

23 December 2019

**Derwent London plc** (“Derwent London” / “the Group”)  
**DISPOSAL OF 40 CHANCERY LANE WC2**

Derwent London is pleased to announce it has exchanged contracts to sell its long leasehold interest in 40 Chancery Lane WC2 to Deka Immobilien for a headline price of £121.3m. The 103,700 sq ft office and retail building is let to Publicis Groupe until July 2035, with a tenant break in July 2033, at a net income of £5.5m per annum. The sale price represents a net yield to the purchaser of 4.25%. The disposal price net of rental top-ups and costs is 3.8% above June 2019 book value.



40 Chancery Lane, designed by Bennetts Associates, provides eight floors of high quality offices, a retail unit of 4,400 sq ft and a new public courtyard that brings additional daylight into the office floors. The development was completed in 2015.

**Paul Williams, Chief Executive at Derwent London, said:**

*"The disposal of 40 Chancery Lane typifies Derwent London's strategy of recycling mature assets. The proceeds will be reinvested into our substantial development programme as well as providing more headroom for new acquisitions and future pipeline projects."*

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**Notes to editors**

**Derwent London plc**

Derwent London plc owns 84 buildings in a commercial real estate portfolio predominantly in central London valued at £5.4 billion (including joint ventures) as at 30 June 2019, making it the largest London-focused real estate investment trust (REIT).

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

We typically acquire 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. We capitalise on the unique qualities of each of our 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 our long-term success, the business has a strong balance sheet with modest leverage, a robust income stream and flexible financing.

As part of our commitment to lead the industry in mitigating climate change, in October 2019, Derwent London became the first UK REIT to sign a Green Revolving Credit Facility. At the same time, we also launched our Green Finance Framework and signed the Better Buildings Partnership's climate change commitment. The Group is a member of the 'RE100' which recognises Derwent London as an influential company, committed to 100% renewable power by purchasing renewable energy, a key step in becoming a net zero carbon business. Derwent London is one of only a few property companies worldwide to have science-based carbon targets validated by the Science Based Targets initiative (SBTi).

Landmark schemes in our 5.7 million sq ft portfolio include Brunel Building W2, White Collar Factory EC1, Angel Building EC1, 1-2 Stephen Street W1, Horseferry House SW1 and Tea Building E1.

In 2019, the Group has won several awards including EG Offices Company of the Year, the CoStar West End Deal of the Year for Brunel Building, Westminster Business Council's Best Achievement in Sustainability award and topped the real estate sector and was placed ninth overall in the Management Today 2019 awards for 'Britain's Most Admired Companies'. In 2013 the Company launched a voluntary Community Fund and has to date supported 96 community projects in the West End 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.

For further information see [www.derwentlondon.com](http://www.derwentlondon.com) or follow us on Twitter at @derwentlondon

**Forward-looking statements**

This document contains certain forward-looking statements about the future outlook of Derwent London. By their nature, any statements about future outlook involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. Actual results, performance or outcomes may differ materially from any results, performance or outcomes expressed or implied by such forward-looking statements.

No representation or warranty is given in relation to any forward-looking statements made by Derwent London, including as to their completeness or accuracy. Derwent London does not undertake to update any forward-looking statements whether as a result of new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast.