

7 June 2019

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Derwent London plc announces the Reference Share Price and initial Conversion Price in respect of its £175 million 1.50% convertible bonds and the final Repurchase Price for the Concurrent Repurchase

On 5 June 2019, Derwent London plc (the “Company”, together with its subsidiaries, the “Group”) announced (i) the placement of £175 million 1.50% Convertible Bonds due 2025 (the “Bonds”) and (ii) a concurrent repurchase (the “Concurrent Repurchase”) of £146.2 million in aggregate principal amount of the outstanding £150 million Convertible Bonds due 2019 (ISIN: XS0954745351) issued by Derwent London Capital No. 2 (Jersey) Limited (the “Outstanding Bonds”) (approximately 97.5% of the outstanding principal amount).

The Company now announces the reference share price and initial conversion price for the Bonds, and the final repurchase price for the Concurrent Repurchase.

Reference Share Price and initial Conversion Price

The reference share price (being the average of the daily volume weighted average price of an ordinary share of the Company for the two consecutive days starting on 6 June 2019) has been set at £32.6998.

Accordingly, the initial conversion price (which reflects a 37.5% premium to the reference share price) will be £44.9622. The initial conversion price will be subject to adjustment in certain circumstances in accordance with the terms and conditions of the Bonds.

The number of ordinary shares underlying the Bonds at the initial conversion price is approximately 3.89 million, as opposed to the approximately 4.77 million ordinary shares previously underlying the Outstanding Bonds.

Final Repurchase Price for the Concurrent Repurchase

On 5 June, the Group announced that it had accepted for purchase, pursuant to the Concurrent Repurchase, Outstanding Bonds of £146.2 million in aggregate principal amount (approximately 97.5% of the outstanding principal amount). In addition to the Concurrent Repurchase, the Group has agreed to make further open market repurchases of the Outstanding Bonds of £1.5 million in aggregate principal amount at the same price as the final repurchase price payable to holders of Outstanding Bonds whose Outstanding Bonds have been accepted for purchase pursuant to the Concurrent Repurchase. As a result, a total of £147.7 million in aggregate principal amount of Outstanding Bonds (approximately 98.5% of the outstanding principal amount) is expected to be repurchased on 13 June 2019.

The final repurchase price payable by the Group per £100,000 in principal amount of Outstanding Bonds will be £105,728.43, calculated as follows:

£102,875 (Initial Repurchase Price) + ((Reference Share Price - Closing Share Price) x 3,181.5318 (exchange ratio) x Reference Delta).

Where:

“Initial Repurchase Price” = Ask closing price of the Outstanding Bonds of 102.125% on 4 June 2019 plus a 0.75% tender premium, i.e. £750 per £100,000 in principal amount of the Outstanding Bonds

“Reference Share Price” = £32.6998, being the arithmetic average of the VWAP of the Ordinary Shares on each of the 2 consecutive dealing days commencing on (and including) 6 June 2019

“Closing Share Price” = Closing price of the Ordinary Shares on the London Stock Exchange on the day prior to launch of the reverse bookbuilding (4 June 2019), i.e. £ 31.32

“Reference Delta” = 65%

Settlement and delivery of the Bonds, and settlement of the Concurrent Repurchase, are expected to take place on 12 June 2019 and 13 June 2019, respectively.

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About Derwent London plc

Derwent London plc owns 86 buildings in a commercial real estate portfolio predominantly in central London valued at £5.2 billion (including joint ventures) as at 31 December 2018, making it the largest London-focused real estate investment trust (REIT).

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

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

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

Landmark schemes in the Company’s 5.4 million sq ft portfolio include White Collar Factory EC1, Angel Building EC1, The Buckley Building EC1, 1-2 Stephen Street W1, Horseferry House SW1 and Tea Building E1.

In 2019 to date, the Group has won the CoStar West End Deal of the Year for Brunel Building. In 2018, the Group won EG Offices Company of the Year, whilst White Collar Factory scooped RIBA National and London awards, RICS National and London awards, two BCO awards for Commercial Workplace and Innovation, an EG Creative Places award and an NLA Wellbeing award. 25 Savile Row also won RIBA National and London awards and SKA Gold for the fit-out. In 2013 the Company launched a voluntary Community Fund and has to date supported 76 community projects in Fitzrovia and the Tech Belt.

The Company is a public limited company, which is listed on the London Stock Exchange and incorporated and domiciled in the UK. The address of its registered office is 25 Savile Row, London, W1S 2ER.

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