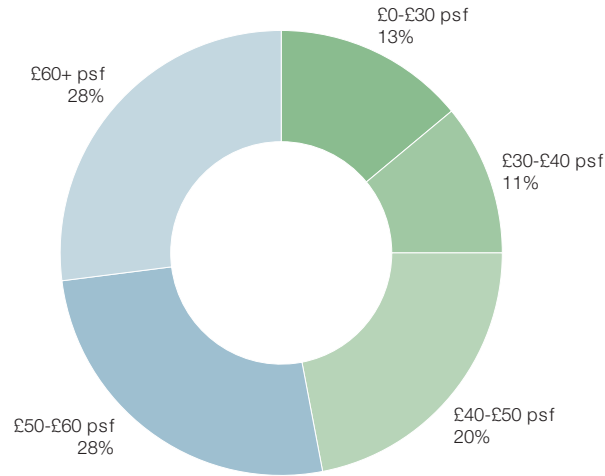
APPENDIX 19 - PORTFOLIO SUMMARY



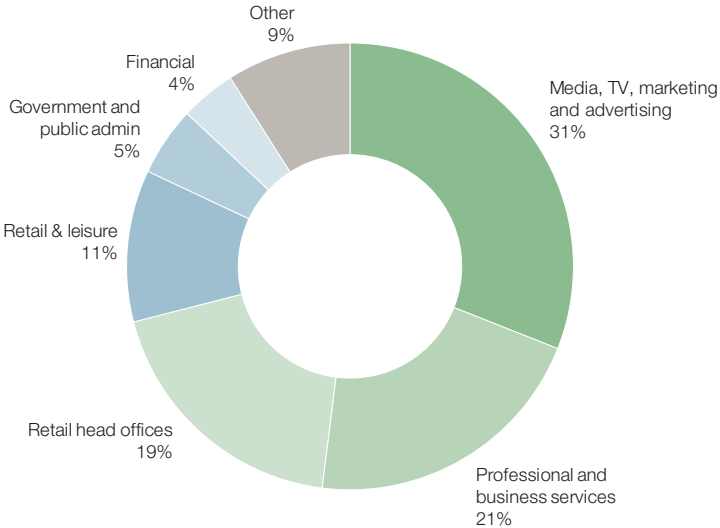
¹ Comprises 4.89m sq ft of existing buildings plus 0.62m sq ft of on-site developments ² "Topped-up" office rent psf ³ Pre-let as at 31 Dec 2017 (gross income)

APPENDIX 20 - RENT AND TENANT BANDING

CENTRAL LONDON 'TOPPED-UP'
OFFICE RENT BANDING¹



PROFILE OF TENANTS'
BUSINESS SECTOR²



¹ Based on floor area ² Based on annualised rental income

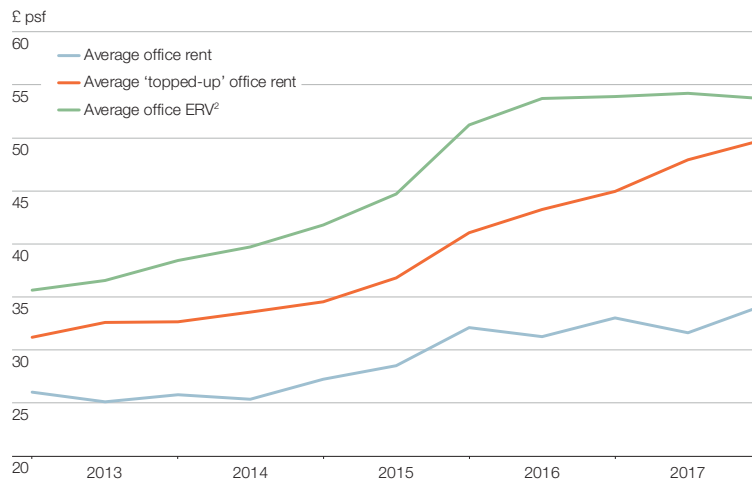
APPENDIX 21 - CENTRAL LONDON OFFICE RENTAL VALUES

87% of portfolio income from central London offices

■ Average 'topped-up' office rent £49.74 psf

'Topped-up' rents	2017 ¹ %	2016 ¹ %
<£30 psf	13	6
£30-£40 psf	11	12
£40-£50 psf	20	24
£50-£60 psf	28	34
>£60 psf	28	24

CENTRAL LONDON OFFICE RENT PROFILE



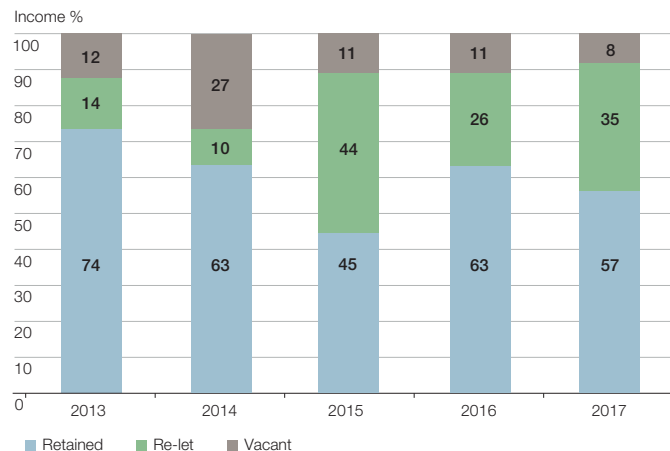
¹ Based on floor area ² Includes ERV of on-site schemes

