

22 July 2014

Derwent London plc ("Derwent London" / "the Group")

Derwent London announces £37 million of disposals

Derwent London has disposed of its freehold properties at 186 City Road EC1 and 35-37 Kentish Town Road NW1 for gross proceeds of £37.37m.

186 City Road is a 38,300 sq ft freehold office building situated north of the Old Street roundabout which Derwent London has sold for gross proceeds of £23.3m to a private buyer. The offices are fully let to a variety of tenants on leases expiring between August 2014 and March 2021 for a total headline rent of £1.01m pa. The net initial yield to the purchaser is 4.09% and reflects a net premium of 54.1% to the December 2013 valuation.

35-37 Kentish Town Road comprises 24,500 sq ft of offices in Camden which have been sold for gross proceeds of £14.07m to an institutional purchaser. 35 Kentish Town Road, which was refurbished in 2012/13, is fully let to Viacom on leases expiring in 2028 at a headline rent of £0.41m pa. 37 Kentish Town Road is fully let at £0.15m pa until 2019, with rolling breaks from June 2015. This disposal reflects a net initial yield to the purchaser of 3.79% and a 41.5% net premium to the December 2013 valuation.

John Burns, Chief Executive Officer of Derwent London, commented:

"The disposal of these smaller properties at a substantial premium to their December book values is in line with our strategy of taking advantage of a strong investment market by making opportunistic sales. They bring the gross proceeds from London sales for the year to £68.1m, representing a net surplus of 40.7% above December 2013 book value. We are recycling this capital into our extensive development programme."

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Notes to editors

Derwent London plc owns a portfolio of commercial real estate predominantly in central London valued at £3.4bn as at 31 December 2013, making us the largest London-focused real estate investment trust (REIT). The Group will be announcing interim results for the six months to 30 June 2014 on 14 August 2014.

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 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.

Landmark schemes in our portfolio of 5.7 million sq ft as at 31 December 2013 include Angel Building EC1, The Buckley Building EC1, White Collar Factory EC1, 1-2 Stephen Street W1, Horseferry House SW1 and Tea Building E1.

In 2014 to date the Group has won the Property Week 'Developer of the Year' and has been shortlisted for awards by Architects' Journal and RICS.

In 2013 Derwent London topped the real estate sector for the fourth year in a row and came tenth overall in the Management Today awards for 'Britain's Most Admired Companies'. During the year the Group was also awarded EPRA Gold for corporate and sustainability reporting, two OAS awards and AJ Retrofit and NLA awards.

For further information see www.derwentlondon.com or follow us on Twitter at @derwentlondon.