Derwent London plc
Interim results 2007
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>The London villages</td>
<td>01</td>
</tr>
<tr>
<td>Highlights</td>
<td>02</td>
</tr>
<tr>
<td>Achievements</td>
<td>03</td>
</tr>
<tr>
<td>Financial review</td>
<td>04</td>
</tr>
<tr>
<td>Portfolio statistics</td>
<td>12</td>
</tr>
<tr>
<td>• Valuation performance</td>
<td>13</td>
</tr>
<tr>
<td>• Portfolio summary</td>
<td>15</td>
</tr>
<tr>
<td>Portfolio management</td>
<td>17</td>
</tr>
<tr>
<td>• Lettings and activity</td>
<td>18</td>
</tr>
<tr>
<td>Acquisitions and disposals</td>
<td>20</td>
</tr>
<tr>
<td>• Acquisitions</td>
<td>21</td>
</tr>
<tr>
<td>• Disposals</td>
<td>25</td>
</tr>
<tr>
<td>Projects update</td>
<td>28</td>
</tr>
<tr>
<td>• Project pipeline</td>
<td>29</td>
</tr>
<tr>
<td>• Pre-let developments</td>
<td>32</td>
</tr>
<tr>
<td>• Qube, 90 Whitfield Street, W1</td>
<td>33</td>
</tr>
<tr>
<td>• 16-19 Gresse Street, W1</td>
<td>34</td>
</tr>
<tr>
<td>• 55-65 North Wharf Road, W2</td>
<td>35</td>
</tr>
<tr>
<td>• The Angel Centre, St John Street, EC1</td>
<td>37</td>
</tr>
<tr>
<td>• Projects subject to planning</td>
<td>41</td>
</tr>
<tr>
<td>• Conclusion</td>
<td>42</td>
</tr>
<tr>
<td>Market summary</td>
<td>43</td>
</tr>
<tr>
<td>Conclusion</td>
<td>46</td>
</tr>
<tr>
<td>Appendices</td>
<td>48</td>
</tr>
<tr>
<td>• Capital expenditure</td>
<td>50</td>
</tr>
<tr>
<td>• Portfolio summary</td>
<td>51</td>
</tr>
<tr>
<td>• Portfolio statistics by villages</td>
<td>52</td>
</tr>
<tr>
<td>• Principal lettings - 2007</td>
<td>53</td>
</tr>
<tr>
<td>• Project pipeline map</td>
<td>54</td>
</tr>
<tr>
<td>• Management structure - executive team</td>
<td>55</td>
</tr>
<tr>
<td>Disclaimer</td>
<td>56</td>
</tr>
</tbody>
</table>

Presentation: John Burns, Chris Odom, Simon Silver, Paul Williams, Nigel George
The London villages

- Camden / Islington
- Clerkenwell
- City Borders
- Shoreditch
- Southbank
- City Central
- Belgravia / Knightsbridge
- Victoria
- Mayfair
- Soho
- Covent Garden
- Holborn / Midtown
- Ladbroke Grove
- Paddington
- Baker Street / Marylebone
- Fitzrovia
- Noho
- Southbank
- Westminster

The London villages

- West End Central
- West End Outer
- City Outer
Highlights for the six months to 30th June 2007

- Adjusted net asset value 1,931p per share - 12.5% increase\(^1\).

- Adjusted profit before tax £12.3m.

- Total return for the half year 9.7%.

\(^1\) based upon a proforma NAV at the 31st January 2007 of 1,717p.
Achievements

- Merger of DVH and LMS completed 1st February to create Derwent London.


- Rapid integration of the businesses with all personnel now located at Savile Row.

- Reshaping the combined portfolio - to focus on larger Central London buildings.

- Substantial disposal programme initiated - now well advanced with significant profits on book values.

- Development projects progressing.

- Adding to the pipeline through acquisitions.

*Extremely active first half, exciting prospects ahead.*
Financial review
Interim results 2007

Overview

- Results include five months from LMS.

- Fair value balance sheet (31.1.07) finalised.
  - Revised adjusted net asset value per share is 1,717p.

- Goodwill upon acquisition “impaired”.

- Dividend policy cannot be judged on 2007 results.

- Rationalisation of portfolio post REIT.
Interim results 2007

Group income statement

- Gross property income rose £24.4 million.
  - Ex Derwent £1.5 million.
  - Ex LMS £22.9 million.

- Ex Derwent included:
  - Lettings £3.9 million.
  - Voids £(1.9) million.

- Property outgoings rose £1.9 million.
  - Void costs £0.7 million.
  - Transaction costs £0.5 million.

- Telstar development approximately 90% completed.
  - Derwent profit share to June £18.4 million.

- Administrative expenses up £6.2 million.
  - Employment £3.4 million.
  - Bank charges £0.7 million.
  - Legal & professional £0.6 million.

- Adjusted profit before tax £12.3 million.
Interim results 2007

Group income statement

- Taxation credit of £224 million.
  - Write back of deferred taxation on revaluation surplus and capital allowances £362 million.
  - REIT conversion charges £55 million.
  - Remaining deferred tax on properties outside REIT £30.6 million.
  - Greenwich Reach accounts for £25.7 million, Savile Row £4.6 million.

- Dividend.
  - First half year not a REIT.
  - Interim dividend does not include any PID.

- Miscellaneous/exceptional items.
  - Goodwill.
  - Disposal of investments.
  - Exceptional finance costs.
Interim results 2007

Balance sheet

- Net asset value per share.
  - Adjusted 1,931p.
  - Balance sheet 1,922p.
  - Difference relates mainly to financial fair value adjustments.

- Property, plant and equipment includes Greenwich site.

- Trading property is the residential site in Scotland.

- Minority interests are the Portman Estate, and private investors in the South Coast retail assets.
Interim results 2007
Group cash flow

- Miscellaneous/exceptional items.
  - Exceptional administrative costs - explained in note 17.
  - Exceptional finance costs - explained in note 17.
    - Includes redemption cost of £20 million debenture to re-finance joint venture with Portman.
  - Acquisitions and capital expenditure totalled £67 million.
  - Disposals mainly Winchester Road, NW3.
  - Sale of investment in Brockton Capital.
Interim results 2007

Debt

• Net debt per balance sheet £948 million.
  • Includes: £22.1 million fair value adjustment of secured bond on acquisition.
    : £9.5 million leasehold liabilities.
    : £1.7 million secured bond issue costs.

• Interest bearing debt at half year was £918 million.

• Current (24.8.07) interest bearing debt is £803 million.

• Balance sheet gearing: 30.6.07 49.1%.
  : 24.8.07 43.1%.
  : 31.12.06 44.7%.