APPENDIX 22 - LEASE EXPIRIES, BREAKS AND VACANCY RATES

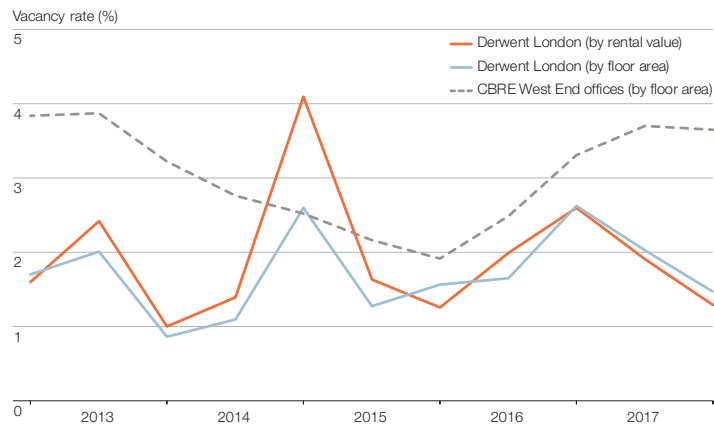
- £8.5m of income subject to breaks/expiries in 2017:
 - £2.1m taken into projects
 - 92% of remainder retained or re-let

- EPRA vacancy rate of 1.3%² at the year end – down from 2.6% at the start of 2017:
 - Group's 10-year average of 2.6%

LEASE EXPIRY AND BREAK ANALYSIS¹



EPRA VACANCY RATES



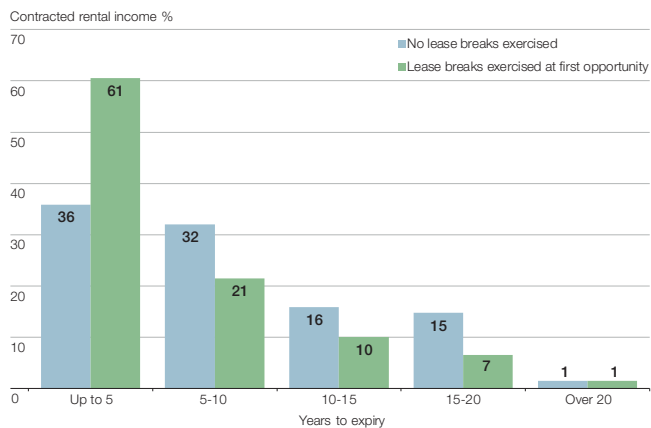
¹ As at end of reporting period ² Calculated as space immediately available to occupy

APPENDIX 23 - LEASE EXPIRY PROFILE AND LEASE LENGTH

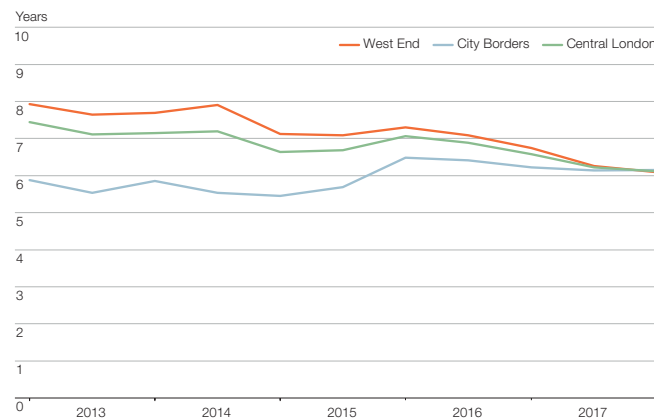
EXPIRIES AND BREAKS AS A PERCENTAGE OF PORTFOLIO INCOME¹

	West End	City Borders	Provincial	2018	2019	2020	2021	2022	Total
Expiries	3	2	1	6	2	8	11	4	31
Rolling breaks	1	-	-	1	-	2	2	-	5
Single breaks	1	1	-	2	5	5	9	4	25
	5	3	1	9	7	15	22	8	61

PROFILE OF RENTAL INCOME EXPIRY¹



AVERAGE UNEXPIRED LEASE LENGTH²



- Average lease length 6.0 years (Dec 2016: 6.5 years):
- Including pre-lets 7.8 years

¹ Based upon annualised contracted rental income of £160.1m

² Lease length weighted by rental income and assuming tenants break at first opportunity

APPENDIX 24 - CENTRAL LONDON OFFICE DEMAND

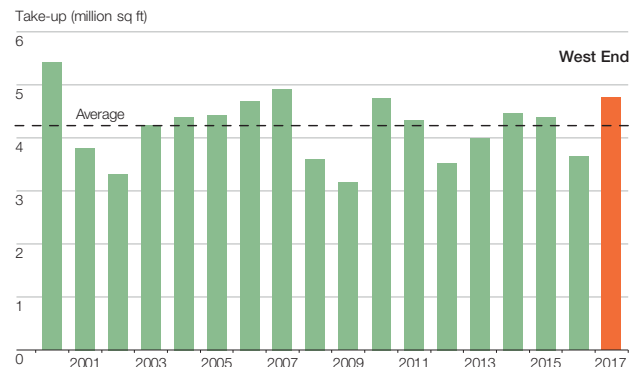
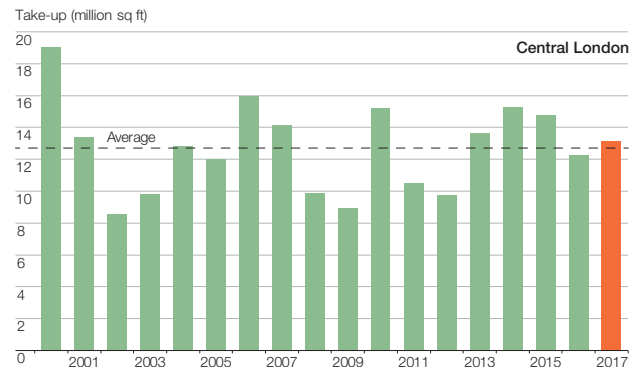
Market statistics

