ANNUAL RESULTS 2017 DERWENT LONDON PLC

Presenters

John Burns Simon Silver Damian Wisniewski Nigel George Paul Williams David Silverman

Contents

Introduction and overview	01
Results and financial review	06
Valuation and portfolio analysis	16
Developing a product	22
Building relationships	35
The evolving needs of the occupier	42
Summary	49
Appendices	51
Disclaimer	96

INTRODUCTION AND OVERVIEW

John Burns

HIGHLIGHTS 2017

OPERATIONAL

- £41.5m¹ pa of lettings, 1.3% above Dec 16 ERV
- Two major pre-lets to Arup and The Boston Consulting Group at 80 Charlotte Street W1
- EPRA vacancy rate of 1.3%
- £483m (net) of property disposals
- Soho Place W1 development on site

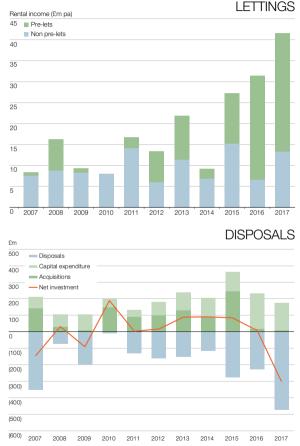
FINANCIAL

- EPRA earnings per share +22.4%
- Final dividend +10.1%
- EPRA NAV +4.6%
- Special dividend 75p per share

OPPORTUNITIES

- £87.8m of potential rental growth², 28% pre-let
- £658m of capex required to execute on-site development programme, including Soho Place W1
- £658m net debt, LTV 13.2%

¹£41.3m net ² Excludes £44.2m of contractual uplifts already allowed for under IFRS accounting Derwent London plc Annual Results 2017



CENTRAL LONDON OFFICE OUTLOOK



Rents

ERV 2018 estimate +2% to -3%

- Economy: Growing slowly
- Supply: Under construction peaking
- Vacancy: Rising to average levels
- Take-up: Levels still good
- Political uncertainty persists

Yields

Broadly flat in 2018

- London remains attractive to global investors
- High levels of investor demand
- Increased supply, especially in the City core
- Property yields attractive but interest rates rising
- Domestic investors less active buyers

DERWENT LONDON MAINTAINING A GROWTH PROFILE

£m 300 ← Soho Place £22 0m Place ← Lease events £14.3m ← Developments £24.5m 250 £2.8m Vacant 228.5 ← Pre-lets £24.2m £87.8m 202.3 200 150 100 50 2016 0 2017

Rent reviews and lease renewals

CAPTURING REVERSION

- Under refurbishment/development
- Available to occupy
- Contractual rental uplifts (including pre-lets)
- Contractual rent

Derwent London plc Annual Results 2017

- Reversion to be captured through contractual uplifts, developments, vacant space, reviews and renewals
- Contractual rent including pre-lets increased 13% to £228.5m
- £87.8m of additional rents to impact earnings, including Soho Place W1
- £658m of capex to complete developments, including Soho Place W1
- Considerable further opportunities beyond 2021

BUILDING A BRAND FOR LONG TERM SUCCESS



Keeping close to our occupiers and our market experience

- Buying in the right areas, Crossrail and clusters
- Relevant to today's users
- Not over specified means not overly costly
- Selling mature assets
- Enhancing our knowledge
- Gaining trust

Finding solutions

RESULTS AND FINANCIAL REVIEW

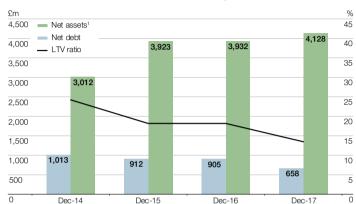
Damian Wisniewski

	Dec 2017	Dec 2016	% change
Net asset value	£4,193.2m	£3,999.4m	4.8
EPRA net asset value per share ^{1,2}	3,716p	3,551p	4.6
EPRA triple NAV per share ^{1,2}	3,617p	3,450p	4.8
EPRA total return	7.7%	1.7%	-
Gross property income	£172.2m	£156.0m	10.4
Net rental income	£161.1m	£145.9m	10.4
EPRA earnings ²	£105.0m	£85.7m	22.5
EPRA earnings per share	94.23p	76.99p	22.4
Profit for the year	£313.0m	£53.6m	484.0
Final dividend per share	42.40p	38.50p	10.1
Interim and final dividend per share	59.73p	52.36p	14.1
Special dividend per share	75.00p	52.00p	44.2
Net debt	£657.9m	£904.8m	(27.3)
Loan-to-value (LTV) ratio	13.2%	17.7%	-
NAV gearing	15.7%	22.6%	-
Net interest cover ratio	454%	370%	-

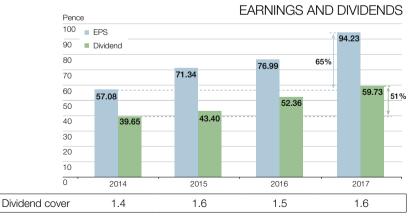
¹ On a diluted basis ² Reconciliations to IFRS figures in Appendices 2 and 4 Derwent London plc Annual Results 2017

NET ASSETS AND EARNINGS

- EPRA NAV per share up 4.6%:
 - 3,716p from 3,551p
 - Split 0.9%/3.7% in H1/H2
- Equity shareholders' funds increase to £4,128m
- LTV ratio down to 13.2%
- Another year of strong earnings growth:
 - EPRA EPS up 22.4% and by 65% in the past three years
 - See slide 10
- Interim/final dividends increased again:
 - Interim/final dividends up 51% in three years
 - Dividend cover at 1.6 times



NET ASSETS, DEBT AND GEARING



¹ Attributable to equity shareholders

Derwent London plc Annual Results 2017

Appendices 1 and 2

Revaluation surplus:

Investment properties	£147.9m
Owner-occupied property	£1.8m
Trading property adjustment ¹	£1.0m
Share of JV revaluation surplus	£3.9m
	£154.6m

- Included in the revaluation surplus of 138p:
 - 77p added by White Collar Factory, 80 Charlotte Street and The White Chapel Building
 - 22p from Angel Building
- Profit on disposal:

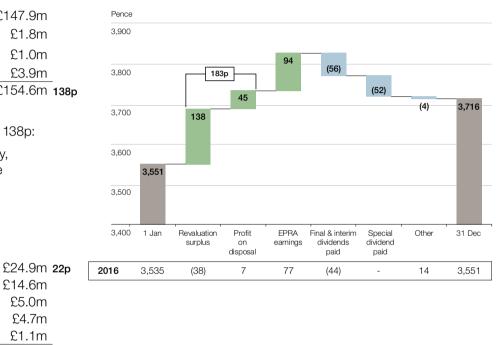
The Copyright Building 132-142 Hampstead Road Riverwalk House overage 8 Fitzroy Street Other

£14.6m

£5.0m

£4.7m

£1.1m £50.3m 45p

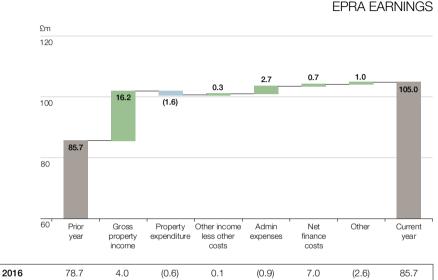


FPRA NAV PER SHARE

¹ Asta House residential units and Welby House Derwent London plc Annual Results 2017

EPRA EARNINGS¹

- EPRA earnings £105.0m, up 22.5% from £85.7m in 2016
- Gross property income analysis on slide 11
- Admin costs fell by 8.7% to £28.2m
- Capitalised interest fell to £9.4m from £13.0m in 2016 on lower capex spend
- EPRA cost ratio² down to 20.8% from 24.0%



EPRA EARNINGS

Lettings and reviews include:

	2017 lettings	2017 reviews	lettings & reviews
White Collar Factory EC1	£11.2m	-	-
The White Chapel Building E1	£1.4m	-	£4.7m
20 Farringdon Road EC1	£0.4m	£0.4m	£1.6m
Johnson Building EC1	-	£1.3m	£0.8m
Angel Building EC1	£1.1m	-	£0.6m
1-2 Stephen Street W1	£0.2m	£0.1m	£1.3m
Network Building W1	£0.7m	£0.1m	£0.6m

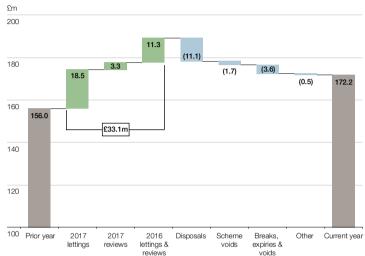
2016

Disposals reduced income as follows:

8 Fitzroy Street W1	£4.3m
120-134 Tottenham Court Road W1	£2.7m
Tower House WC2	£1.8m
Other	£2.3m

EPRA like-for-like rental income¹:

	Rental income		Net property
	Gross	Net	income
Compared with 2016	5.1%	5.5%	5.2%



MOVEMENTS IN GROSS PROPERTY INCOME

¹ See Appendix 6 for detailed reconciliation of like-for-like rental income

Derwent London plc Annual Results 2017

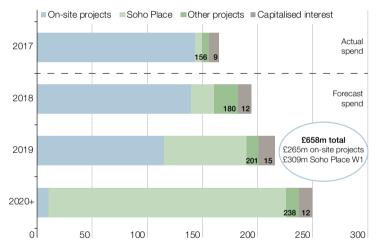
CASH FLOW

- Decrease in net debt of £246.9m to £657.9m
- Cash from operations benefitted from the increase in cash receipts from tenants and a decrease in variable remuneration

NET CASH FLOW MOVEMENTS

		2017 £m		2016 £m
Cash from operations		83.5		77.7
Acquisitions		(8.5)		- (18.0)
Capex	299.4-	(165.0)	(6.8)-	(213.5)
Disposal proceeds	472.9			- 224.7
Property and equipment	(5.0)		(4.5)	
Financial derivative termination costs	(7.3)			(9.0)
Interim and final dividends paid	(61.8)			(48.6)
Special dividend paid	(57.9)			-
Other cash flow movements	(10.8)			2.0
Decrease in net borrowing		240.1		10.8
Non cash flow items	6.8			(3.9)
Decrease in net debt		246.9		6.9





