

20 March 2007

**Derwent London plc (“Derwent”)**

**DERWENT SELLS SWISS COTTAGE SITE FOR £18.25 MILLION**

Derwent London plc, Derwent Valley Holdings plc’s new name following its merger with London Merchant Securities plc (“LMS”) in February 2007, today announces the disposal of a residential site in Swiss Cottage, North London, to Galliard Homes Limited for £18.25 million. The site, located at 2/20 Winchester Road and 157a Fellows Road, NW3, has the benefit of planning permission for a 76 unit residential scheme.

This transaction represents the first sale of a non core property from the LMS portfolio. The price reflects a significant premium over the 31<sup>st</sup> January 2007 valuation of £10 million.

John Burns, Chief Executive of Derwent London, commented: “At the time of our merger, we stated that we would be disposing of the non-core assets held within Derwent’s enlarged portfolio. We will recycle the proceeds into our core activity of acquiring and refurbishing offices in central London’s principal commercial villages, where we continue to see significant opportunities.”

**-ENDS-**

***For further information please contact:***

**Derwent London**

John Burns

**Tel: 020 7659 3000**

**Financial Dynamics**

Stephanie Highett / Marcus Pepperell

**Tel: 020 7831 3113**