- Central London annual take-up of 13.2m sq ft:
 - 4% above the long-term average and 7% higher than 2016
 - 30% Business Services, 23% Creative Industries, 19% Banking & Finance and 8% Professional Services
- Even stronger take-up in the West End at 4.8m sq ft:
 - 13% above average and 31% higher than 2016
- Prime rental growth in 2017:
 - +3.7% in Paddington at £70 psf
 - +3.0% in Fitzrovia at £85 psf
 - +2.6% in Midtown at £80 psf
 - -6.5% in Victoria at £72.50 psf
 - -6.7% in Mayfair/St James' at £105 psf

Derwent London's view

- Strong demand for our space
- Rents firm but incentives moved out slightly

OFFICE TAKE-UP



Source: CBRE

APPENDIX 25 - CENTRAL LONDON OFFICE SUPPLY

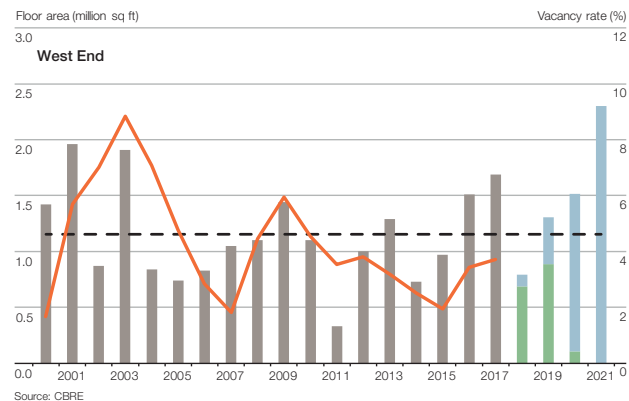
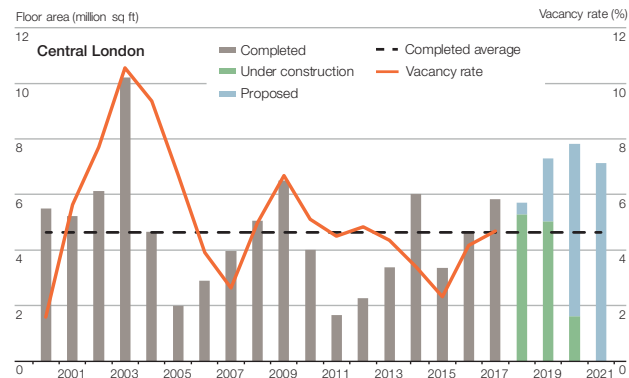
Market statistics

- Central London vacancy rate ended the year at 4.7%:
 - Increased from 4.1% a year earlier
 - Long-term average 5.1%
- West End vacancy increased from 3.3% to 3.7% in 2017:
 - Long-term average 4.3%
- Central London office completions:
 - 5.8m sq ft completed in 2017, 1.4m sq ft less than forecast a year ago
 - Committed delivery - 5.3m sq ft in 2018, 5.0m sq ft in 2019 and 1.6m sq ft in 2020
 - Potential total delivery - 5.7m sq ft in 2018, 7.3m sq ft in 2019 and 7.8m sq ft in 2020
 - Long-term completion average 4.6m sq ft