¹ Further details of forecast capital expenditure can be found in Appendix 39 Derwent London plc Annual Results 2017

PROFORMA IMPACT OF MAJOR PROJECTS AND DISPOSALS

- Assumes no disposals and no further lettings other than those already contracted
- Shows impact of estimated capital expenditure and special dividend of 75p per share

PROFORMA IMPACT OF MAJOR PROJECTS AND SPECIAL DIVIDEND

PROFORMA IMPACT OF SOHO PLACE

	Dec 2017	Capex and contracted income on on-site projects ¹	Special dividend	Proforma 1	Soho Place site acquisition and capex ²	Void costs ³	Proforma 2
Gross property income	£172m	£24m		£196m			£196m
Net property income (adjusted)	£161m	£14m		£175m		£10m	£185m
Interest cost ³	£35m	£5m ⁴	£2m⁴	£42m	£6m ⁴		£48m
Net interest cover ratio	454%			417%			385%
Portfolio fair value	£4,850m	£265m		£5,115m	£309m		£5,424m
Drawn debt net of cash	£640m	£265m	£84m	£989m	£309m		£1,298m
Loan-to-value ratio	13.2%			19.3%			23.9%

¹ Void costs on un-let developments total £10m, see Appendix 39 for capex ² Includes remaining site acquisition cost of £53m ³ Void costs upon completion of project ⁴ Assuming a marginal interest rate of 2.0%

Derwent London plc Annual Results 2017

DEBT SUMMARY

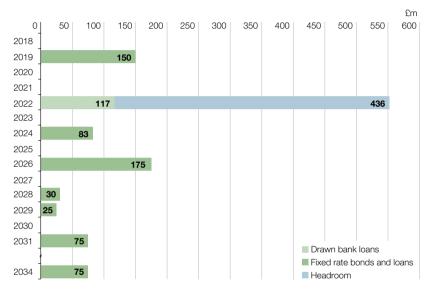
- Total facilities decreased due to cancellation of £100m of the £550m revolving bank facility
- £75m Wells Fargo revolving facility extended by one year to July 2022
- New 5-year £28m facility with HSBC signed in July 2017, replacing existing facility due in June 2018
- New £15m development facility signed in May 2017 for Primister JV (Porters North)
- Substantial headroom under financial covenants as at 31 December 2017:
 - Values could fall by 77% without breaching the gearing covenant
 - Property income could fall by 66% before breaching the interest cover covenant

	Dec 2017	Dec 2016
Total facilities	£1,166m	£1,266m
Unutilised facilities and cash	£523m	£383m
Percentage of debt unsecured	61%	68%
Uncharged properties	£3,864m	£3,777m
Uncharged properties % of portfolio	80%	76%
Net debt	£658m	£905m
Gearing:		
LTV ratio	13.2%	17.7%
NAV gearing	15.7%	22.6%
Net interest cover ratio	454%	370%

DEBT FACILITIES

	Dec 2017	Dec 2016
Average spot interest rate (cash basis)	3.80%	3.65%
Average spot interest rate (IFRS basis)	4.11%	3.90%
Marginal interest rate	1.25%	1.10%
Percentage of drawn facilities at fixed rate or hedged	88%	95%
Average maturity of facilities	6.3 years	6.9 years
Average maturity of borrowings	7.6 years	7.7 years

	Dec 2017	Dec 2016
Unsecured bank loans	£89m	£260m
Secured bank loans	£28m	£28m
Unsecured bonds and non-bank loans	£355m	£355m
Secured bonds and non-bank loans	£258m	£258m
Total facilities drawn	£730m	£901m



MATURITY PROFILE OF DEBT FACILITIES

VALUATION AND PORTFOLIO ANALYSIS Nigel George

Investment portfolio valued at £4.9bn

Underlying growth	3.9%	2016: (0.2)%:
West End	1.9%	2016: (0.7)%
City Borders	7.5%	2016: 1.0%

- Strong sale prices achieved:
 - 11.8% net surplus above Dec 16 book value
 - Including disposals, portfolio uplift 4.9%
- MSCI IPD Central London Offices¹ 3.6%

Developments outperformed

- Valued at £756m, uplift of 16.0% in 2017:
 - White Collar Factory EC1 (completed H1 2017) 17.7%
 - 80 Charlotte Street W1 (2017 pre-lets) 15.4%
 - Brunel Building W2 13.2%

Vacancy rate

Remained low at 1.3% (Dec 2016: 2.6%)

	Portfolio valuation £m	Joint venture valuation £m ²	Total £m	H1 2017 valuation movement % ³	H2 2017 valuation movement % ³	Full year valuation movement % ³
West End	2,890.3	20.6	2,910.9	0.8	1.1	1.9
City Borders ⁴	1,850.8	26.7	1,877.5	2.4	5.0	7.5
Central London	4,741.1	47.3	4,788.4	1.4	2.6	4.0
Provincial	101.2	-	101.2	0.5	0.0	0.5
Underlying	4,842.3	47.3	4,889.6	1.4	2.5	3.9
Acquisitions	8.0	-	8.0	(7.7)	(6.5)	(7.1)
Investment portfolio	4,850.3	47.3	4,897.6	1.4	2.5	3.9

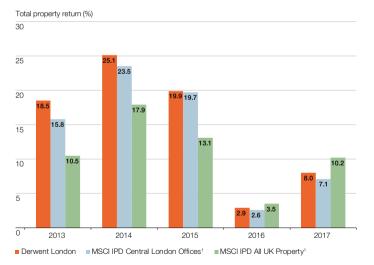
¹ Quarterly Index ² 50% joint venture interests in 9 and 16 Prescot Street E1 and Porters North N1 ³ Calculated on an underlying basis

⁴ Principally properties in the Tech Belt - Appendix 42

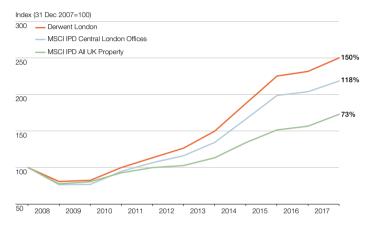
Total property returns in 2017

Derwent London	8.0%
MSCI IPD Central London Offices ¹	7.1%
MSCI IPD All UK Property ¹	10.2%

5-YEAR PERFORMANCE



10-YEAR CUMULATIVE TOTAL PROPERTY RETURN



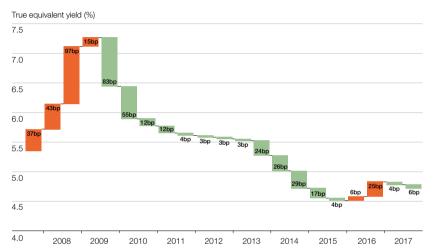
¹ Quarterly Index

Derwent London plc Annual Results 2017

MOVEMENT IN YIELDS

EPRA yields

- Net initial yield 3.4% (Dec 2016: 3.4%):
 - 'Topped-up' net initial yield 4.4% (Dec 2016: 4.1%)
- True equivalent yield 4.73% (Dec 2016: 4.83%):
 - 10 basis points tightening in 2017
- Net reversionary yield 4.8% (Dec 2016: 4.9%)



TRUE EQUIVALENT YIELD MOVEMENT¹

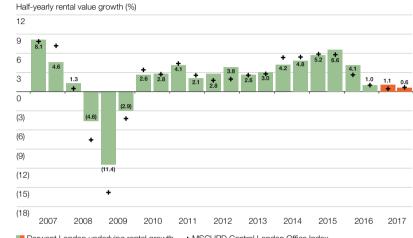
RENTAL VALUE GROWTH

- Underlying rental growth of 1.7%:
 - City Borders 3.0%, West End 0.7%

Examples of performance:

Building	ERV uplift %	Comments
88 Rosebery Avenue EC1	19.6	Rent reviews
4 & 10 Pentonville Road N1	14.0	Rent reviews
Angel Building EC1	9.2	Asset management
Tea Building E1	3.5	Asset management

Potential to drive rents - average office rent £49.74 psf¹ (Dec 2016: £44.98 psf)



RENTAL VALUE GROWTH

Derwent London underlying rental growth + MSCI IPD Central London Office Index

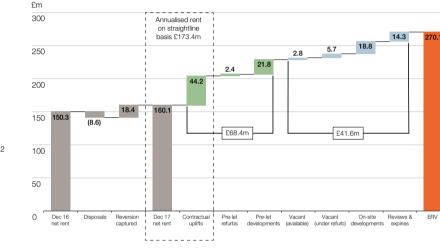
Central London offices	Portfolio % ²	Passing rent £ psf ¹	'Topped-up' rent £ psf¹	ERV £ psf ³
Core income	59	37.97	53.26	55.67
Potential projects	30	33.78	36.67	41.83
	89	36.56	47.65	51.11
On-site developments	11	-	78.67	72.32
	100	34.10	49.74	53.72

¹ Calculated on the 'topped-up' rental of let office area ² Based on entire portfolio area - see Appendix 19 ³ Total office area

Derwent London plc Annual Results 2017

BUILD-UP OF PORTFOLIO ERV

- Net income of £160.1m:
 - £18.4m captured in 2017
- Significant potential reversion £110.0m¹:
 - 62% (£68.4m) locked in, including:
 - White Collar Factory EC1 £10.5m
 - Angel Building EC1 £8.0m
 - The White Chapel Building E1 £6.6m
 - 80 Charlotte St W1 (pre-let) £21.8m²



EPRA vacancy rate 1.3%

On-site developments	Let £m	Vacant £m	ERV £m	Delivery
80 Charlotte Street W1	21.8 ²	4.0	25.8	2019
Brunel Building W2	-	14.8	14.8	2019
Total on-site	21.8	18.8	40.6	

¹ Requires additional capex as set out in Appendix 39 ² Initial rent on Arup space £11.2m pa, subject to 2.25% annual uplifts for the first 15 years

Derwent London plc Annual Results 2017

BUILD-UP OF ERV

DEVELOPING A PRODUCT

Simon Silver

Delivery		Refurb sq ft	Development sq ft
2018	The White Chapel Building E1	89,000	
	Johnson Building EC1	57,200	
	25 Savile Row W1	18,700	
2019	Brunel Building W2		243,000
	80 Charlotte Street W1		380,000
2021	Soho Place W1		285,000
		164,900	908,000

