


Derwent London plc
Interim results 2010

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The background consists of a dark gray gradient with numerous white, three-dimensional circular discs of varying sizes and orientations scattered throughout. The discs have a slight shadow, giving them a floating appearance.

Highlights John Burns

- Strong NAV growth
- Our trademark space in demand
- Return to rental growth
- Major acquisition
- Excellent financial health
- Progressive dividend

The background consists of a gray gradient with numerous white, 3D-rendered circles of varying sizes scattered across the frame. The circles have a slight shadow, giving them a sense of depth. The text is centered in the middle of the image.

Results review
Damian Wisniewski

Headline numbers

DERWENT
LONDON

	June 2010	Dec 2009	June 2009
Total portfolio at fair value	£2,150.2m	£1,918.4m	£1,855.6m
Adjusted net asset value per share	1,365p	1,168p	993p
Gross property income	£57.4m	£123.8m	£63.1m
Recurring profit before tax (unadjusted) ¹	£26.8m	£60.2m	£33.3m
Recurring profit before tax (adjusted) ¹	£25.6m	£55.4m	£27.8m
Diluted recurring earnings per share (unadjusted)	25.05p	55.23p	30.17p
Diluted recurring earnings per share (adjusted)	23.87p	50.49p	24.74p
Interim dividend per share	8.75p	8.15p	8.15p
Net debt (net of unamortised loan arrangement costs)	£749.2m	£720.8m	£846.3m
Property gearing/LTV ratio	33.8%	36.4%	44.3%
Balance sheet gearing	55.1%	61.9%	85.9%

¹ See Appendix 2 for reconciliation to IFRS profit/(loss) before tax

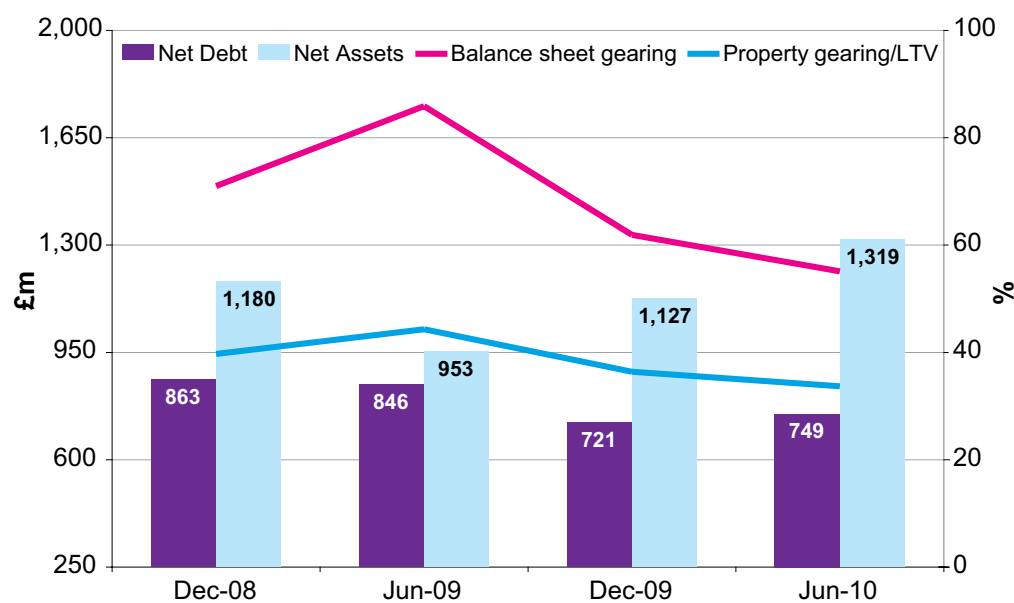
Group balance sheet

DERWENT
LONDON

	June 2010 £m	Dec 2009 £m	June 2009 £m
Investment property	2,119.0	1,888.6	1,718.9
Other non-current assets	49.2	47.5	39.5
	2,168.2	1,936.1	1,758.4
Non-current assets held for re-sale	-	-	110.2
Trading properties	1.0	1.0	7.5
Other current assets and liabilities	(13.9)	(16.8) ¹	(14.9) ¹
Cash and cash equivalents	3.4	19.0	9.0
Bank overdraft	(2.7)	(5.9)	(4.3)
Corporation tax liability	(3.4)	(5.4)	(2.6)
	(15.6)	(8.1)	(5.3)
Financial liabilities	(749.9)	(733.9) ¹	(851.0) ¹
Other non-current liabilities	(42.0)	(30.2)	(27.6)
	(791.9)	(764.1)	(878.6)
Total net assets	1,360.7	1,163.9	984.7
Minority interests	(41.6)	(36.7)	(32.0)
Attributable to equity holders	1,319.1	1,127.2	952.7