• Interest cover (profit and loss gearing).
  • Effectively EBITA/net interest payable.
  • 1.50 (67%) for half year; 1.85 (54%) for 2006.

• Liability risk management as at 24.8.07.

  £m
  • Fixed rate debt 175
  • Swaps 310
  • Cap 10
  495

  • Interest bearing debt either fixed or hedged 62%.

• Spot average weighted cost of debt 6.3%.
## Interim results 2007

### Debt facilities

<table>
<thead>
<tr>
<th>Debt Facilities</th>
<th>Commitment £m</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.5% secured bond</td>
<td>175.0</td>
<td>March 2026</td>
</tr>
<tr>
<td>Floating guaranteed unsecured loan note</td>
<td>32.5</td>
<td>February 2012</td>
</tr>
<tr>
<td>Bank facilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revolving credit</td>
<td>100.0</td>
<td>April 2013</td>
</tr>
<tr>
<td>Term/revolving credit</td>
<td>375.0</td>
<td>March 2013</td>
</tr>
<tr>
<td>Revolving credit</td>
<td>200.0</td>
<td>December 2011</td>
</tr>
<tr>
<td>Revolving credit</td>
<td>125.0</td>
<td>November 2009</td>
</tr>
<tr>
<td>Revolving credit</td>
<td>100.0</td>
<td>November 2008</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>37.0</td>
<td>Various</td>
</tr>
<tr>
<td>Overdraft</td>
<td>10.0</td>
<td>On demand</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,154.5</strong></td>
<td></td>
</tr>
</tbody>
</table>

Unutilised facilities (24.8.07) 351.5

Weighted average life 7.4 years
Portfolio statistics
Valuation performance

Key points

• Investment portfolio valuation

<table>
<thead>
<tr>
<th></th>
<th>Portfolio valuation £m</th>
<th>Valuation surplus £m¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment properties</td>
<td>2,484.4</td>
<td>204.3</td>
</tr>
<tr>
<td>Development properties²</td>
<td>313.4</td>
<td>40.6</td>
</tr>
<tr>
<td>Acquisition</td>
<td>21.3</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Investment portfolio</strong></td>
<td><strong>2,819.1</strong></td>
<td><strong>245.2</strong></td>
</tr>
<tr>
<td>Other properties³</td>
<td>129.3</td>
<td>53.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,948.4</strong></td>
<td><strong>298.4</strong></td>
</tr>
</tbody>
</table>

• Performance from:
  • Rental growth and management activity £175.3m.
  • Yield compression £29.0m.
  • A 14.9% valuation uplift of the development properties.

• Underlying valuation increase 9.6%.
  • West End 10.6%.
  • City 11.1%.
  • Provincial 0.6%.

• First half rental value growth 8.3%.
  • West End 9.4%.
  • City 7.5%.
  • Provincial 2.3%.

¹ Prior to the adjustment for lease incentives of £2.0m.
² Qube, Arup II & III, Horseferry House, Portobello Dock, Gresse Street/Rathbone Place, Leonard Street.
³ Includes Greenwich Reach, trading properties and joint ventures (DL share only).

Key drivers - projects and active management.
## Valuation performance
### By location

<table>
<thead>
<tr>
<th>Location</th>
<th>Portfolio valuation £m</th>
<th>Weighting</th>
<th>Valuation movement H1 2007</th>
<th>Valuation surplus H1 2007 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>West End</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgravia/Knightsbridge</td>
<td>184.7</td>
<td>7</td>
<td>29.0</td>
<td>41.5</td>
</tr>
<tr>
<td>Victoria</td>
<td>261.9</td>
<td>9</td>
<td>15.1</td>
<td>34.4</td>
</tr>
<tr>
<td>Mayfair</td>
<td>66.2</td>
<td>2</td>
<td>12.0</td>
<td>7.1</td>
</tr>
<tr>
<td>Soho/Covent Garden</td>
<td>296.3</td>
<td>11</td>
<td>9.2</td>
<td>24.9</td>
</tr>
<tr>
<td>Noho</td>
<td>193.1</td>
<td>7</td>
<td>8.6</td>
<td>13.9</td>
</tr>
<tr>
<td>Fitzrovia</td>
<td>596.2</td>
<td>21</td>
<td>7.9</td>
<td>43.5</td>
</tr>
<tr>
<td>Baker Street/Marylebone</td>
<td>166.9</td>
<td>6</td>
<td>7.7</td>
<td>11.9</td>
</tr>
<tr>
<td>Paddington</td>
<td>43.5</td>
<td>2</td>
<td>5.2</td>
<td>2.2</td>
</tr>
<tr>
<td>Camden/Islington</td>
<td>123.5</td>
<td>4</td>
<td>4.4</td>
<td>5.2</td>
</tr>
<tr>
<td>Other2</td>
<td>33.0</td>
<td>1</td>
<td>7.5</td>
<td>2.3</td>
</tr>
<tr>
<td><strong>Total West End</strong></td>
<td>1,965.3</td>
<td>70</td>
<td>10.6</td>
<td>186.9</td>
</tr>
<tr>
<td><strong>City</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City core</td>
<td>21.3</td>
<td>1</td>
<td>58.3</td>
<td>7.8</td>
</tr>
<tr>
<td>Greenwich</td>
<td>0.3</td>
<td>-</td>
<td>20.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Holborn/Midtown</td>
<td>137.3</td>
<td>5</td>
<td>13.1</td>
<td>16.0</td>
</tr>
<tr>
<td>Shoreditch</td>
<td>72.1</td>
<td>3</td>
<td>10.7</td>
<td>6.9</td>
</tr>
<tr>
<td>City borders</td>
<td>176.3</td>
<td>6</td>
<td>8.9</td>
<td>14.4</td>
</tr>
<tr>
<td>Clerkenwell</td>
<td>149.4</td>
<td>5</td>
<td>7.8</td>
<td>10.8</td>
</tr>
<tr>
<td>Southbank</td>
<td>11.8</td>
<td>-</td>
<td>5.2</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Total City</strong></td>
<td>568.5</td>
<td>20</td>
<td>11.1</td>
<td>56.6</td>
</tr>
<tr>
<td><strong>Central London</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,533.8</td>
<td>90</td>
<td>10.7</td>
<td>243.5</td>
</tr>
<tr>
<td><strong>Provincial</strong></td>
<td>285.3</td>
<td>10</td>
<td>0.6</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>Investment portfolio</strong></td>
<td>2,819.1</td>
<td>100</td>
<td>9.6</td>
<td>245.2</td>
</tr>
</tbody>
</table>

1. Underlying - properties held throughout the period.  
2. Ladbroke Grove and Swiss Cottage.
Portfolio summary

Yields

Yield profile

<table>
<thead>
<tr>
<th></th>
<th>Initial yield %</th>
<th>Reversionary yield %</th>
<th>Yield spread %</th>
</tr>
</thead>
<tbody>
<tr>
<td>West End</td>
<td>3.8</td>
<td>5.7</td>
<td>1.9</td>
</tr>
<tr>
<td>City</td>
<td>4.8</td>
<td>5.9</td>
<td>1.1</td>
</tr>
<tr>
<td>Central London</td>
<td>4.0</td>
<td>5.7</td>
<td>1.7</td>
</tr>
<tr>
<td>Provincial</td>
<td>5.0</td>
<td>5.9</td>
<td>0.9</td>
</tr>
</tbody>
</table>

- A substantial reversionary yield profile.
- Equivalent yields levelling.
- The drivers of future value:
  - Asset management activity.
  - Development/refurbishment schemes.
  - Rental growth.