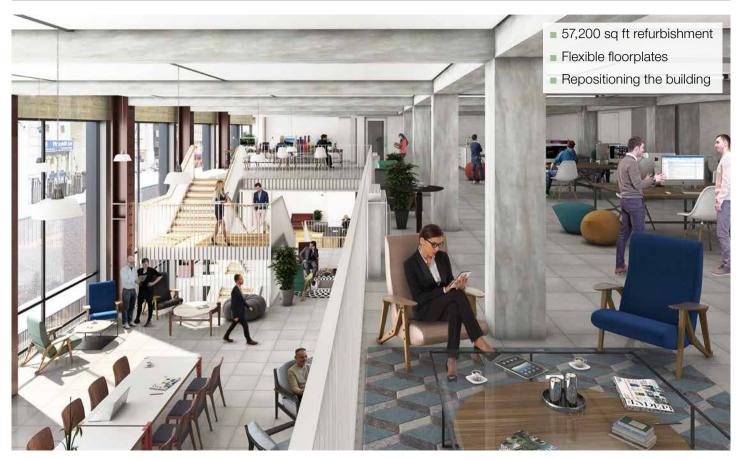
Brunel Building W2



2018 REFURBISHMENTS: THE WHITE CHAPEL BUILDING E1



2018 REFURBISHMENTS: JOHNSON BUILDING EC1

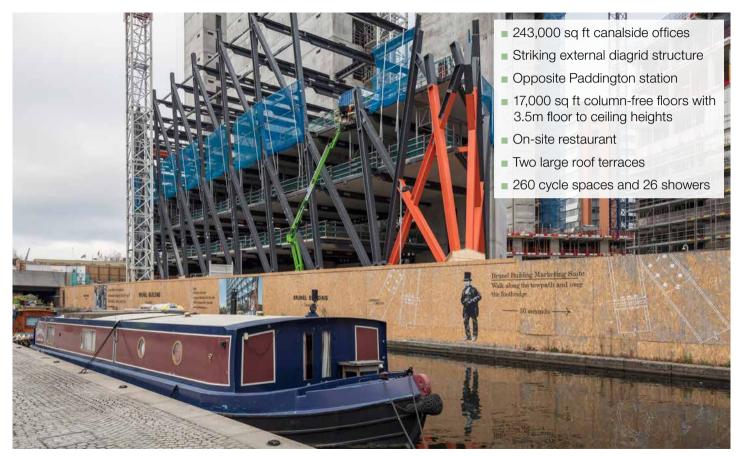


2018 REFURBISHMENTS: 25 SAVILE ROW W1

- 18,700 sq ft scheme
- Refurbishment of upper floors with the



BRUNEL BUILDING W2: 2019 DELIVERY





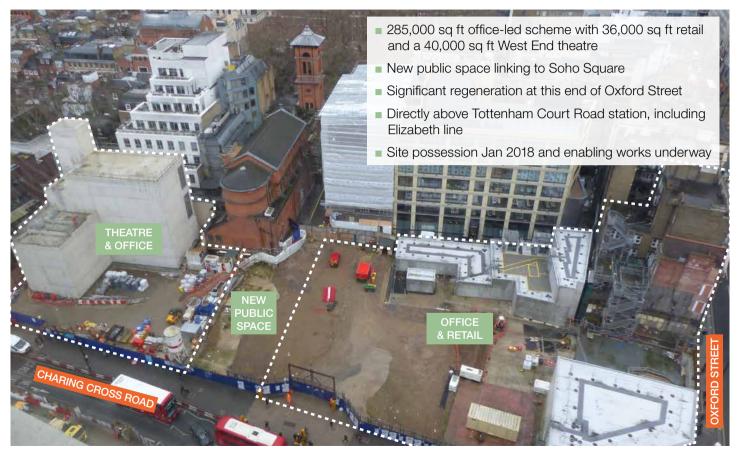
80 CHARLOTTE STREET W1: FIT FOR THE FUTURE

- Mixed-use scheme of 380,000 sq ft
- Large 40,000 sq ft flexible floorplates
- Extensive rooftop terraces with panoramic views





SOHO PLACE W1: OUR NEXT MAJOR PROJECT





MAKING AN IMPACT

- Two developments completed in 2017:
 - White Collar Factory EC1 96% profit on cost
 - The Copyright Building W1 23% profit on cost
- Two developments on site at year end:
 - 623,000 sq ft with £40.6m ERV (£21.8m pre-let)
 - £252m capex to complete
 - Delivery 2019
- Three current refurbishments:
 - 164,900 sq ft with £7.5m ERV (£2.4m pre-let)
- Soho Place W1:
 - Site possession in Jan 2018
 - 285,000 sq ft with £22.0m ERV
 - Preliminary works underway
- Total developments and refurbishments:
 - 1.07m sq ft with £70.1m ERV





ASSURED PIPELINE INTO THE NEXT DECADE

■ 568,000 sq ft of planning consents:

- 86% uplift in existing floor area
- Two gained in 2017 (19-35 Baker Street and Holden House)



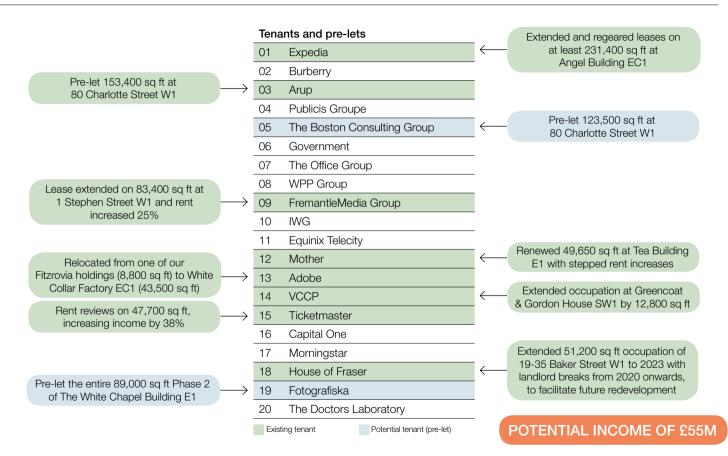
Monmouth House EC1 125,000 sq ft¹

19-35 Baker Street W1² 293,000 sq ft¹

Holden House W1 150,000 sq ft¹

BUILDING RELATIONSHIPS

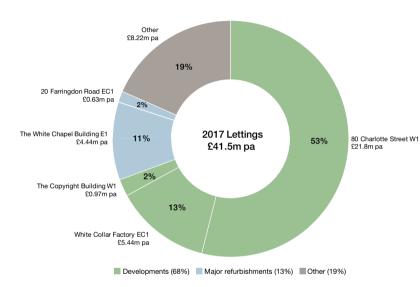
Paul Williams

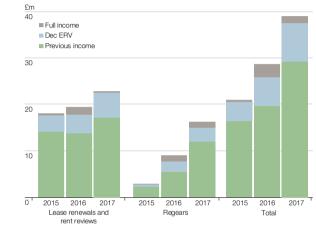


RESULTS

LETTING ACTIVITY

ASSET MANAGEMENT





- Developments and major refurbishments comprised 81% of 2017 letting activity
- 58% to TMT and creative firms
- Average rent £60.60 psf

- 771,900 sq ft of rent reviews, lease renewals and regears concluded in 2017
- Income up 33%, from £29.0m to £38.6m pa
- On average 3.8% above Dec 16 ERV

EXISTING RELATIONSHIPS



Expedia @ Angel Building EC1

- Increased their occupancy in the building by 2.5 times
- Option to be the sole tenant in the building
- Lease extended from 2021 to 2030
- Benefits from our building clusters as Expedia has a significant presence at Angel Square

Mother @ Tea Building E1

- Original anchor tenant in the building
- Lease renewed for 10 years
- Green Tea specification

EXISTING RELATIONSHIPS (2)





Adobe @ White Collar Factory EC1

- Located on 'Silicon Roundabout' in the heart of the Tech Belt
- Significant expansion to their London presence and a consolidation of offices
- New European sales and marketing hub featuring a Customer Experience Centre
- Offices designed to inspire creativity and collaboration

VCCP @ Greencoat & Gordon House SW1

- A history of expansion with us in Victoria:
 - VCCP initially took 2,900 sq ft in 2005
 - In 2017 VCCP took the newly refurbished 12,800 sq ft Gordon Studio
 - Occupation now 65,700 sq ft at a rent of £3.4m pa

FORGING NEW RELATIONSHIPS



30 Charlotte Street W1

CEMENTING RELATIONSHIPS

OCCUPIERS



- Regular face-to-face meetings
- Property websites for our occupiers
- Social media sites and building message boards
- Regular energy-use monitoring

COMMUNITIES



- Fitzrovia and Tech Belt Community Funds
- Staff volunteering scheme
- Career guidance workshops

THIRD PARTY PROFESSIONALS



 Close relationships with our consultants and advisors architects, agents, engineers, contractors etc

THE EVOLVING NEEDS OF THE OCCUPIER

David Silverman

OCCUPIER OUTLOOK

2017 Take-up

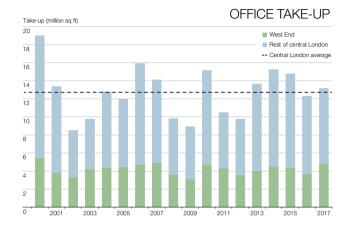
- At 13.2m sq ft take-up was 7% above 2016, and above trend
- West End take-up at 4.8m sq ft, the best year since 2007

Supply

- Based on space under construction, supply has peaked:
 - 47% pre-let
- Available space under construction totals 6.3m sq ft:
 - West End 1.1m sq ft

Vacancy rate

- Central London vacancy rate has been rising for two years, to 4.7%:
 - Close to 10-year average of 4.5% and below 15-year average of 5.3%
- City 5.8% (+0.8%) and West End 3.7% (+0.4%)



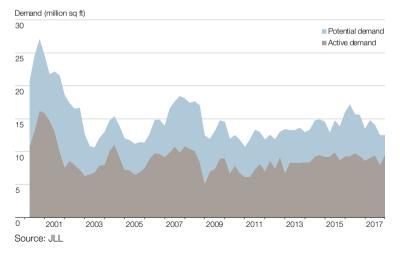
OFFICE DEVELOPMENT PIPELINE



DEMAND OUTLOOK

- 13.2m sq ft of take-up in 2017
- 9.6m sq ft of active demand at the year end:
 - 4.3m sq ft in the West End

