



Derwent London plc
ANNUAL RESULTS 2013

Presenters:

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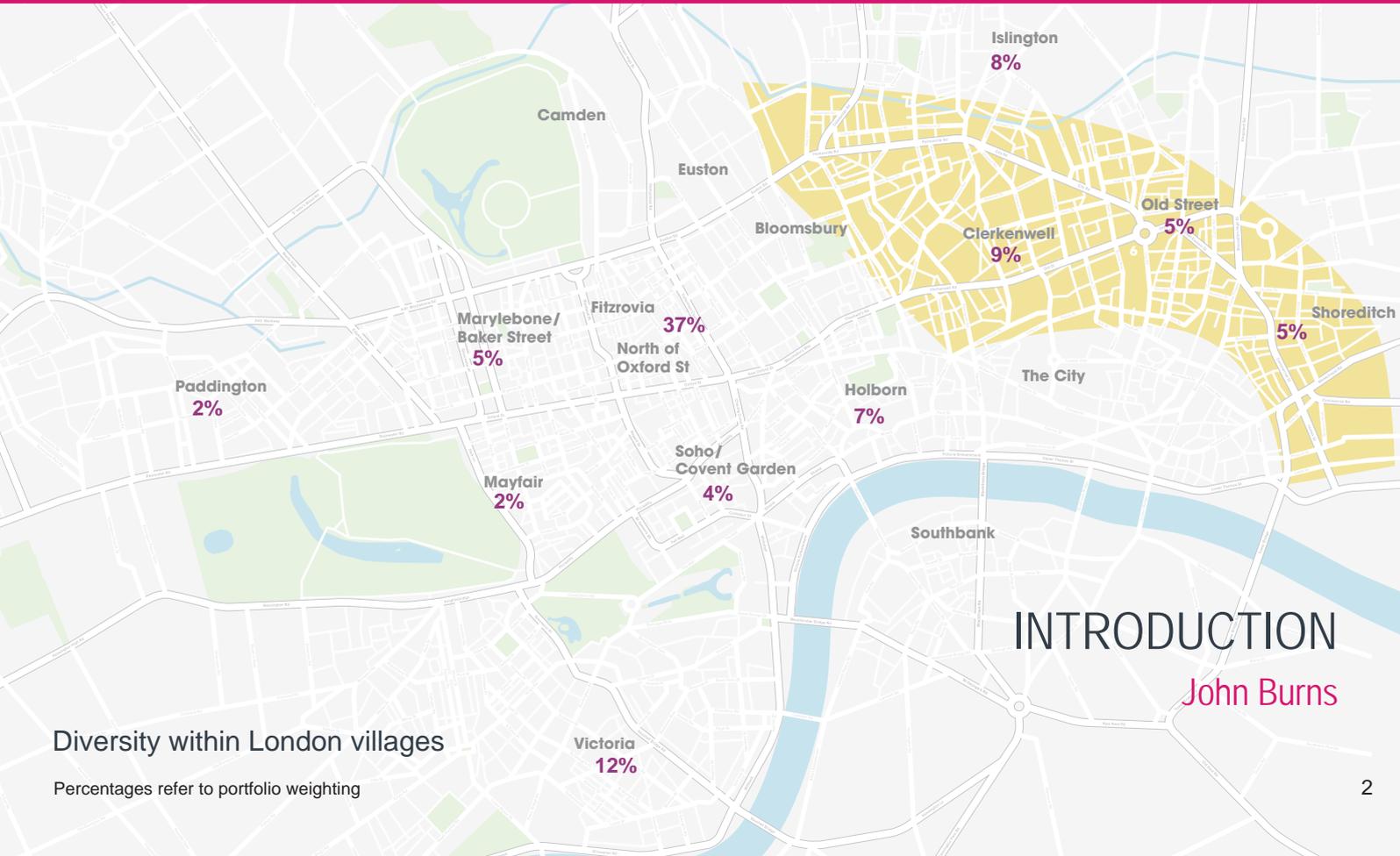
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57

62

64

98



Diversity within London villages

Percentages refer to portfolio weighting

INTRODUCTION

John Burns



1 PAGE STREET SW1

Strong results

- NAV growth +20.0% (Portfolio +12.6%¹)
- EPRA PBT +10.1% & EPRA EPS +7.0%
- Dividend per share +8.3%

A successful year

- Record year for letting (643,200 sq ft - 8.4% above Dec 12 ERV)
- Completed development 248,000 sq ft - 100% let - 39% POC²
- On site 586,000 sq ft of new development - est. 34% POC³
- Sold £150m of assets for a profit of £53.5m
- Acquired £130m of Derwent style stock (average yield 4.8%)

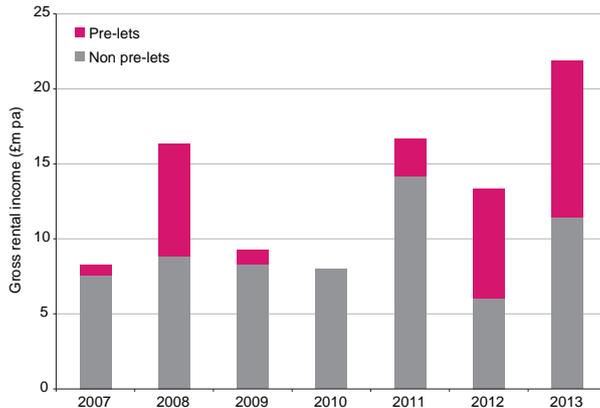
Refinancing plan delivered

- £150m 1.125% Convertible Bonds 2019 issued
- £550m bank facility completed
- £100m US Private Placement agreed
- LTV 28%

¹ 13.9% including sale of 1-5 Grosvenor Place SW1 ² Profit on cost ³ Profit on cost excludes phased refurbishment 1-2 Stephen Street W1 (Appendix 22)

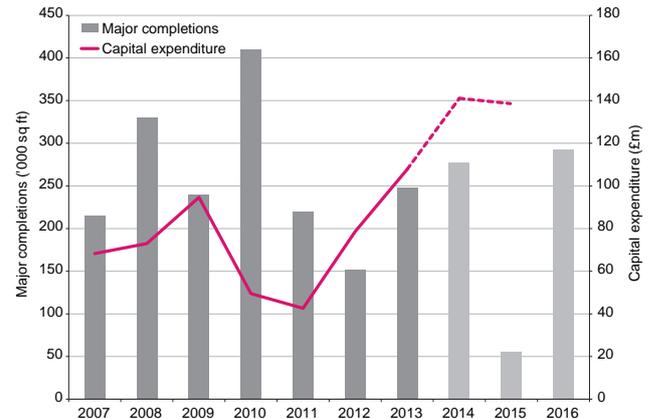
Strong demand for our product

- £21.8m¹ of rental income secured in 2013
- £10.5m pre-lets (48%)



Committed to development

- Value of development projects rose 25% in 2013
- Expected profit on cost of on-site developments 34%²

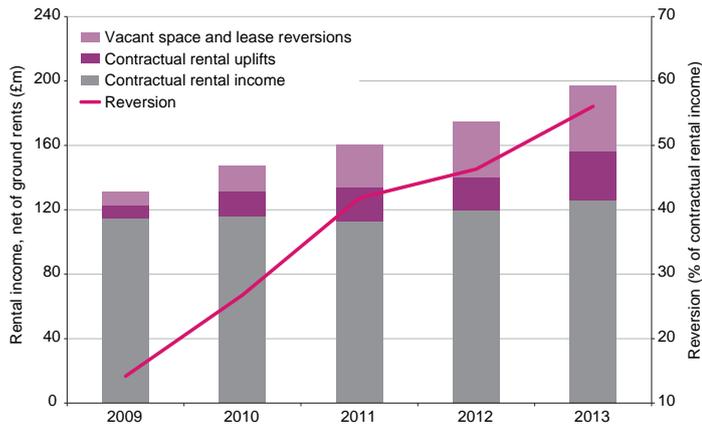


Portfolio

- 5.7m sq ft³ (+0.3m sq ft in 2013)
- 71% located in the West End
- 80% located in the Tech Belt or close to Crossrail stations

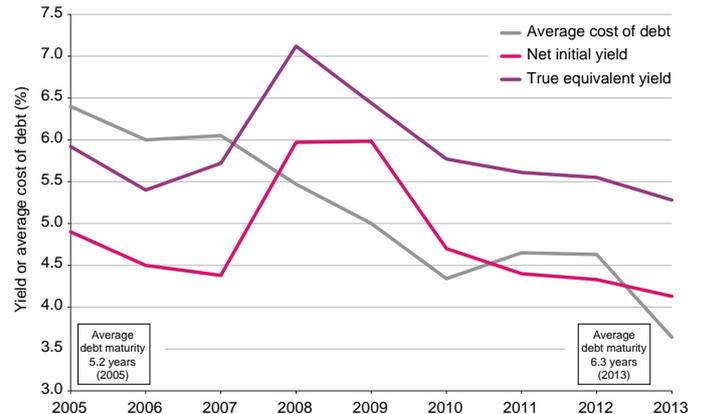
¹ £20.8m net of ground rents ² Appendix 22 ³ Includes on-site developments

Rental income up



- Estimated reversion (£71.0m) now 56% of passing rents
- Contracted growth (£30.2m) 43% of uplift
- Average 'topped-up' London office rent under £33 psf

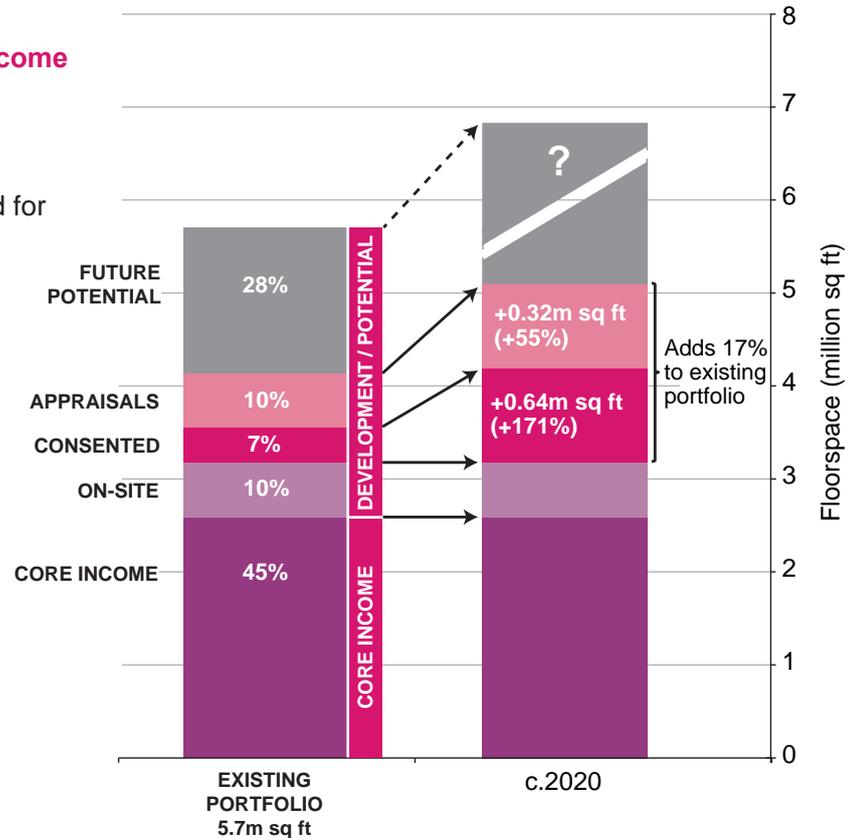
Debt costs down

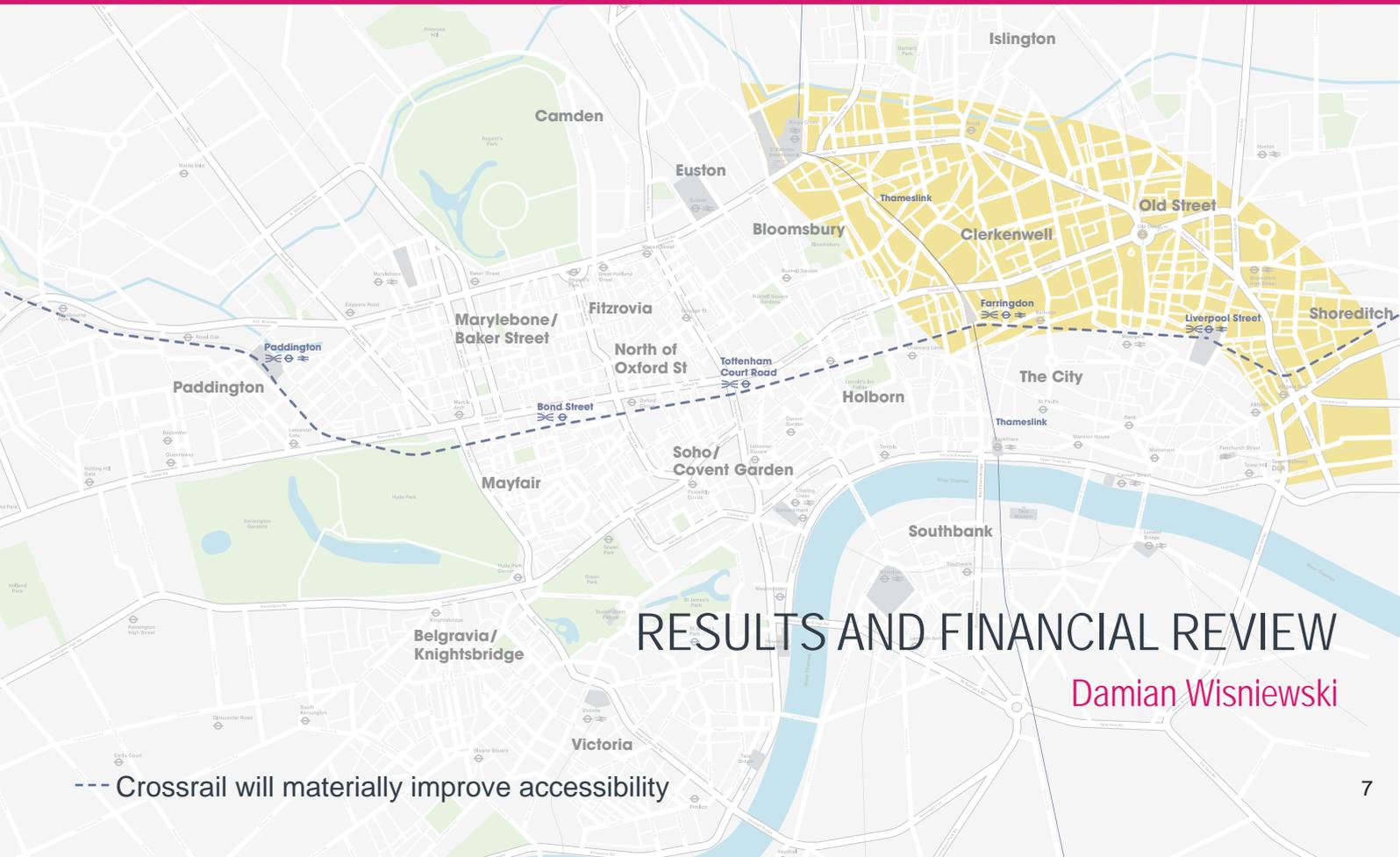


- Debt now 63% unsecured
- Debt costs below net initial property yields
- 93% now fixed

We aim to balance development activity with income

- 45% portfolio is core income (2.6m sq ft)
- 55% portfolio is under construction or earmarked for development (3.1m sq ft)
 - 27% on-site, consented and appraisals could deliver a net gain of 1.0m sq ft
 - 28% held for future development
- Numerous potential projects remain income producing providing flexibility





RESULTS AND FINANCIAL REVIEW

Damian Wisniewski

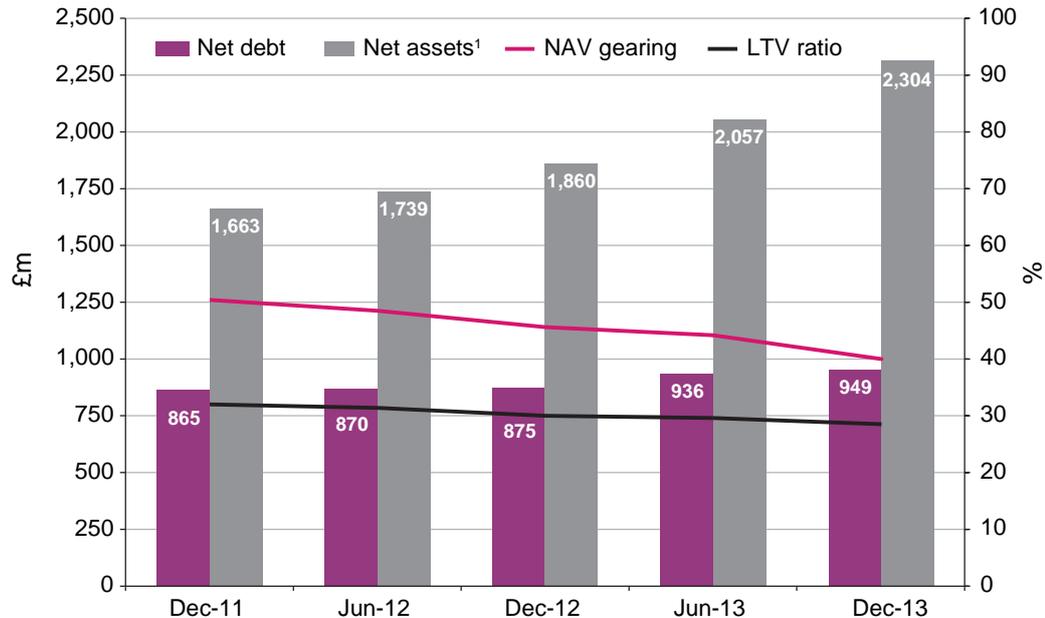
--- Crossrail will materially improve accessibility

	Dec 2013	Dec 2012	% change
Total portfolio at fair value	£3,353.1m	£2,859.6m	17.3
EPRA net asset value per share ¹	2,264p	1,886p	20.0
EPRA NNNAV per share ¹	2,222p	1,764p	26.0
Gross property income	£131.6m	£124.8m	5.4
EPRA profit before tax ²	£57.8m	£52.5m	10.1
EPRA earnings per share	53.87p	50.36p	7.0
Profit for the year	£465.5m	£232.7m	100.0
Total dividend per share	36.50p	33.70p	8.3
Recommended final dividend per share	25.75p	23.75p	8.4
Net debt	£949.2m	£874.8m	8.5
Loan-to-value (LTV) ratio	28.0%	30.0%	n/a
NAV gearing	40.0%	45.6%	n/a
Interest cover ratio (gross)	363%	351%	n/a
Interest cover ratio (net)	279%	263%	n/a

¹ On a diluted basis ² See Appendix 4 for reconciliation to IFRS profit before tax

- EPRA NAV per share up 20.0%
 - 2,264p from 1,886p
 - Split 8.9%/11.1% in H1/H2
- Equity shareholders' funds increased to £2,304m
- Net debt increased by 8.5%
 - £949.2m from £874.8m
 - Acquisitions and capex £238.5m
- LTV and NAV gearing ratios reduced due to valuation increases

Debt, net assets and gearing



¹ Attributable to equity shareholders

- At £337.5m, the overall revaluation surplus in 2013 was almost double that in 2012

Revaluation surplus:

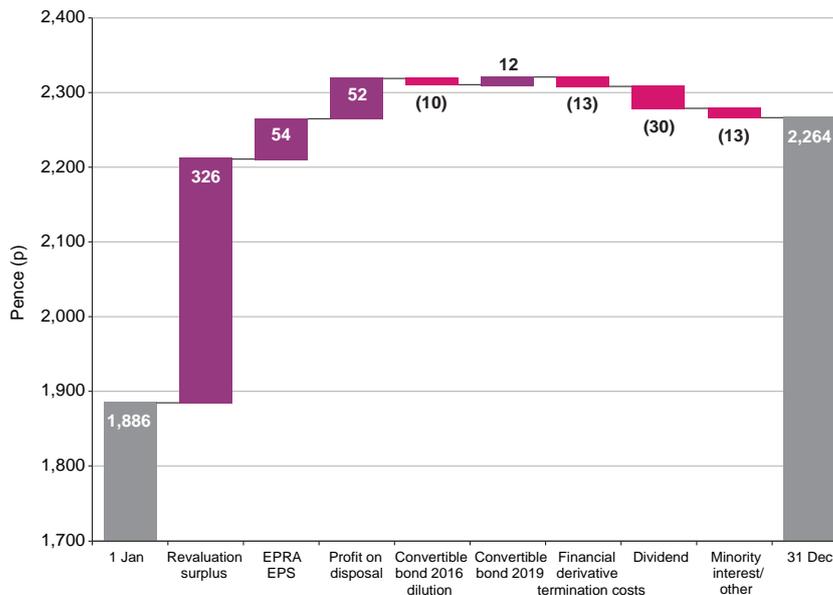
Income statement	£335.6m	
Comprehensive income ¹	£1.9m	
Per accounts	£337.5m	
Trading property ²	£2.1m	
EPRA surplus	£339.6m	326p