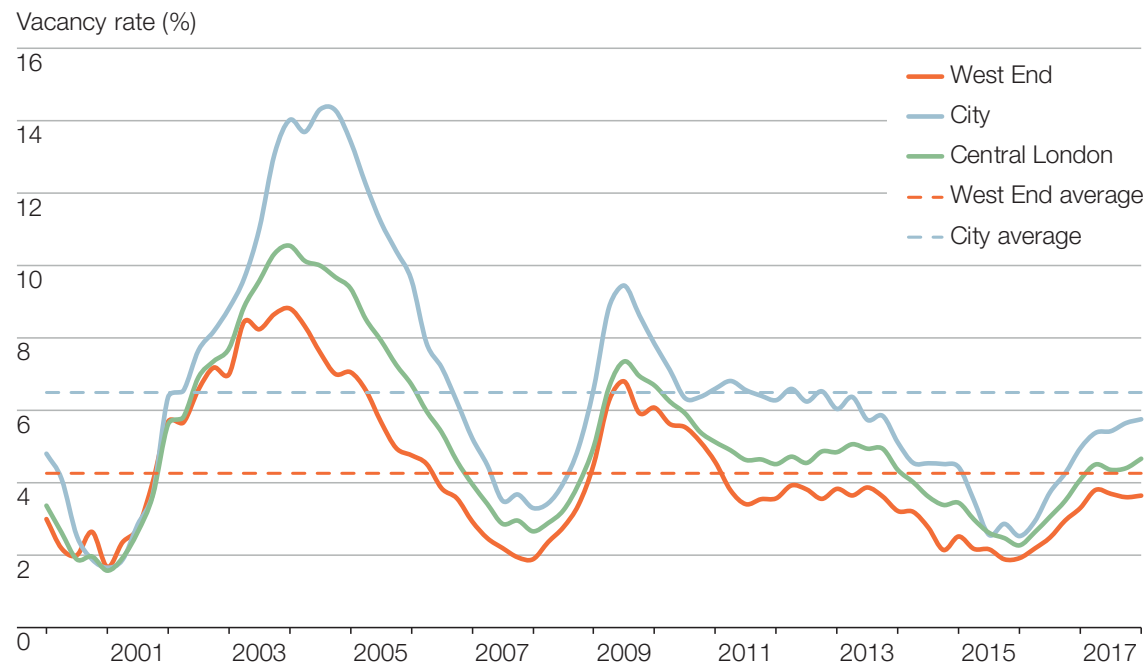
Derwent London's view

- Comfortable with our pipeline:
 - 45% of our 2019 developments pre-let

OFFICE DEVELOPMENT PIPELINE

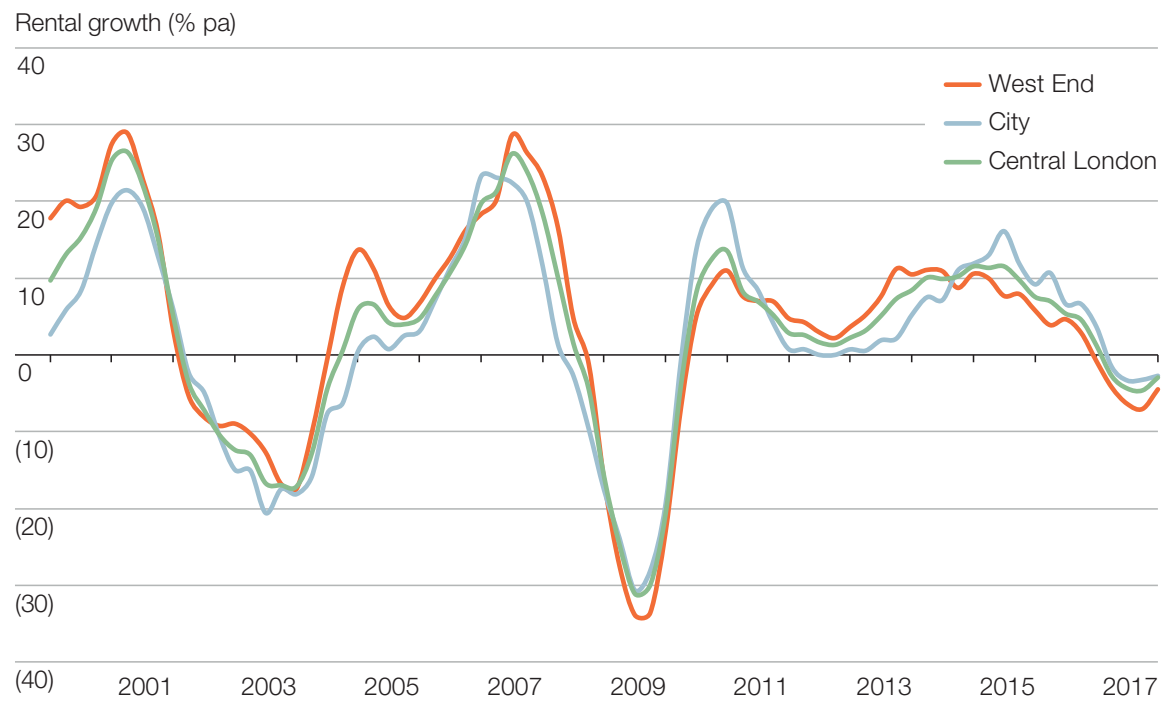


APPENDIX 26 - CENTRAL LONDON OFFICE VACANCY



Source: CBRE

APPENDIX 27 - CENTRAL LONDON OFFICE RENTAL GROWTH



Source: CBRE

APPENDIX 28 - CENTRAL LONDON OFFICE INVESTMENT MARKET

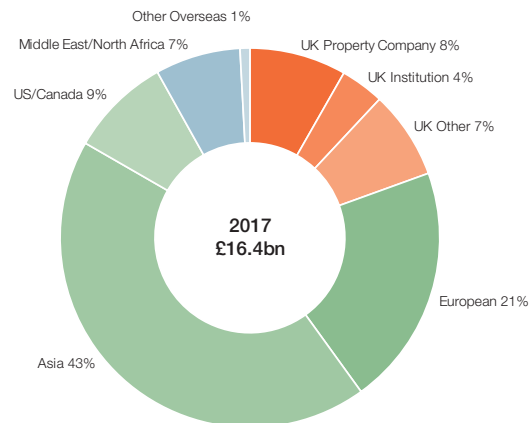
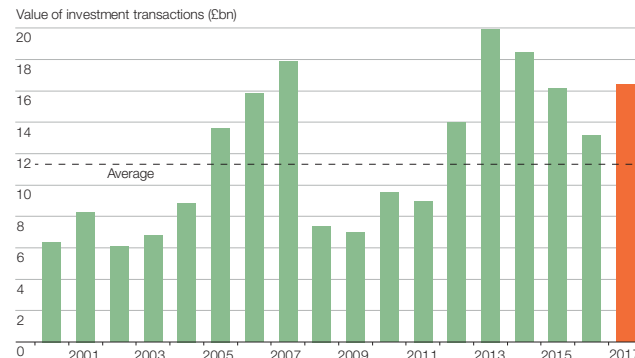
Market statistics