CENTRAL LONDON OFFICE DEMAND



Linked in MERICAN informa WARNER MUSIC GROUP Deloitte. Digital **ATKINS** JLL adidas Pernod Ricard SONY Créateurs de convivialité McCANN VORLDGROUN

Current large space requirements still dominate:

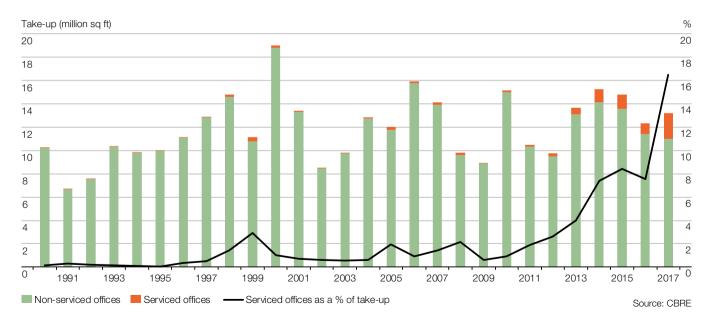
CHANGING WORKING PRACTICES

Changing business practices

- Increased economic and political uncertainty
- Shift in the economy to creatives
- Changing technology
- New focus on accommodation

Evolving serviced office model

- Simple
- Full service



CREATING THE RIGHT ENVIRONMENTS





- Amenities in our buildings:
 - Cafés and restaurants
 - Cycle storage and showers
 - Connectivity
- WiredScore:
 - 3.0m sq ft of our portfolio is Wired Certified
 - Two buildings are Platinum rated
 - Since initial survey 30% improved from Silver to Gold ratings



FLEXIBILITY AND OPTIONALITY



Tea Building E1

Short lease strategy since 2001



The Office Group and Derwent London

- White Collar Factory EC1 41,300 sq ft
- 2 Stephen Street W1 34,200 sq ft
- Angel Square EC1 40,700 sq ft

A PRODUCT DRIVEN MARKET

- Occupier demand remains good
- Evolving expectations for office use
- Serviced office sector likely to continue to grow:
 - 4% of London office space
 - 5% of Derwent London's 'topped-up' income
- Derwent London has always believed in creating great spaces

The White Chapel Building E1



SUMMARY John Burns

SUMMARY

Our market

Derwent London

Good occupier and investment demand
ERV guidance of +2% to -3% in 2018
Investment yields expected to be broadly stable in 2018

Economic and political uncertainty continues

- Good interest in the Derwent London product
- Growth potential enhanced by Soho Place
- Financial strength enables another special dividend
- Dividend growth in 2018 expected to be 10%

APPENDICES

Derwent London plc Annual Results 2017

APPENDICES

01.	Group balance sheet	53
02.	Net asset value per share	54
03.	Group income statement	55
04.	Reconciliation of IFRS profit and EPRA earnings	56
05.	Explanation of EPRA adjustments	57
06.	EPRA like-for-like rental income	58
07.	Debt facilities	59
08.	Net debt	60
09.	Fixed rates and hedging	61
10.	Valuation performance by village	62
11.	Rental value growth	63
12.	Valuation yields	64
13.	Context to yield movement	65
14.	Portfolio statistics by village	66
15.	Build-up of portfolio ERV	67
16.	Evolution of portfolio ERV	68
17.	Timing of the reversion	69
18.	Available space and projects	70
19.	Portfolio summary	71
20.	Rent and tenant banding	72
21.	Central London office rental values	73
22.	Lease expiries, breaks and vacancy rates	74

23.	Lease expiry profile and lease length	75
24.	Central London office demand	76
25.	Central London office supply	77
26.	Central London office vacancy	78
27.	Central London office rental growth	79
28.	Central London office investment market	80
29.	Letting activity 2017	81
30.	80 Charlotte Street W1	82
31.	Asset management: Expedia - Angel Building EC1	83
32.	Asset management: Mother - Tea Building E1	84
33.	White Collar Factory EC1: 2017 completion	85
34.	The Copyright Building W1: 2017 completion	86
35.	Planning consents: Monmouth House EC1	87
36.	Planning consents: 19-35 Baker Street W1	88
37.	Planning consents: Holden House W1	89
38.	Current projects: profit on cost	90
39.	Project summary: current	91
40.	Project summary: future	92
41.	Project pipeline	93
42.	Portfolio map	94
43.	Executive Committee and Senior Management	95

APPENDIX 1 - GROUP BALANCE SHEET

	Dec 2017 £m	Dec 2016 £m
Investment property	4,670.7	4,803.8
Owner-occupied property	46.5	34.2
Investments in joint ventures	39.7	36.0
Other non-current assets	110.9	113.0
	4,867.8	4,987.0
Other current assets and liabilities	(31.0)	(73.5)
Trading property	25.3	11.7
Cash and cash equivalents	87.0	17.7
	81.3	(44.1)
Financial liabilities - non-current	(744.9)	(922.5)
Other non-current liabilities	(11.0)	(21.0)
	(755.9)	(943.5)
Total net assets	4,193.2	3,999.4
Non-controlling interest	(64.9)	(67.1)
Attributable to equity shareholders	4,128.3	3,932.3

APPENDIX 2 - NET ASSET VALUE PER SHARE

		Dec 2017 Diluted		Dec 2016 Diluted
	£m	p	£m	p
Net assets attributable to equity shareholders	4,128.3	3,694	3,932.3	3,521
Revaluation of trading properties net of tax	1.0		-	
Fair value of secured bonds	(37.7)		(36.6)	
Fair value of unsecured convertible bonds	(11.8)		(8.0)	
Fair value of fixed rate secured loan	(4.9)		(5.2)	
Fair value of fixed rate unsecured private placement notes	(23.5)		(18.7)	
Unamortised issue and arrangement costs	(8.6)		(10.3)	
EPRA triple NAV	4,042.8	3,617	3,853.5	3,450
Fair value of debt and costs	86.5		78.8	
Deferred tax on revaluation surplus	4.5		5.3	
Fair value of derivatives	7.9		17.3	
Fair value adjustment to secured bonds on acquisition less amortisation	12.9		14.0	
Non-controlling interest in respect of the above	(1.5)		(2.6)	
EPRA NAV	4,153.1	3,716	3,966.3	3,551

APPENDIX 3 - GROUP INCOME STATEMENT

	Year ended Dec 2017 £m	Year ended Dec 2016 £m
Gross property income	172.2	156.0
Profit on disposal of trading properties	-	1.9
Reversal/(write-down) on trading properties	1.0	(1.6)
Other income less other costs	2.7	2.4
Property outgoings	(11.1)	(9.5)
Net property and other income	164.8	149.2
Administrative expenses	(28.2)	(30.9)
Revaluation surplus/(deficit)	H1 45.9 H2 102.0	61.4 (98.5) (37.1)
Profit on disposal of investment properties	50.3	7.5
Net finance costs	 (27.1)	(27.8)
Joint venture (JV) results	evaluation 3.9 5.0	1.8 2.3
Derivatives fair value movement	9.4	0.3
Financial derivative termination costs	(7.3)	(9.0)
IFRS profit before tax	314.8	54.5
Tax charge	(1.8)	(0.9)
IFRS profit for the year	313.0	53.6
Attributable to:		
Equity shareholders ¹	314.0	58.7
Non-controlling interest	(1.0)	(5.1)
	313.0	53.6

¹ A reconciliation of the IFRS profit attributable to shareholders to the EPRA earnings is shown in Appendix 4

Derwent London plc Annual Results 2017

	Year ended Dec 2017 £m	Year ended Dec 2016 £m
IFRS profit for the year attributable to shareholders	314.0	58.7
Revaluation (surplus)/deficit	(147.9)	37.1
Joint venture revaluation surplus	(3.9)	(1.8)
Profit on disposal of properties	(50.3)	(7.5)
Profit on disposal of trading properties	-	(1.9)
(Reversal of write-down)/write-down of trading property	(1.0)	1.6
Derivatives fair value movement	(9.4)	(0.3)
Financial derivative termination costs	7.3	9.0
Tax adjustment	(0.4)	(1.7)
Non-controlling interest in respect of the above	(3.4)	(7.5)
EPRA earnings	105.0	85.7

APPENDIX 5 - EXPLANATION OF EPRA ADJUSTMENTS

			Adjustment	S	2017	2016
	2017	Α	В	С	EPRA - basis	EPRA basis
	£m	£m	£m	£m	- basis £m	£m
Net property and other income	164.8		(1.0)		163.8	148.9
Administrative expenses	(28.2)				(28.2)	(30.9)
Revaluation surplus	147.9		(147.9)		-	-
Profit on disposal of investment property	50.3	(50.3)			-	-
Net finance costs	(27.1)				(27.1)	(27.8)
Derivatives fair value movement	9.4			(9.4)	-	-
Financial derivative termination costs	(7.3)			7.3	-	-
Share of results of joint ventures	5.0		(3.9)		1.1	0.5
Profit before tax	314.8	(50.3)	(152.8)	(2.1)	109.6	90.7
Tax charge	(1.8)	1.1	(1.5)	-	(2.2)	(2.6)
Profit for the year	313.0	(49.2)	(154.3)	(2.1)	107.4	88.1
Non-controlling interest	1.0	-	(3.8)	0.4	(2.4)	(2.4)
Earnings attributable to equity shareholders	314.0	(49.2)	(158.1)	(1.7)	105.0	85.7
Earnings per share	281.79p				94.23p	76.99p

A - Disposal of investment and trading properties and associated tax and non-controlling interest

B - Reversal of write-down of trading properties and revaluation on investment property and in joint ventures, and associated deferred tax and non-controlling interest

C - Fair value movement and termination costs relating to derivative financial instruments and associated non-controlling interest