Profit on disposal:

1-5 Grosvenor Place	£53.0m	
Other	£0.5m	
	£53.5m	52p

- EPRA earnings and EPS analysis in Appendix 4

EPRA NAV per share

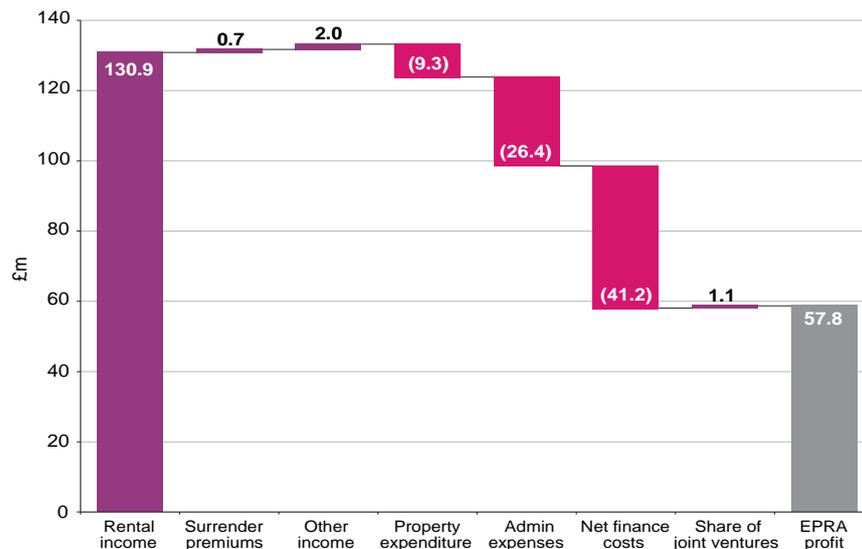


¹ Surplus from owner-occupied part of 25 Savile Row ² Adjusted through EPRA NAV

- Gross rental income increased by 5% to £130.9m pa
- Surrender premium includes £0.6m (net) at 1-2 Stephen Street W1
- Admin costs up by 8% due largely to higher staff costs
- Breakdown of net finance costs:

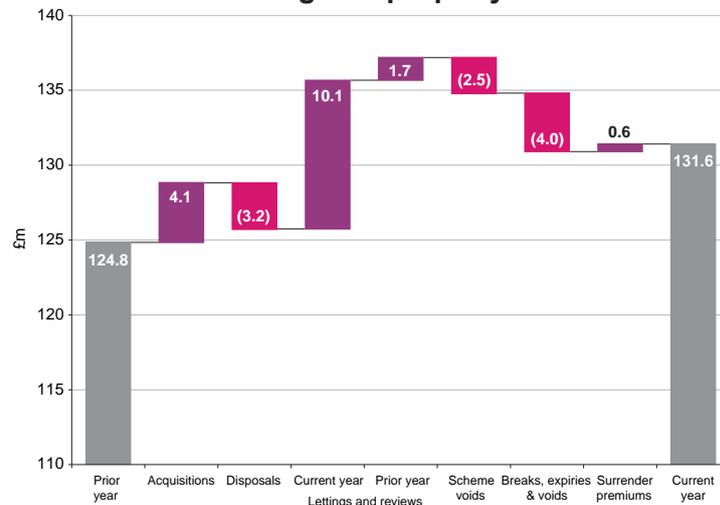
	2013 £m	2012 £m
Interest	40.3	39.9
Capitalised interest	(4.8)	(4.9)
	35.5	35.0
Fees and costs	6.0	6.4
Other	(0.3)	(0.6)
Net finance costs	41.2	40.8
Write-off on refinancing	3.2	-
Total net finance costs	44.4	40.8

EPRA profit before tax



- Acquisitions include:
 - 25 & 29 Berners Street £1.4m
 - 9 & 16 Prescot Street £1.0m
 - Francis House £0.8m
 - Mark Square House £0.7m
- Disposals include:
 - 1-5 Grosvenor Place £2.0m
 - Triangle Centre, Scotland £0.8m
- Lettings and reviews include:
 - 1 Page Street £1.9m
 - 4 & 10 Pentonville Road £1.6m
 - The Buckley Building £1.5m
- Breaks, expiries and voids include:
 - 1-2 Stephen Street £1.9m

Movements in gross property income 2013



	2013 £m	2012 £m	Increase £m
Rental income	125.3	116.5	8.8
SIC15 lease incentives & IAS17 fixed uplifts	5.6	8.2	(2.6)
Gross rental income	130.9	124.7	6.2
Surrender premiums received ¹	0.7	0.1	0.6
Gross property income	131.6	124.8	6.8

¹ Net of write-off of lease incentive balances

PROPERTY OUTGOINGS, EPRA RENTAL INCOME AND COST RATIOS

Property outgoings

	2013 £m	2012 £m
Property outgoings	8.8	10.4
Ground rents	0.4	0.5
Surrender premiums paid	0.2	0.2
Dilapidation receipts	(0.1)	(0.5)
Rates credits	-	(0.3)
	9.3	10.3

Recurring property outgoings decreased by £1.7m mainly due to void costs at 132-142 Hampstead Road and Riverwalk House in 2012

EPRA like-for-like rental income¹

	Rental income		Net property income
	Gross	Net	
Compared with 2012	3.6%	3.4%	2.9%

EPRA cost ratios

	2013 %	2012 %
EPRA - including direct vacancy costs	25.1	25.2
EPRA - excluding direct vacancy costs	22.6	21.1
Portfolio cost ratio ²	1.0	1.1

¹ See Appendix 5 for detailed reconciliation of like-for-like income ² EPRA costs including direct vacancy costs as a percentage of portfolio fair value

- Increase in net debt
 - By £74.4m to £949.2m

- Acquisitions in 2013 cashflow:

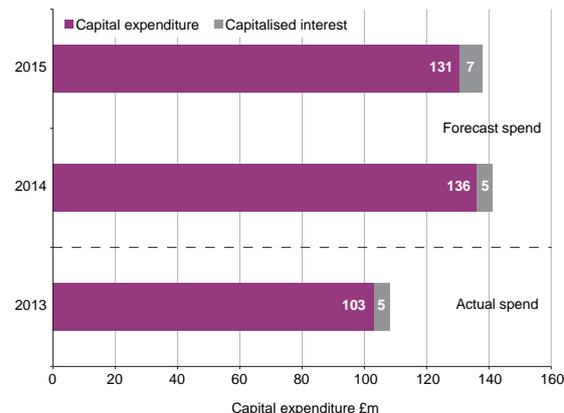
H1	Mark Square House EC2	£29.6m
H2	19 Charterhouse Street EC1	£40.4m
	22 Kingsway WC2	£59.0m
	Other	£1.1m
		<u>£130.1m</u>

- Disposals include Commercial Road E1 properties and 50% share in 1-5 Grosvenor Place SW1

Net cashflow movements

	2013 £m	2012 £m
Cash from operations	57.5	52.5
Acquisitions	(130.1)	(99.8)
Capex	(88.8)	(78.6)
Disposal proceeds	149.7	161.0
Dividends paid	(31.1)	(30.4)
Other	(12.0)	(15.0)
Increase in net debt	(74.4)	(10.3)

Forecast capital expenditure¹



¹ Further details of forecast capital expenditure can be found in Appendix 29

- In 2013 we arranged £800m of new facilities
- All were unsecured
 - Improves operational flexibility
 - Greater access to capital markets
 - Further diversification of sources of finance
- Average cost of debt reduced
- Average duration of debt extended

	Proforma ¹	Dec 2013	Dec 2012
Total facilities	£1,351m	£1,251m	£1,204m
Net debt	£950.3m	£949.2m	£874.8m
Unutilised facilities	£382m	£283m	£333m
Percentage of unsecured debt	63%	63%	20%
Uncharged properties	£2,144m	£2,144m	£624m ²
Uncharged properties % of portfolio	64%	64%	22% ²
Percentage of non-bank debt	70%	60%	50%
Gearing			
LTV ratio		28.0%	30.0%
NAV		40.0%	45.6%
Interest cover (gross)		363%	351%
Interest cover (net)		279%	263%

¹ Includes £100m loan signed in 2013 and drawn in January 2014

² Excludes Portman JV properties

Three steps



3

- £100m unsecured US private placement loan signed in Nov 2013 and drawn down in Jan 2014
 - £75m for 20 years at 4.68%
 - £25m for 15 years at 4.41%

2

- New £550m unsecured revolving bank facility signed and drawn in Sept 2013
- Five revolving secured bank facilities totalling £650m repaid and cancelled
 - Unamortised costs of £3.2m written off

1

- £150m six-year 1.125% convertible bond issued in Jul 2013 (conversion price: £33.35; 62% above Jun 2013 EPRA NAV)
 - IFRS interest rate 2.67%
 - Equity uplift of £12.3m (net)
- £13m paid in Jul 2013 to break, defer and recoupon certain interest rate swaps

- Impact upon average interest rates and maturities following refinancing:

	Dec 2012	Dec 2013	Proforma ⁵
Average interest rate ¹ (spot)	4.63%	3.64%	3.88%
Average interest rate ² (spot)	4.88%	4.10%	4.34%
Average maturity of borrowings	6.1 years	6.3 years	7.7 years
Uncharged properties	£624m ⁴	£2,144m	£2,144m
Unsecured bank loans ³	-	£287m	£188m
Secured bank loans ³	£438m	£98m	£98m
Unsecured bonds and non-bank loans ³	£175m	£325m	£425m
Secured bonds and non-bank loans ³	£258m	£258m	£258m

¹ Convertible bonds at 2.75% and 1.125% ² Convertible bonds on IFRS basis ³ Drawn amounts ⁴ Excludes Portman JV properties

⁵ Includes £100m loan signed in 2013 and drawn in Jan 2014

- Weighted average maturity

- At 31 Dec 2013

- Facilities - 5.9 years
 - Drawn amounts - 6.3 years

- At 31 Jan 2014

- Facilities - 6.9 years
 - Drawn amounts - 7.7 years

- Total facilities

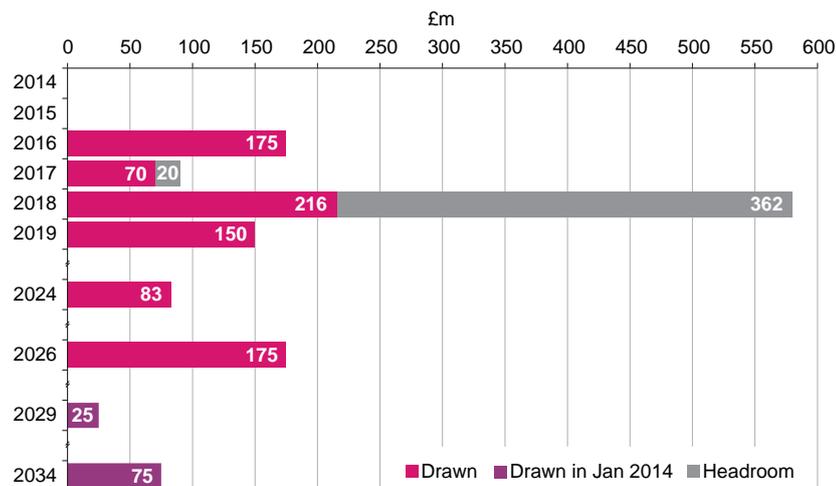
- At 31 Dec 2013: £1,251m
 - At 31 Jan 2014: £1,351m

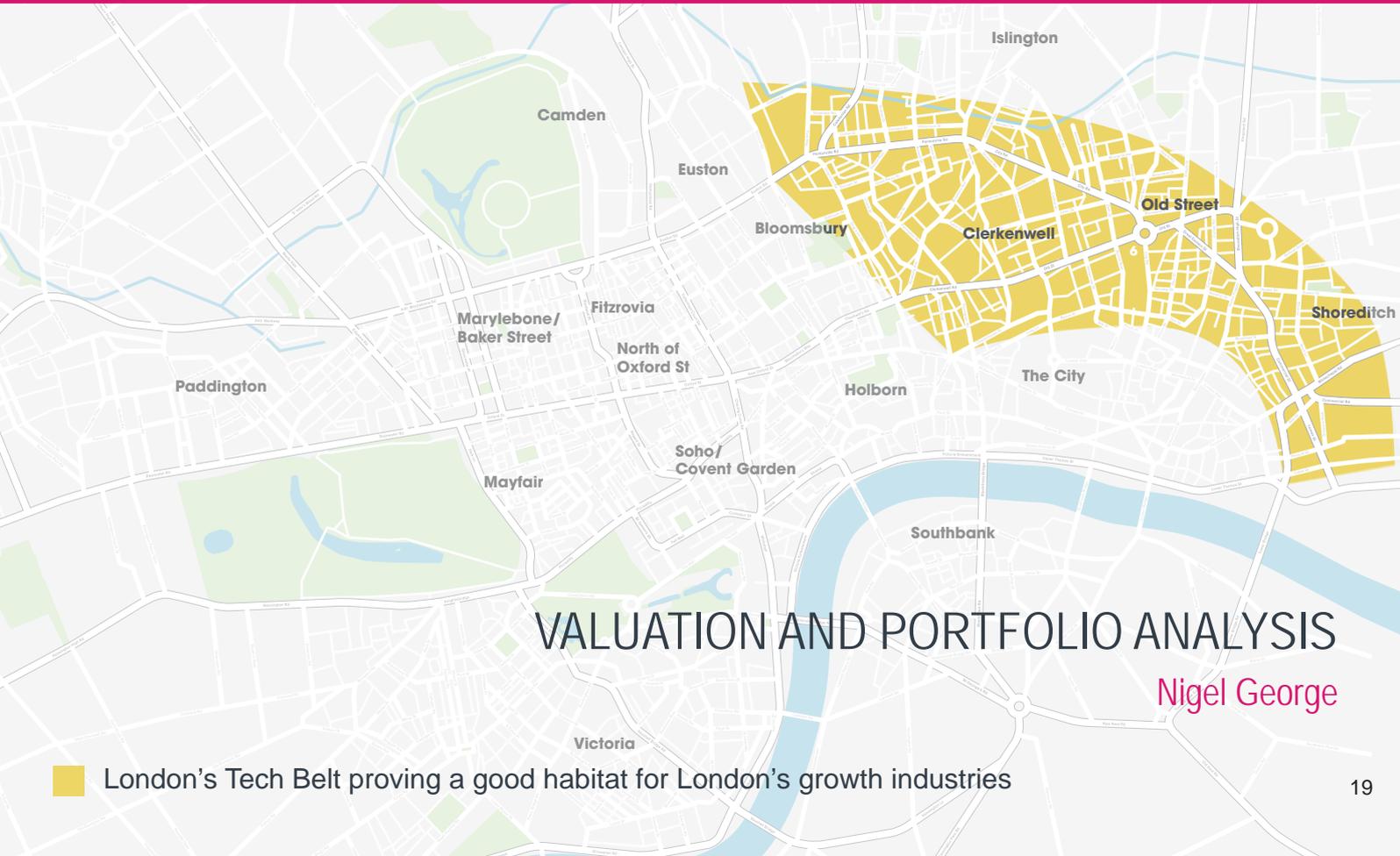
- Drawdown of £100m USPP reduces drawn amounts in revolving bank facility by £99m after costs

- Next refinancing due in 2017 assuming first convertible bonds convert into equity in 2016

- Details of fixed rates and hedging are shown in Appendix 8

Maturity profile of loan facilities - proforma as at Jan 2014





VALUATION AND PORTFOLIO ANALYSIS

Nigel George

■ London's Tech Belt proving a good habitat for London's growth industries

Delivered through development surpluses, rental growth and yield shift

- Underlying 12.6% (2012: 7.3%)
- City borders strongest throughout the year 20.3%

Projects delivered a 25.1% valuation uplift

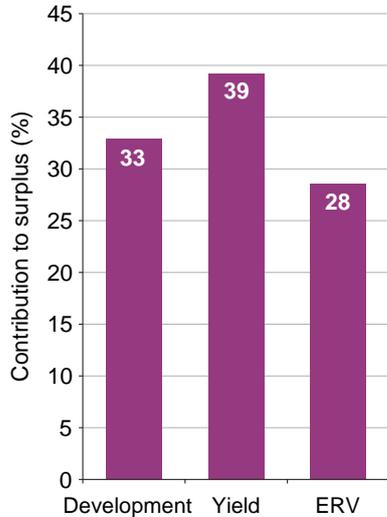
- Completed £219.3m - uplift 27.2%
 - 1 Page Street, The Buckley Building, Morelands' rooftop
- On-site £369.4m - uplift 23.9%
 - Turnmill, 40 Chancery Lane, Queens, 73 Charlotte Street, White Collar Factory and 1-2 Stephen Street

	2013 Portfolio valuation £m	H1 2013 valuation movement %	H2 2013 valuation movement %	Full year valuation movement %
West End	2,379.5	3.4	7.3	10.8
City Borders	753.1	9.8	9.9	20.3
Central London	3,132.6	4.8	7.9	13.0
Provincial	93.7	0.1	0.2	0.3
Underlying	3,226.3	4.7	7.6	12.6
Acquisitions	126.8	(4.9)	(1.1)	(2.2)
Investment portfolio	3,353.1	4.6	7.3	11.9

CONTINUED OUT PERFORMANCE AGAINST BENCHMARKS

- Underlying valuation increase 12.6% or 13.9% if 1-5 Grosvenor Place SW1 included at disposal price
- Total property return 18.5% (2012: 11.6%)
 - IPD Central London Offices 15.8%¹
 - IPD All UK Property 10.5%¹

Drivers of performance



Valuation performance

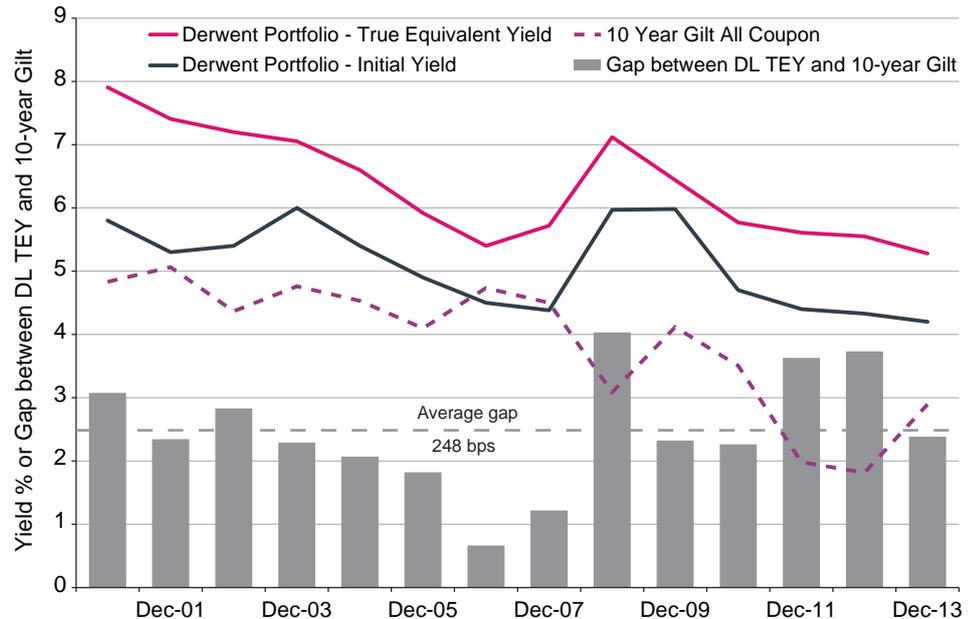


¹ Quarterly Index ² Including 1-5 Grosvenor Place SW1

EPRA yields

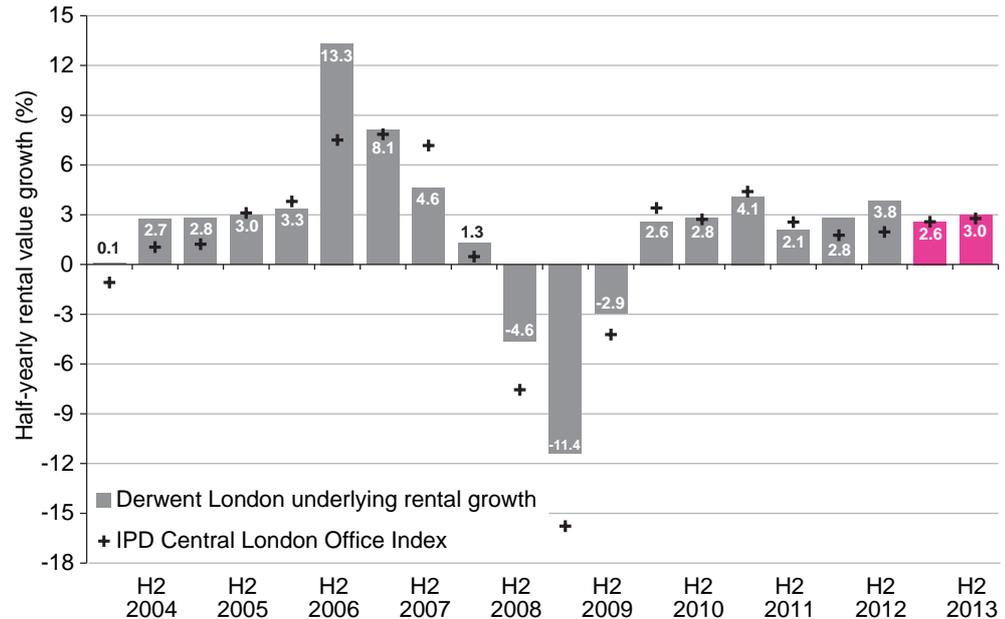
- Net initial 4.2% (Dec 2012: 4.3%)
 - 'Topped-up' net initial 4.8% (Dec 2012: 4.8%)
- True equivalent yield 5.28% (Dec 2012: 5.55%)
 - Strong tightening in H2 of 24 bps (3 bps in H1)
 - Net reversionary yield 5.5%
- True equivalent yield gap narrowed to 238 bps (10 bps below average)
 - Weight of money
 - Good rental growth outlook