- £16.4bn of central London transactions in 2017:
 - 38% above average and 25% above 2016
 - Overseas investors accounted for 81%
- Prime yields in 2017:
 - West End: Unchanged at 3.75%
 - City: 25 basis point compression to 4.0%

Derwent London's view

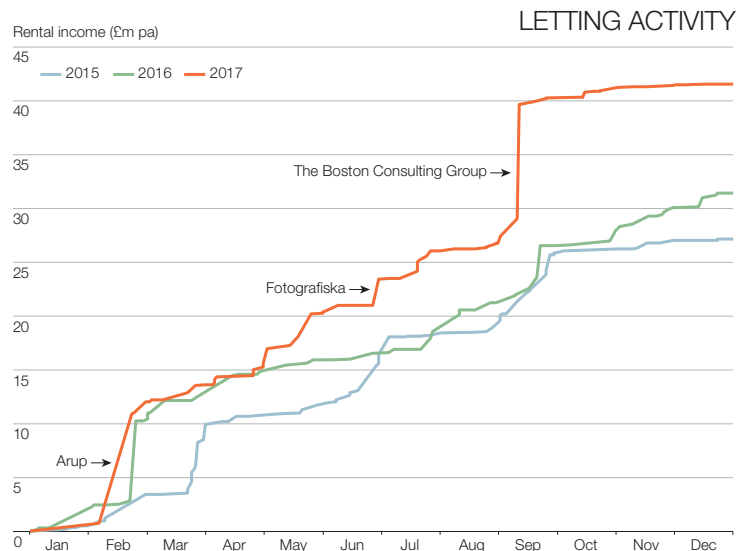
- Good interest for our product
- The group disposed of £482.8m (net) of property in 2017:
 - 11.8% above Dec 2016 book value

CENTRAL LONDON OFFICE INVESTMENT



APPENDIX 29 - LETTING ACTIVITY 2017

- A record year for lettings:
 - £41.5m pa (gross) or £41.3m (net) of income
 - 685,700 sq ft
 - 77 transactions
- Pre-lets accounted for 68% of activity:
 - Arup at 80 Charlotte Street W1 (£11.2m)
 - The Boston Consulting Group at 80 Charlotte Street W1 (£10.6m)
 - Fotografiska at The White Chapel Building E1 (£2.4m)
- Transactions ahead of ERV:
 - Overall, 1.3% above Dec 16 ERV
 - Excluding short term lettings, 2.1% above



	Let		Performance against Dec 16 ERV (%)	
	Area sq ft	Income £m pa	Open market	Overall ¹
H1	439,200	23.4	1.8	0.5
H2	246,500	18.1	2.4	2.4
2017	685,700	41.5	2.1	1.3

¹ Includes short-term lettings at properties earmarked for redevelopment

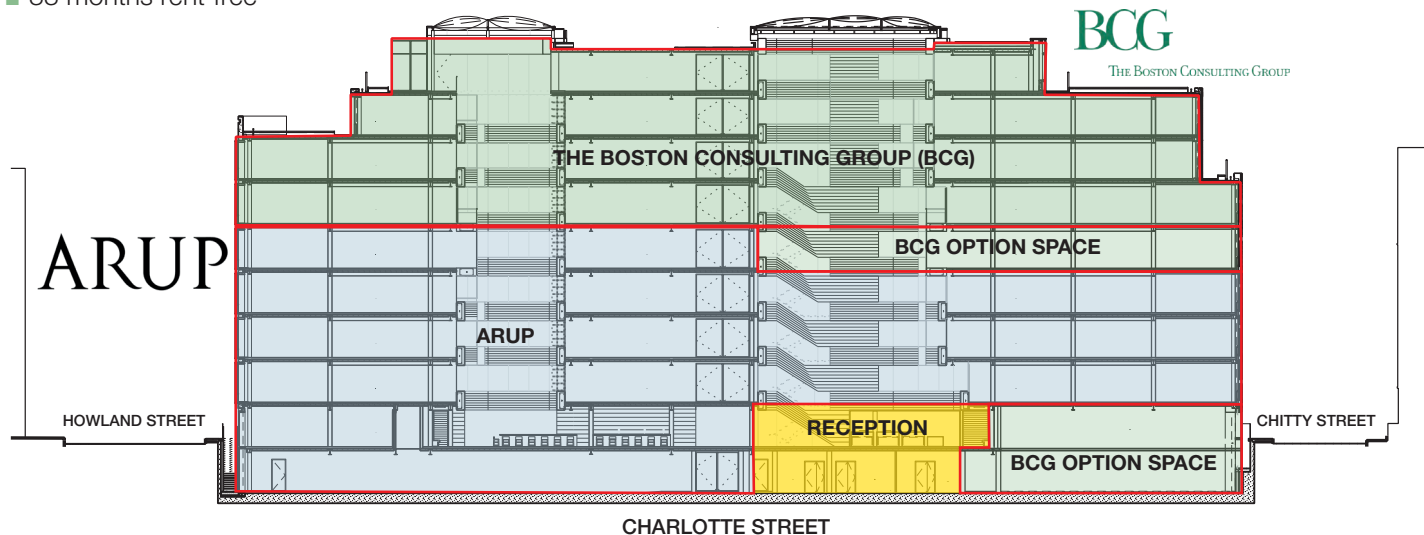
APPENDIX 30 - 80 CHARLOTTE STREET W1

ARUP

- 153,400 sq ft pre-let in 2017
(133,600 sq ft in Q1, 19,800 sq ft in Q3)
- £11.2m pa with annual increases of 2.25%
for the first 15 years
- Average rent of £75 psf on main office floors
- 20-year lease, no breaks
- 33 months rent-free