APPENDIX 6 - EPRA LIKE-FOR-LIKE RENTAL INCOME

	Properties owned throughout the year £m	Acquisitions £m	Disposals £m	Development property £m	Total £m
2017					
Gross rental income	143.6	-	4.8	23.7	172.1
Property expenditure	(6.0)	-	(0.6)	(4.4)	(11.0)
Net rental income	137.6	-	4.2	19.3	161.1
(Write-down)/reversal of write-down of trading property	-	(0.6)	-	1.6	1.0
Other ¹	2.7	-	-	-	2.7
Net property income	140.3	(0.6)	4.2	20.9	164.8
2016					
Gross rental income	136.6	-	15.6	3.2	155.4
Property expenditure	(6.2)	(0.1)	(0.6)	(2.6)	(9.5)
Net rental income	130.4	(0.1)	15.0	0.6	145.9
Profit on disposal of trading properties	-	-	1.9	-	1.9
Write-down of trading property	-	-	-	(1.6)	(1.6)
Other ¹	3.0	-	_	-	3.0
Net property income	133.4	(0.1)	16.9	(1.0)	149.2
Increase based on gross rental income	5.1%				10.7%
Increase based on net rental income	5.5%				10.4%
Increase based on net property income	5.2%				10.5%

¹ Includes surrender premiums paid or received, dilapidation receipts and other income

APPENDIX 7 - DEBT FACILITIES

	Drawn £m	Undrawn £m	Total £m	Maturity
6.5% secured bonds	175.0	-	175.0	March 2026
3.99% secured loan	83.0	-	83.0	October 2024
1.125% unsecured convertible bonds	150.0	-	150.0	July 2019
4.41% unsecured private placement notes	25.0	-	25.0	January 2029
4.68% unsecured private placement notes	75.0	-	75.0	January 2034
3.46% unsecured private placement notes	30.0	-	30.0	May 2028
3.57% unsecured private placement notes	75.0	-	75.0	May 2031
Non-bank loans	613.0	-	613.0	
Bilateral term - secured	28.0	-	28.0	July 2022
Bilateral revolving credit - unsecured	12.5	62.5	75.0	July 2022
Club revolving credit - unsecured	76.5	373.5	450.0	January 2022
Committed bank facilities	117.0	436.0	553.0	
At 31 December 2017	730.0	436.0	1,166.0	

In addition, the Primister JV has a £15m bank facility, of which £13.4m was drawn at 31 December 2017. This facility will be repaid and cancelled in March 2018 following the disposal of the property currently held by the JV

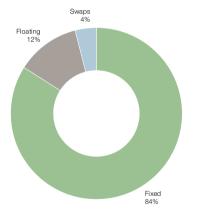
	Dec 2017 £m	Dec 2016 £m
Financial liabilities - due after more than 1 year	744.9	922.5
Acquired fair value of secured bonds less amortisation	(12.9)	(14.0)
Equity component of unsecured bonds	12.6	12.6
Unwinding of discount of unsecured bonds	(9.1)	(7.0)
Unamortised issue and arrangement costs	8.6	10.3
Leasehold liabilities	(14.1)	(23.9)
Facilities - drawn	730.0	900.5
Facilities - undrawn	436.0	365.5
Total debt facilities	1,166.0	1,266.0

	Dec 2017 £m	Dec 2016 £m
Financial liabilities	744.9	922.5
Cash and cash equivalents	(87.0)	(17.7)
Net debt	657.9	904.8

APPENDIX 9 - FIXED RATES AND HEDGING

	Dec 2017	Dec 2016
Proportion of drawn facilities at fixed rates or hedged	88%	95%
Weighted average duration of swaps ¹	1.2 years	4.6 years
Mark-to-market cost of swaps	£7.9m	£17.3m
Weighted average duration of fixed rate instruments	8.2 years	9.2 years

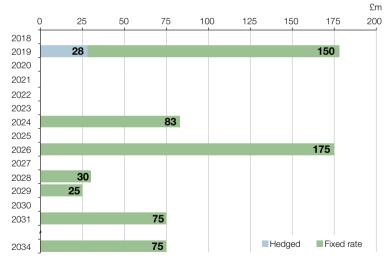
HEDGING PROFILE¹



¹Excludes the following forward-start swaps:

Principal £m	Rate %	Start date	Expiry date
70.0	3.99	March 2018	March 2020
40.0	2.45	October 2018	July 2022
75.0	1.36	April 2019	April 2025

MATURITY PROFILE OF FIXED RATES AND SWAPS¹



Derwent London plc Annual Results 2017

APPENDIX 10 - VALUATION PERFORMANCE BY VILLAGE

	Valuation Dec 2017 £m	Weighting Dec 2017 %	Valuation movement 2017 ¹ %
West End Central			
Fitzrovia ²	1,442.7	29	2.4
Victoria	540.0	11	(3.8)
Baker Street/Marylebone	179.2	4	(5.3)
Paddington	131.3	3	13.2
Mayfair	92.4	2	(2.1)
Soho/Covent Garden	53.0	1	4.1
	2,438.6	50	0.8
West End Borders			
Islington/Camden	480.2	10	7.9
West End	2,918.8	60	1.9
City Borders			
Clerkenwell	595.1	12	5.2
Old Street	543.5	11	11.3
Shoreditch/Whitechapel	441.8	9	8.6
Holborn	295.0	6	4.0
Other	2.2	-	0.0
	1,877.6	38	7.5
Central London	4,796.4	98	4.0
Provincial	101.2	2	0.5
Investment portfolio	4,897.6	100	3.9

¹ Underlying - properties held throughout the period ² Includes North of Oxford Street Derwent London plc Annual Results 2017

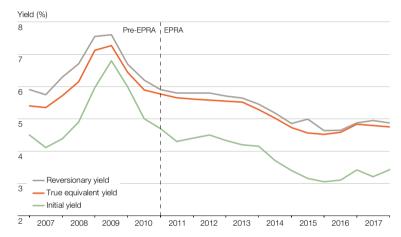
RENTAL VALUE GROWTH¹

	2016 %	H1 2017 %	H2 2017 %	2017 %
West End	5.5	0.7	0.0	0.7
City Borders	4.4	1.7	1.3	3.0
Central London	5.1	1.1	0.6	1.7
Provincial	4.5	1.2	1.2	2.4
Underlying	5.1	1.1	0.6	1.7

APPENDIX 12 - VALUATION YIELDS

YIELD PROFILE¹

EPRA INITIAL YIELDS



	Net initial yield %	'Topped-up' initial yield %
West End	3.7	4.4
City Borders	3.0	4.4
Central London	3.4	4.4
Provincial	6.3	6.5
EPRA portfolio	3.4	4.4

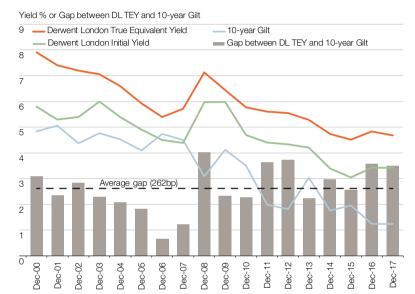
TRUE EQUIVALENT YIELDS²

	Dec 2016 %	H1 2017 movement basis points	Jun 2017 %	H2 2017 movement basis points	Dec 2017 %
West End	4.70	(7)	4.63	(1)	4.62
City Borders	4.96	(5)	4.91	(12)	4.79
Central London	4.79	(3)	4.76	(7)	4.69
Provincial	6.89	-	6.89	(2)	6.87
Underlying	4.83	(4)	4.79	(6)	4.73

¹ Six-monthly data ² On EPRA portfolio Derwent London plc Annual Results 2017

APPENDIX 13 - CONTEXT TO YIELD MOVEMENT

- 350bp spread between true equivalent yield and 10-year Gilt:
 - Gilt yield remained low and flat in 2017
 - Buoyant investor demand
 - Strong occupier demand
- Undemanding capital values²:
 - Central London £961 psf:
 - West End £1,013 psf
 - City Borders £899 psf



VALUATION YIELDS¹

APPENDIX 14 - PORTFOLIO STATISTICS BY VILLAGE

	Valuation £m	Weighting %	Floor area ¹ '000 sq ft	Vacant floor area '000 sq ft	Net contracted rental income £m pa	Average rental income £ psf	Vacant space rental value £m pa	Lease reversion⁴ £m pa	Total reversion £m pa	Estimated rental value £m pa
West End Central										
Fitzrovia ²	1,442.7	29	1,385	119	47.5	37.78	4.9	30.6	35.5	83.0
Victoria	540.0	11	590	9	22.2	38.15	0.2	4.6	4.8	27.0
Baker Street/Marylebone	179.2	4	196	1	8.5	43.74	0.1	1.2	1.3	9.8
Paddington	131.3	3	243	243	(0.1)	-	14.8	0.1	14.9	14.8
Mayfair	92.4	2	43	19	0.2	77.40 ³	1.9	2.2	4.1	4.3
Soho/Covent Garden	53.0	1	108	-	-	0.23	-	-	-	-
	2,438.6	50	2,565	391	78.3	36.21	21.9	38.7	60.6	138.9
West End Borders										
Islington/Camden	480.2	10	516	-	15.6	30.27	-	11.1	11.1	26.7
	480.2	10	516	-	15.6	30.27	-	11.1	11.1	26.7
West End	2,918.8	60	3,081	391	93.9	35.07	21.9	49.8	71.7	165.6
City Borders										
Clerkenwell	595.1	12	650	38	22.7	38.73	1.5	6.1	7.6	30.3
Old Street	543.5	11	548	24	14.8	28.27	0.6	12.3	12.9	27.7
Shoreditch/Whitechapel	441.8	9	596	-	15.7	26.43	-	10.0	10.0	25.7
Holborn	295.0	6	294	57	7.8	34.78	3.3	4.1	7.4	15.2
Other	2.2	-	-	-	-	-	-	-	-	-
City Borders	1,877.6	38	2,088	119	61.0	31.74	5.4	32.5	37.9	98.9
Central London	4,796.4	98	5,169	510	154.9	33.67	27.3	82.3	109.6	264.5
Provincial	101.2	2	343	2	5.2	15.39	-	0.4	0.4	5.6
Investment portfolio	4,897.6	100	5,512	512	160.1	32.42	27.3	82.7	110.0	270.1