Valuation yields



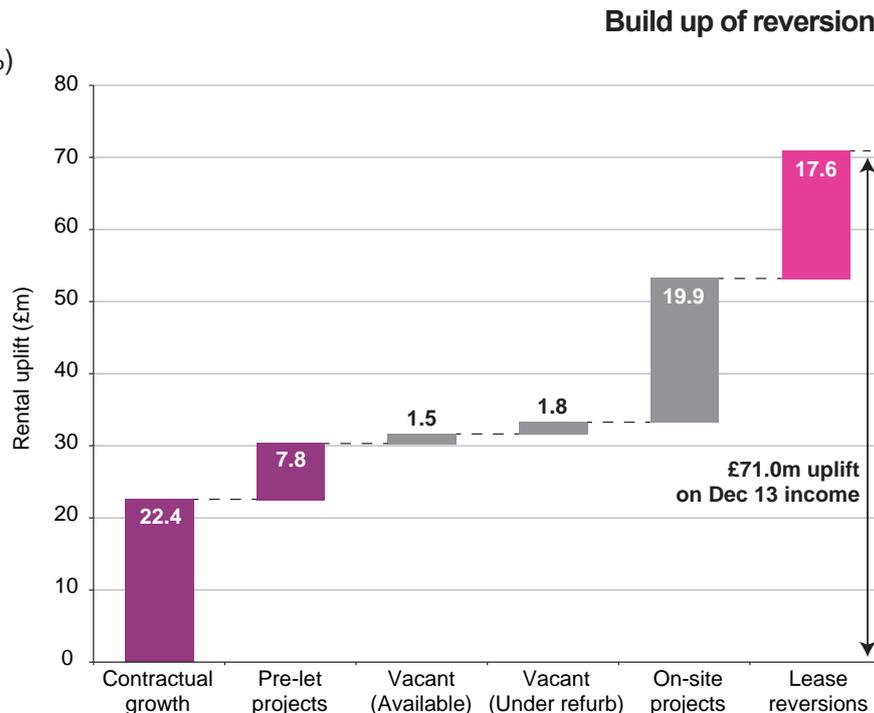
- Underlying rental value growth 5.7% - at the top end of our expectations of 4-6%
 - New lettings achieved 8.4% above Dec 2012 ERV
 - Rent review evidence tends to lag the market - starting to come through
- City borders outperforming at 8.4%
 - West End 5.0%
- Steady rental growth from 2010
 - Trend looks set to continue
 - Economy moving forward
 - Other positive factors eg Crossrail

Rental value growth



SIGNIFICANT INCOME GROWTH POTENTIAL

- Annual contracted rent £126.0m with ERV £197.0m
- Strong reversion at £71.0m¹
 - 43% of reversion locked-in (Dec 2012: 38%)
 - Contractual growth
 - 1 Page Street SW1 £3.0m
 - The Buckley Building EC1 £2.0m
 - 4 & 10 Pentonville Road N1 £2.1m
 - Growth from scheme pre-lets
 - 40 Chancery Lane WC2 £4.7m net
 - Turnmill EC1 £3.1m
- EPRA vacancy rate 1.0%
 - Delivered 0.7m sq ft over the last two years
- Confidence in our project delivery with £19.9m of speculative ERV
 - 1-2 Stephen Street W1 £5.3m
 - White Collar Factory EC1 £13.9m

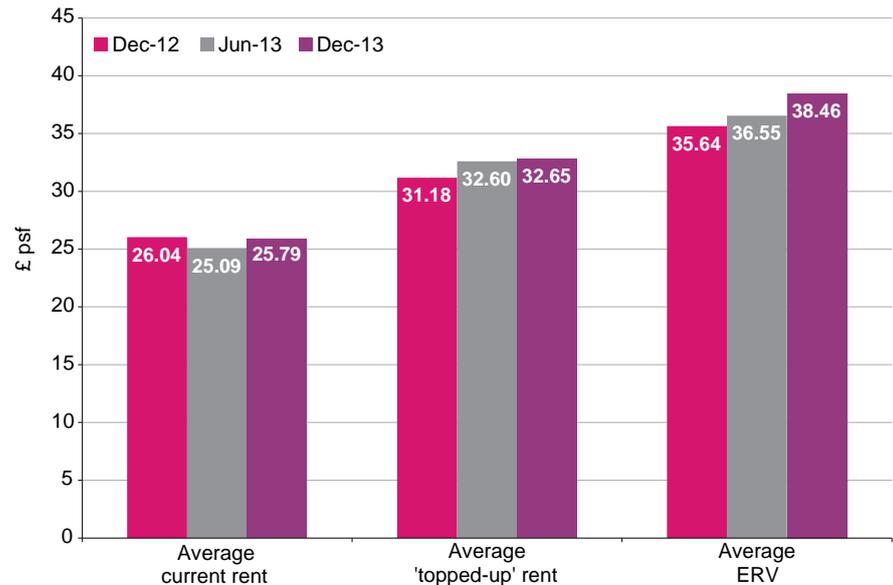


¹ Requires additional capex of £185m as set out in Appendix 29

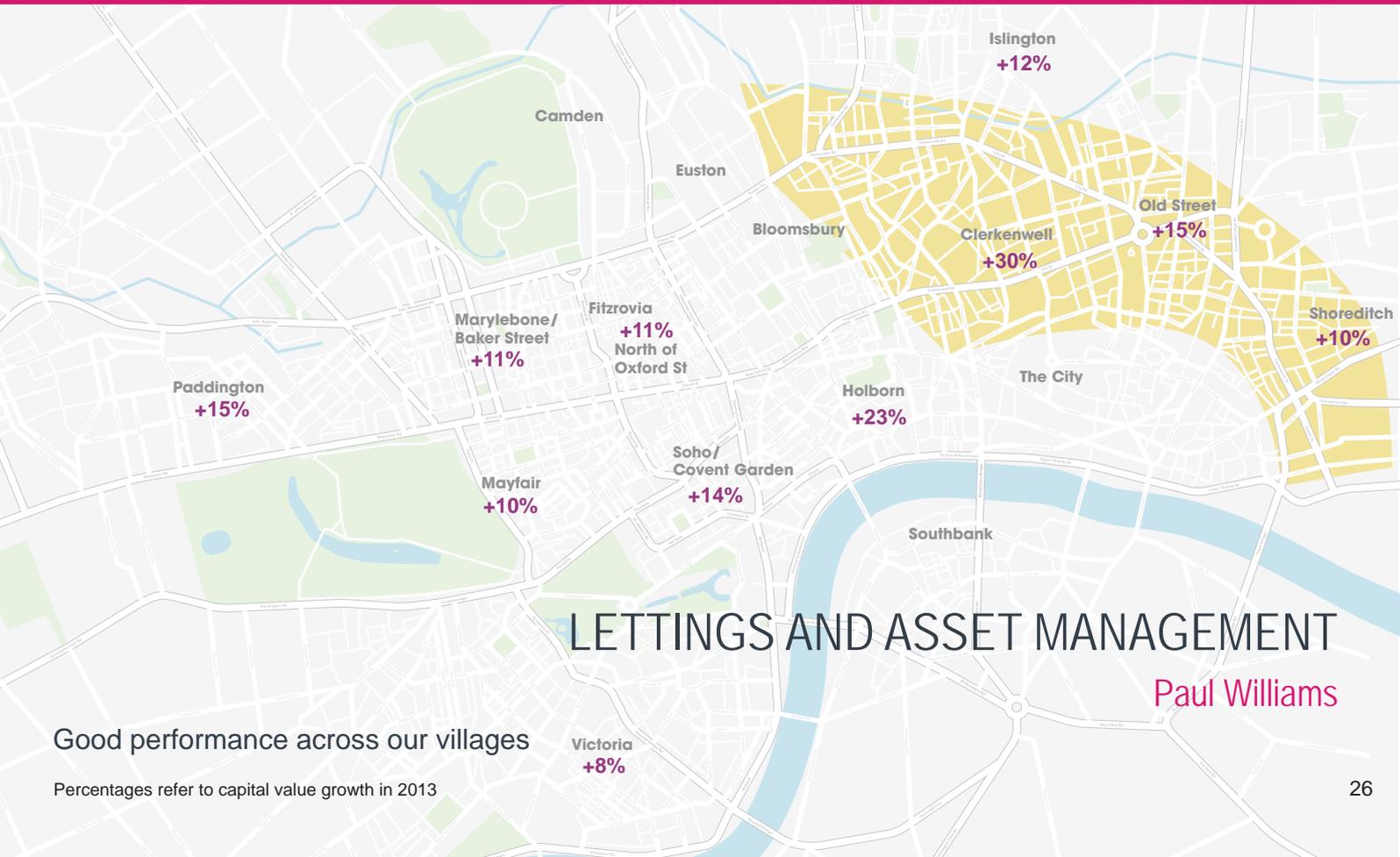
- Average 'topped-up' office rents under £33 psf
 - Core income portfolio¹ £39.07 psf
 - Development / potential portfolio² £25.95 psf
- Average ERV undemanding as under £40 psf
 - Core income portfolio £41.44 psf
 - Development / potential portfolio £35.86 psf
- Middle market rents are shifting upwards

'Topped-up' rents	2012	2013
<£30 psf	21%	18%
£30-£40 psf	30%	29%
£40-£50 psf	34%	29%
>£50 psf	15%	24%

Central London office rent profile



¹ Core income portfolio 2.6m sq ft, London office element 2.1m sq ft ² Development portfolio 3.1m sq ft, London office element 2.4m sq ft • Appendices 16 and 18



LETTINGS AND ASSET MANAGEMENT

Paul Williams

Good performance across our villages

Percentages refer to capital value growth in 2013

Letting available space

- 2013 was an exceptional year securing £21.8m¹ of new income (643,200 sq ft) at an average 8.4% above December 2012 ERV
 - Core income lettings secured £11.3m - 267,500 sq ft
 - On-site pre-lets totalled £10.5m (84% Publicis) - 375,700 sq ft
- TMT/creative tenants made up 72% of our new lettings
- Tech Belt locations represented 44% of our new lettings
- 64% of 2013 lettings include minimum uplift at first review

CORE INCOME

45%

EXISTING
PORTFOLIO
5.7m sq ft

¹ £20.8m net of ground rents



The Buckley Building EC1 - 85,000 sq ft

- Unilever
- Hill+Knowlton (WPP)
- Tipp24
- Deloitte



4 Hardwick Street EC1 - 12,000 sq ft

- Ve Interactive



Tower House WC2 - 4,200 sq ft

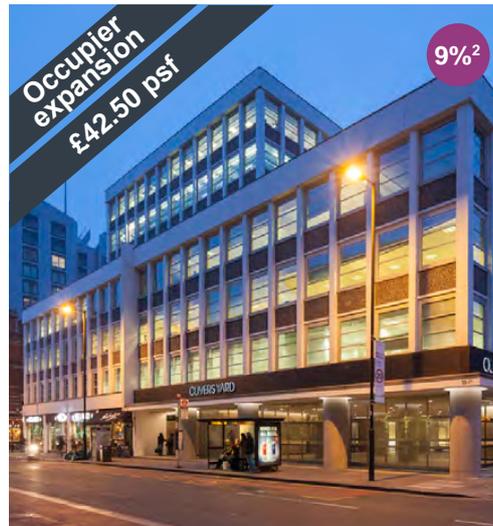
- Global Personals

¹Rents with minimum uplifts ²Building's ERV growth in 2013



Greencoat & Gordon House SW1
- 10,600 sq ft

- VCCP



1 Oliver's Yard EC2 - 13,100 sq ft

- Morningstar



132-142 Hampstead Road NW1
- 217,000 sq ft

- UCL

¹With minimum uplifts ²Building's ERV growth in 2013

CASE STUDY 1: CHARLOTTE BUILDING W1

- 47,200 sq ft development completed 2009, largely let at rents c.£40-45 psf
- Used potential reviews/breaks to change tenant mix and extend leases
- Took surrender of 12,400 sq ft from LinkedIn and BrandOpus on ground and first floor. BrandOpus expanding into nearby 1-2 Stephen Street. Simultaneously re-let to CHI&Partners at £60 psf
- Agreed surrender of 7,200 sq ft from Unanimis. Simultaneously re-let to Turley Associates (expanding from 25 Savile Row) at £65 psf
- Uplift in rental income of £330,000 pa (+37%)

124% in two years



CASE STUDY 2: GRAFTON HOTEL W1

DERWENT
LONDON

Value up 22%



- Grafton Hotel, 130 Tottenham Court Road W1 (330 rooms)
- Occupier's lease extended from 77 years to 150 years
- Rent raised 56% to £920,000 pa
- New rent to increase by 3% pa
- Subject to upward only open market rent review in 2033 (tenant break)
- Added 8p to 2013 NAV per share



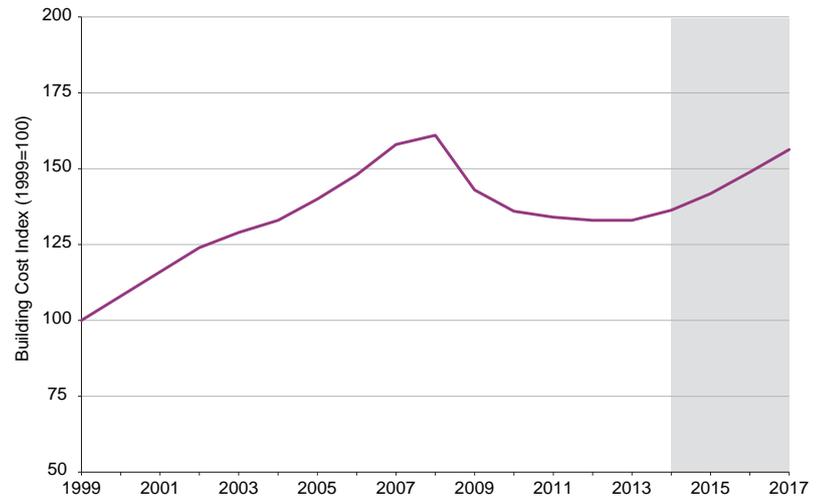
General market

- Inflationary pressures rising
- Natural part of economic cycle
- We expect costs to rise 3-5% in 2014

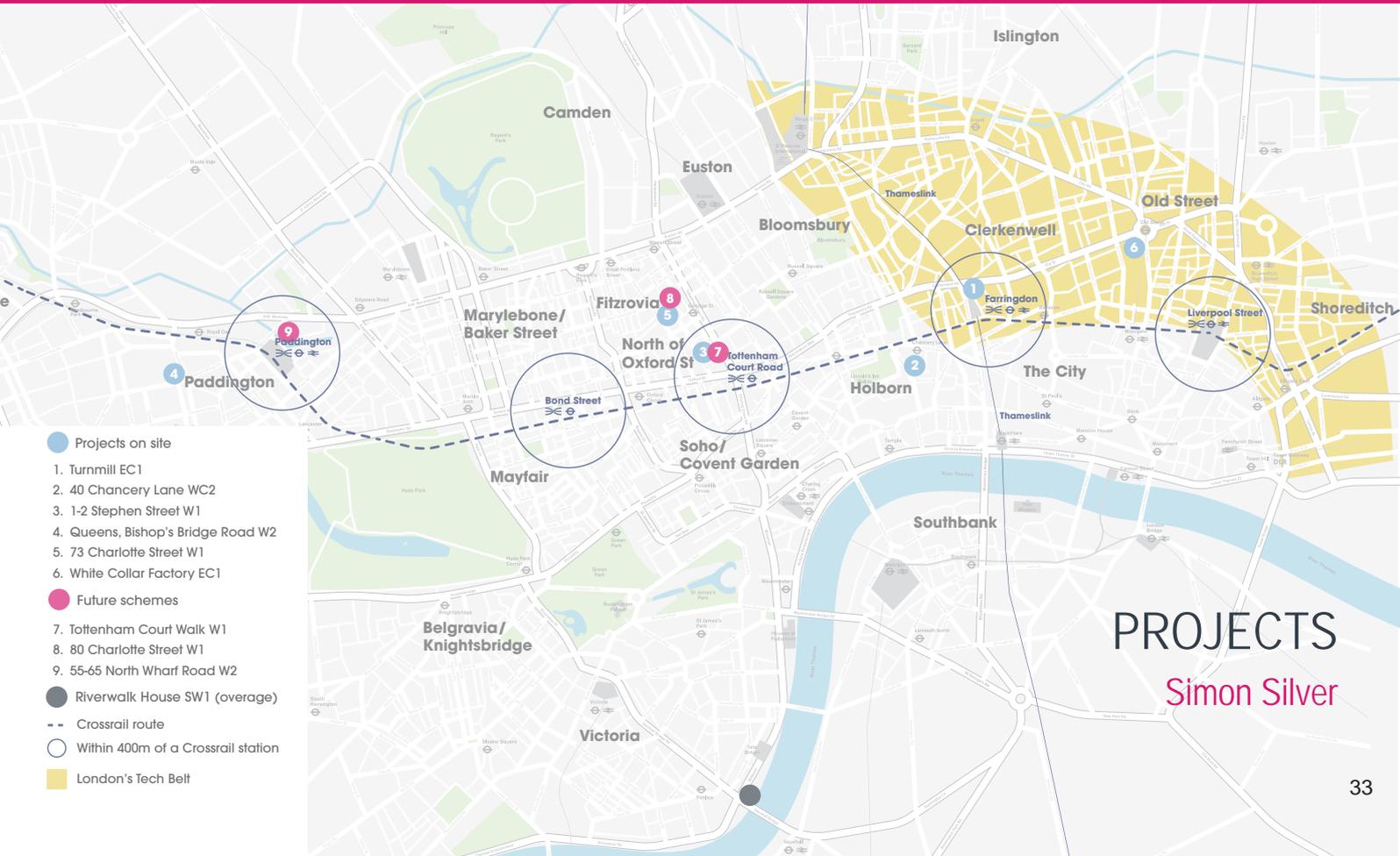
Derwent London's response

- Our experience helps:
 - Good relationships with construction groups / teams
 - Detailed knowledge of supply chain
 - Competition to build our schemes
- Capex increase in last six months reflects:
 - Enhancements to development plans
 - Inflation
- All on-site contracts (£185m) now fixed
- Early discussions at 80 Charlotte Street W1 and 55-65 North Wharf Road W2

