

23 May 2007

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

AGM STATEMENT

At the Group's Annual General Meeting being held today, Robert Rayne, Chairman, will make the following comments:

"With the integration of the newly merged group successfully completed, management focus is now on the conversion to a REIT and on extracting value from the enlarged business.

"The target date for conversion to REIT status is the 1st July 2007 and we will shortly be sending a circular to shareholders seeking the necessary approvals. Our ensuing strategy is to work towards a REIT focused exclusively on central London real estate. To achieve this, provincial and non-core assets are being sold. The majority of the disposals will occur post REIT conversion in order to benefit from the saving of capital gains tax that the REIT environment offers. We have previously announced the sale of Winchester Road, Swiss Cottage, NW3 for £18.3million, £8.0 million in excess of the latest valuation. A number of further sales are now at an advanced stage and marketing of our substantial residential site at Greenwich has commenced. Together, these should realise in excess of £150 million.

"We continue to make good progress on our extensive pipeline of current and future refurbishment and redevelopment projects. Qube, the 10,000 m² office/retail development in Tottenham Court Road, Fitzrovia, W1 will be completed by September 2007. At this early stage, potential tenants are already showing interest at rents in excess of those underlying the latest valuation, demonstrating that this attractive product will be well received. The Angel Centre at Islington, N1 offers an early opportunity to create value within the newly merged group. Here, architectural studies show that the floor area can be significantly increased by reconfiguring the existing space. A lease surrender has been agreed with the tenant of the 15,000 m² office building although the rent of £4.2 million per annum will be paid until 2010. During this period we intend to finalise our plans for the refurbishment and commence works.

"Elsewhere, construction is underway at Portobello Dock, Ladbroke Grove, W10 and work is about to commence at Gresse Street, Noho, W1. At the City Road Estate, EC1, a planning decision is awaited for a mixed use scheme whilst at North Wharf Road, Paddington, W2, and 1-5 Grosvenor Place, Belgravia, SW1, planning applications for major projects are in the process of being submitted.

"Tenant demand for space in our central London Villages remains very strong and so far excellent rental growth has been seen during the current year. We expect this pattern to continue given the insufficient supply of Grade A offices in the West End.

“The ability to drive value through successful lettings and imaginative development and refurbishment programmes remains crucial. Derwent London has built an excellent track record of performance in both these areas and has a portfolio packed with opportunities for capital and income growth. We look forward to reporting to you later in the year on the Group’s progress.”

-ENDS-

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