True equivalent yields

<table>
<thead>
<tr>
<th></th>
<th>Proforma 2006/7 %</th>
<th>June 2007 %</th>
<th>Movement basis points</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>West End</td>
<td>5.24</td>
<td>5.23</td>
<td>(1)</td>
<td>Undemanding.</td>
</tr>
<tr>
<td>City</td>
<td>5.78</td>
<td>5.49</td>
<td>(29)</td>
<td>Letting activity.</td>
</tr>
<tr>
<td>Central London</td>
<td>5.37</td>
<td>5.30</td>
<td>(7)</td>
<td></td>
</tr>
<tr>
<td>Provincial</td>
<td>6.00</td>
<td>5.75</td>
<td>(25)</td>
<td>Asset management and sale prices.</td>
</tr>
</tbody>
</table>

1 Yield to Derwent London at 30th June 2007 based upon an annualised contracted net rental income of £116.7m pa (includes Horseferry House pre-let rent of £5.3m pa) and an estimated rental value of £166.9m pa. Adjusted for costs to complete commenced projects.

2 Including purchasers’ costs.
## Portfolio summary
### Income profile

<table>
<thead>
<tr>
<th>Income profile</th>
<th>Rental uplift £m</th>
<th>Rental per annum £m</th>
<th>Yield %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracted rental income, net of ground rents</td>
<td></td>
<td>116.7</td>
<td>4.1</td>
</tr>
<tr>
<td>Vacant accommodation available and current schemes</td>
<td>18.6</td>
<td></td>
<td>4.7</td>
</tr>
<tr>
<td>Anticipated rent review and lease renewal reversions</td>
<td>31.6</td>
<td></td>
<td>5.8</td>
</tr>
<tr>
<td>Portfolio reversion</td>
<td></td>
<td>50.2</td>
<td></td>
</tr>
<tr>
<td><strong>Potential portfolio rental value</strong></td>
<td></td>
<td>166.9</td>
<td>5.8</td>
</tr>
</tbody>
</table>

- **Vacant accommodation** £18.6m
  - Qube - 108,000 sq ft £6.2m Completion Q4 2007.
  - Gresse Street - 47,000 sq ft £2.7m Completion Q2 2009.
  - Argosy House - 31,000 sq ft £1.4m Now sold.
  - Portobello Dock - 70,000 sq ft £1.2m Completion Q4 2007.
  - Strathkelvin - 64,000 sq ft £1.1m Planning decision awaited to widen use.
  - 186 City Road - 39,000 sq ft £1.0m 80% now let.
  - 100 George Street - 13,000 sq ft £0.8m To be refurbished.

1 Yield to Derwent London based upon valuation and adjusted for costs to complete commenced projects.
2 Schemes.
3 Available space.
Portfolio management
Lettings and activity

Key points

- £2.6m of lettings in the first half - 134,000 sq ft.

- The Johnson Building; £0.4m pa - 11,100 sq ft.
  - Syzygy - £42 psf rising to £45 psf at first review.
    - Fully let.
    - Initial lettings at £35-£37.50 psf - reversionary.

- St Cross Street; £0.5m pa - 18,900 sq ft.
  - T M Lewin.
  - Giving.com.
  - Hargreaves Associates.

  - £35 psf achieved on the best space.

- A number of asset management opportunities concluded.

- Vacancy rate of available space low at <2%.

Strong tenant demand for the Derwent product.
Lettings and activity

**Holden House, W1**
- Lease surrender on 6,800 sq ft.
- Rent passing £35 psf.
- Re-let: H&M Hennes at £47.50 psf.
- Setting new evidence at this 90,000 sq ft building.

**4 Grosvenor Place, SW1**
- Lease surrender on 3,700 sq ft.
- Refurbishment undertaken.
- Re-let at £67.50 psf.
- Setting a new benchmark rent in this 79,000 sq ft building.

**The Angel Centre, EC1**
- BT lease restructured to obtain possession.
- £4.2m pa rent to continue until lease expiry in March 2010.
- A major refurbishment opportunity.
- Planning process well advanced.

**151 Rosebery Avenue, EC1**
- 24,000 sq ft.
- Surrender agreed with Emap.
- Possession September 2007.
- Rent passing £27 psf.
- To be refurbished.
- Rental value circa £37.50 psf.

*Synergies and opportunities through customer relationships.*
Acquisitions and disposals
Acquisitions

Key points

• A competitive buying environment.

• Remain acquisitive where:
  • Rents are reversionary.
  • Planning/refurbishment potential.

• Acquisitions this year - £119m, excluding costs.
  • Income £5.25m pa.
  • Net initial yield 4.2%.

• First half:
  • Castle House, 75 Wells Street, W1.

• Post half year:
  • Woodbridge House, 30 Aylesbury Street, EC1.
  • 132-142 Hampstead Road, NW1.

Selective acquisitions with clear potential.
Castle House, 75 Wells Street, W1

- £20.0m, excluding costs.
- Virtual freehold.
- 34,600 sq ft of multi-let offices.
- Current income £0.8m pa.
  - Low rent of £23 psf
- A core London village.
- Opportunity to upgrade and refocus the building.
- Substantial potential for rental improvement.

Investing in Noho - acquiring in the West End.
Woodbridge House, 30 Aylesbury Street, EC1

- £46.3m, excluding costs.
- Freehold.
- 75,400 sq ft of offices.
- Tenant - law firm Pinsent Masons.
- Current income £2.45m pa.
  - Low rent of £32 psf.
  - Rent review 2010.
- Lease expiry 2015.
- Potential to win extra floor area - early studies indicate circa +15,000 sq ft.
  - Additional floor.
  - Atrium reconfiguration.

Investing in Clerkenwell - targeting rental growth properties.
132-142 Hampstead Road, NW1

- £52.5m, excluding costs.
- Freehold.
- Warehouse/office buildings of 231,000 sq ft (GIA) plus a petrol station.
- Low capital value - circa £230 psf.
- Three tenants; BHS, NHS, BP.
- Current income £2.0m pa - £8 psf.
- Leases expire 2011 and 2012.