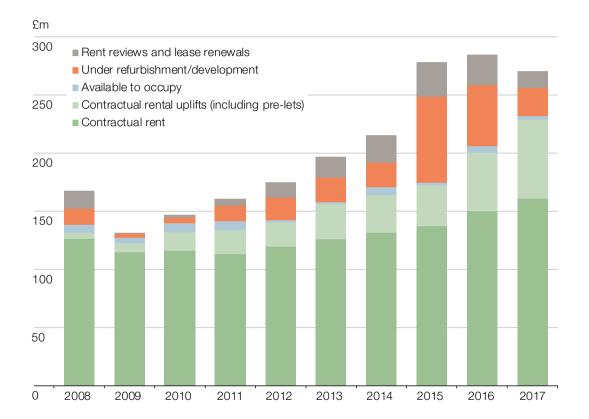
¹ Includes 0.62m sq ft of on-site developments ² Includes North of Oxford Street ³ Owner-occupied area (part 25 Savile Row W1) excluded

⁴ Contractual uplifts, rent review/lease renewal reversion and pre-lets

APPENDIX 15 - BUILD-UP OF PORTFOLIO ERV

		Rent uplift pa	Rent pa
	£m	£m	£m
Contracted rental income, net of ground rents			160.1
Contractual rental uplifts			
White Collar Factory EC1	10.5		
Angel Building EC1	8.0		
The White Chapel Building E1 (Phase 1)	4.2		
40 Chancery Lane WC2	2.8 ¹		
Other	18.7	44.2	
Pre-let refurbishments			
The White Chapel Building E1 (Phase 2)	2.4	2.4	
Vacant space ²			
Available to occupy	2.8		
Under refurbishment	5.7	8.5	
Lease reversions			
Anticipated rent reviews and lease renewals		14.3	69.4
			229.5
Two on-site developments (non-EPRA) ³			
Pre-let element	21.8		
On-site	18.8		40.6
Estimated rental value			270.1

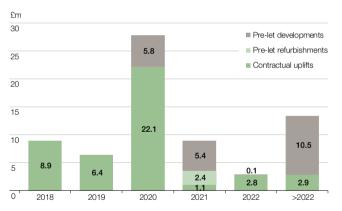
APPENDIX 16 - EVOLUTION OF PORTFOLIO ERV



APPENDIX 17 - TIMING OF THE REVERSION

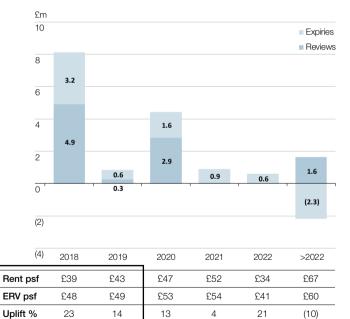
- £68.4m of the reversion locked in:
 - Contractual rental uplifts £44.2m
 - Pre-let refurbishments £2.4m
 - Pre-let developments £21.8m

CONTRACTUAL UPLIFTS AND PRE-LETS



- £14.3m of the reversion from reviews and expiries:
 - 63% due over the next two years

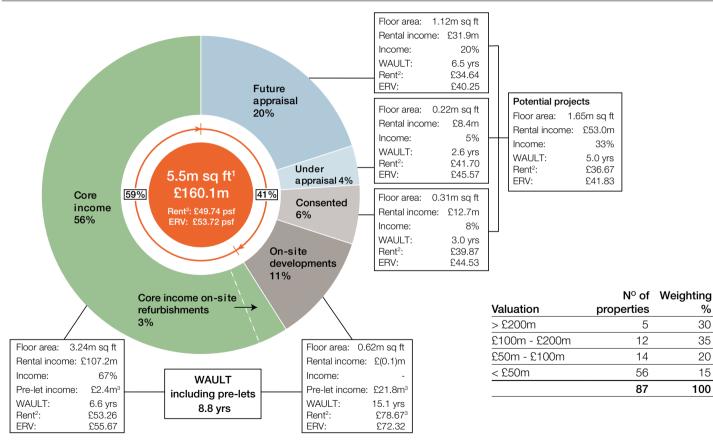
REVIEWS AND EXPIRIES



APPENDIX 18 - AVAILABLE SPACE AND PROJECTS

	Vacant area	Pre-let area	Total area	Gross vacant	Ground	Net vacant	Pre-let rent	Total net	
	'000 '	'000	'000 '	ERV	rent	ERV	ERV	ERV	
	sq ft	sq ft	sq ft	£m pa	£m pa	£m pa	£m pa	£m pa	Comment
Available to occupy (EPRA)								
White Collar Factory EC1	20	-	20	0.6	-	0.6	-	0.6	All exchanged or under offer
3-4 Hardwick Street EC1	10	-	10	0.5	-	0.5	-	0.5	
Charlotte Building W1	7	-	7	0.4	-	0.4	-	0.4	
Other	30	-	30	1.4	0.1	1.3	-	1.3	
	67	-	67	2.9	0.1	2.8	-	2.8	
Under refurbishment									
Johnson Building EC1	57	-	57	3.2	-	3.2	-	3.2	
25 Savile Row W1	19	-	19	1.9	-	1.9	-	1.9	
Morelands EC1	7	-	7	0.3	-	0.3	-	0.3	6,150 sq ft let in Q1 2018 at £0.2m pa
Other	14	-	14	0.3	-	0.3	-	0.3	
	97	-	97	5.7	-	5.7	-	5.7	
On-site developments (nor	n-EPRA)								
80 Charlotte Street W1	105	275	380	4.0	-	4.0	21.8	25.8	
Brunel Building W2	243	-	243	15.2	0.4	14.8	-	14.8	
	348	275	623	19.2	0.4	18.8	21.8	40.6	
Total	512	275	787	27.8	0.5	27.3	21.8	49.1	

APPENDIX 19 - PORTFOLIO SUMMARY



¹ Comprises 4.89m sq ft of existing buildings plus 0.62m sq ft of on-site developments ² 'Topped-up' office rent psf ³ Pre-let as at 31 Dec 2017 (gross income)

Derwent London plc Annual Results 2017

%

30

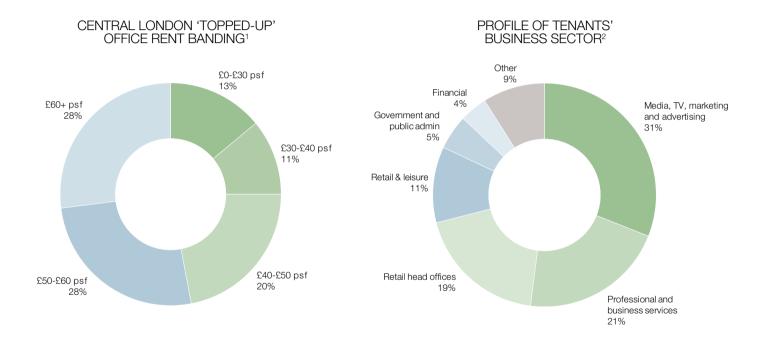
35

20

15

100

APPENDIX 20 - RENT AND TENANT BANDING



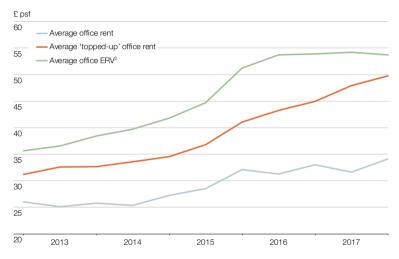
APPENDIX 21 - CENTRAL LONDON OFFICE RENTAL VALUES

87% of portfolio income from central London offices

Average 'topped-up' office rent £49.74 psf

'Topped-up' rents	2017 ¹ %	2016 ¹ %
<£30 psf	13	6
£30-£40 psf	11	12
£40-£50 psf	20	24
£50-£60 psf	28	34
>£60 psf	28	24

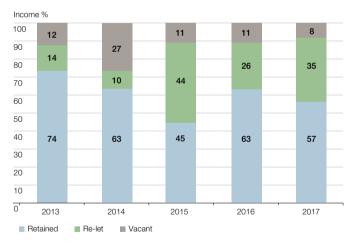
CENTRAL LONDON OFFICE RENT PROFILE



APPENDIX 22 - LEASE EXPIRIES, BREAKS AND VACANCY RATES

- £8.5m of income subject to breaks/expiries in 2017:
 - £2.1m taken into projects
 - 92% of remainder retained or re-let

- EPRA vacancy rate of 1.3%² at the year end down from 2.6% at the start of 2017:
 - Group's 10-year average of 2.6%



LEASE EXPIRY AND BREAK ANALYSIS¹



EPRA VACANCY BATES

¹ As at end of reporting period ² Calculated as space immediately available to occupy

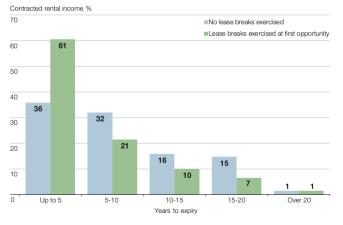
Derwent London plc Annual Results 2017

APPENDIX 23 - LEASE EXPIRY PROFILE AND LEASE LENGTH

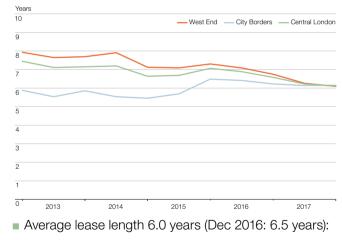
EXPIRIES AND BREAKS AS A PERCENTAGE OF PORTFOLIO INCOME¹

	West	City							
	End	Borders	Provincial	2018	2019	2020	2021	2022	Total
Expiries	3	2	1	6	2	8	11	4	31
Rolling breaks	1	-	-	1	-	2	2	-	5
Single breaks	1	1	-	2	5	5	9	4	25
	5	3	1	9	7	15	22	8	61

PROFILE OF RENTAL INCOME EXPIRY¹



AVERAGE UNEXPIRED LEASE LENGTH²



Including pre-lets 7.8 years

¹ Based upon annualised contracted rental income of £160.1m ² Lease length weighted by rental income and assuming tenants break at first opportunity