Building costs

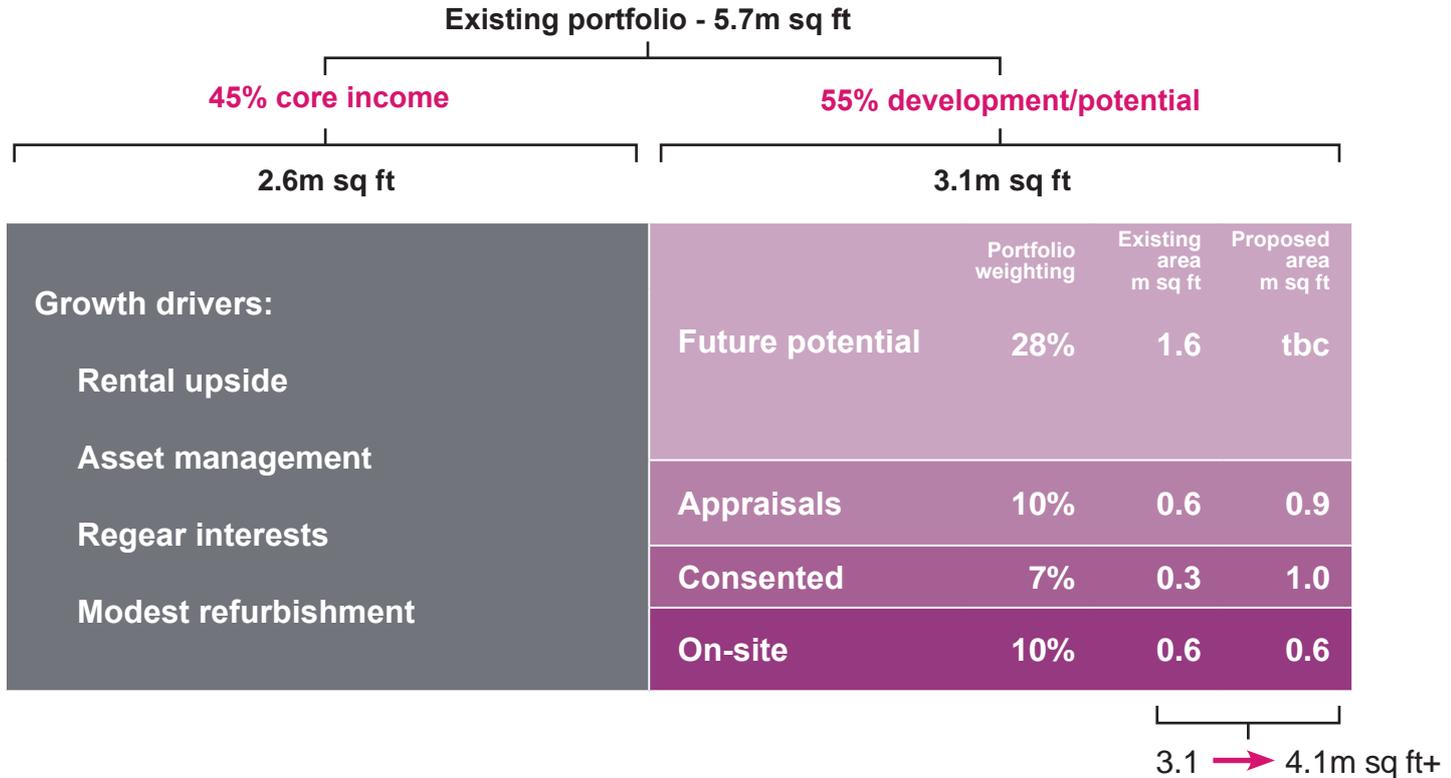


Source: AECOM



- Projects on site
- 1. Turnmill EC1
- 2. 40 Chancery Lane WC2
- 3. 1-2 Stephen Street W1
- 4. Queens, Bishop's Bridge Road W2
- 5. 73 Charlotte Street W1
- 6. White Collar Factory EC1
- Future schemes
- 7. Tottenham Court Walk W1
- 8. 80 Charlotte Street W1
- 9. 55-65 North Wharf Road W2
- Riverwalk House SW1 (overage)
- Crossrail route
- Within 400m of a Crossrail station
- London's Tech Belt

PROJECTS
Simon Silver





Turnmill EC1



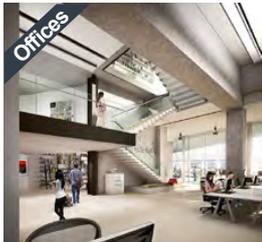
40 Chancery Lane WC2



Queens W2



73 Charlotte Street W1



1-2 Stephen Street W1



White Collar Factory EC1

On-site projects

- 586,000 sq ft on-site¹
- 27% pre-let (Publicis)
- 30,400 sq ft² residential to be sold
- Started White Collar Factory (50% of the total)

ON-SITE

Estimated to make 34% profit on cost³



¹ See Appendices 21 to 31 ² Also 1,900 sq ft affordable ³ See Appendix 22 (excludes 1-2 Stephen Street)

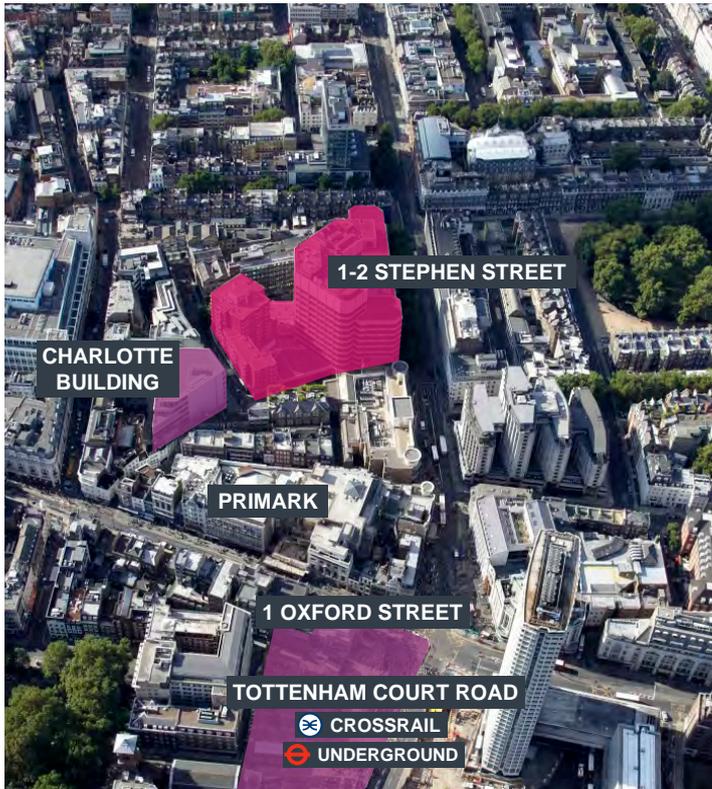
ON-SITE CASE STUDY 1: WHITE COLLAR FACTORY EC1

DERWENT
LONDON

Creating for creatives

- Total 293,000 sq ft
- White Collar Factory tower 237,000 sq ft
- Campus
 - Offices 39,000 sq ft
 - Retail 9,000 sq ft
 - Residential 8,000 sq ft
- Public open square
- ERV £13.9m
- Capex £121m





Rolling refurbishment

- Acquired in 2010 (251,000 sq ft)
- Executing our business plans

Business plan in 2010	Delivery	
New streetscape	2013-15	✓
Extend retail	2015	✓
Refurbish up to 64,000 sq ft offices ¹	2013-14	✓

Delivering our plans

- Estimated profit on cost on refurbishments 30%²
- Major beneficiary from Crossrail opening 2018 (Primark opened in 2012)

¹ 102,000 sq ft to date (18% completed 2013) ² Phases 1 to 3

ON-SITE CASE STUDY 2: 1-2 STEPHEN STREET W1



Refurbishing 50% of existing space since acquisition

Adding 8% to lettable floorspace

Phase 1 (2013) ¹	18,300 sq ft pre-let to BrandOpus at £52.50 psf on ground floor in 2012
Phase 2 (2014)	83,800 sq ft under construction for completion Q2 2014 (Dec 2013 ERV £62.50 psf)
Phase 3 (2015)	40,000 sq ft (retail frontage 109m ²)

¹ Not visible in this view ² Allowing for road

ON-SITE CASE STUDY 2: 1-2 STEPHEN STREET W1

DERWENT
LONDON

Phase 1 - Studios 2, 3 and 4 let (18,300 sq ft)



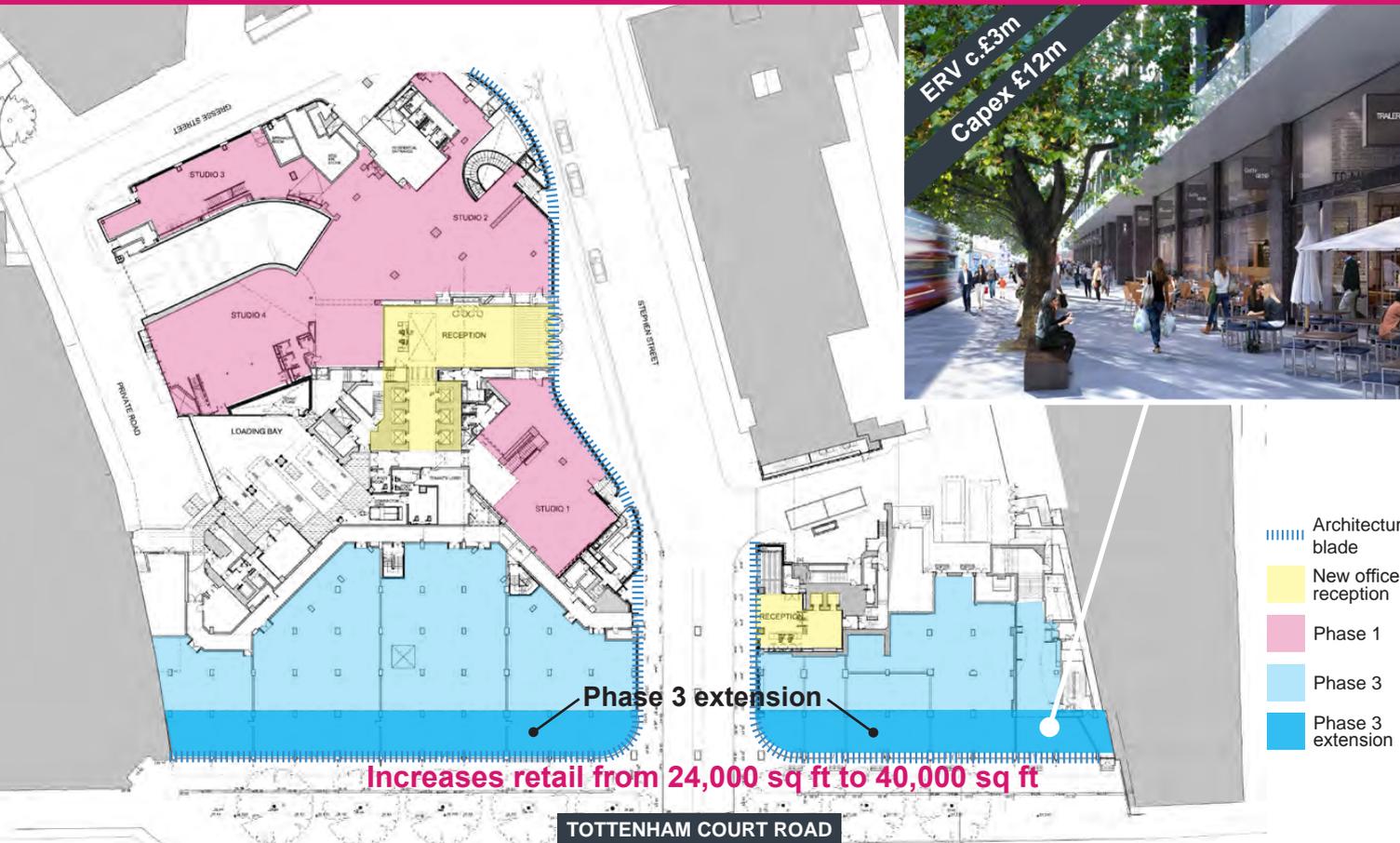
STUDIO 1 TO LET

Phase 2 - 83,800 sq ft offices to let



NEW ROOF TERRACES - PHASE 2

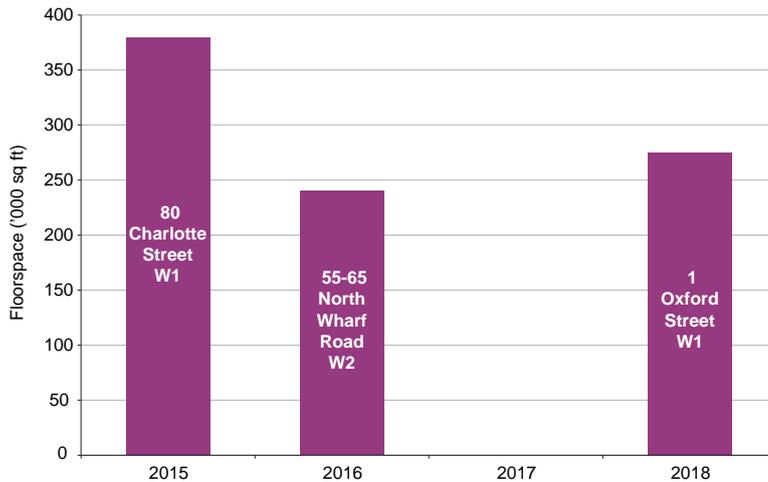
TOTTENHAM COURT WALK W1 - 40,000 sq ft retail



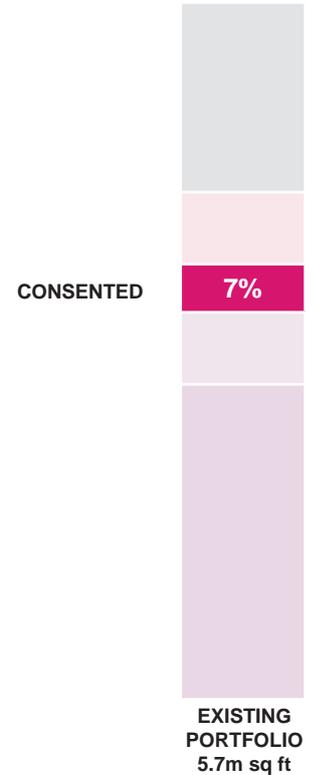
Creating space adding value

- Consented schemes to deliver 1.0m sq ft on completion

Major consented project pipeline (starts)



- Flexible starts, 80 Charlotte Street W1 subject to Saatchi lease
- Pushing on with timely delivery



Consented projects: **80 Charlotte Street W1**



Consented projects: 80 Charlotte Street W1

- Start 2015
- 380,000 sq ft mixed-use
 - 322,000 sq ft offices
 - 34,000 sq ft private residential
 - 10,000 sq ft affordable residential
 - 14,000 sq ft retail
- Office rent c.£65 psf
- Capex c.£150m
- Completion H2 2017



Consented projects:
55-65 North Wharf Road W2¹

- Start c.2016
- 240,000 sq ft offices
- Office ERV c.£57.50 psf
- Capex £110m
- Completion c.2018

¹ Option agreement in place to regear headlease



55-65 North Wharf Road W2



TURNING PLANS INTO REALITY

DERWENT
LONDON

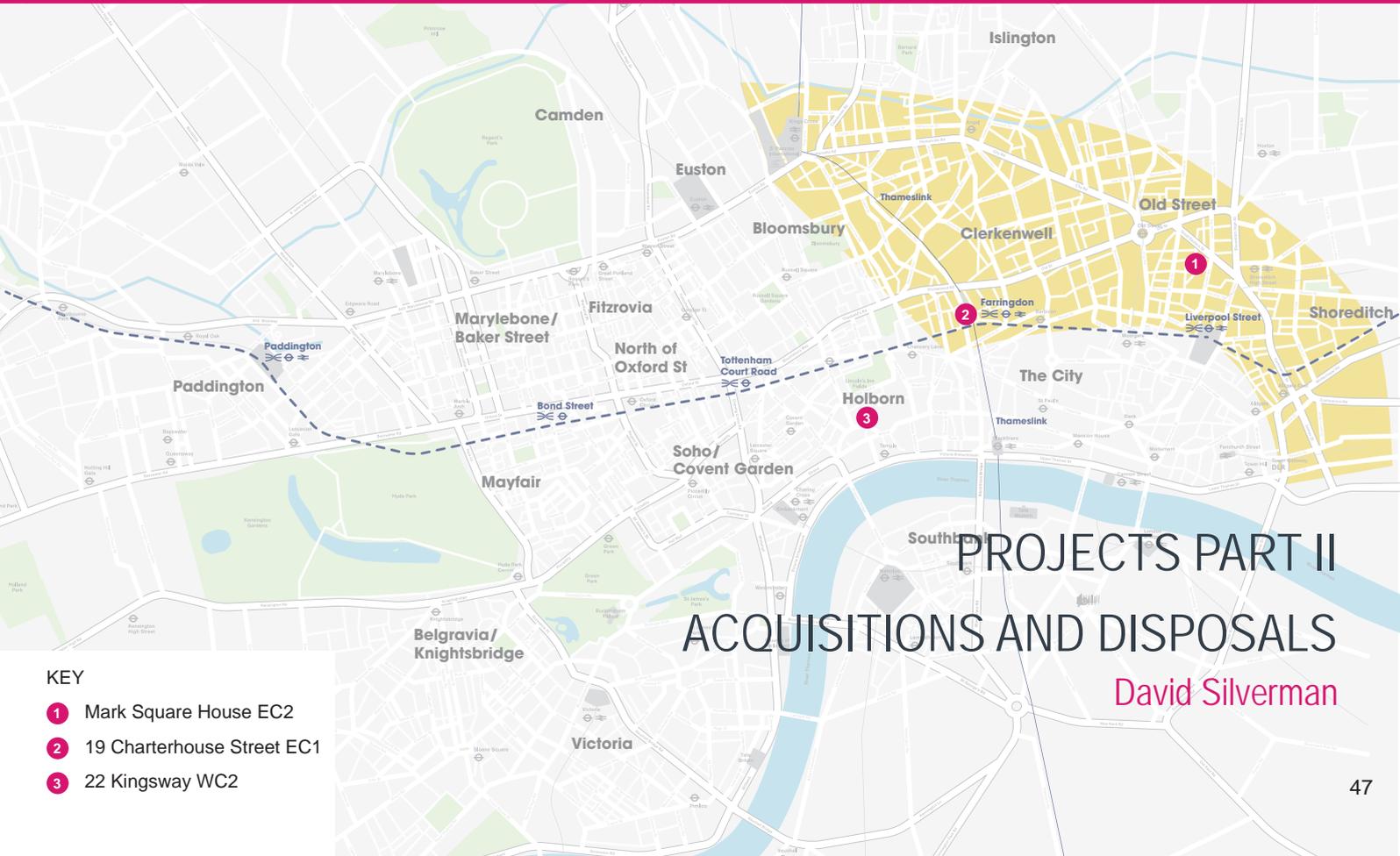
Consented projects: 1 Oxford Street W1 - 275,000 sq ft¹



- **Site 1** 27,000 sq ft offices
34,000 sq ft theatre
- Start c.2018
- Completion c.2020

- **Site 2** 177,000 sq ft offices
37,000 sq ft retail

¹ Subject to Derwent London exercising its option to acquire the site



PROJECTS PART II ACQUISITIONS AND DISPOSALS

David Silverman

KEY

- 1 Mark Square House EC2
- 2 19 Charterhouse Street EC1
- 3 22 Kingsway WC2

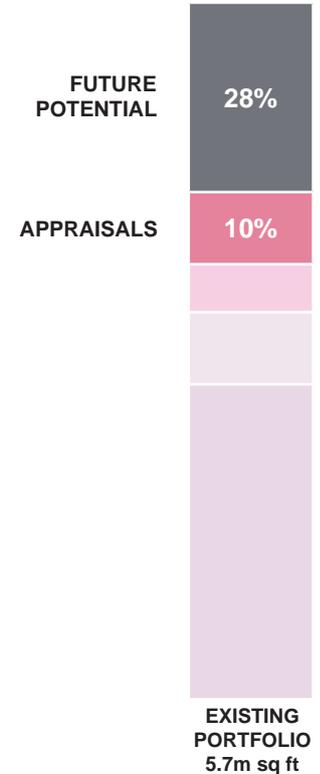
ADDITIONAL POTENTIAL FROM 38% OF THE PORTFOLIO

Appraisals expected to add a further 0.3m sq ft to the portfolio¹

- Existing space 0.6m sq ft
- Potential space 0.9m sq ft
- Currently nine projects

Future development potential in another 28% of the portfolio

- Existing space 1.6m sq ft
- Wide range of properties and locations
- Circa 20 schemes



¹ See Appendix 30



9 Prescott Street E1



Monmouth House EC1



25 & 29 Berners Street W1



19-35 Baker Street W1

¹ Earliest landlord possession ² Potential scheme size ³ Earlier tenant break ⁴ Group's share 138,000 sq ft (55% - JV with Portman Estate)