- 1.85 acre site. Existing planning permission for 260,000 sq ft.
- Potential to considerably improve the planning consent.
- Adjacent to Euston station - subject to major redevelopment proposals.
- An opportunity to provide for large space users at economic rents.

**Investing in Camden/Islington - adding to the pipeline.**
Disposals

- Reshaping the portfolio - well advanced with the disposal of:
  - Vacant residential sites.
  - Provincial assets.
  - Non-core smaller properties.

- First half disposals £19.6m.
  - Winchester Road - £18.25m against book value of £10.0m.

- Disposals post half year - £314m completed or contracted.
  - Income £5.5m per annum.
  - Gross disposal yield - 1.7%.
  - £125m\(^1\) above merger proforma valuation of £189m - 66% increase.

- Further disposals anticipated.

\(^1\) Before the deduction of disposal costs.

Disposals are achieving excellent prices.
## Disposals - post half year

### London

<table>
<thead>
<tr>
<th>Property</th>
<th>Floor area sq ft</th>
<th>Rental income £m pa</th>
<th>Disposal price £m</th>
<th>Capital value psf</th>
<th>Uplift on valuation %</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Greenwich Reach, SE10</td>
<td>-</td>
<td>-</td>
<td>111.8</td>
<td>-</td>
<td>111</td>
<td>Residential planning consent granted.</td>
</tr>
<tr>
<td>2. 160 Brompton Road, SW3</td>
<td>25,000</td>
<td>0.8</td>
<td>45.0</td>
<td>1,800</td>
<td>134</td>
<td>Residential development potential.</td>
</tr>
<tr>
<td>3. Argosy House, W1</td>
<td>30,700</td>
<td>-</td>
<td>23.0</td>
<td>750</td>
<td>44</td>
<td>Office refurbishment.</td>
</tr>
<tr>
<td>4. 3-4 South Place, EC2</td>
<td>37,400</td>
<td>-</td>
<td>18.2</td>
<td>490</td>
<td>68</td>
<td>Office site - requires planning.</td>
</tr>
<tr>
<td>5. Broadmead &amp; Westcombe, SW1</td>
<td>16,000</td>
<td>0.3</td>
<td>17.5</td>
<td>1,090</td>
<td>94</td>
<td>Offices with limited potential.</td>
</tr>
<tr>
<td>6. 7-15 Rosebery Avenue, EC1</td>
<td>10,400</td>
<td>0.1</td>
<td>3.8</td>
<td>360</td>
<td>27</td>
<td>Small property.</td>
</tr>
<tr>
<td>7. 37-42 Compton Street, EC1</td>
<td>29,500</td>
<td>0.2</td>
<td>9.3</td>
<td>315</td>
<td>33</td>
<td>Small property.</td>
</tr>
<tr>
<td>8. Other</td>
<td>9,500</td>
<td>0.2</td>
<td>4.0</td>
<td>394</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,6</strong></td>
<td><strong>232.6</strong></td>
<td></td>
<td></td>
<td><strong>93</strong></td>
<td></td>
</tr>
</tbody>
</table>

1. Before the deduction of disposal costs.
2. Calculated on DVH values at 31st December 2006 and LMS values at 31st January 2007.

Taking advantage of the strong investment market.
## Disposals - post half year

### Provincial

<table>
<thead>
<tr>
<th>Property</th>
<th>Floor area (sq ft)</th>
<th>Income rental (£ m pa)</th>
<th>Disposal price (£ m)</th>
<th>Uplift on valuation (%)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Lion &amp; Lamb Yard, Farnham</td>
<td>70,000</td>
<td>1.6</td>
<td>32.3</td>
<td>10</td>
<td>Portman Estate JV - retail.</td>
</tr>
<tr>
<td>2. Dukes Lane &amp; Middle Street, Brighton</td>
<td>64,000</td>
<td>0.9</td>
<td>20.0</td>
<td>53</td>
<td>Lease regauged prior to sale - retail.</td>
</tr>
<tr>
<td>3. Quadrant Arcade &amp; South Street, Romford</td>
<td>61,800</td>
<td>1.0</td>
<td>16.0</td>
<td>(9)</td>
<td>Multi-let retail with vacant units.</td>
</tr>
<tr>
<td>4. 32 High Street, Dorking</td>
<td>27,000</td>
<td>0.3</td>
<td>6.5</td>
<td>44</td>
<td>Sale to tenant Sainsburys.</td>
</tr>
<tr>
<td>5. Other</td>
<td>4,200</td>
<td>0.1</td>
<td>6.8</td>
<td>59</td>
<td>Turnford land and Southampton retail.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.9</td>
<td>81.6</td>
<td>19</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Before the deduction of disposal costs.

Good progress on the disposal of provincial assets.
Projects update
Exciting development projects underway.

Project pipeline
Key points

- Valuation surplus on the development properties - £40.6 million - 14.9% increase.
  - Qube, W1.
  - Portobello Dock, W10.
  - Arup II & III, W1.
  - Gresse Street/Rathbone Place, W1.
  - Horseferry House, SW1.
  - Leonard Street, EC2.

- Current projects to deliver:
  - £100m of future surpluses.
  - Circa £40/£50m of additional value with a £5 psf uplift in ERV.

- North Wharf Road planning application submitted in June 2007.

- 50% of the portfolio identified with development potential.