Derwent London plc Annual Results 2017

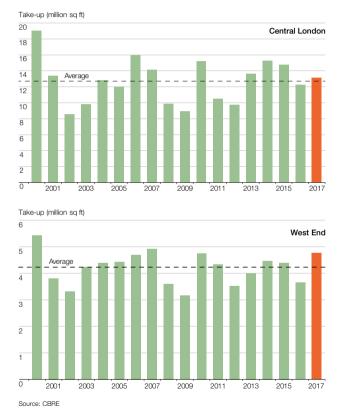
APPENDIX 24 - CENTRAL LONDON OFFICE DEMAND

Market statistics

- Central London annual take-up of 13.2m sq ft:
 - 4% above the long-term average and 7% higher than 2016
 - 30% Business Services, 23% Creative Industries, 19% Banking & Finance and 8% Professional Services
- Even stronger take-up in the West End at 4.8m sq ft:
 - 13% above average and 31% higher than 2016
- Prime rental growth in 2017:
 - +3.7% in Paddington at £70 psf
 - +3.0% in Fitzrovia at £85 psf
 - +2.6% in Midtown at £80 psf
 - -6.5% in Victoria at £72.50 psf
 - -6.7% in Mayfair/St James' at £105 psf

Derwent London's view

- Strong demand for our space
- Rents firm but incentives moved out slightly



OFFICE TAKE-UP

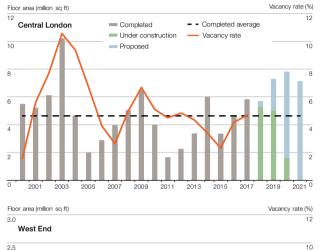
APPENDIX 25 - CENTRAL LONDON OFFICE SUPPLY

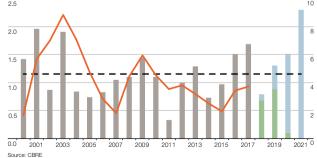
Market statistics

- Central London vacancy rate ended the year at 4.7%:
 - Increased from 4.1% a year earlier
 - Long-term average 5.1%
- West End vacancy increased from 3.3% to 3.7% in 2017:
 - Long-term average 4.3%
- Central London office completions:
 - 5.8m sq ft completed in 2017, 1.4m sq ft less than forecast a year ago
 - Committed delivery 5.3m sq ft in 2018, 5.0m sq ft in 2019 and 1.6m sq ft in 2020
 - Potential total delivery 5.7m sq ft in 2018, 7.3m sq ft in 2019 and 7.8m sq ft in 2020
 - Long-term completion average 4.6m sq ft

Derwent London's view

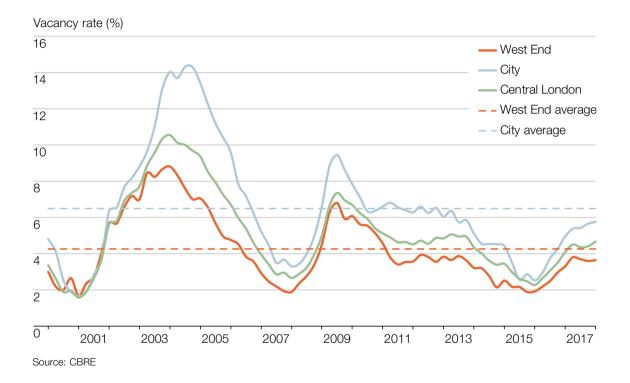
- Comfortable with our pipeline:
 - 45% of our 2019 developments pre-let



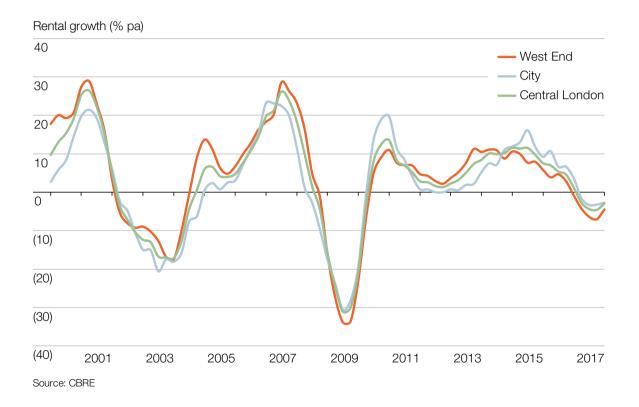


OFFICE DEVELOPMENT PIPELINE

APPENDIX 26 - CENTRAL LONDON OFFICE VACANCY



APPENDIX 27 - CENTRAL LONDON OFFICE RENTAL GROWTH



APPENDIX 28 - CENTRAL LONDON OFFICE INVESTMENT MARKET

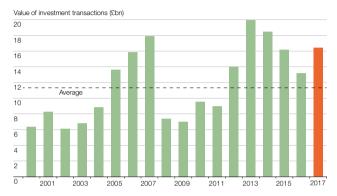
Market statistics

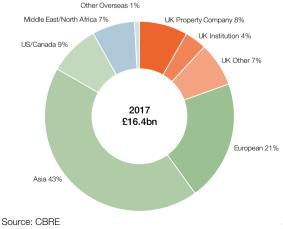
- £16.4bn of central London transactions in 2017:
 - 38% above average and 25% above 2016
 - Overseas investors accounted for 81%
- Prime yields in 2017:
 - West End: Unchanged at 3.75%
 - City: 25 basis point compression to 4.0%

Derwent London's view

- Good interest for our product
- The group disposed of £482.8m (net) of property in 2017:
 - 11.8% above Dec 2016 book value

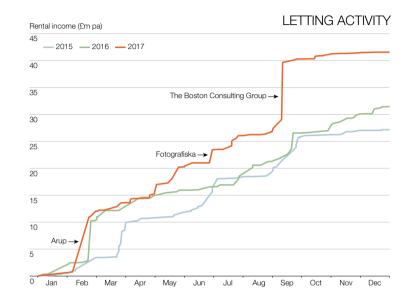
CENTRAL LONDON OFFICE INVESTMENT





APPENDIX 29 - LETTING ACTIVITY 2017

- A record year for lettings:
 - £41.5m pa (gross) or £41.3m (net) of income
 - 685,700 sq ft
 - 77 transactions
- Pre-lets accounted for 68% of activity:
 - Arup at 80 Charlotte Street W1 (£11.2m)
 - The Boston Consulting Group at 80 Charlotte Street W1 (£10.6m)
 - Fotografiska at The White Chapel Building E1 (£2.4m)
- Transactions ahead of ERV:
 - Overall, 1.3% above Dec 16 ERV
 - Excluding short term lettings, 2.1% above



	L	et	Performance against Dec 16 ERV (%)			
	Area sq ft	Income £m pa	Open market	Overall ¹		
H1	439,200	23.4	1.8	0.5		
H2	246,500	18.1	2.4	2.4		
2017	685,700	41.5	2.1	1.3		

¹ Includes short-term lettings at properties earmarked for redevelopment

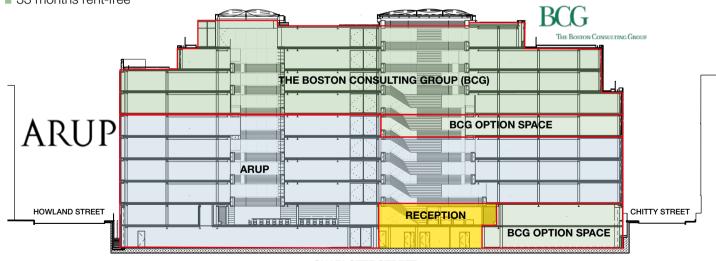
APPENDIX 30 - 80 CHARLOTTE STREET W1

ARUP

- 153,400 sq ft pre-let in 2017 (133,600 sq ft in Q1, 19,800 sq ft in Q3)
- £11.2m pa with annual increases of 2.25% for the first 15 years
- Average rent of £75 psf on main office floors
- 20-year lease, no breaks
- 33 months rent-free

THE BOSTON CONSULTING GROUP

- 123,500 sq ft pre-let in Q3 2017
- £10.6m pa
- Average rent of £85.50 psf
- 15-year lease, break year 12
- Options on a further 43,000 sq ft



CHARLOTTE STREET

APPENDIX 31 - ASSET MANAGEMENT: EXPEDIA - ANGEL BUILDING EC1

Regear and assignment:

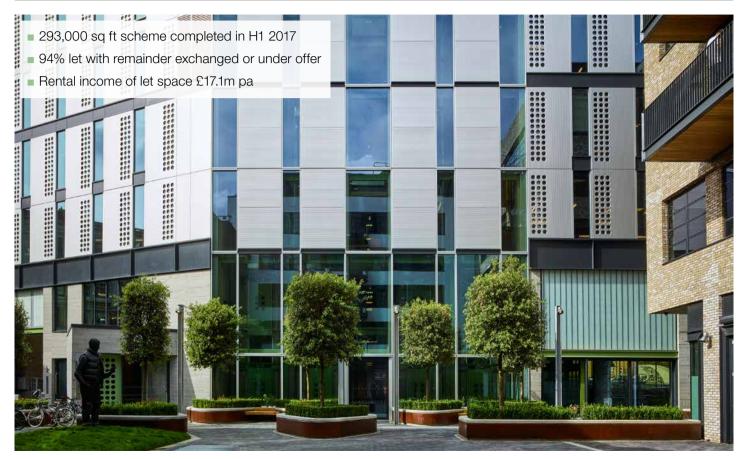
- Expedia's occupation increases from 93,400 sq ft to 231,400 sq ft in 2019 and potentially 248,500 sq ft from 2021
- Lease expiry moved from 2021 to 2030, no breaks
- Incentives equivalent to 21 months rent
- Total office income to rise from £13.3m to a minimum of £15.0m in 2020

APPENDIX 32 - ASSET MANAGEMENT: MOTHER - TEA BUILDING E1



Derwent London plc Annual Results 2017

APPENDIX 33 - WHITE COLLAR FACTORY EC1: 2017 COMPLETION



APPENDIX 34 - THE COPYRIGHT BUILDING W1: 2017 COMPLETION



APPENDIX 35 - PLANNING CONSENTS: MONMOUTH HOUSE EC1



APPENDIX 36 - PLANNING CONSENTS: 19-35 BAKER STREET W1

- Resolution to grant consent in Nov 2017 for a 293,000 sq ft scheme:
 - 206,000 sq ft offices with roof terraces
 - 52,000 sq ft residential
 - 35,000 sq ft retail
 - Open courtyard with through-route to Gloucester Place
- Joint Venture with The Portman Estate (Derwent London share 55%)





APPENDIX 37 - PLANNING CONSENTS: HOLDEN HOUSE W1

- Resolution to grant consent in Nov 2017 for a 150,000 sq ft scheme:
 - Potential for a single Oxford Street flagship store
 - Or a retail-led scheme with offices
- Part retained façade