19 Charterhouse Street EC1



22 Kingsway WC2



Francis House SW1



Henry Wood House W1



Bush House WC2



Holden House W1

¹ Existing floor area

ANOTHER RETAIL OPPORTUNITY AT EAST END OF OXFORD STREET

DERWENT
LONDON



Holden House

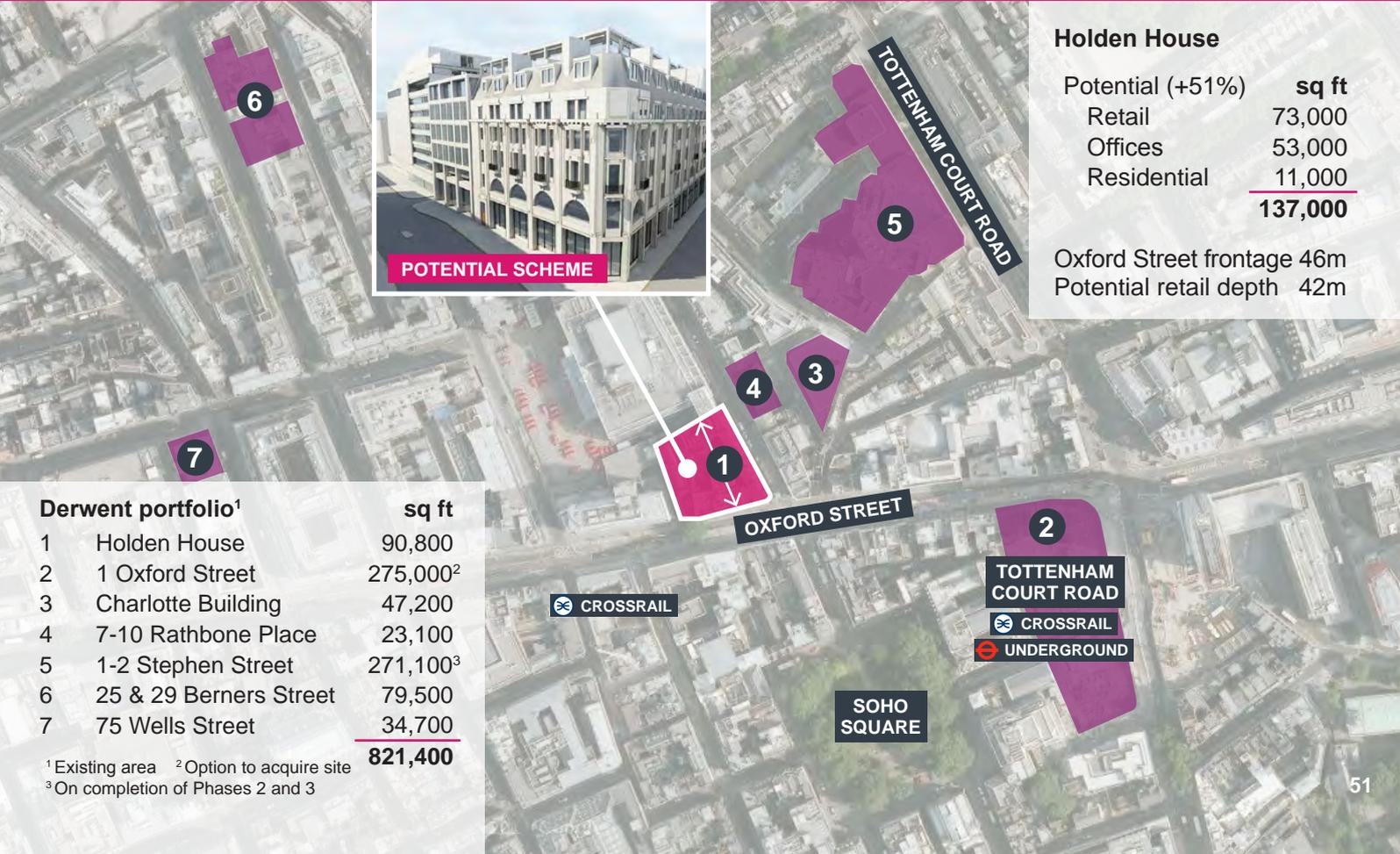
Potential (+51%)	sq ft
Retail	73,000
Offices	53,000
Residential	11,000
	137,000

Oxford Street frontage 46m
Potential retail depth 42m

Derwent portfolio¹

	sq ft
1 Holden House	90,800
2 1 Oxford Street	275,000 ²
3 Charlotte Building	47,200
4 7-10 Rathbone Place	23,100
5 1-2 Stephen Street	271,100 ³
6 25 & 29 Berners Street	79,500
7 75 Wells Street	34,700
	821,400

¹ Existing area ² Option to acquire site
³ On completion of Phases 2 and 3



Property	Area sq ft	Cost ¹ £m	Cost £ psf	Net yield %	Rental income £m	Rent £ psf	Lease length years ²
Mark Square House EC2	61,700	29.6	479	5.1	1.5	24.25	4.0
19 Charterhouse Street EC1 ³	63,700	41.3	648	4.1	1.7	26.50	6.1
22 Kingsway WC2	91,400	59.3	649	5.1	3.0	32.80	7.3
Total⁴	216,800	130.2	601	4.8	6.2	28.53	6.2

- **Meet Derwent London acquisition criteria**
 - Low passing rents and capital values psf
 - Located in improving areas
 - Refurbishment/redevelopment potential
 - Income-producing while working up a property plan for each asset
 - Often located near existing Group assets

- **Competitive market needs a disciplined approach**
 - Access off market / limited exposure
 - Close transaction quickly

- **All added to appraisals or potential development pool**

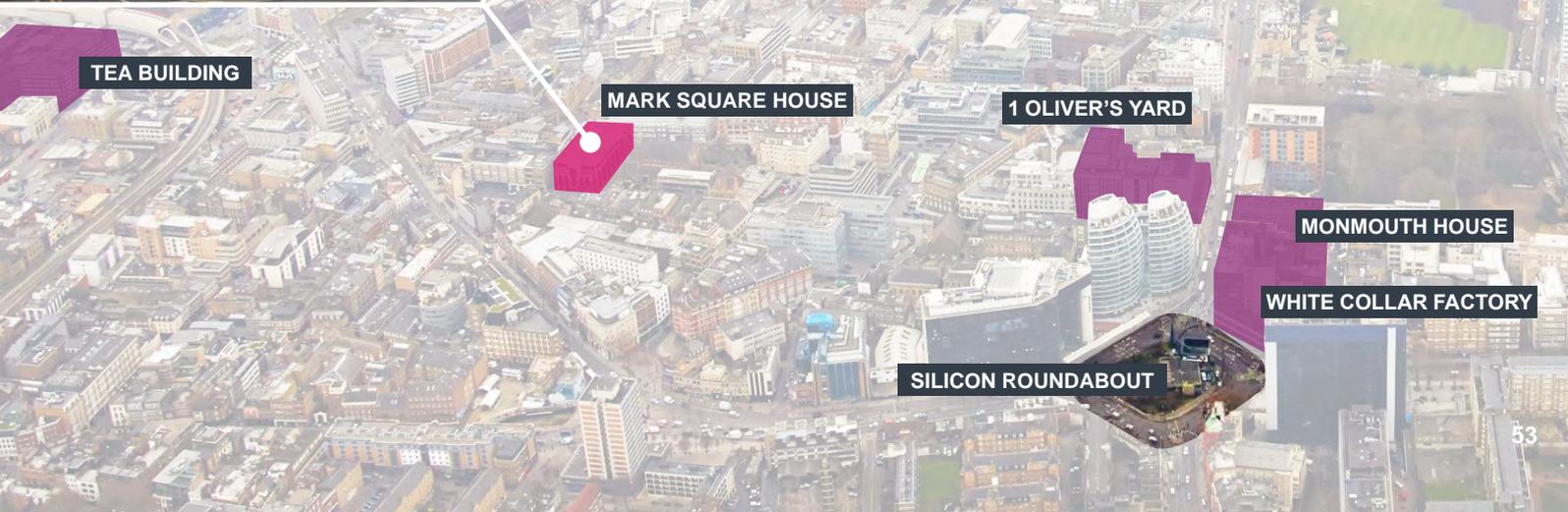
¹ Including acquisition costs ² Average unexpired lease length, as at 31 Dec 2013, assuming tenants break at first opportunity

³ Includes rent top-up of £0.3m pa (£0.4m in total) ⁴ Excludes £0.5m reduction in acquisition cost of 25 & 29 Berners Street, purchased in 2012

ADDING TO SHOREDITCH & TECH BELT



Adding in the Tech Belt
Under appraisal to add 8,000 sq ft
Lease expires 2017



TEA BUILDING

MARK SQUARE HOUSE

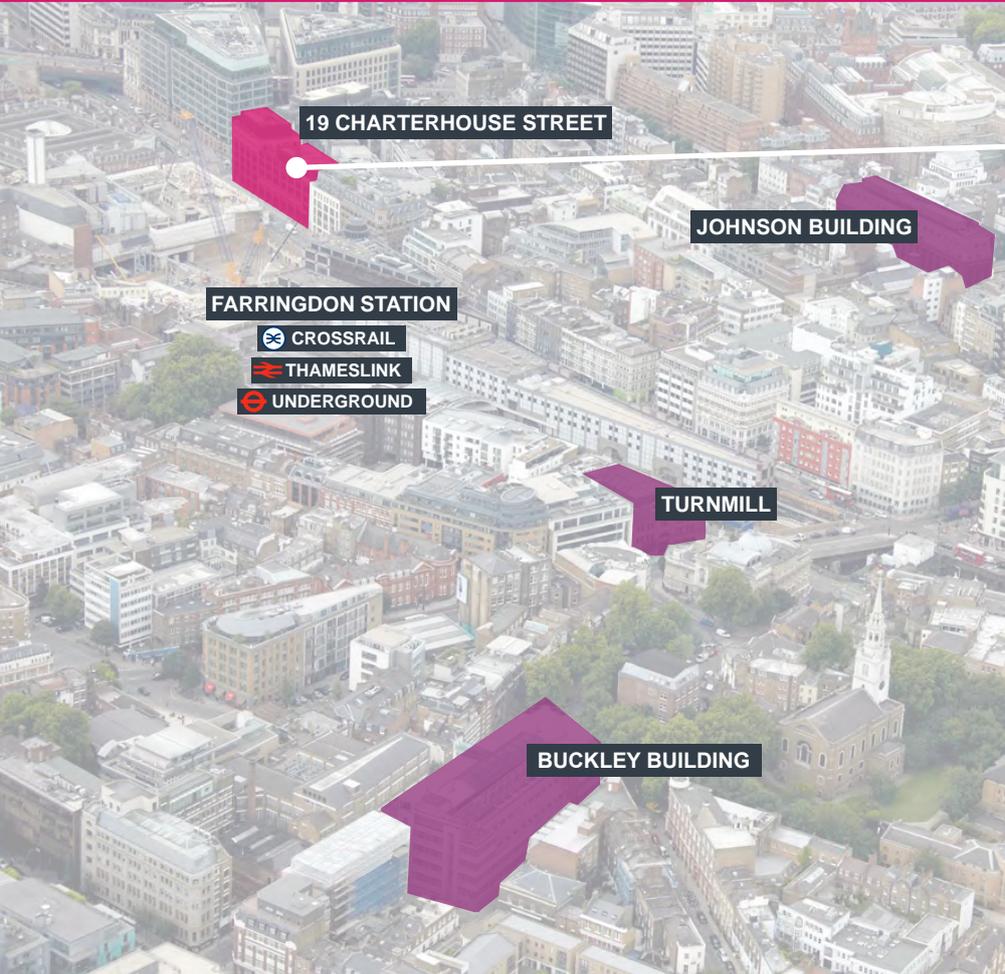
1 OLIVER'S YARD

MONMOUTH HOUSE

WHITE COLLAR FACTORY

SILICON ROUNDABOUT

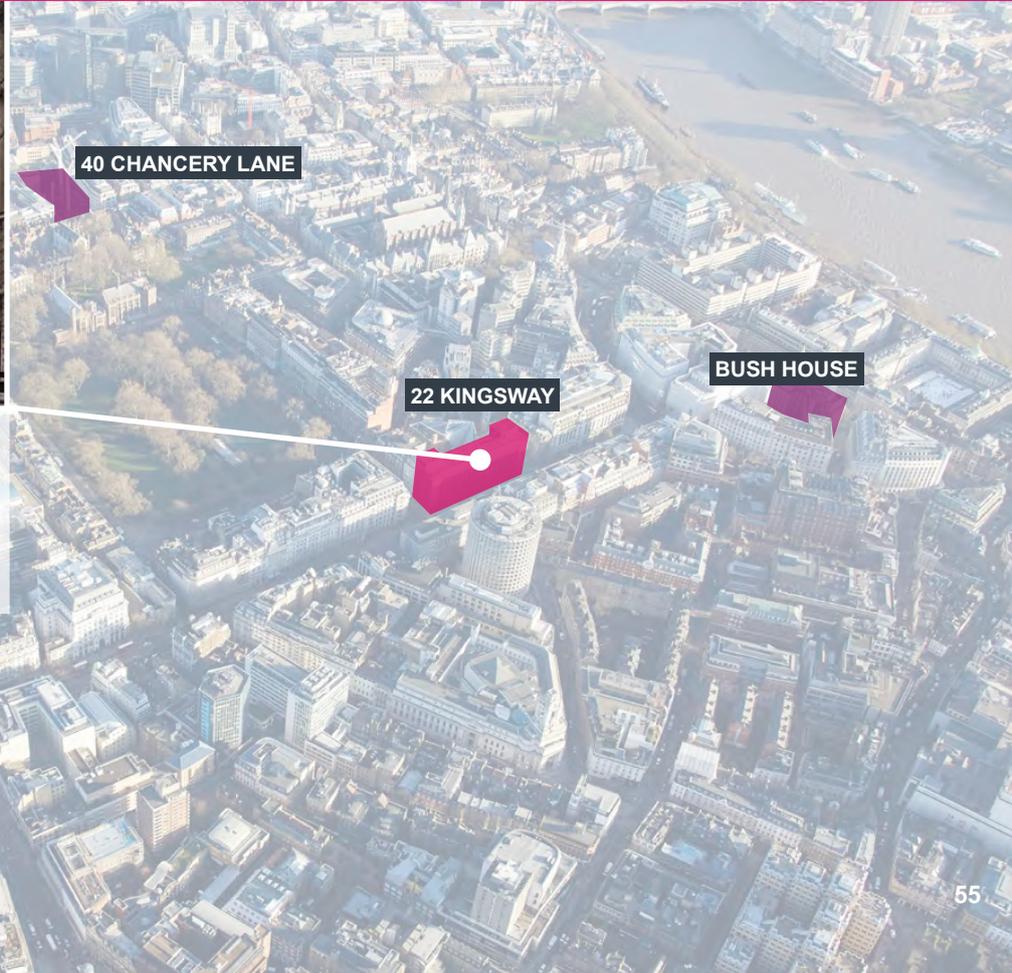
ADDING TO CROSSRAIL & TECH BELT



- Prominent corner building
- Opposite Farringdon Crossrail interchange
- Located in the Tech Belt
- Retail potential on ground floor

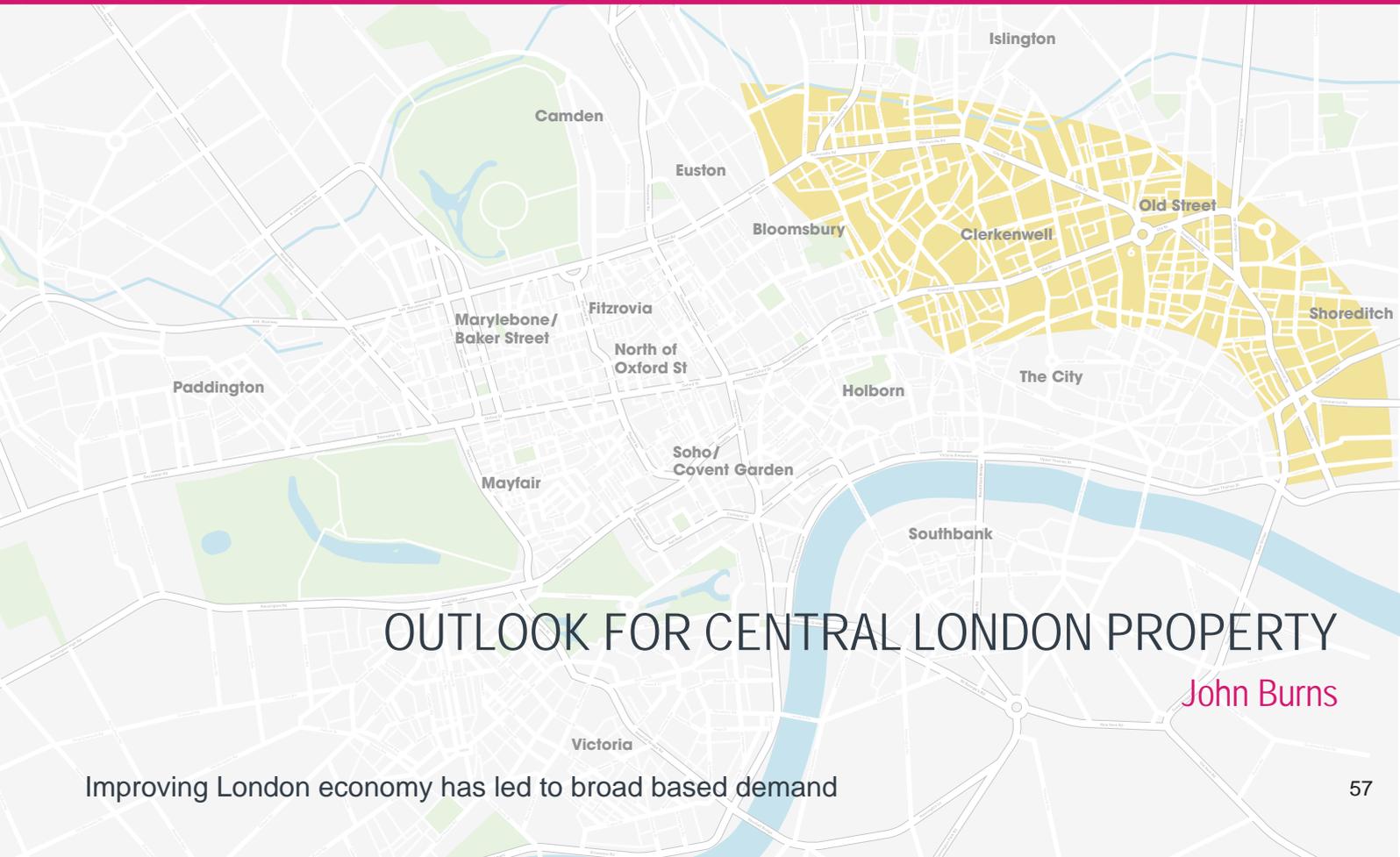


MAINTAINING VILLAGE DIVERSITY



Adding to Holborn village
Good sized block
Rent review 2015
Retail and office opportunity longer term

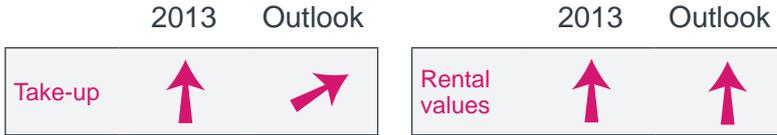
- Sales of c.£150m (£1,225 psf) at 1.9% initial yield
 - 1-5 Grosvenor Place SW1 secured most of potential development upside 5-6 years ahead of completion
 - Commercial Road E1 properties sold with benefit of planning for student accommodation
- **Total profit on sales £53.5m representing 56% uplift on December 2012 values**
- Property specific not a market view
- Recycling assets to enhance our future returns



OUTLOOK FOR CENTRAL LONDON PROPERTY

John Burns

Improving London economy has led to broad based demand



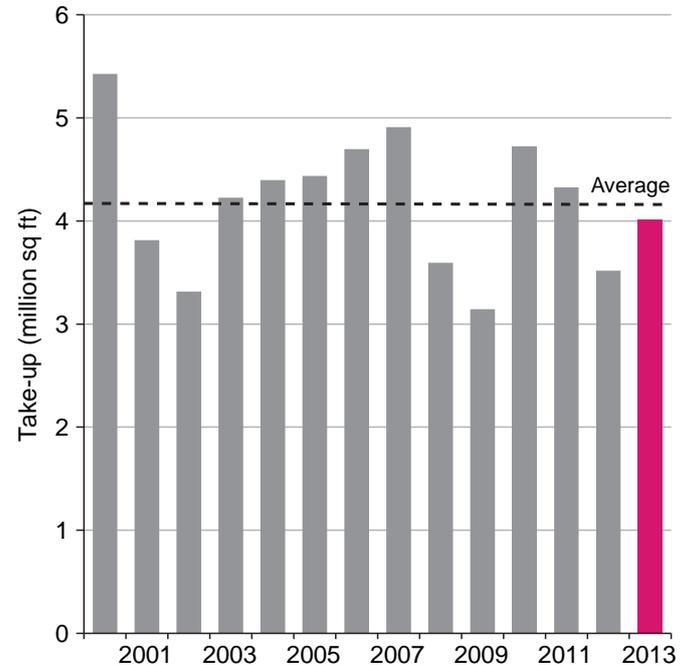
Derwent London's view¹

- Good demand for our properties from a broad spread of sectors
- Rents steadily rising
- Stronger growth in specific buildings/areas
- Expect current levels of demand to continue

Market statistics

- Take-up of 4.0m sq ft (+14%)
- TMT 23%, Business Services 22% and Finance 19% of take-up
- **Prime rents rose 8.1% to £100.00 psf**
 - Fitzrovia +12.5% to £67.50 psf
 - Victoria +12.0% to £70.00 psf

West End take-up



Source: CBRE

¹ Comments refer to our portfolio

2013 Outlook



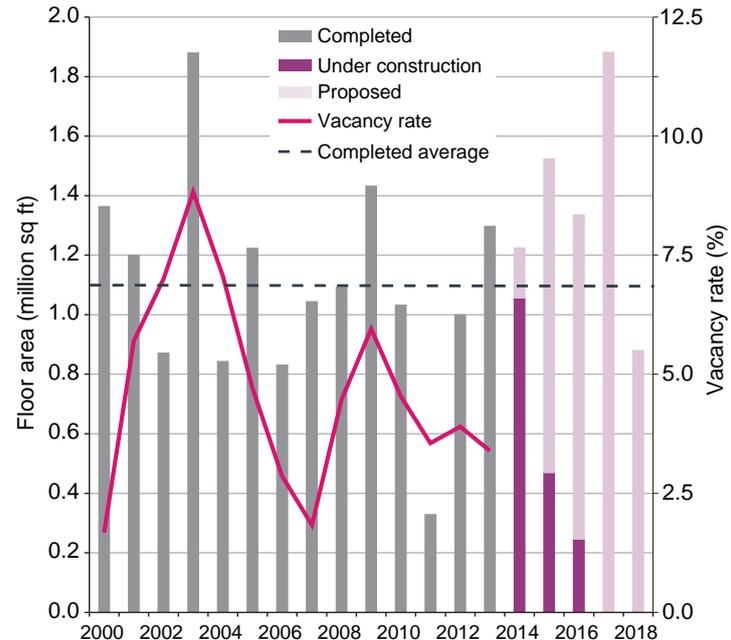
Derwent London's view¹

- Vacancy rate set to remain low
- Longer term supply picking up
- Bank lending to development still limited
- Rental outlook positive