¹Includes reclassification of loan arrangement costs - see Appendix 5

Debt, net assets and gearing



- Net assets up by 17% to £1.32bn
- Net debt increased to £749m from £721m
- Further falls in LTV and balance sheet gearing ratios
- See page 11 and Appendix 5 for details of reclassification of loan arrangement costs

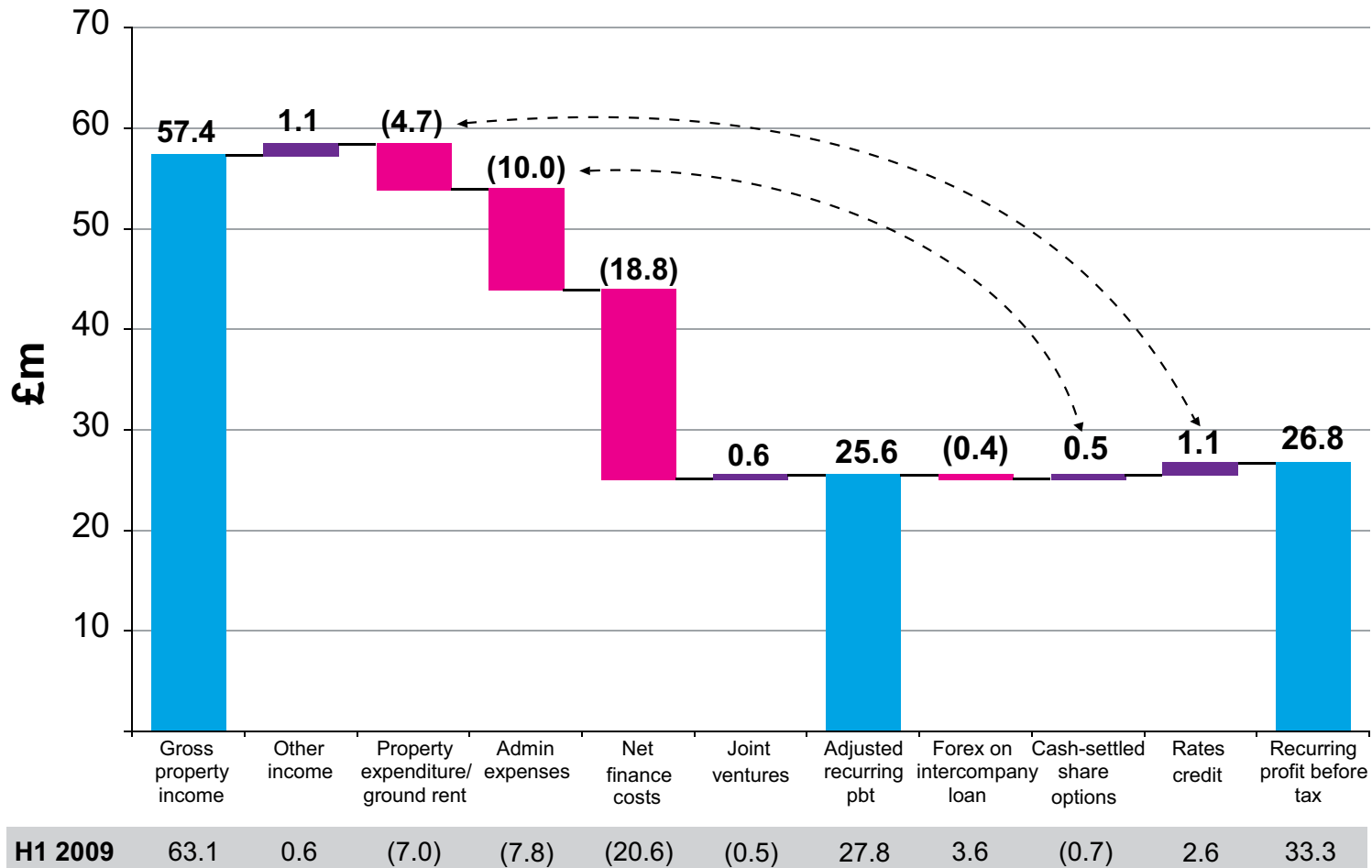
Group income statement

DERWENT
LONDON

	Half year ended June 2010 £m	Half year ended June 2009 £m
Gross property income	57.4	63.1
Other income	1.1	0.6
Property outgoings	(3.6)	(4.4)
Net property income	54.9	59.3
Total administrative expenses	(9.5)	(8.5)
Revaluation surplus/(deficit)	199.8	(258.9)
Profit/(loss) on disposals	-	(3.4)
Net finance costs	(18.8)	(20.6)
Foreign exchange (loss)/profit	(0.4)	3.6
Joint venture results	1.3	(1.8)
Derivatives fair value adjustment	(10.9)	7.0
IFRS profit/(loss) before tax	216.4	(223.3)

Adjusted recurring profit before tax

Adjusted recurring profit before tax



- A reconciliation of the recurring and adjusted recurring profit before tax to the IFRS profit/(loss) before tax is shown in Appendix 2

- Gross property income in H1 2010 reduced by £5.7m compared to H1 2009, split as follows:

	£m	
Property disposals	(6.7)	
Voids	(2.4)	
Lettings, reviews and other	3.4	
	(5.7)	

	H1 2010 £m	H1 2009 £m
Rental income	55.6	58.8
Surrender premium	0.3	-
SIC15 lease incentives	1.5	4.3
	57.4	63.1

- Voids included Angel Building (£1.1m) and Victory House (£0.4m)
- Lettings and reviews included Arup III uplift (£1.0m) and lettings at Qube (£0.7m) and Charlotte Building (£0.5m)