APPENDIX 38 - CURRENT PROJECTS: PROFIT ON COST

Brunel Building W2	80 Charlotte Street W1

Completion		H1 2019	H2 2019
Commercial area (sq ft)	578,000	243,000	335,000
Residential area (sq ft)	45,000	-	45,000 ²
Est. future capex (£m)	252	70	182
Total cost (£m)1	744	239	505
ERV (£ psf)	-	c.62.50	c.80.00
ERV (£m pa)	40.6	14.8 ³	25.8
Pre-let area (sq ft)	276,900	-	276,900
Pre-let income (£m pa)	21.8	-	21.8

Summary	£m
End value	939
Less: Total cost ¹	744
Project surplus	195
Less: Booked to Dec 17	54
Surplus to come	141
Profit on total cost	26%
Profit to come on total cost	19%
Yield on cost ⁵	6.0%

Sensitivity⁴ - project surplus (£m) and profit on cost (%)

		Valuation yield					
		+0.25%	Base	-0.25%			
	-£5.00 psf	£117m	£163m	£214m			
	-£5.00 psi	16%	22%	29%			
Rent	Daaa	£148m	£195m	£248m			
Re	Base	20%	20% 26%				
		£178m	£227m	£282m			
	+£5.00 psf	24%	31%	38%			

¹ Comprising book value at commitment, capex, fees and notional interest on land, voids and other costs. 80 Charlotte Street W1 land value as at Dec 2011, following receipt of planning permission and Brunel Building W2 land value as at Jun 2015 ² Private residential 35,000 sq ft and affordable housing 10,000 sq ft ³ As a long leasehold interest, ERV is net of 2.5% ground rent ⁴ Sensitivity applies to non pre-let commercial floor areas ⁵ Assumes the residential value reduces the total costs

APPENDIX 39 - PROJECT SUMMARY: CURRENT

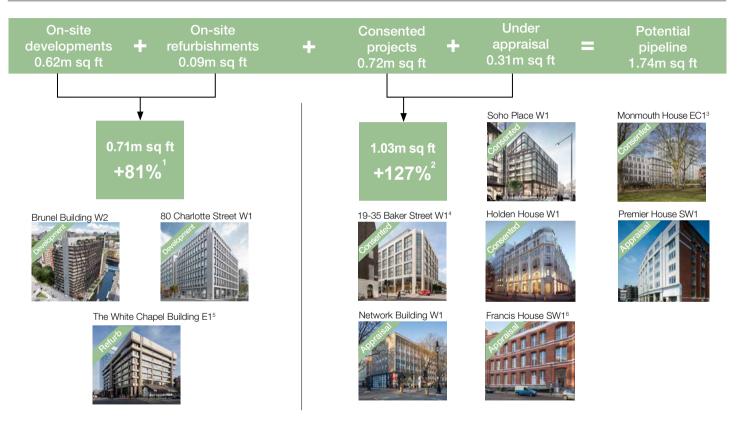
Property	Current net income £m pa	Pre scheme area '000 sq ft	Proposed area '000 sq ft	2018 capex £m	2019 capex £m	2020+ capex £m	Total capex to complete £m	Delivery date	Current office c.ERV psf
On-site developments									
Brunel Building W2	(0.1)	78	243	56	13	1	70	H1 2019	£62.50
80 Charlotte Street W1	-	234	380	72	101	9	182	H2 2019	£80.00
	(0.1)	312	623	128	114	10	252		
On-site refurbishments									
The White Chapel Building E11	-	81	89	12	1	-	13	H2 2018	
	(0.1)	393	712	140	115	10	265		
Other projects									
Soho Place W1	-	-	285	18	75	216	309 ²		
Planning & design	-	-	-	5	3	1	9		
Other	-	-	-	17	8	11	36		
	-	-	285	40	86	228	354		
Total	(0.1)	393	997	180	201	238	619		
Capitalised interest	-	-	-	12	15	12	39		
Total including interest	(0.1)	393	997	192	216	250	658		

APPENDIX 40 - PROJECT SUMMARY: FUTURE

Property	Current net income £m pa	Pre- scheme area '000 sq ft	Proposed area '000 sq ft	Earliest possession year	Comment
Consented					
Monmouth House EC1 ¹	0.3	69	125	2019	Adjacent White Collar Factory
19-35 Baker Street W1 ²	5.8	146	293	2020	Joint venture - The Portman Estate
Holden House W1	6.5	90	150	TBC	Eastern end of Oxford Street
	12.6	305	568		
Adjustment for JV	(2.6)	(66)	(132)		19-35 Baker Street W1 - Derwent 55% interest
	10.0	239	436		
Under appraisal ³					
Premier House SW1	2.2	62	80	2018	
Network Building W1	3.1	64	100	2021	
Francis House SW1 ⁴	3.1	90	130	TBC	
	8.4	216	310		
Consented and appraisal	18.4	455	746		
Current projects	(0.1)	393	997		Appendix 39
Pipeline	18.3	848	1,743		

¹ Includes 19-23 Featherstone Street EC1 ² Includes 88-100 George Street, 30 Gloucester Place and 69-85 Blandford Street W1 ³ Areas proposed are estimated from initial studies ⁴ Includes 6-8 Greencoat Place SW1

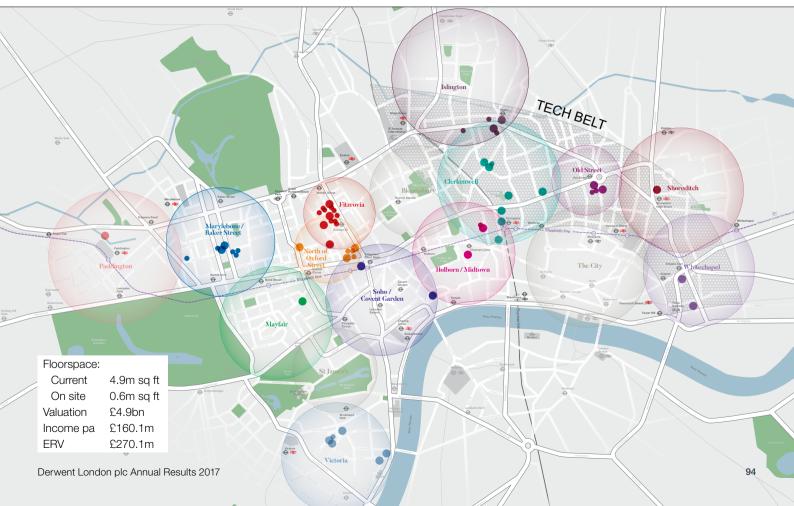
APPENDIX 41 - PROJECT PIPELINE



¹ Uplift on previous floorspace ² Uplift on existing floorspace ³ Includes 19-23 Featherstone Street EC1 ⁴ Includes 88-100 George Street, 30 Gloucester Place and 69-85 Blandford Street W1 ⁵ Phase 2 ⁶ Includes 6-8 Greencoat Place SW1

Derwent London plc Annual Results 2017

APPENDIX 42 - PORTFOLIO MAP



APPENDIX 43 - EXECUTIVE COMMITTEE AND SENIOR MANAGEMENT

John Burns* Chief Executive Damian Wisniewski* Finance Director Simon Silver* **Property Director** Nigel George* **Property Director** Paul Williams* **Property Director** David Silverman* **Property Director** David Lawler* **Company Secretary Richard Baldwin*** Head of Development **Rick Meakin*** Group Financial Controller Ben Ridgwell* Head of Asset Management Emily Prideaux* Head of Leasing Quentin Freeman Head of Investor & Corporate Communications John Davies Head of Sustainability Head of Tax David Westgate Katy Levine Head of Human Resources Mark Murray Head of Information Technology Jennifer Whybrow Head of Financial Planning & Analysis Lesley Bufton Head of Property Marketing Peter Withers Head of Property & Facilities Management Giles Sheehan Associate, Investment

* Members of Executive Committee Derwent London plc Annual Results 2017 This presentation has been prepared by Derwent London plc (the "Company"). No representation or warranty (express or implied) of any nature is given nor is any responsibility or liability of any kind accepted by the Company or any of its directors, officers, employees, advisers, representatives or other agents, with respect to the truthfulness, completeness or accuracy of any information, projection, representation or warranty (expressed or implied), omissions, errors or misstatements in this presentation, or any other written or oral statement provided.

In particular, no responsibility or liability is or will be accepted and no representation or warranty is or is authorised to be given as to the accuracy, reliability or reasonableness of any forward-looking statement, including any future projections, management targets, estimates or assessments of future prospects contained in this presentation, or of any assumption or estimate on the basis of which they have been given (which may be subject to significant business, economic or competitive uncertainties and contingencies beyond the control of the management of the Company). Any such forwardlooking statements have not been independently audited, examined or otherwise reviewed or verified and nothing in this presentation should be construed as a profit forecast.

All views expressed in this presentation are based on financial, economic, market and other conditions prevailing as of the date of this presentation. The Company does not undertake to provide access to any additional information or to update any future projections, management targets, estimates or assessment of future prospects or any other forward-looking statements to reflect events that occur or circumstances that arise after the date of this presentation, or to correct any inaccuracies in this presentation which may become apparent. Past performance is not indicative of future results and forward-looking statements are not guarantees of future performance.

This presentation is for information purposes only and does not constitute an offering document or an offer of transferable securities to the public in the UK. This presentation is not intended to provide the basis for any credit or other evaluation of any securities of the Company and should not be considered as a recommendation, invitation or inducement that any investor should subscribe for, dispose of or purchase any such securities or enter into any other transaction with the Company or any other person. The merits and suitability of any investment action in relation to securities should be considered carefully and involve, among other things, an assessment of the legal, tax, accounting, regulatory, financial, credit and other related aspects of such securities.

This presentation is being communicated or distributed within the UK only to persons to whom it may lawfully be communicated, and has not been approved for the purposes of section 21 of the Financial Services and Markets Act 2000. It may not be reproduced (in whole or in part), distributed or transmitted to any other person without the prior written consent of the Company. In particular this presentation is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. Any recipients of this presentation outside the UK should inform themselves of and observe any applicable legal or regulatory requirements in their jurisdiction, and are treated as having represented that they are able to receive this presentation without contravention of any law or regulation in the jurisdiction in which they reside or conduct business.