Market statistics

- **The vacancy rate still falling**
 - Vacancy rate 3.4% (3.9% in 2012)
 - Long term average is 4.7%
 - Only 25% of current vacancy is new space
- **Potential supply on upward trend**
 - 2014 1.2m sq ft
 - 2015 1.5m sq ft
 - 2016 1.3m sq ft

West End office development pipeline



Source: CBRE

¹ Comments refer to our portfolio

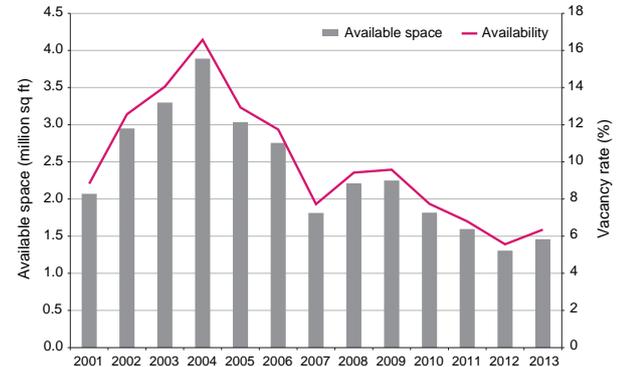
- Estimated at c.24m sq ft (11% central London office stock)
- Increasingly in the spotlight
- Major lettings in 2013 (Amazon, Google, Publicis)
- More supply likely to be delivered 2016-17
- Clerkenwell & Shoreditch rents achieving £49 psf (+9% on 2012)¹

Derwent London's exposure

- Portfolio comprises c.2.0m sq ft
 - 35% of our portfolio by area (30% by value)
 - c.8% estimated total Tech Belt stock
- Acquired 125,400 sq ft in 2013 at an average £566 psf
- White Collar Factory commenced

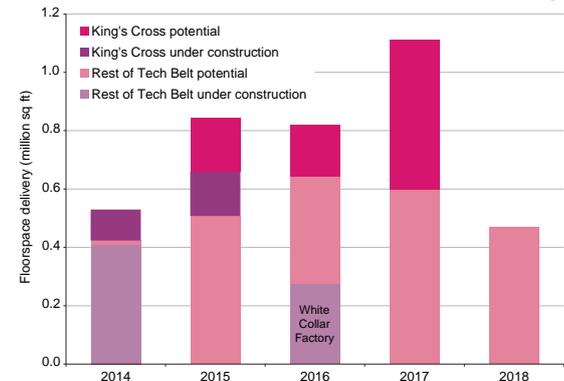
¹ Cushman & Wakefield

City Fringe availability (ex SE1)



Source: Knight Frank

Tech Belt supply



Source: CBRE, Deloitte

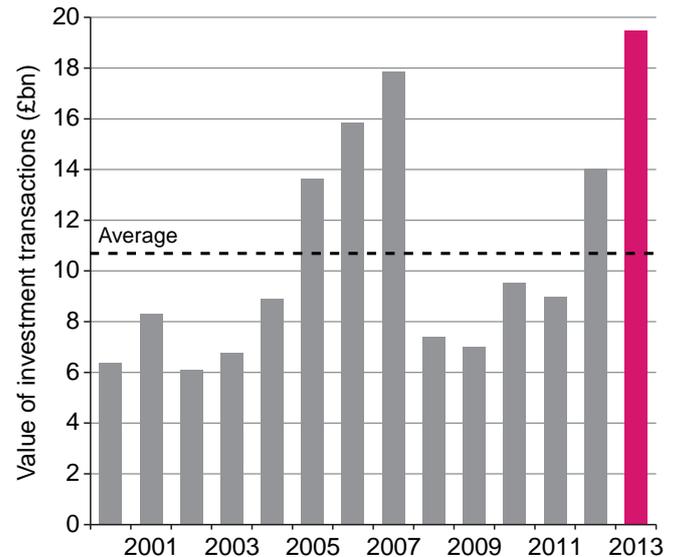
- **2013 proved to be a bumper year**
 - £19.4bn transactions (£7.2bn in H1 / £8.0bn Q4)
 - Overseas investors continue to dominate (68%)
 - West End yields -25 bps to 3.75%
 - City yields -50 bps to 4.50%



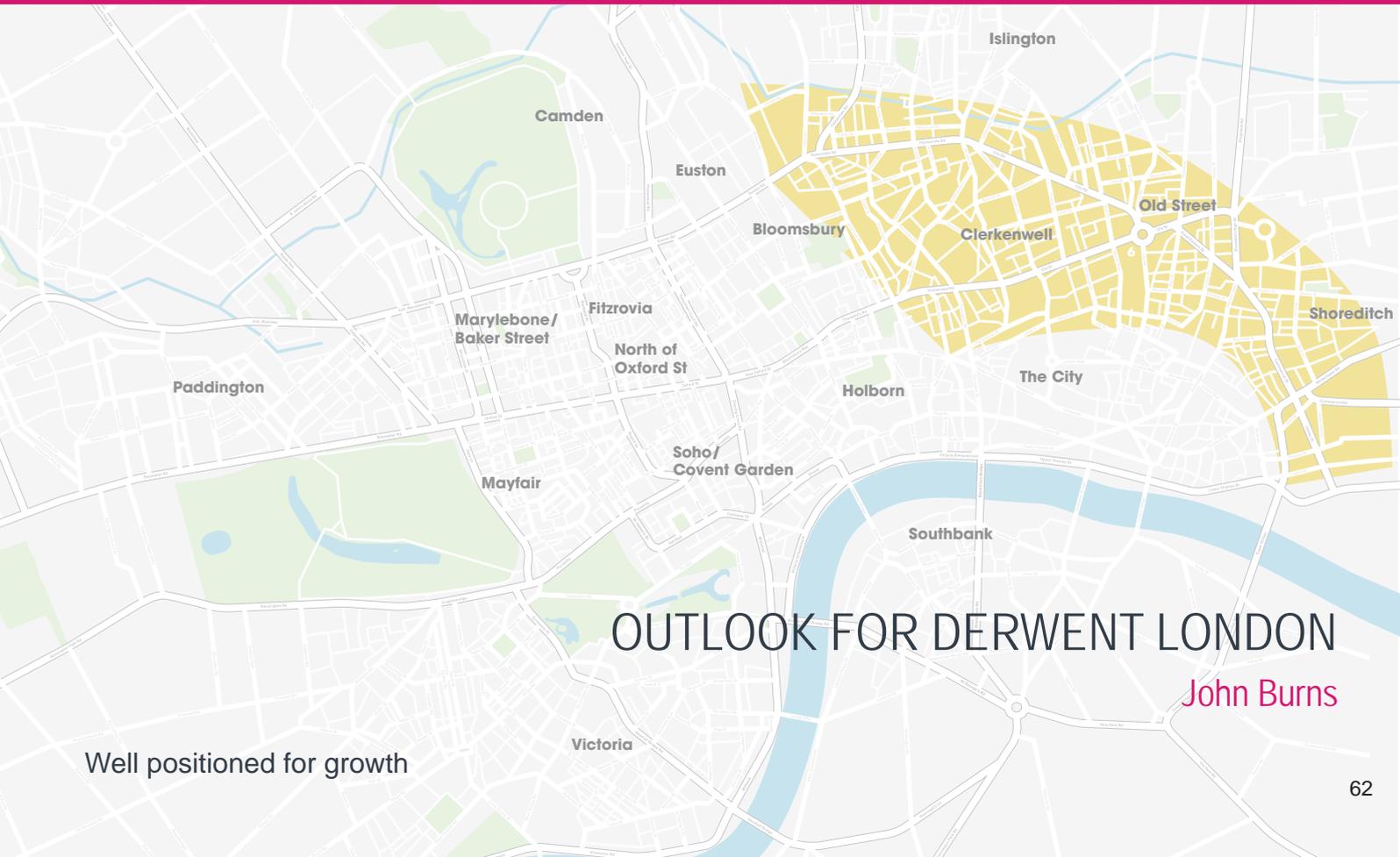
Derwent London's view

- London's economic growth is a crucial driver of demand
 - ↳ Rental growth outlook is good
 - ↳ Yields likely to remain firm
- Turning point may be when growth outlook deteriorates
- Lower bank exposure reduces volatility risks
- **Risks**
 - Economy
 - Relative appeal diminishes
 - Significant rise in interest rates / bonds
 - Currency
 - Political

Central London office investment



Source: CBRE



OUTLOOK FOR DERWENT LONDON

John Burns

Well positioned for growth

Our market

- Rental growth at early stage of cycle
 - ↳ Estimated to grow around 5-7% in 2014
- Yields at more advanced stage in cycle
 - ↳ Expected to remain firm in 2014
- Key to medium-term is the London economy and impact on demand
 - ↳ Estimated to be at early / mid stage of cycle
- Too early to call the cycle

Platform for growth

- Property portfolio well-positioned for growth
 - Strong demand for our product
 - Significant reversions
 - Large scale development activity with flexibility
- Financial base to meet expected requirements

APPENDICES

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APPENDIX 1 - GROUP BALANCE SHEET

	Dec 2013 £m	Dec 2012 £m
Investment property	3,242.9	2,772.6
Owner-occupied property	19.7	17.9
Other non-current assets	80.5	74.2
	3,343.1	2,864.7
Non-current assets held for sale	4.8	16.5
Other current assets and liabilities	(31.8)	(31.4)
Trading property	22.6	-
Cash and cash equivalents	12.5	4.4
Corporation tax liability	(1.4)	(1.9)
	1.9	(28.9)
Financial liabilities - non-current	(961.7)	(879.2)
Other non-current liabilities	(17.6)	(55.1)
	(979.3)	(934.3)
Total net assets	2,370.5	1,918.0
Minority interests	(66.5)	(57.6)
Attributable to equity holders	2,304.0	1,860.4

APPENDIX 2 - NET ASSET VALUE PER SHARE

	Dec 2013		Dec 2012	
	£m	Diluted p	£m	Diluted p
Net assets attributable to equity shareholders	2,304.0		1,860.4	
Conversion of 2.75% unsecured convertible bonds 2016	167.7		-	
Net assets for diluted NAV	2,471.7	2,230	1,860.4	1,814
Revaluation of trading properties	2.1		-	
Fair value of secured bonds	(7.1)		(21.2)	
Fair value of unsecured bonds	0.1		(20.0)	
Fair value of fixed rate secured loan	8.7		1.0	
Unamortised issue and arrangement costs	(12.3)		(11.2)	
EPRA NNNAV	2,463.2	2,222	1,809.0	1,764
Fair value of bonds and costs	10.6		51.4	
Deferred tax on revaluation surplus	5.5		4.1	
Fair value of derivatives	15.9		54.3	
Fair value adjustment to secured bonds on acquisition less amortisation	16.9		17.8	
Minority interest in respect of the above	(2.2)		(2.7)	
EPRA NAV	2,509.9	2,264	1,933.9	1,886

APPENDIX 3 - GROUP INCOME STATEMENT

		Year ended Dec 2013 £m	Year ended Dec 2012 £m
Gross property income		131.6	124.8
Other income		2.0	2.5
Property outgoings	Property outgoings (9.3) Rates credits -	(9.3)	(10.6) 0.3
Net property income		124.3	117.0
Total administrative expenses	Admin expenses (26.4) Cash-settled options (0.3)	(26.7)	(24.5) (0.6)
Revaluation surplus	H1 126.4 H2 209.2	335.6	71.3 103.1
Profit on disposals	Property Investment 53.5 -	53.5	6.9 3.9 ¹
Net finance costs		(41.2)	(41.1)
Loan issue costs write-off		(3.2)	-
Foreign exchange gain		-	0.3
Joint venture (JV) results	JV revaluation (0.3) Other JV profit 1.1	0.8	0.3 0.8
Derivatives fair value adjustment		38.5	(2.4)
Financial derivative termination costs		(13.7)	(6.9)
IFRS profit before tax²		467.9	228.1
Tax (charge)/credit		(2.4)	4.6
IFRS profit for the year		465.5	232.7

¹ Realisation of exchange gain on disposal of foreign subsidiary and an equal and opposite amount passes through comprehensive income

² A reconciliation of the EPRA and underlying profit before tax to the IFRS profit before tax is shown in Appendix 4

APPENDIX 4 - RECONCILIATION OF IFRS AND EPRA PROFITS

Reconciliation of IFRS profit before tax to EPRA and underlying profit before tax

	Year ended Dec 2013		Year ended Dec 2012	
	EPS p	£m	EPS p	£m
IFRS profit before tax	446.40	467.9	222.76	228.1
Revaluation surplus		(335.6)		(174.4)
Joint venture revaluation surplus		0.3		(0.3)
Profit on disposal of properties and investments		(53.5)		(10.8)
Fair value movement in derivatives		(38.5)		2.4
Financial derivative termination costs		13.7		6.9
Loan arrangement costs written off		3.2		-
Movement in cash-settled share options		0.3		0.6
EPRA profit before tax	53.87	57.8	50.36	52.5
Foreign exchange movement on intercompany loan		-		(0.3)
Rates credits		-		(0.3)
Underlying profit before tax	53.87	57.8	49.77	51.9

APPENDIX 5 - EPRA LIKE-FOR-LIKE RENTAL INCOME

	Properties owned throughout the period £m	Acquisitions £m	Disposals £m	Development property £m	Total £m
2013					
Rental income	105.1	5.2	1.6	19.0	130.9
Property expenditure	(4.8)	(0.1)	(0.4)	(3.9)	(9.2)
Net rental income	100.3	5.1	1.2	15.1	121.7
Other ¹	1.9	-	-	0.7	2.6
Net property income	102.2	5.1	1.2	15.8	124.3
2012					
Rental income	101.4	1.1	4.9	17.3	124.7
Property expenditure	(4.4)	-	(1.5)	(4.7)	(10.6)
Net rental income	97.0	1.1	3.4	12.6	114.1
Other ¹	2.3	-	0.1	0.5	2.9
Net property income	99.3	1.1	3.5	13.1	117.0
Increase based on gross rental income	3.6%				5.0%
Increase based on net rental income	3.4%				6.7%
Increase based on net property income	2.9%				6.2%

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

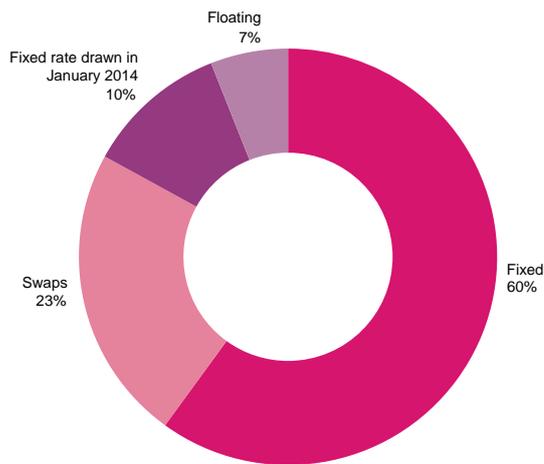
	£m	£m	Maturity
6.5% secured bonds		175	March 2026
3.99% secured loan		83	October 2024
2.75% unsecured convertible bonds		175	July 2016
1.125% unsecured convertible bonds		150	July 2019
Committed bank facilities			
Term - secured	28		June 2018
Term/revolving credit - secured	90		December 2017
Revolving credit - unsecured	550		September 2018
		668	
At 31 December 2013		1,251	
4.41% unsecured loan		25	January 2029
4.68% unsecured loan		75	January 2034
At 31 January 2014		1,351	

	Dec 2013 £m	Dec 2012 £m
Financial liabilities - due after more than 1 year	961.7	879.2
Acquired fair value of secured bonds less amortisation	(15.6)	(16.4)
Unamortised loan arrangement costs	7.8	6.7
Leasehold liabilities	(8.2)	(8.9)
Unamortised issue costs on unsecured bonds	5.5	3.1
Equity component of unsecured bonds	22.3	9.6
Unwinding of discount of unsecured bonds	(5.5)	(2.8)
Facilities - drawn	968.0	870.5
Facilities - undrawn	283.0	333.0
Total debt facilities	1,251.0	1,203.5

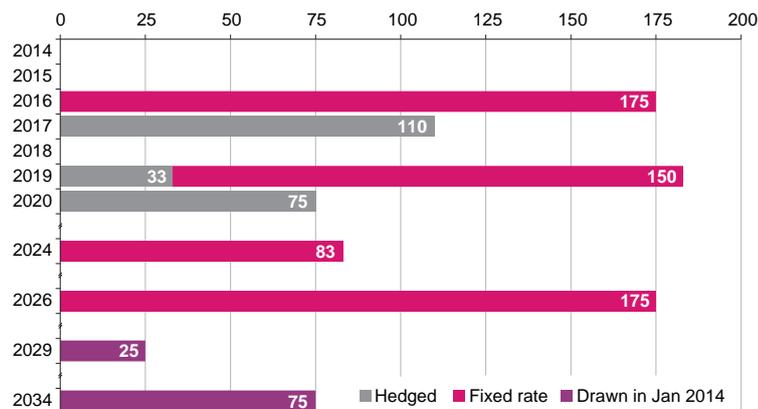
	Dec 2013 £m	Dec 2012 £m
Financial liabilities - due after more than 1 year	961.7	879.2
Cash and cash equivalents	(12.5)	(4.4)
Net debt	949.2	874.8

	Proforma	Dec 2013	Dec 2012
Proportion of drawn facilities at fixed rates or hedged	93%	83%	92%
Weighted average duration of swaps ¹	4.8 years	4.8 years	5.8 years
Mark-to-market cost of swaps	£15.9m	£15.9m	£54.3m
Weighted average duration of fixed rate instruments	9.1 years	7.4 years	9.0 years

Hedging profile



Maturity profile of fixed and hedged debt¹



¹ Excludes £70m forward start swap from June 2014 to March 2020 and £65m forward start swap from April 2014 to April 2019

- £150m 1.125% unsecured convertible bonds repayable July 2019
 - Launched and issued July 2013
- Initial conversion price £33.35; 35% premium to reference share price of £24.70
- IFRS interest rate: 2.67%

Income statement presentation

	2013 £m	2014 £m
Interest	0.7	1.7
Discount amortisation	0.8	2.0
Issue costs amortisation	0.3	0.6
IFRS finance costs	1.8	4.3

Balance sheet presentation

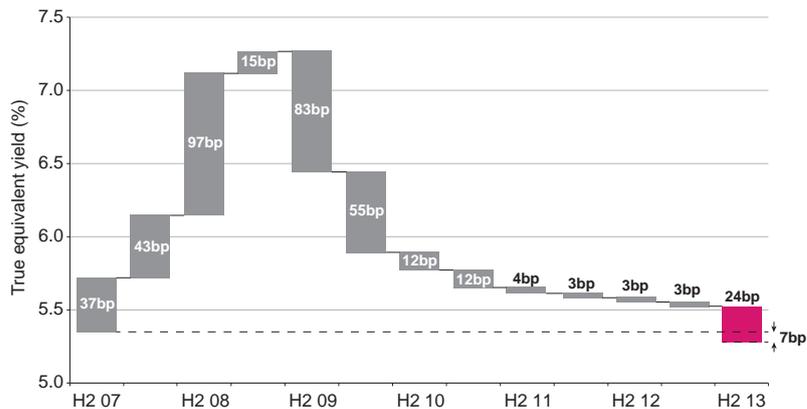
	Gross £m	Issue costs £m	Net at issue £m	Amortisation £m	31 Dec 2013 £m
Borrowings	137.4	(3.5)	133.9	1.1	135.0
Equity	12.6	(0.3)	12.3	-	12.3
	150.0	(3.8)	146.2	1.1	147.3

APPENDIX 10 - VALUATION PERFORMANCE BY VILLAGE

	Valuation Dec 2013 £m	Weighting Dec 2013 %	Valuation movement 2013 ¹ %
West End: Central			
Fitzrovia ²	1,236.6	37	11.3
Victoria	416.5	12	7.7
Baker Street/Marylebone	155.0	5	10.9
Soho/Covent Garden	141.8	4	13.7
Mayfair	66.0	2	9.6
Paddington	60.6	2	14.8
	2,076.5	62	10.7
West End: Borders			
Islington/Camden	276.7	8	11.7
Other	26.3	1	12.1
	303.0	9	11.7
West End	2,379.5	71	10.8
City: Borders			
Clerkenwell	284.5	9	29.9
Old Street	182.3	5	15.3
Shoreditch/Whitechapel	165.9	5	10.2
Holborn	236.8	7	23.4
Southbank	10.0	-	2.9
Other	0.4	-	0
	879.9	26	20.3
Central London	3,259.4	97	13.0
Provincial	93.7	3	0.3
Investment portfolio	3,353.1	100	12.6

¹ Underlying - properties held throughout the period ² Includes Fitzrovia, Euston and North of Oxford Street