- SIC15 reduction due mainly to Burberry's rent-free period ending at Horseferry House (£1.9m)
- Property outgoings reduced to £3.6m (2009: £4.4m) net of rates credits of £1.1m (2009: £2.6m)

- Share of results of joint ventures includes £0.7m revaluation surplus
- Fair value movement of derivatives in H1 2010 was a loss of £10.9m against a gain of £7.0m in H1 2009
- Changed treatment of loan arrangement costs and amortisation - refer to page 11 and Appendix 5
- Net finance costs, excluding foreign exchange movements, reduced to £18.8m (2009: £20.6m) due mainly to lower borrowings
- Administrative expenses increased to £10.0m (2009: £7.8m) due to higher staff costs and overheads and higher accruals in the first half of the year
- Interim dividend of 8.75p per share up 7.4%

Reclassification of loan arrangement costs and amortisation

- Loan arrangement costs will in future be offset against the loan balances within 'borrowings' in accordance with IAS39
- Loan arrangement costs will be amortised through finance costs rather than administrative expenses
- Non-utilisation fees and other finance costs will also be expensed through finance costs
- No change to LTV but a minor adjustment to the calculation of balance sheet gearing to 55.1% from 55.2%
- See Appendix 5 for detailed reclassification changes

- Modest increase in net debt to £749.2m from £720.8m
- Net cashflow movement in investment property portfolio

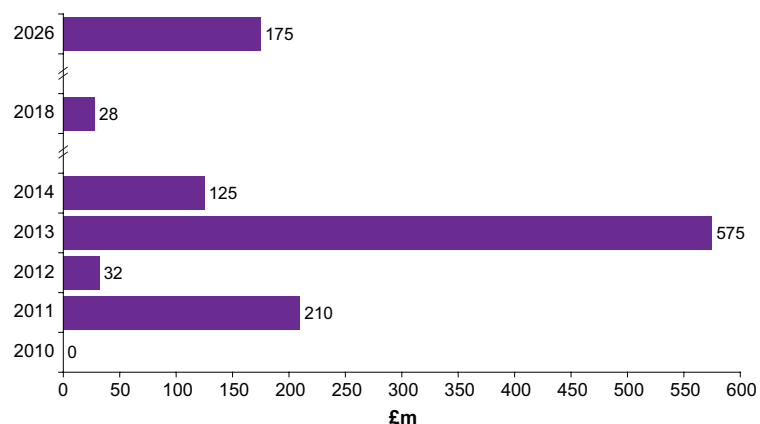
	H1 2010 £m	H1 2009 £m
Acquisitions	(1.3)	(1.5)
Capex	(29.6)	(44.9)
Disposal proceeds	0.3	39.3
	(30.6)	(7.1)