THE BOSTON CONSULTING GROUP

- 123,500 sq ft pre-let in Q3 2017
- £10.6m pa
- Average rent of £85.50 psf
- 15-year lease, break year 12
- Options on a further 43,000 sq ft



APPENDIX 31 - ASSET MANAGEMENT: EXPEDIA - ANGEL BUILDING EC1

Regear and assignment:

- Expedia's occupation increases from 93,400 sq ft to 231,400 sq ft in 2019 and potentially 248,500 sq ft from 2021
- Lease expiry moved from 2021 to 2030, no breaks
- Incentives equivalent to 21 months rent
- Total office income to rise from £13.3m to a minimum of £15.0m in 2020



APPENDIX 32 - ASSET MANAGEMENT: MOTHER - TEA BUILDING E1



APPENDIX 33 - WHITE COLLAR FACTORY EC1: 2017 COMPLETION

- 293,000 sq ft scheme completed in H1 2017
- 94% let with remainder exchanged or under offer
- Rental income of let space £17.1m pa



APPENDIX 34 - THE COPYRIGHT BUILDING W1: 2017 COMPLETION

- 108,000 sq ft scheme completed in H2 2017
- Fully let at £7.4m pa (net)
- 88,000 sq ft of offices pre-let to Capita in Q1 2016
- 20,000 sq ft of retail (three units) let in 2017 to a restaurant, hairdresser and fitness operator
- Sold for £148.2m net in Q4 2017



APPENDIX 35 - PLANNING CONSENTS: MONMOUTH HOUSE EC1

- 125,000 sq ft office-led development
- Adjacent White Collar Factory EC1
- Replaces two tired properties totalling 69,000 sq ft:
 - Both fully-let on a short-term basis
- Scheme could commence in 2019



APPENDIX 36 - PLANNING CONSENTS: 19-35 BAKER STREET W1

- Resolution to grant consent in Nov 2017 for a 293,000 sq ft scheme:
 - 206,000 sq ft offices with roof terraces
 - 52,000 sq ft residential
 - 35,000 sq ft retail
 - Open courtyard with through-route to Gloucester Place
- Joint Venture with The Portman Estate (Derwent London share 55%)



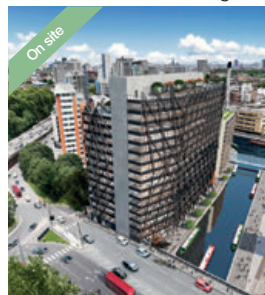
APPENDIX 37 - PLANNING CONSENTS: HOLDEN HOUSE W1

- Resolution to grant consent in Nov 2017 for a 150,000 sq ft scheme:
 - Potential for a single Oxford Street flagship store
 - Or a retail-led scheme with offices
- Part retained façade



APPENDIX 38 - CURRENT PROJECTS: PROFIT ON COST

Brunel Building W2



80 Charlotte Street W1



Completion		H1 2019	H2 2019
Commercial area (sq ft)	578,000	243,000	335,000
Residential area (sq ft)	45,000	-	45,000 ²
Est. future capex (£m)	252	70	182
Total cost (£m) ¹	744	239	505
ERV (£ psf)	-	c.62.50	c.80.00
ERV (£m pa)	40.6	14.8 ³	25.8
Pre-let area (sq ft)	276,900	-	276,900
Pre-let income (£m pa)	21.8	-	21.8

Summary	£m
End value	939
Less: Total cost ¹	744
Project surplus	195
Less: Booked to Dec 17	54
Surplus to come	141
Profit on total cost	26%
Profit to come on total cost	19%
Yield on cost⁵	6.0%



Sensitivity⁴ - project surplus (£m)
and profit on cost (%)

		Valuation yield		
		+0.25%	Base	-0.25%
Rent	-£5.00 psf	£117m	£163m	£214m
		16%	22%	29%
	Base	£148m	£195m	£248m
		20%	26%	33%
	+£5.00 psf	£178m	£227m	£282m
		24%	31%	38%

¹ Comprising book value at commitment, capex, fees and notional interest on land, voids and other costs. 80 Charlotte Street W1 land value as at Dec 2011, following receipt of planning permission and Brunel Building W2 land value as at Jun 2015 ² Private residential 35,000 sq ft and affordable housing 10,000 sq ft ³ As a long leasehold interest, ERV is net of 2.5% ground rent ⁴ Sensitivity applies to non pre-let commercial floor areas ⁵ Assumes the residential value reduces the total costs