True equivalent yield movement¹



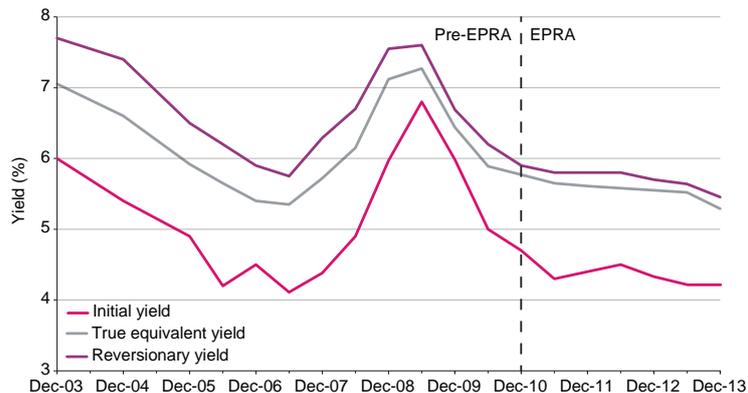
- True equivalent yield 5.28%¹

Rental value growth¹

	2012 %	H1 2013 %	H2 2013 %	2013 %
West End	5.7	2.0	2.9	5.0
City Borders	11.4	4.7	3.5	8.4
Central London	6.9	2.7	3.1	5.9
Provincial	0.5	1.0	0.0	1.0
Underlying	6.7	2.6	3.0	5.7

¹ On EPRA portfolio

Yields' profile¹



EPRA initial yields

	Net initial yield %	'Topped-up' initial yield %
West End	3.9	4.6
City Borders	4.5	5.3
Central London	4.1	4.8
Provincial	6.2	6.4
EPRA portfolio	4.2	4.8

True equivalent yields²

	Dec 2012 %	H1 movement basis points	June 2013 %	H2 movement basis points	Dec 2013 %
West End	5.29	(4)	5.25	(20)	5.05
City Borders	6.32	(16)	6.16	(45)	5.71
Central London	5.52	(4)	5.48	(23)	5.25
Provincial	6.79	9	6.88	(7)	6.81
Underlying	5.55	(3)	5.52	(24)	5.28

¹ Six-monthly data ² On EPRA portfolio

APPENDIX 13 - PORTFOLIO REVERSION

	Rent uplift pa		Rent pa
	£m	£m	£m
Contracted rental income, net of ground rents			126.0
Contractual rental uplifts			
1 Page Street SW1	3.0		
The Buckley Building EC1	2.0		
4 & 10 Pentonville Road N1	2.1		
132-142 Hampstead Road NW1	1.0		
Other	14.3	22.4	
Pre-let projects			
40 Chancery Lane WC2	4.7 ¹		
Turnmill EC1	3.1	7.8	
Total contracted uplift		30.2	
Vacant space²			
Available to occupy (EPRA)	1.5		
Under refurbishment (EPRA)	1.8		
Five on-site developments (non-EPRA) ³	14.6		
One phased project on-site (non-EPRA) ³	5.3	23.2	
Lease reversions			
Anticipated rent reviews and lease renewals		17.6	71.0
Estimated rental value of investment portfolio			197.0

¹ Net income after deduction of £1m ground rent ² Detailed in Appendix 14 ³ Capex to complete £185m - see Appendix 29

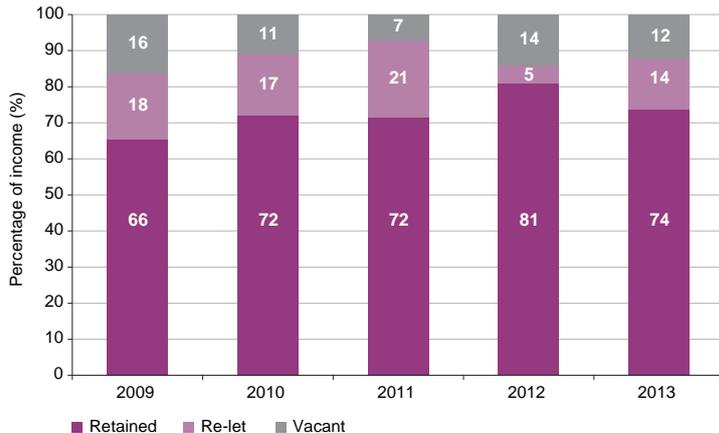
APPENDIX 14 - VACANT SPACE - AVAILABLE AND PROJECTS

	Vacant area '000 sq ft	Pre-let area '000 sq ft	Total area '000 sq ft	Vacant ERV £m pa	Pre-let ERV £m pa	Total gross ERV £m pa	Ground rent £m pa	Total net ERV £m pa	Comment
Available to occupy (EPRA)									
Tower House WC2	6	-	6	0.4	-	0.4	-	0.4	
Tea Building E1	9	-	9	0.3	-	0.3	-	0.3	Under offer
186 City Road EC1	6	-	6	0.2	-	0.2	-	0.2	Under offer
Other	17	-	17	0.6	-	0.6	-	0.6	
	38	-	38	1.5	-	1.5	-	1.5	
Under refurbishment (EPRA)									
Morelands Buildings EC1	22	-	22	0.7	-	0.7	-	0.7	
1 Oliver's Yard EC2	10	-	10	0.4	-	0.4	-	0.4	6,500 sq ft under offer
76-78 Charlotte Street W1	7	-	7	0.3	-	0.3	-	0.3	
Other	12	-	12	0.4	-	0.4	-	0.4	
	51	-	51	1.8	-	1.8	-	1.8	
	89	-	89	3.3	-	3.3	-	3.3	
On-site developments (non-EPRA)									
White Collar Factory EC1	293	-	293	13.9	-	13.9	-	13.9	
Turnmill EC1	12	58	70	0.4	3.1	3.5	-	3.5	58,200 sq ft pre-let to Publicis Groupe @ £3.1m pa
40 Chancery Lane WC2	4	98	102	0.1	5.7	5.8	(1.0)	4.8	97,400 sq ft pre-let to Publicis Groupe @ £5.7m pa ¹
Queens, Bishop's Bridge Rd W2	21	-	21	0.1	-	0.1	-	0.1	18,700 sq ft residential and 2,700 sq ft retail
73 Charlotte Street W1	16	-	16	0.1	-	0.1	-	0.1	13,600 sq ft residential and 1,900 sq ft offices
	346	156	502	14.6	8.8	23.4	(1.0)	22.4	
On-site phased project (non-EPRA)									
1-2 Stephen Street W1	84	-	84	5.3	-	5.3	-	5.3	
	84	-	84	5.3	-	5.3	-	5.3	
	430	156	586	19.9	8.8	28.7	(1.0)	27.7	
Total	519	156	675	23.2	8.8	32.0	(1.0)	31.0	

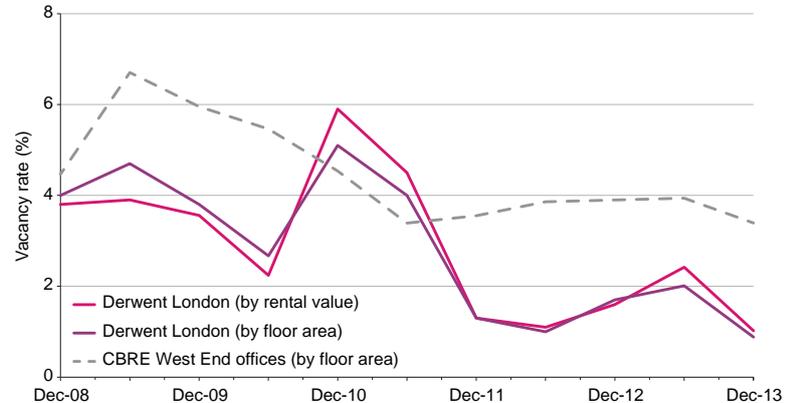
¹ £4.7m net of ground rent

- Maintained strong tenant retention during 2013
- Portfolio average lease length 7.1 years
- EPRA vacancy rate fell from 1.6% to 1.0% in 2013
 - Available space to occupy 38,000 sq ft
 - Minor refurbishments 51,000 sq ft
 - On-site major projects 586,000 sq ft

Lease expiry and break analysis¹



EPRA vacancy rates



¹As at reporting date

APPENDIX 16 - PORTFOLIO STATISTICS BY VILLAGE

	Valuation £m	Weighting %	Floor area '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	Rent review / lease renewal reversion £m pa	Total reversion £m pa	Estimated rental value £m pa
West End: Central										
Fitzrovia ¹	1,236.6	37	1,772	115	43.3	26.50	6.1	16.1	22.2	65.5
Victoria	416.5	12	572	-	16.4	28.76	-	5.9	5.9	22.3
Baker Street/Marylebone	155.0	5	198	6	7.2	38.03	0.2	1.1	1.3	8.5
Soho/Covent Garden	141.8	4	227	6	5.1	23.18	0.4	0.9	1.3	6.4
Mayfair	66.0	2	42	-	1.1	26.13 ²	-	2.2	2.2	3.3
Paddington	60.6	2	99	21	1.3	19.61	0.1	0.1	0.2	1.5
	2,076.5	62	2,910	148	74.4	27.30	6.8	26.3	33.1	107.5
West End: Borders										
Islington/Camden	276.7	8	487	11	10.4	21.80	0.2	5.4	5.6	16.0
Other	26.3	1	82	1	1.3	16.22	-	0.6	0.6	1.9
	303.0	9	569	12	11.7	20.99	0.2	6.0	6.2	17.9
West End	2,379.5	71	3,479	160	86.1	26.24	7.0	32.3	39.3	125.4
City: Borders										
Clerkenwell	284.5	9	484	36	11.5	26.23	1.3	4.6	5.9	17.4
Old Street	182.3	5	560	309	6.6	26.41	14.5	1.2	15.7	22.3
Shoreditch/Whitechapel	165.9	5	432	9	8.2	19.32	0.3	2.9	3.2	11.4
Holborn	236.8	7	384	4	8.7	23.15	0.1	6.4	6.5	15.2
Southbank	10.0	-	39	-	0.2	5.30	-	0.2	0.2	0.4
Other	0.4	-	1	1	-	-	-	-	-	-
	879.9	26	1,900	359	35.2	23.07	16.2	15.3	31.5	66.7
Central London	3,259.4	97	5,379	519	121.3	25.23	23.2	47.6	70.8	192.1
Provincial	93.7	3	325	-	4.7	14.31	-	0.2	0.2	4.9
Investment portfolio	3,353.1	100	5,704	519	126.0	24.54	23.2	47.8	71.0	197.0

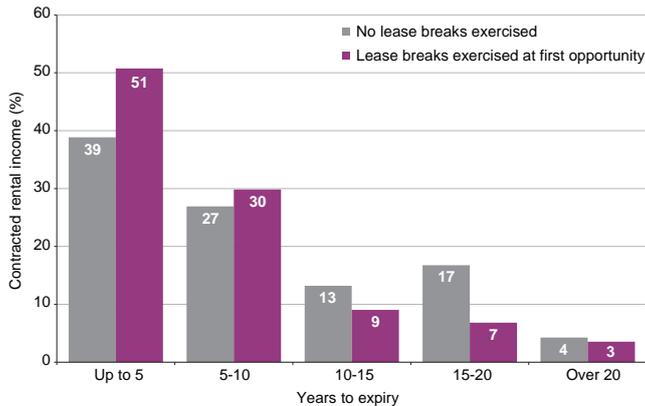
¹ Includes Fitzrovia, Euston and North of Oxford Street ² If owner occupied area (part 25 Savile Row W1) is excluded the average rental income is £44.82 psf

APPENDIX 17 - LEASE EXPIRY PROFILE AND LEASE LENGTH

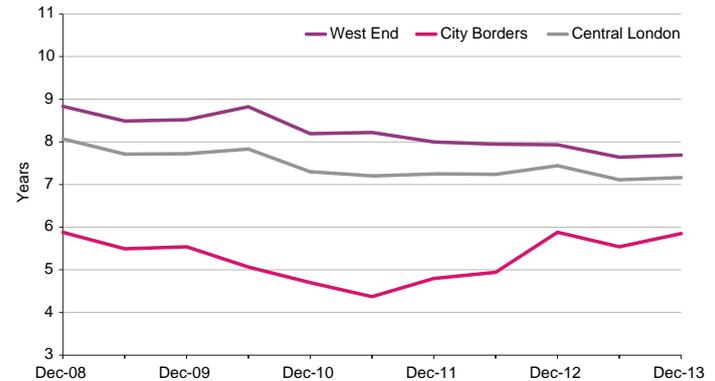
Expiries and breaks as percentage of portfolio income¹

	West End	City Borders	2014	2015	2016	2017	2018	Total
Expiries	5	-	5	6	5	4	10	30
Holding over	1	-	1	-	-	-	-	1
Rolling breaks	4	1	5	1	-	-	1	7
Single breaks	2	1	3	2	4	2	2	13
	12	2	14	9	9	6	13	51

Profile of rental income expiry¹



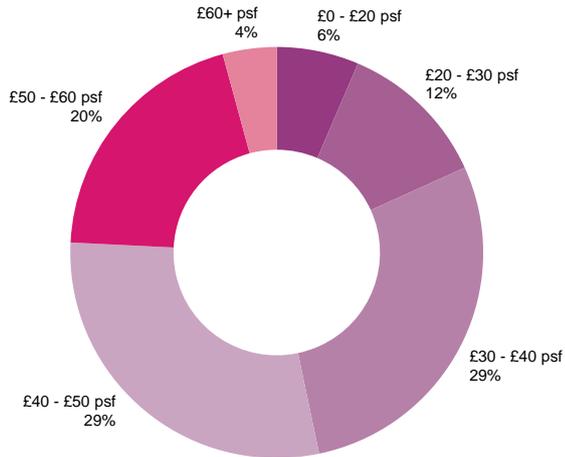
Average unexpired lease length²



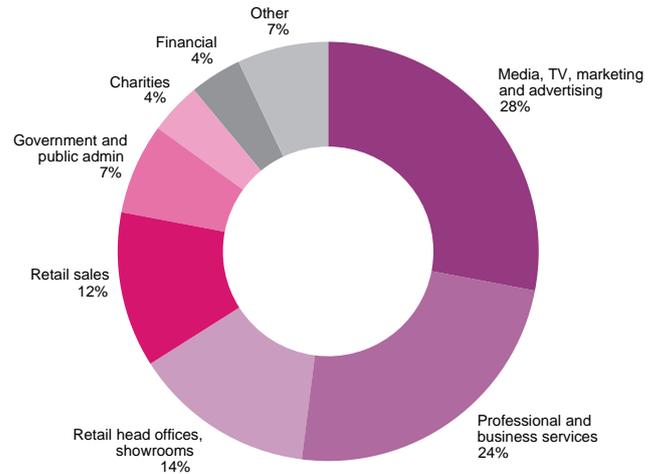
¹ Based upon annualised contracted rental income of £126.0m

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

Central London 'topped-up' office rent banding¹



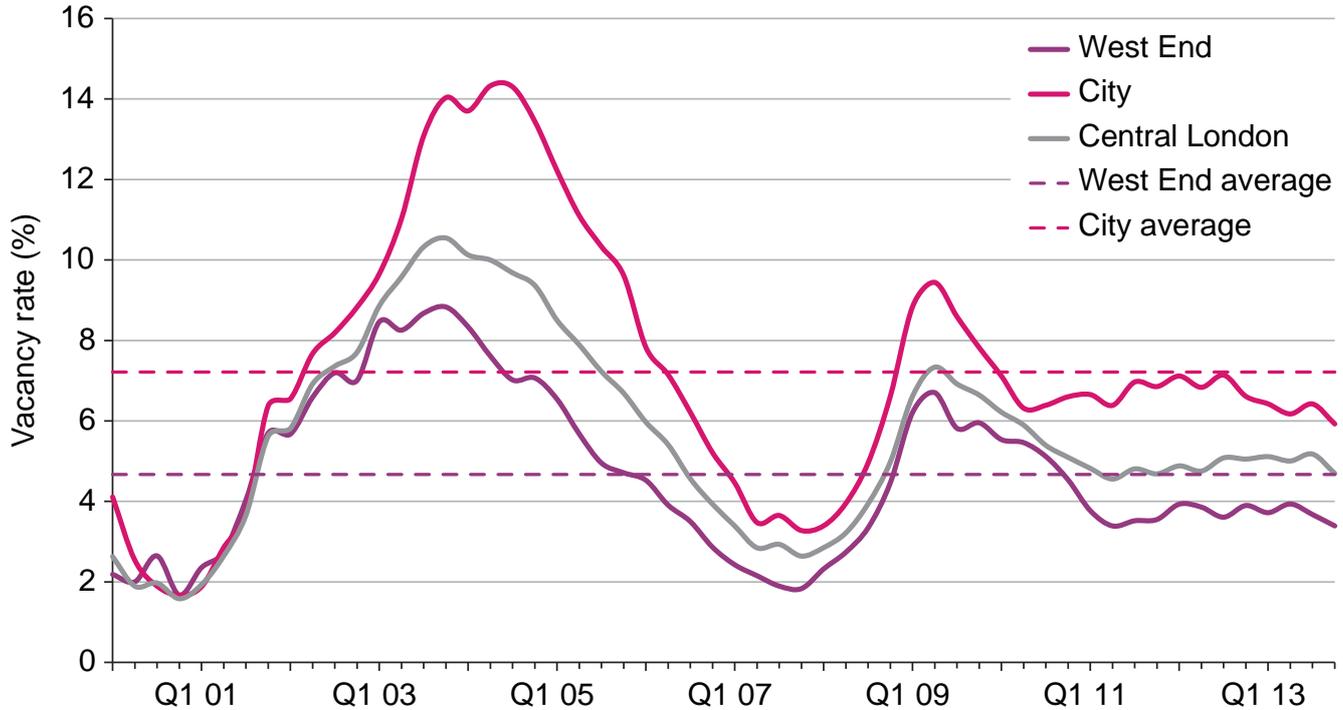
Profile of tenants' business sector²



¹ Expressed as a percentage of annualised rental income after expiry of rent free periods and stepped rents

² Expressed as a percentage of annualised rental income

APPENDIX 19 - CENTRAL LONDON OFFICE VACANCY



Source: CBRE

APPENDIX 20 - CENTRAL LONDON OFFICE RENTAL GROWTH



Source: CBRE

APPENDIX 21 - MAJOR PROJECTS - 2013 COMPLETIONS

- Completed 248,000 sq ft - 100% let - securing rents of £10.9m pa
- **Profit on cost 39%**



1 Page Street SW1

- 127,000 sq ft - £5.3m pa
- Pre-let Burberry



The Buckley Building EC1

- 85,000 sq ft - £4.2m pa
- Multi-let



Morelands Buildings EC1

- 17,800 sq ft - £0.6m pa
- Pre-let AHMM

APPENDIX 22 - PROFIT ON COST OF DEVELOPMENTS



		Q3 2014	Q4 2014	Q4 2014	Q3 2015	Q3 2016
Completion						
Commercial area (sq ft)	461,900	70,500	101,800	2,700	1,900	285,000
Residential area (sq ft)	40,300	-	-	18,700	13,600	8,000
Est. future capex (£m)	176	12	24	9	10	121
Total cost (£m) ¹	337	34	57	25	20	201
ERV (c.£ psf)	-	55.00	65.00	-	-	c.50.00
ERV (c.£m pa)	22.4	3.5	4.8 ²	0.1	0.1	13.9

Summary	£m
End value	451
Total cost	337
Project surplus	114
Booked to Dec 2013	53
Surplus to come	61
Profit on cost	34%

Sensitivity ³ - project surplus (£m) and profit on cost (%)				
		Yield		
		+0.25%	Base	-0.25%
Rent	-£2.50 psf	84	100	118
	Base	25%	30%	35%
		97	114	133
	+£2.50 psf	110	128	147
		33%	38%	44%

¹ Comprising book value at commitment, capex, fees and notional interest ² As a long leasehold interest, ERV is net of the 18% ground rent

³ Sensitivity applies to non pre-let commercial floor area

- 155,600 sq ft office element pre-let to Publicis Groupe for £7.8m¹
- Completion H2 2014



Turnmill EC1 (70,500 sq ft)

- 58,200 sq ft offices pre-let £3.1m pa
- £55 psf
- 12,300 sq ft retail available (ERV £0.4m pa)



40 Chancery Lane WC2 (101,800 sq ft)

- 97,400 sq ft offices pre-let £4.7m¹ pa
- £65 psf typical floor
- 4,400 sq ft retail available (ERV £0.1m pa)

¹ net of £1.0m ground rent

Queens, Bishop's Bridge Road W2



- 16 private flats (18,700 sq ft) for sale
- 2,700 sq ft retail (ERV c.£0.1m pa)
- Completion Q4 2014