- Forecast capital expenditure for 2010 can be found in Appendix 18

Debt facilities, covenants and gearing

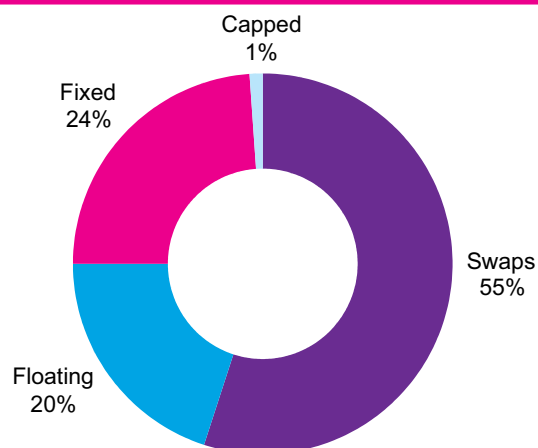
	June 2010	Dec 2009	June 2009
Gearing			
LTV	33.8%	36.4%	44.3%
Balance sheet	55.1%	61.9%	85.9%
Interest cover	320%	330%	324%
Total facilities	£1,145m	£1,145m	£1,145m
Unutilised committed facilities	£409m	£425m	£309m
Unutilised facilities drawable	£375m	£353m	£246m
Uncharged properties	£370m	£338m	£326m

Maturity profile of debt facilities



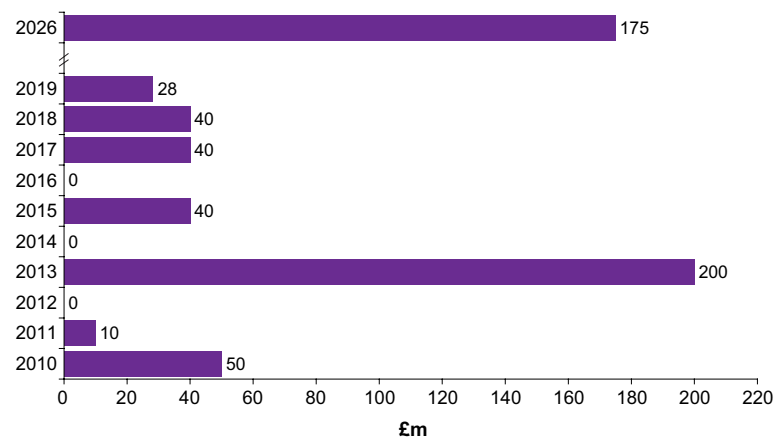
- Refinancing commenced for next debt maturity in December 2011
- Strong support from existing and potential lenders
- Substantial headroom under financial covenants
- See Appendix 6 for the impact of Central Cross on key figures