APPENDIX 39 - PROJECT SUMMARY: CURRENT

Property	Current net income £m pa	Pre scheme area '000 sq ft	Proposed area '000 sq ft	2018 capex £m	2019 capex £m	2020+ capex £m	Total capex to complete £m	Delivery date	Current office c.ERV psf
On-site developments									
Brunel Building W2	(0.1)	78	243	56	13	1	70	H1 2019	£62.50
80 Charlotte Street W1	-	234	380	72	101	9	182	H2 2019	£80.00
	(0.1)	312	623	128	114	10	252		
On-site refurbishments									
The White Chapel Building E1 ¹	-	81	89	12	1	-	13	H2 2018	
	(0.1)	393	712	140	115	10	265		
Other projects									
Soho Place W1	-	-	285	18	75	216	309 ²		
Planning & design	-	-	-	5	3	1	9		
Other	-	-	-	17	8	11	36		
	-	-	285	40	86	228	354		
Total									
	(0.1)	393	997	180	201	238	619		
Capitalised interest	-	-	-	12	15	12	39		
Total including interest	(0.1)	393	997	192	216	250	658		

¹ Phase 2 ² Includes site acquisition cost

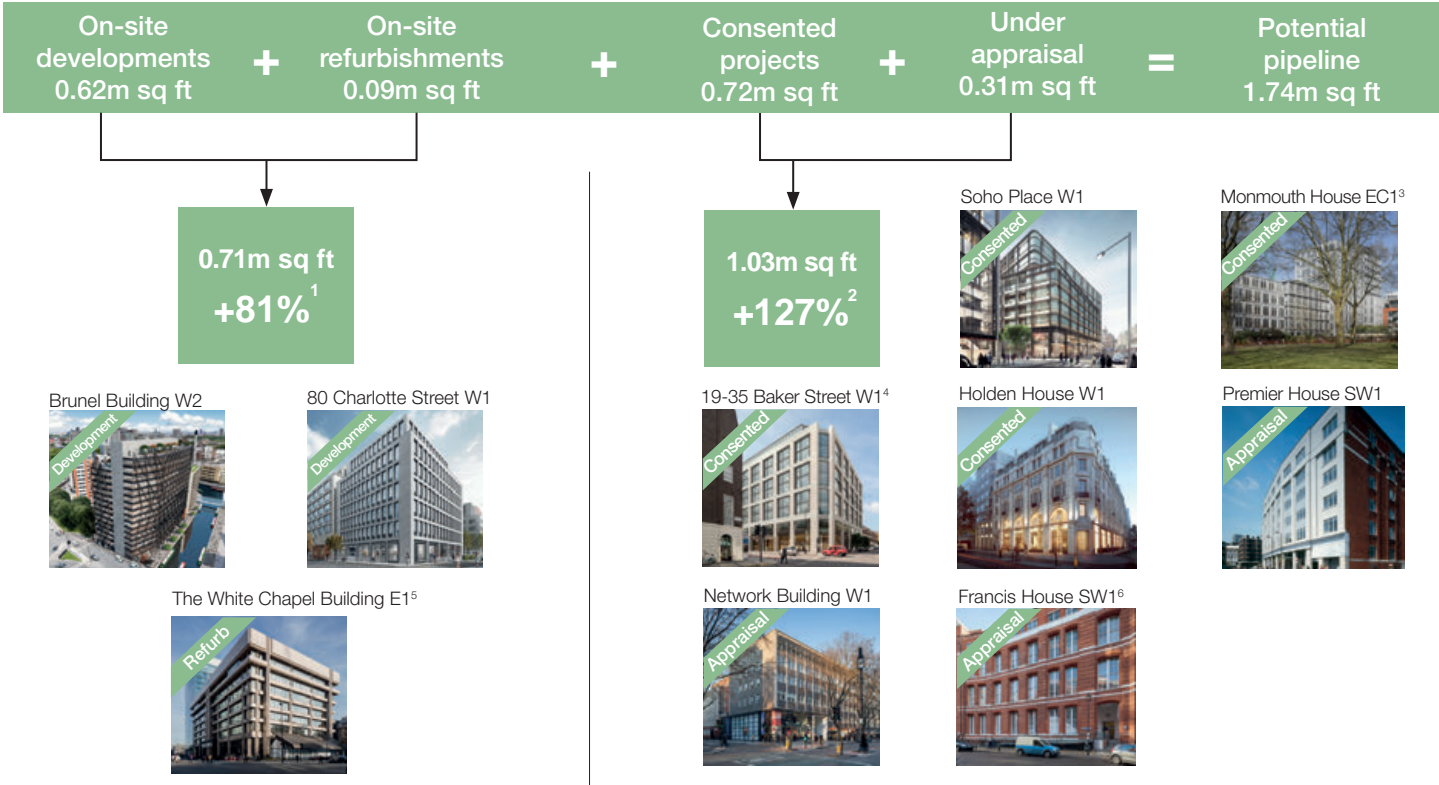
APPENDIX 40 - PROJECT SUMMARY: FUTURE

Property	Current net income £m pa	Pre-scheme area '000 sq ft	Proposed area '000 sq ft	Earliest possession year	Comment
Consented					
Monmouth House EC1 ¹	0.3	69	125	2019	Adjacent White Collar Factory
19-35 Baker Street W1 ²	5.8	146	293	2020	Joint venture - The Portman Estate
Holden House W1	6.5	90	150	TBC	Eastern end of Oxford Street
	12.6	305	568		
Adjustment for JV	(2.6)	(66)	(132)		19-35 Baker Street W1 - Derwent 55% interest
	10.0	239	436		
Under appraisal³					
Premier House SW1	2.2	62	80	2018	
Network Building W1	3.1	64	100	2021	
Francis House SW1 ⁴	3.1	90	130	TBC	
	8.4	216	310		
Consented and appraisal					
	18.4	455	746		
Current projects	(0.1)	393	997		Appendix 39
Pipeline	18.3	848	1,743		

