

ABOUT US

Derwent London owns and manages a £5.4bn portfolio (30 Jun 2019) of commercial real estate located predominantly in central London. This makes us the largest London focused real estate investment trust.

We typically acquire properties off low capital values and modest rents in improving locations. We capitalise on the unique qualities of each of our properties – taking a fresh approach to the regeneration of every building through asset management and refurbishment.

2019 (to 7 NOVEMBER)

- 486,600 sq ft of lettings YTD totalling £33.5m pa, 7.0% above Dec 2018 ERV:
 - Major pre-let in Q4 at Soho Place W1 to Apollo on 83,100 sq ft
- H2 YTD lettings totalled £15.4m, 6.5% ahead of Dec 2018 ERV and 7.3% ahead of Jun 2019 ERV
- 790,000 sq ft under construction with 70% of commercial space pre-let:
 - 80 Charlotte Street W1: 380,000 sq ft – 92% pre-let, completion H1 2020
 - Soho Place W1: 285,000 sq ft – 76% pre-let, completion H1 2022
 - The Featherstone Building EC1: 125,000 sq ft, completion H1 2022
- Capex on projects of £155.7m in nine months to 30 Sep 2019
- A further 443,000 sq ft of major planning consents at 19-35 Baker Street W1 and Holden House W1
- EPRA vacancy rate 0.6%, down from 1.8% in Dec 2018
- £181.7m of disposals (Group's share) at 6.2% above Dec 2018 book value including Premier House SW1 (£50m), 9 Prescott Street E1 (£27m) and The Buckley Building (£103m)
- LTV ratio at 16.4% and interest cover at 4.6 times
- Undrawn facilities and cash of £560m
- Net debt fell to £937.0m, down £66.5m in three months
- Signed a new five-year £450m revolving credit facility including a £300m 'green' tranche
- The Group joined the Better Buildings Partnership and signed their Climate Change Commitment

H1 2019 SUMMARY

EPRA NAV per share	3,852p: (+2.0%) (3,776p Dec 2018)
EPRA earnings	£57.3m (£57.7m H1 2018)
EPRA EPS	51.34p: -23.3% (66.93p H1 2018)
Underlying EPS	51.34p: -0.8% (51.77p H1 2018)
Interim dividend per share	21.00p: +9.9% (19.10p H1 2018)
Valuation	+1.9% underlying MSCI IPD* +0.1%
True equivalent yield	4.74% (4.73% Dec 2018)

* MSCI IPD Central London Offices Capital Growth Quarterly Index

MANAGEMENT

Paul Williams, Chief Executive

Damian Wisniewski, Chief Financial Officer

Simon Silver, Director

Nigel George, Director

David Silverman, Director

Quentin Freeman, Investor Relations

PRE-LETTING AT OUR ON-SITE PROJECTS

Soho Place W1



- 285,000 sq ft office, retail and theatre scheme:
 - 102,600 sq ft offices pre-let to G-Research in Q2 2019 at £9.7m pa for 15 years (no breaks)
 - 40,000 sq ft theatre pre-let to Nimax in Q2 2019
 - 83,100 sq ft offices pre-let to Apollo in Q4 2019 for 15 years (no breaks)
- Completes H1 2022

80 Charlotte Street W1



- 380,000 sq ft office, retail and residential scheme:
 - 133,600 sq ft pre-let to Arup at £9.7m pa in Q1 2017
 - 123,500 sq ft pre-let to The Boston Consulting Group at £10.6m pa in Q3 2017 plus 40,650 sq ft option taken in Q3 2019 at £3.4m pa
 - 11,000 sq ft pre-let to Elliott Wood at £0.6m pa in Q3 2018
- Completes H1 2020

MAJOR DEVELOPMENTS PIPELINE

Property	Area sq ft	Capex to complete £m ¹	Comment
On-site projects			
80 Charlotte Street W1	380,000	69	321,000 sq ft offices, 45,000 sq ft residential and 14,000 sq ft retail - 85% pre-let / pre-sold overall
Soho Place W1	285,000	262 ³	209,000 sq ft offices, 36,000 sq ft retail and 40,000 sq ft theatre - 76% commercial space pre-let ⁴
The Featherstone Building EC1	125,000	70	110,000 sq ft offices, 13,000 sq ft workspaces and 2,000 sq ft retail
	790,000	401	
Planning consents			
19-35 Baker Street W1	293,000 ²		206,000 sq ft offices, 52,000 sq ft residential and 35,000 sq ft retail
Holden House W1	150,000		Retail flagship or retail/office scheme
	443,000		

¹ As at 30 Jun 2019 ² Total area - Derwent London currently has a 55% share of the joint venture with new option agreed in May 2019 to demerge the JV

³ Includes remaining site acquisition cost and profit share to Crossrail ⁴ In addition the 40,000 sq ft theatre pre-let

H1 2019 STARTS / H1 2022 COMPLETIONS

Soho Place W1



- 285,000 sq ft of offices, retail and theatre above Tottenham Court Road station (includes the Elizabeth line)
- 225,700 sq ft pre-let at above Dec 2018 and Jun 2019 ERV
- Capex to complete £262m¹, including site acquisition
- Total ERV of £22.8m

The Featherstone Building EC1



- 125,000 sq ft scheme adjacent to White Collar Factory
- Replaces two tired properties totalling 69,000 sq ft
- Capex to complete £70m¹
- Office ERV £70 psf
- Total ERV of £8.0m

PLANNING CONSENTS

19-35 Baker Street W1



- 293,000 sq ft mixed-use scheme
- Joint venture with The Portman Estate (DL share 55%)

Holden House W1



- 150,000 sq ft - single Oxford Street flagship store or a retail/office scheme