- New additions to the pipeline through recent acquisitions.
## Project pipeline

### Summary

<table>
<thead>
<tr>
<th>Property</th>
<th>Proposed floor area 000's sq ft</th>
<th>Est capital expenditure to complete £m</th>
<th>Total cost £m</th>
<th>Headline ERV £ per sq ft</th>
<th>Est rental value £m pa</th>
<th>Est yield %</th>
<th>Est end value £m</th>
<th>Est surplus to come £m</th>
<th>Anticipated completion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telstar, W2</td>
<td>107</td>
<td>-</td>
<td>50.00</td>
<td>-</td>
<td>4.50</td>
<td>-</td>
<td>2.0</td>
<td>2007</td>
<td></td>
</tr>
<tr>
<td>Qube, W1</td>
<td>108</td>
<td>8.7</td>
<td>118.6</td>
<td>57.50</td>
<td>6.2</td>
<td>4.50</td>
<td>130</td>
<td>11.4</td>
<td>2007</td>
</tr>
<tr>
<td>Portobello Dock, W10</td>
<td>69</td>
<td>6.2</td>
<td>28.8</td>
<td>30.00</td>
<td>1.2</td>
<td>5.25</td>
<td>35</td>
<td>6.2</td>
<td>2007</td>
</tr>
<tr>
<td>Horseferry House, SW1</td>
<td>163</td>
<td>18.1</td>
<td>101.5</td>
<td>42.50</td>
<td>6.2</td>
<td>4.50</td>
<td>130</td>
<td>28.5</td>
<td>2008</td>
</tr>
<tr>
<td>Arup II &amp; III, W1</td>
<td>142</td>
<td>32.2</td>
<td>131.4</td>
<td>57.50</td>
<td>8.2</td>
<td>4.50</td>
<td>172</td>
<td>40.6</td>
<td>2009</td>
</tr>
<tr>
<td>Gresse Street/Rathbone Place, W1</td>
<td>71</td>
<td>21.4</td>
<td>46.5</td>
<td>60.00</td>
<td>3.0</td>
<td>4.75</td>
<td>58</td>
<td>11.5</td>
<td>2009</td>
</tr>
<tr>
<td><strong>Projects with planning consent</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leonard Street, EC2</td>
<td>56</td>
<td>12.1</td>
<td>21.8</td>
<td>35.00</td>
<td>0.6</td>
<td>5.50</td>
<td>30</td>
<td>8.2</td>
<td>2009</td>
</tr>
<tr>
<td>Wedge House, SE1</td>
<td>88</td>
<td>36.1</td>
<td>59.0</td>
<td>42.50</td>
<td>3.7</td>
<td>5.00</td>
<td>70</td>
<td>11.0</td>
<td>2009</td>
</tr>
</tbody>
</table>

1. Comprising latest book value (which includes realised surplus to date), capex to complete, fees and notional interest until income producing.

2. Derwent London are development managers on behalf of Prudential.
## Project pipeline

### Summary

<table>
<thead>
<tr>
<th>Property</th>
<th>Current rental income per annum £m</th>
<th>Existing floor area 000's sq ft</th>
<th>Proposed floor area 000's sq ft</th>
<th>Anticipated completion</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Projects subject to planning consent</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Angel Centre, EC1 (F)</td>
<td>4.2</td>
<td>162</td>
<td>250</td>
<td>2009</td>
<td>Planning submission imminent.</td>
</tr>
<tr>
<td>The Turnmill, EC1 (F)</td>
<td>0.6</td>
<td>45</td>
<td>65</td>
<td>2009</td>
<td>Planning application submitted.</td>
</tr>
<tr>
<td>City Road Estate, EC1 (F)</td>
<td>1.3</td>
<td>100</td>
<td>200</td>
<td>2010</td>
<td>Review of proposals.</td>
</tr>
<tr>
<td>Chancery Lane, WC2 (L)</td>
<td>1.2</td>
<td>62</td>
<td>105</td>
<td>2010</td>
<td>Planning application submitted.</td>
</tr>
<tr>
<td>North Wharf Road, W2 (L)</td>
<td>1.6</td>
<td>84</td>
<td>315</td>
<td>&gt;2010</td>
<td>Planning application submitted.</td>
</tr>
<tr>
<td>Grosvenor Place, SW1 (L)</td>
<td>5.1</td>
<td>162</td>
<td>300</td>
<td>&gt;2010</td>
<td>Proposed planning application in 2008.</td>
</tr>
<tr>
<td>Charing Cross Road, WC2 (F)</td>
<td>3.6</td>
<td>107</td>
<td>300</td>
<td>&gt;2012</td>
<td>Proposed planning application in 2008.</td>
</tr>
<tr>
<td>Charlotte Street, W1 (F)</td>
<td>3.2</td>
<td>200</td>
<td>300</td>
<td>&gt;2012</td>
<td>Feasibility.</td>
</tr>
<tr>
<td>Tea Building, E1 (F)</td>
<td>1.5</td>
<td>144</td>
<td>300</td>
<td>&gt;2012</td>
<td>Feasibility.</td>
</tr>
<tr>
<td>Riverwalk House, SW1 (F)</td>
<td>2.3</td>
<td>75</td>
<td>200</td>
<td>&gt;2012</td>
<td>Feasibility.</td>
</tr>
<tr>
<td>Balmoral Grove, N1 (F)</td>
<td>0.4</td>
<td>50</td>
<td>190</td>
<td>&gt;2012</td>
<td>Feasibility.</td>
</tr>
<tr>
<td></td>
<td>25.0</td>
<td>1,191</td>
<td>2,525</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

( ) Tenure. - F - freehold, L - leasehold.
Pre-let developments

**Arup Phase II & III, W1**
- 2007 H1 valuation uplift 11.4%.
- 142,000 sq ft new development.
- External envelope progressing.
- Completion in two phases 2007 and 2009.
- Pre-let to Arup - 25 years.
- Income £2.7m pa rising to £6.0m pa - £42 psf.
- Income reversionary - review 2011.

**Horseferry House, SW1**
- 2007 H1 valuation uplift 24.0%.
- 163,000 sq ft refurbishment.
- An exciting central atrium design solution.
- Completion spring 2008.
- Pre-let to Burberry - 25 years with break at year 15.
- Rent £5.3m pa - £38 psf on best space.

**Telstar, W2**
- 107,000 sq ft development.
- Completion Autumn 2007.
- Pre-let to Rio Tinto.
- Rent £4.95m pa - £50 psf.
- Development on behalf of Prudential.
- Final profit share to be calculated.
Qube, 90 Whitfield Street, W1

Current projects

- 2007 H1 valuation uplift 15.2%.
- Completion October 2007.
- 100,000 sq ft offices/8,000 sq ft retail.
- Delivering a quality building to a tight West End market.
- Marketing at £62.50 psf.

Investing in Fitzrovia - transforming the area.
16-19 Gresse Street, W1
Current projects

- 2007 H1 valuation uplift 3.9%.
- 47,000 sq ft new office development.
- 11 residential units in Rathbone Place - planning gain.
- Completion early 2009.
- Office rental value +£60 psf.

*Investing in Noho - creating a location.*
55-65 North Wharf Road, W2
Planning update

- A striking innovative design offering:
  - 240,000 sq ft offices.
  - 100 apartments.
- Incorporating the latest environmentally friendly technology.
- Opens up public access to the adjacent Canal.
- Lease break clauses allow vacant possession from 2008.
- Long leasehold interest.
- Interim income £1.6m pa.

Investing in Paddington - a prime development.
55-65 North Wharf Road, W2
Planning update

Investing in Paddington - with striking design.
The Angel Centre, St John Street, EC1

Planning update

- 162,000 sq ft existing.
- Vacant possession obtained.
- BT continued rental obligation - £4.2m pa until expiry in Q1 2010.
- Architects AHMM appointed.
  - Horseferry House.
  - The Johnson Building.
- Feasibility studies in final stages.