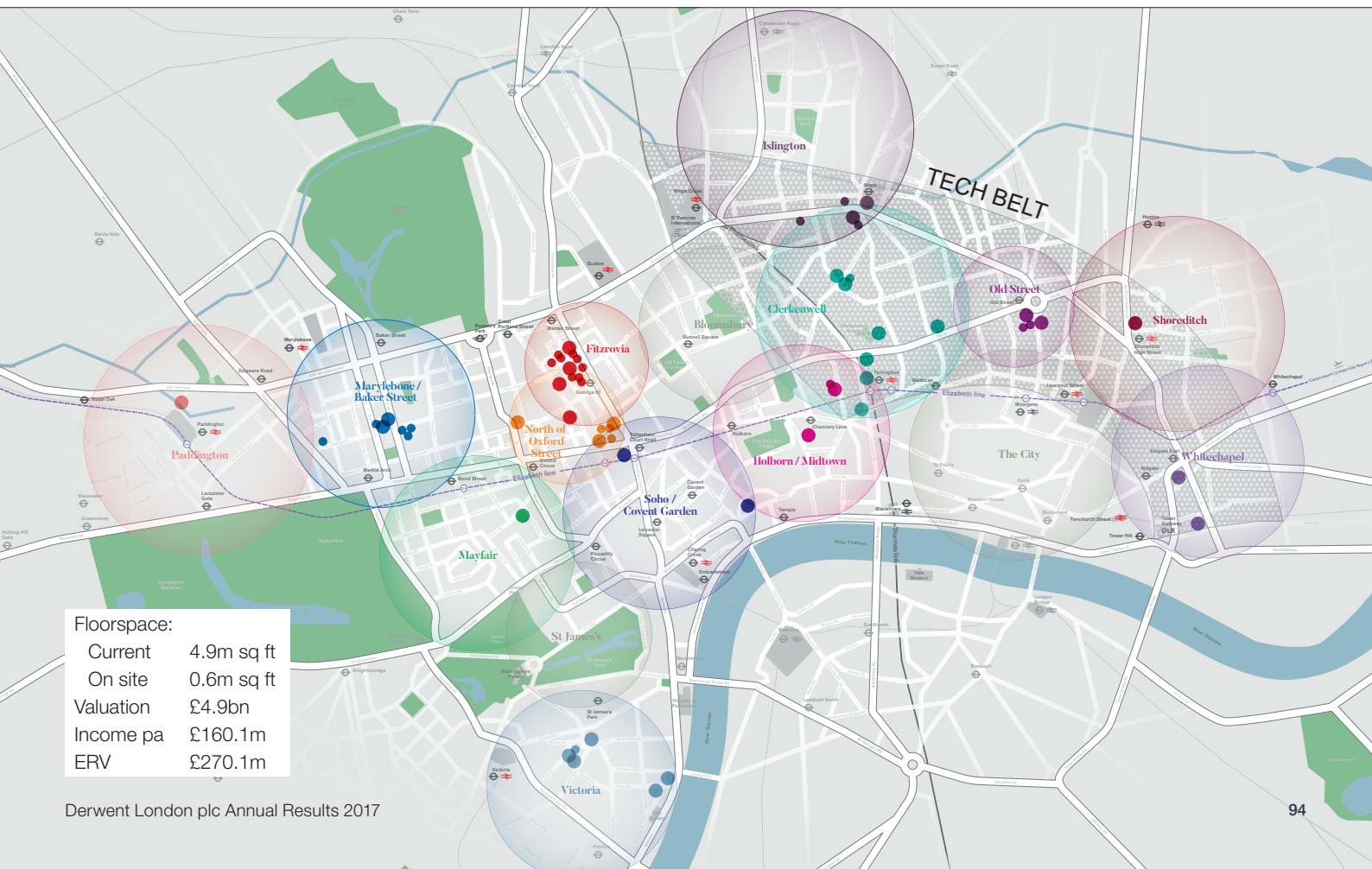
¹ Includes 19-23 Featherstone Street EC1 ² Includes 88-100 George Street, 30 Gloucester Place and 69-85 Blandford Street W1

³ Areas proposed are estimated from initial studies ⁴ Includes 6-8 Greencoat Place SW1

APPENDIX 41 - PROJECT PIPELINE



APPENDIX 42 - PORTFOLIO MAP



APPENDIX 43 - EXECUTIVE COMMITTEE AND SENIOR MANAGEMENT

John Burns*	Chief Executive
Damian Wisniewski*	Finance Director
Simon Silver*	Property Director
Nigel George*	Property Director
Paul Williams*	Property Director
David Silverman*	Property Director
David Lawler*	Company Secretary
Richard Baldwin*	Head of Development
Rick Meakin*	Group Financial Controller
Ben Ridgwell*	Head of Asset Management
Emily Prideaux*	Head of Leasing
Quentin Freeman	Head of Investor & Corporate Communications
John Davies	Head of Sustainability
David Westgate	Head of Tax
Katy Levine	Head of Human Resources
Mark Murray	Head of Information Technology
Jennifer Whybrow	Head of Financial Planning & Analysis
Lesley Bufton	Head of Property Marketing
Peter Withers	Head of Property & Facilities Management
Giles Sheehan	Associate, Investment

* Members of Executive Committee

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