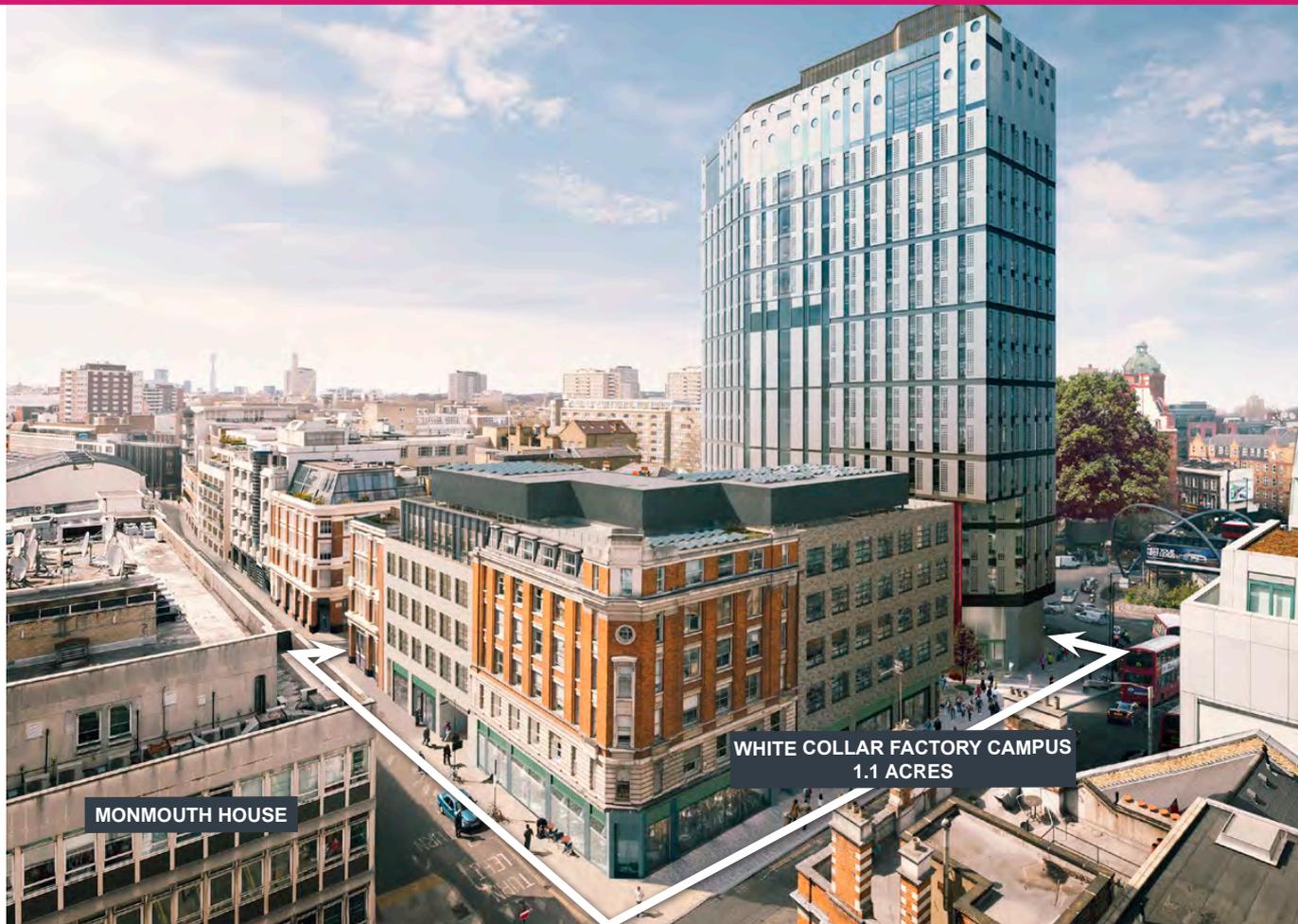
73 Charlotte Street W1



- Nine private flats (11,700 sq ft)
- Two affordable flats (1,900 sq ft)
- 1,900 sq ft offices (ERV c.£0.1m)
- Completion Q2 2015

APPENDIX 25 - WHITE COLLAR FACTORY EC1 - 293,000 sq ft

DERWENT
LONDON



MONMOUTH HOUSE

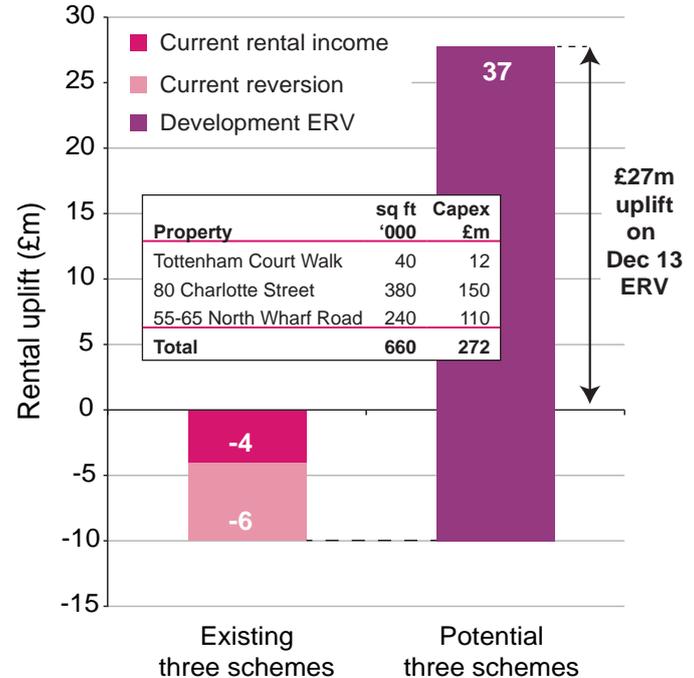
WHITE COLLAR FACTORY CAMPUS
1.1 ACRES

- Three existing buildings of Tottenham Court Walk, 80 Charlotte Street, 55-65 North Wharf Road comprise the majority of the next potential development phases

Proforma ERV	£m
Portfolio ERV	197 ¹
ERV on existing buildings	(10)
Potential ERV on the 3 projects	<u>37²</u>
Proforma	224

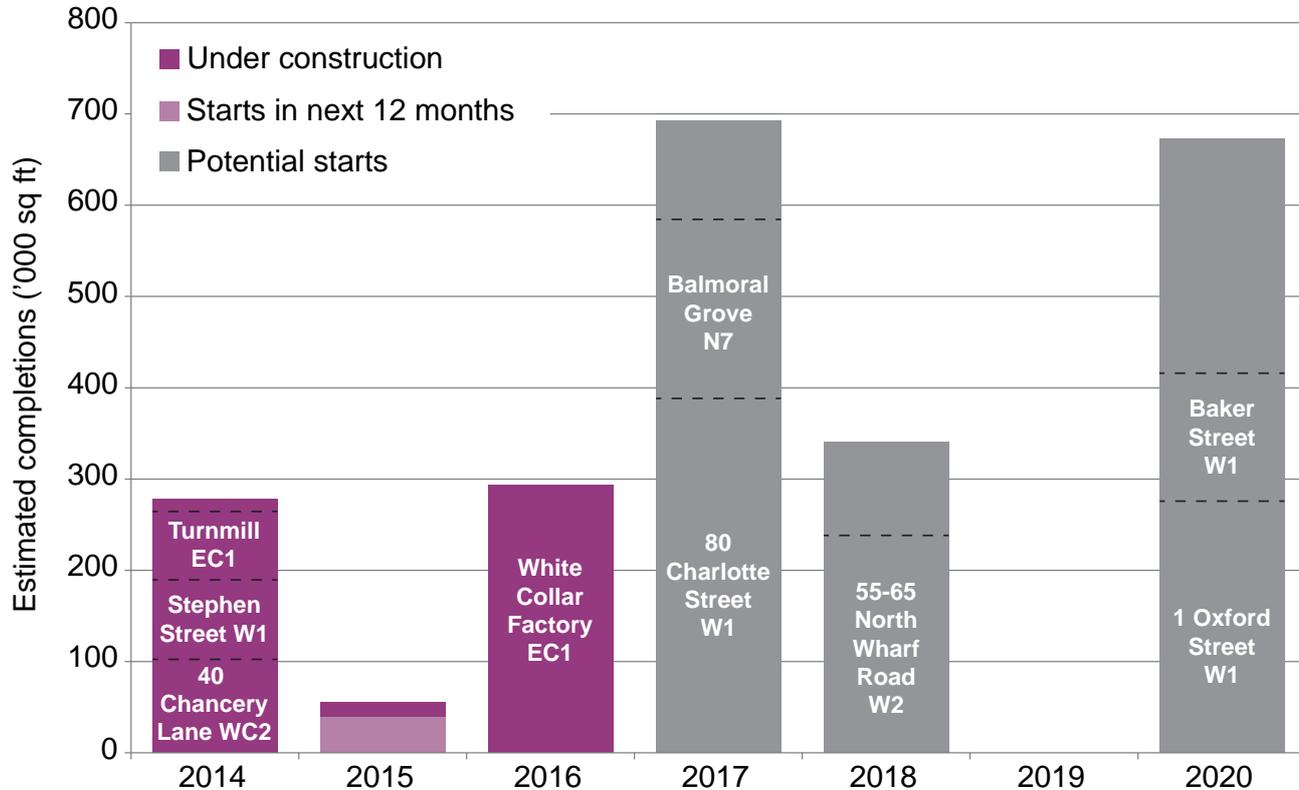
- Estimated capex £457m³ to achieve proforma ERV
- Additional potential 1.3m sq ft delivery by 2020⁴
- Assumptions
 - No change in values from December 2013
 - All expected schemes delivered on time and budget
 - No additions or disposals
 - No other activity
 - No change in strategy

Impact of three developments on ERV

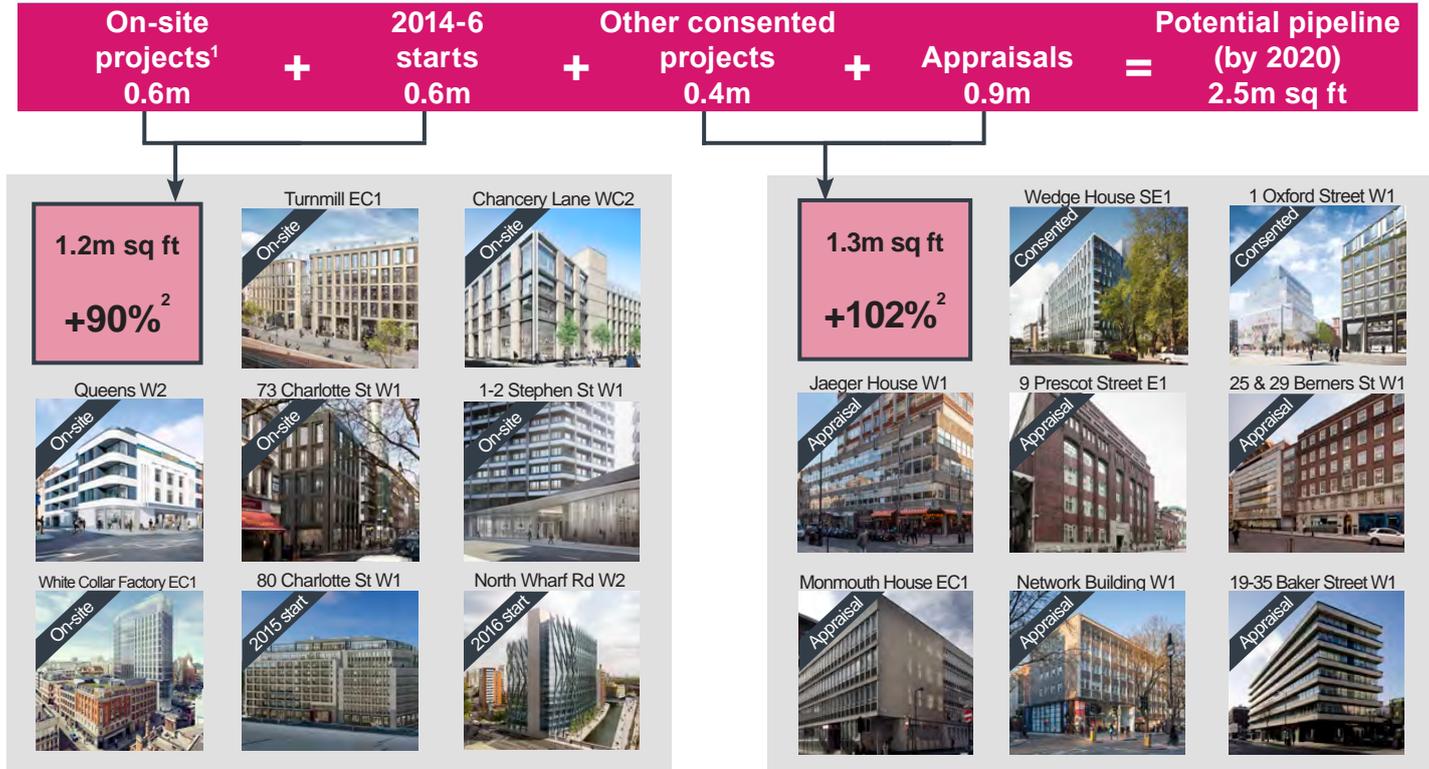


¹ Dec 2013 values, assumes £185m of capex to complete ² Requires £272m capex, see chart ³ Excluding capitalised interest ⁴ See Appendices 27, 28 and 29

APPENDIX 27- POTENTIAL PROJECT DELIVERY 2014-2020



APPENDIX 28 - PROJECT PIPELINE 2014-2020



¹ Includes developments and major phased refurbishments ² Uplift on existing floorspace

• See Appendices 27, 29 and 30 for full list and delivery dates

APPENDIX 29 - PROJECT SUMMARY 2014-16

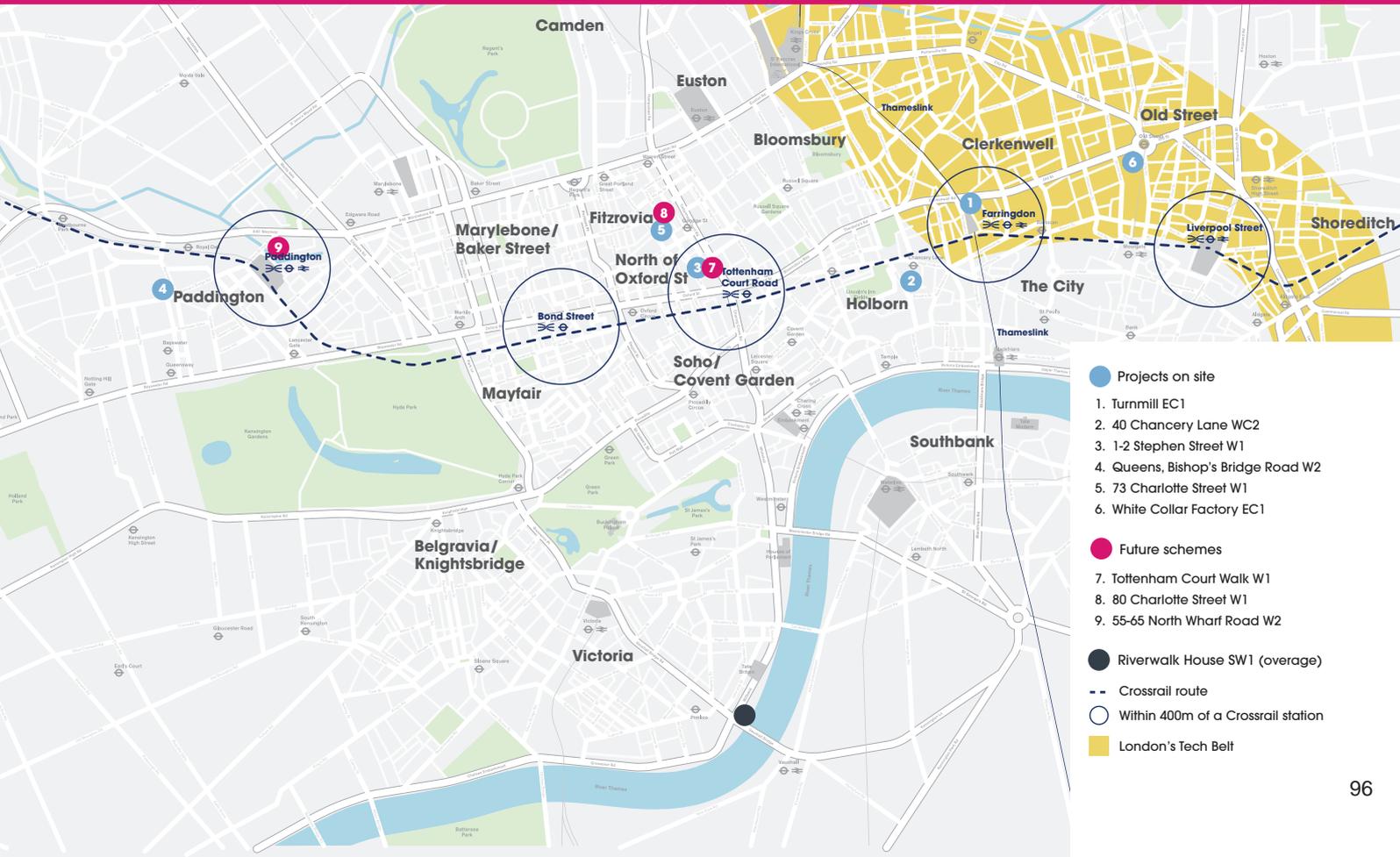
Property	Current net income £m pa	Pre scheme area '000 sq ft	Proposed area '000 sq ft	2014 capex £m	2015 capex £m	2016+ ¹ capex £m	Total capex £m	Delivery date	Current office ERV £psf
On-site projects³									
Turnmill EC1	-	41	70	12	-	-	12	Q3 2014	55.00
40 Chancery Lane WC2	-	61	102	23	1	-	24	Q4 2014	65.00
Queens W2	-	-	21	9	-	-	9	Q4 2014	Residential
73 Charlotte Street W1	-	13	16	5	5	-	10	Q3 2015	Residential
White Collar Factory EC1	-	124	293	21	50	50	121	Q3 2016	c.50.00
1-2 Stephen Street W1	-	82 ²	84	9	-	-	9	Q2 2014	c.62.50
	-	321	586	79	56	50	185		
2014 - Consented									
Tottenham Court Walk W1	0.7	24	40	8	4	-	12	Q2 2015	Retail
	0.7	24	40	8	4	-	12		
2015/2016 - Consented									
80 Charlotte Street W1	1.9	234	380	3	23	124	150	H2 2017	c.65.00
55-65 North Wharf Road W2	1.3	78	240	8	8	94	110	2018	c.57.50
	3.2	312	620	11	31	218	260		
General									
Planning and design				11	5	-	16		
Other				27	35	25	87		
Total				38	40	25	103		
	3.9	657	1,246	136	131	293	560		
Capitalised interest									
				5	7	23	35		
Total including interest	3.9	657	1,246	141	138	316	595		

¹ Excluding projects that commence in 2016 and beyond (as at December 2013) ² Includes redundant storage space - now offices

³ Fixed price contracts

Property	Current net income £m pa	Pre scheme area '000 sq ft	Proposed area '000 sq ft	Earliest possession year	Comment
Consented					
Wedge House SE1	0.2	39	80	2014	Rolling break from 2014. Offices
1 Oxford Street W1	-	-	275	c.2017	Option site. Offices, retail & theatre
	0.2	39	355		
Appraisals					
Jaeger House W1	0.9	25	c.30	2014	Potential sale
Balmoral Grove N7	0.6	67	c.200	2014	Residential potential
9 Prescott Street E1	1.2	103	c.113	2015	
25 & 29 Berners Street W1	1.4	79	c.100	2016	Tenant can break earlier
Monmouth House EC1	1.4	42	c.75	2016	
Network Building W1	2.3	64	c.100	2017	
Mark Square House EC2	1.5	62	c.70	2018	
19-35 Baker Street W1	5.1	146	c.250	2018	
Premier House SW1	1.9	62	c.80	2018	
	16.3	650	1,018		
Adjustments for JVs	(2.3)	(66)	(113)		19-35 Baker Street
	14.0	584	905		
Consent and appraisals	14.2	623	1,260		
Current programme	3.9	657	1,246		Appendix 29
Pipeline	18.1	1,280	2,506		

APPENDIX 31 - CURRENT PROJECT PROGRAMME MAP



- Projects on site
- 1. Turnmill EC1
- 2. 40 Chancery Lane WC2
- 3. 1-2 Stephen Street W1
- 4. Queens, Bishop's Bridge Road W2
- 5. 73 Charlotte Street W1
- 6. White Collar Factory EC1
- Future schemes
- 7. Tottenham Court Walk W1
- 8. 80 Charlotte Street W1
- 9. 55-65 North Wharf Road W2
- Riverwalk House SW1 (overage)
- Crossrail route
- Within 400m of a Crossrail station
- London's Tech Belt

John Burns*	Chief Executive Officer
Damian Wisniewski*	Finance Director
Simon Silver*	Property Director
Nigel George*	Property Director
Paul Williams*	Property Director
David Silverman*	Property Director
Tim Kite*	Company Secretary
Richard Baldwin*	Head of Development
Simon Taylor*	Head of Asset Management
Celine Thompson*	Head of Leasing
Louise Rich	Head of Investor Relations
Asim Rizwani	Group Property Manager
David Westgate	Head of Tax
Gary Preston	Group Financial Controller
Quentin Freeman	Investment Analyst

* Members of Executive Committee

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