Investing in Islington - evaluating opportunities.
Investing in Islington - creating innovative spaces.

The Angel Centre, St John Street, EC1
Planning update

- Top floor extension.
- Making an entrance.
- Potential infill with a feature atrium.
- Extend elevations.
- Remodelling the facade.
- Ground floor extensions.

Projects update

DERWENT LONDON

38
The Angel Centre, St John Street, EC1
Proposal

- Base scheme now 250,000 sq ft.
- Floor area increase over 50%.
- Planning application imminent.
- Delivery 2009.
The Angel Centre, St John Street, EC1

Financials

<table>
<thead>
<tr>
<th></th>
<th>Rental value £m pa</th>
<th>Estimated value £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices @ £42 psf</td>
<td>9.8</td>
<td>10.2</td>
</tr>
<tr>
<td>Retail/restaurant</td>
<td>0.4</td>
<td>10.2</td>
</tr>
<tr>
<td>Yield @ 5.0%</td>
<td>20.0</td>
<td></td>
</tr>
<tr>
<td>End value (net)</td>
<td>193.0</td>
<td></td>
</tr>
<tr>
<td>Less costs¹</td>
<td>154.5</td>
<td></td>
</tr>
<tr>
<td><strong>Potential surplus</strong></td>
<td></td>
<td><strong>38.5</strong></td>
</tr>
</tbody>
</table>

Profit on cost sensitivity matrix (£m/%)  

<table>
<thead>
<tr>
<th>Rental value psf</th>
<th>£37.00</th>
<th>£42.00</th>
<th>£47.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.75</td>
<td>27.1</td>
<td>48.7</td>
<td>70.3</td>
</tr>
<tr>
<td>16.3%</td>
<td>29.2%</td>
<td>42.1%</td>
<td></td>
</tr>
<tr>
<td>5.00</td>
<td>18.0</td>
<td>38.5</td>
<td>59.0</td>
</tr>
<tr>
<td>10.8%</td>
<td>23.1%</td>
<td>35.3%</td>
<td></td>
</tr>
<tr>
<td>5.25</td>
<td>9.8</td>
<td>29.3</td>
<td>48.8</td>
</tr>
<tr>
<td>5.9%</td>
<td>17.6%</td>
<td>29.2%</td>
<td></td>
</tr>
</tbody>
</table>

- Profit on cost 23%.
- Breakeven rent £31 per sq ft.
- For every additional 10,000 sq ft increase in NIA, the potential surplus will increase by £4m.

¹ Includes book value (£52.1m), capex, fees and notional interest.

Projects update

A future development surplus.
Projects subject to planning
Planning update

City Road Estate, EC1
• Existing buildings 100,000 sq ft.
• Multi-let £1.3m pa (£13 psf) - rolling lease breaks.
• Planning recently refused.
• 235 apartments, 100,000 sq ft commercial.
• Evaluating alternative solutions.

1-5 Grosvenor Place, SW1
• A landmark West End location.
• Existing buildings - 162,000 sq ft.
• In partnership with Grosvenor.
• Massing studies progressing.
• Potential for a mixed use development of 300,000 sq ft.

40-42 Chancery Lane, WC2
• Planning decision awaited.
• 105,000 sq ft offices.
• In conjunction with our freeholder.
• Earliest potential start 2008.

80 Charlotte Street, W1
• Existing floor area 200,000 sq ft.
• Let to Saatchi & Saatchi - £20 psf.
• Lease expiry 2013.
• Architects appointed.
• Potential for a mixed use development of 300,000 sq ft.

Feasibility studies and planning progressing.
Projects update

Conclusion

- Current developments progressing well and delivering attractive valuation returns.

- Feasibility stage on 2.5m sq ft of projects.

- Total project pipeline 3.3m sq ft.
  - End development value circa £2.8bn.

- Additions to the pipeline through the acquisitions of:
  - Woodbridge House, EC1 - refurbishment.
  - 132-142 Hampstead Road, NW1 - redevelopment.

A substantial pipeline offering considerable potential.
Market summary
Occupational market outlook

West End
- Vacancy rate 2.5% (Dec 2006 3.5%).
- First half takeup encouraging at 2.4m sq ft.
- Full year 2006 takeup 4.2m sq ft.
- Rental growth positive in all sub-markets.
  - Driven by scarcity of high quality product.
- Good value space should be particularly in demand as there is an absence of supply - our market.

City
- Vacancy rate 3.8% (December 2006 5.5%).
- Vacancy rate at lowest level for 5 years.
- First half takeup 2.5m sq ft (full year 2006 6.1m sq ft).
- Rents continue to rise reaching £60 psf.
- Delivery of space set to increase 2008/2009.
Investment summary

- First half turnover at £9.5bn (full year 2006 total £15.7bn).
- Overseas investors account for over two thirds of total acquisitions.
- Central London investments - the favoured asset class as rental growth comes through.
- Yields levelling - but low vacancy rates and tight supply give Central London a positive outlook.
- Rising borrowing costs have deterred highly leveraged buyers - have rates peaked?
Conclusion
Conclusion

- A fully integrated business - achieved in six months.
- Disposal strategy on target and prices are exceeding expectations.
- Extensive development pipeline.
- A portfolio with low average rents - £25 psf in the West End, plenty of growth to come.
- Ongoing acquisition policy - preference for buildings £50/£100 million.
- Strongly positioned for growth - not dependent on yield shift.
- Confident about the group’s prospects.
Appendices
Appendices

2. Portfolio summary.
3. Portfolio statistics by villages.
5. Project pipeline map.
## Appendix 1
### Capital expenditure

<table>
<thead>
<tr>
<th>Summary by property</th>
<th>2006 actual</th>
<th>2007 budget</th>
<th>2008 budget</th>
<th>2009 &amp; beyond¹ budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Horseferry House</td>
<td>3.9 £m</td>
<td>18.3 £m</td>
<td>4.4 £m</td>
<td>-</td>
</tr>
<tr>
<td>Arup II &amp; III²</td>
<td>6.1 £m</td>
<td>22.3 £m</td>
<td>6.1 £m</td>
<td>11.2 £m</td>
</tr>
<tr>
<td>Qube²</td>
<td>14.6 £m</td>
<td>16.1 £m</td>
<td>0.8 £m</td>
<td>-</td>
</tr>
<tr>
<td>Portobello Dock/Kensal House</td>
<td>1.3 £m</td>
<td>9.1 £m</td>
<td>0.9 £m</td>
<td>-</td>
</tr>
<tr>
<td>Gresse Street &amp; Rathbone Place</td>
<td>0.9 £m</td>
<td>4.4 £m</td>
<td>13.5 £m</td>
<td>4.1 £m</td>
</tr>
<tr>
<td>Leonard Street</td>
<td>0.8 £m</td>
<td>4.5 £m</td>
<td>8.4 £m</td>
<td>-</td>
</tr>
<tr>
<td>Wedge House</td>
<td>0.1 £m</td>
<td>0.4 £m</td>
<td>6.4 £m</td>
<td>29.6 £m</td>
</tr>
<tr>
<td>Chancery Lane</td>
<td>0.1 £m</td>
<td>0.3 £m</td>
<td>0.7 £m</td>
<td>39.7 £m</td>
</tr>
<tr>
<td>The Angel Centre</td>
<td>-</td>
<td>1.3 £m</td>
<td>49.3 £m</td>
<td>28.9 £m</td>
</tr>
<tr>
<td>The Turnmill</td>
<td>0.2 £m</td>
<td>0.3 £m</td>
<td>11.1 £m</td>
<td>7.5 £m</td>
</tr>
<tr>
<td>City Road Estate²</td>
<td>1.0 £m</td>
<td>4.6 £m</td>
<td>16.9 £m</td>
<td>76.3 £m</td>
</tr>
<tr>
<td>North Wharf Road</td>
<td>0.6 £m</td>
<td>0.7 £m</td>
<td>16.7 £m</td>
<td>144.3 £m</td>
</tr>
<tr>
<td>Grosvenor Place</td>
<td>0.0 £m</td>
<td>1.3 £m</td>
<td>6.3 £m</td>
<td>77.6 £m</td>
</tr>
<tr>
<td>The Johnson Building</td>
<td>7.2 £m</td>
<td>1.0 £m</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other²</td>
<td>10.9 £m</td>
<td>6.4 £m</td>
<td>11.5 £m</td>
<td>11.6 £m</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>47.7 £m</strong></td>
<td><strong>91.0 £m</strong></td>
<td><strong>153.0 £m</strong></td>
<td><strong>430.8 £m</strong></td>
</tr>
</tbody>
</table>

¹ Does not include schemes commencing in 2009.
² 2006 figures include the 10 month period to 31st January 2007. Other contains £7.3m of LMS capex for the same period.
## Appendix 2
### Portfolio summary

<table>
<thead>
<tr>
<th></th>
<th>Valuation £m</th>
<th>Net contracted rental income per annum £m</th>
<th>Average rental income £ per sq ft</th>
<th>Vacant accommodation rental value per annum £m</th>
<th>Rent review and lease reversions per annum £m</th>
<th>Estimated rental value per annum £m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>West End</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central</td>
<td>1,808.8</td>
<td>67.2</td>
<td>26.44</td>
<td>13.0</td>
<td>24.2</td>
<td>104.4</td>
</tr>
<tr>
<td>Outer</td>
<td>156.5</td>
<td>8.0</td>
<td>17.44</td>
<td>1.8</td>
<td>2.3</td>
<td>12.1</td>
</tr>
<tr>
<td><strong>City</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central</td>
<td>21.3</td>
<td>0.2</td>
<td>16.02</td>
<td>-</td>
<td>-</td>
<td>0.2</td>
</tr>
<tr>
<td>Outer</td>
<td>547.2</td>
<td>26.9</td>
<td>21.74</td>
<td>2.1</td>
<td>4.4</td>
<td>33.4</td>
</tr>
<tr>
<td><strong>Central London</strong></td>
<td>2,533.8</td>
<td>102.3</td>
<td>24.08</td>
<td>16.9</td>
<td>30.9</td>
<td>150.1</td>
</tr>
<tr>
<td><strong>Provincial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scotland</td>
<td>121.9</td>
<td>5.1</td>
<td>15.91</td>
<td>1.1</td>
<td>0.2</td>
<td>6.4</td>
</tr>
<tr>
<td>Other</td>
<td>163.4</td>
<td>9.3</td>
<td>16.69</td>
<td>0.6</td>
<td>0.5</td>
<td>10.4</td>
</tr>
<tr>
<td><strong>Investment portfolio</strong></td>
<td>2,819.1</td>
<td>116.7</td>
<td>22.77</td>
<td>18.6</td>
<td>31.6</td>
<td>166.9</td>
</tr>
<tr>
<td>Assets under construction</td>
<td>109.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Trading</td>
<td>9.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Joint ventures and other</td>
<td>10.9</td>
<td>0.4</td>
<td>19.03</td>
<td>-</td>
<td>-</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,948.4</td>
<td>117.1</td>
<td>22.74</td>
<td>18.6</td>
<td>31.6</td>
<td>167.3</td>
</tr>
</tbody>
</table>

**West End**
Central: Belgravia, Mayfair, Soho, Covent Garden, Victoria, Fitzrovia, Noho, Paddington, Baker Street, Marylebone.
Outer: Camden, Islington, Ladbroke Grove, Swiss Cottage.

**City**
Central: Core.
Outer: Clerkenwell, Holborn, Shoreditch, Southbank and borders.

¹ Greenwich Reach.
## Appendix 3
### Portfolio statistics by villages

<table>
<thead>
<tr>
<th>Villages</th>
<th>Weighting</th>
<th>Vacant area sq ft 000’s</th>
<th>Vacant floor area 000’s</th>
<th>Net contracted rental income £m pa</th>
<th>Average rental income £/psf</th>
<th>Vacant accommodation rental value £m pa</th>
<th>Rent review/lease renewal reversion £m pa</th>
<th>Estimated rental value £m pa</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>West End: Central</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fitzrovia</td>
<td>21</td>
<td>1,042</td>
<td>128</td>
<td>19.1</td>
<td>20.92</td>
<td>7.0</td>
<td>9.3</td>
<td>35.4</td>
</tr>
<tr>
<td>Soho/Covent Garden</td>
<td>11</td>
<td>439</td>
<td>5</td>
<td>11.2</td>
<td>26.38</td>
<td>0.2</td>
<td>2.8</td>
<td>14.2</td>
</tr>
<tr>
<td>Victoria</td>
<td>9</td>
<td>455</td>
<td>-</td>
<td>13.3</td>
<td>29.31</td>
<td>-</td>
<td>3.2</td>
<td>16.5</td>
</tr>
<tr>
<td>Noho</td>
<td>7</td>
<td>295</td>
<td>94</td>
<td>7.3</td>
<td>36.55</td>
<td>4.3</td>
<td>0.8</td>
<td>12.4</td>
</tr>
<tr>
<td>Belgravia/Knightsbridge</td>
<td>7</td>
<td>207</td>
<td>1</td>
<td>6.0</td>
<td>29.75</td>
<td>0.1</td>
<td>4.1</td>
<td>10.2</td>
</tr>
<tr>
<td>Marylebone/Baker Street</td>
<td>6</td>
<td>253</td>
<td>16</td>
<td>6.7</td>
<td>28.46</td>
<td>1.1</td>
<td>2.4</td>
<td>10.2</td>
</tr>
<tr>
<td>Mayfair</td>
<td>2</td>
<td>42</td>
<td>-</td>
<td>1.5</td>
<td>36.74</td>
<td>-</td>
<td>1.6</td>
<td>3.1</td>
</tr>
<tr>
<td>Paddington</td>
<td>2</td>
<td>92</td>
<td>14</td>
<td>2.1</td>
<td>28.44</td>
<td>0.3</td>
<td>-</td>
<td>2.4</td>
</tr>
<tr>
<td><strong>West End: Outer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Islington/Camden</td>
<td>4</td>
<td>455</td>
<td>32</td>
<td>7.2</td>
<td>17.07</td>
<td>0.4</td>
<td>2.2</td>
<td>9.8</td>
</tr>
<tr>
<td>Other1</td>
<td>1</td>
<td>109</td>
<td>71</td>
<td>0.8</td>
<td>21.64</td>
<td>1.4</td>
<td>0.1</td>
<td>2.3</td>
</tr>
<tr>
<td><strong>West End</strong></td>
<td>70</td>
<td>3,389</td>
<td>361</td>
<td>75.2</td>
<td>25.07</td>
<td>14.8</td>
<td>26.5</td>
<td>116.5</td>
</tr>
<tr>
<td><strong>City: Central</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City Core</td>
<td>1</td>
<td>47</td>
<td>37</td>
<td>0.2</td>
<td>16.02</td>
<td>-</td>
<td>-</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>City: Outer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City borders</td>
<td>6</td>
<td>389</td>
<td>55</td>
<td>7.8</td>
<td>23.31</td>
<td>1.3</td>
<td>0.4</td>
<td>9.5</td>
</tr>
<tr>
<td>Clerkenwell</td>
<td>5</td>
<td>394</td>
<td>35</td>
<td>7.6</td>
<td>21.56</td>
<td>0.6</td>
<td>1.9</td>
<td>10.1</td>
</tr>
<tr>
<td>Holborn</td>
<td>5</td>
<td>266</td>
<td>6</td>
<td>7.5</td>
<td>29.00</td>
<td>0.1</td>
<td>0.7</td>
<td>8.3</td>
</tr>
<tr>
<td>Shoreditch</td>
<td>3</td>
<td>261</td>
<td>6</td>
<td>3.4</td>
<td>13.25</td>
<td>0.1</td>
<td>1.2</td>
<td>4.7</td>
</tr>
<tr>
<td>Southbank</td>
<td>-</td>
<td>39</td>
<td>-</td>
<td>0.6</td>
<td>16.82</td>
<td>-</td>
<td>-</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>City</strong></td>
<td>20</td>
<td>1,396</td>
<td>139</td>
<td>27.1</td>
<td>21.69</td>
<td>2.1</td>
<td>4.4</td>
<td>33.6</td>
</tr>
<tr>
<td><strong>Central London</strong></td>
<td>90</td>
<td>4,785</td>
<td>500</td>
<td>102.3</td>
<td>24.08</td>
<td>16.9</td>
<td>30.9</td>
<td>150.1</td>
</tr>
<tr>
<td><strong>Provincial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scotland</td>
<td>4</td>
<td>389</td>
<td>66</td>
<td>5.1</td>
<td>15.91</td>
<td>1.1</td>
<td>0.2</td>
<td>6.4</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>620</td>
<td>59</td>
<td>9.3</td>
<td>16.69</td>
<td>0.6</td>
<td>0.5</td>
<td>10.4</td>
</tr>
<tr>
<td><strong>Investment portfolio</strong></td>
<td>100</td>
<td>5,794</td>
<td>625</td>
<td>116.7</td>
<td>22.77</td>
<td>18.6</td>
<td>31.6</td>
<td>166.9</td>
</tr>
</tbody>
</table>

1. Ladbroke Grove and Swiss Cottage.
Appendix 4
Principal lettings 2007

The Johnson Building, EC1
• Lettings of last floor - Syzygy Ltd.
• 11,100 sq ft.
• £0.4m pa.
• £42.50 psf rising to £45 psf.

4 Grosvenor Place, SW1
• New rental level achieved.
• 3,700 sq ft.
• £0.3m pa.
• £67.50 psf.

6-7 St Cross Street, EC1
• 3 refurbished floors let.
• 18,900 sq ft.
• £0.5m pa.
• £35 psf.

Tea Building, E1
• Various suites let.
• 10,280 sq ft.
• £0.2m pa.
• £17-£18.50 psf.

Holden House, W1
• Re-let: H&M Hennes.
• 6,800 sq ft.
• £0.3m pa.
• £47.50 psf.

The Hippodrome, Brighton
• Leisure letting.
• 41,400 sq ft.
• £0.2m pa.
• £5 psf.
Appendix 5
Project pipeline map

Current projects
1. Telstar, W2 - 107,000 sq ft
2. Horseferry House, SW1 - 163,000 sq ft
3. Arup II & III, W1 - 142,000 sq ft
4. Qube, W1 - 108,000 sq ft
5. Portobello Dock, W10 - 69,000 sq ft
6. Gresse Street, W1 - 47,000 sq ft

Projects with planning consent
7. Leonard Street, EC2 - 56,000 sq ft
8. Wedge House, SE1 - 88,000 sq ft

Projects subject to planning consent
9. Chancery Lane, WC2 - 105,000 sq ft
10. Angel Centre, EC1 - 250,000 sq ft
11. The Turnmill, EC1 - 65,000 sq ft
12. City Road Estate, EC1 - 200,000 sq ft
13. North Wharf Road, W2 - 315,000 sq ft
14. Grosvenor Place, SW1 - 300,000 sq ft
15. Charlotte Street, W1 - 300,000 sq ft
16. Charing Cross Road, WC2 - 300,000 sq ft
17. Tea Building, E1 - 300,000 sq ft
18. Riverwalk House, SW1 - 200,000 sq ft
19. Balmoral Grove, N1 - 190,000 sq ft

1Indicative proposed areas.
Appendix 6
Management structure - executive team

- John Burns    Chief Executive
- Simon Silver  Head of Development
- Chris Odom    Finance Director
- Nigel George  Director
- Paul Williams  Director
- David Silverman Associate Director
- Tim Kite      Company Secretary
- Nick Groves   Senior Investment Manager
- Russell Durling Group Surveyor
- Gary Preston  Financial Controller
Disclaimer

This presentation includes statements that are forward-looking in nature. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Derwent London plc to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Any information contained in this presentation on the price at which shares or other securities in Derwent London plc have been bought or sold in the past, or in the yield on such shares or other securities, should not be relied upon as a guide to future performance.