Hedging profile at 30 June 2010

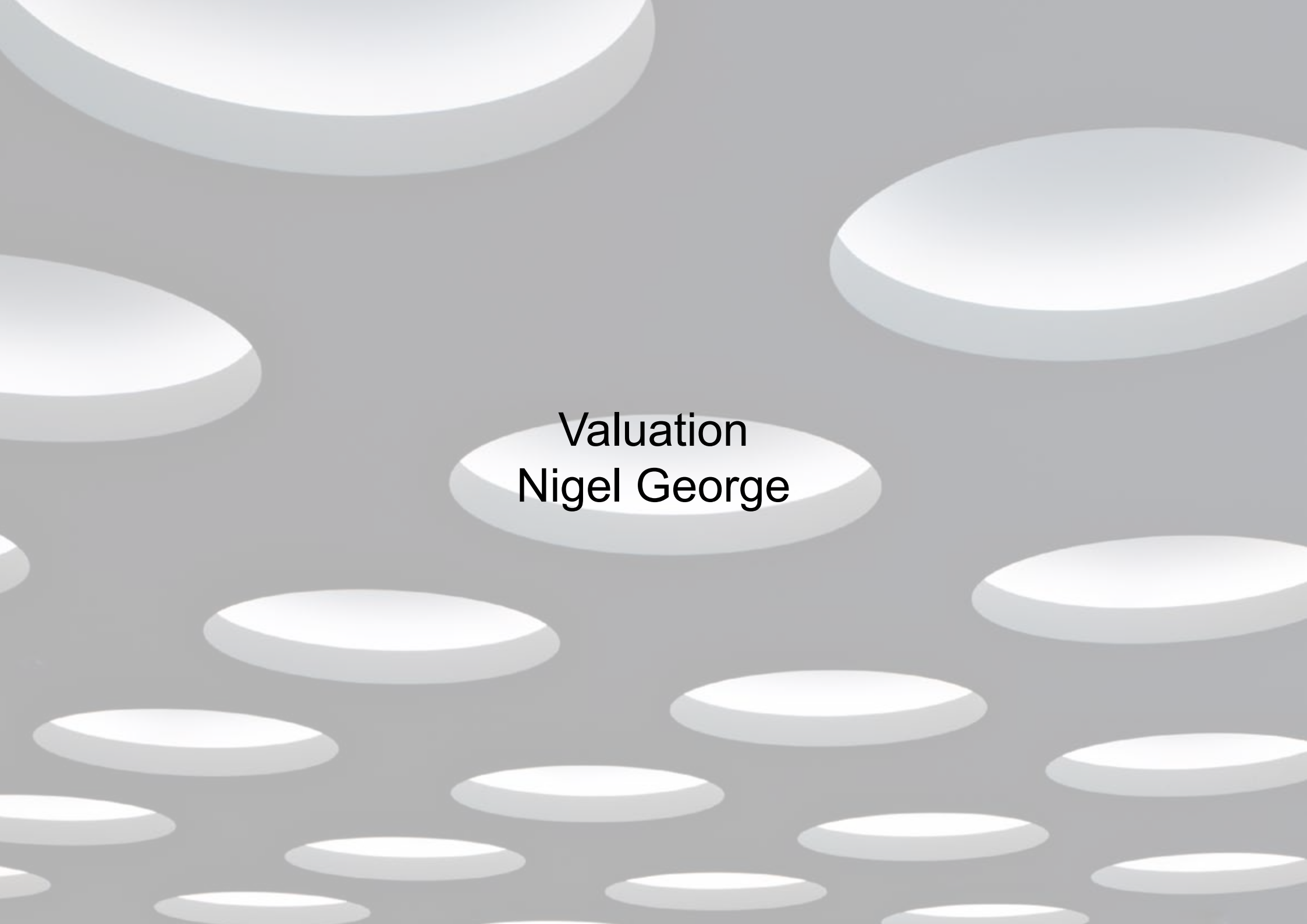


- 80% of drawn facilities were either at fixed rates or hedged at 30 June 2010
- Maturity profile of fixed and hedged debt is shown in the bar chart
- During the period, £40m of swaps were extended to 2017 with a small reduction in the swap rates

Maturity profile of fixed and hedged debt



- Spot weighted average cost of drawn facilities at 30 June 2010
 - Total debt: 4.92%
 - Bank loans: 4.42%

The background features a dark gray gradient with numerous white, three-dimensional circular shapes of varying sizes scattered across the frame. The circles have a slight shadow, giving them a floating appearance.

Valuation
Nigel George

	Portfolio valuation ¹ £m	H1 valuation movement ² %
Core portfolio	2,047.2	10.3
Development properties ³	103.0	10.5
Investment portfolio	2,150.2	10.3
West End	1,614.7	11.6
City Borders	432.8	5.9
Central London	2,047.5	10.4
Provincial	101.5	9.9
Underlying	2,149.0	10.3
Acquisitions	1.2	-4.3
Investment portfolio	2,150.2	10.3

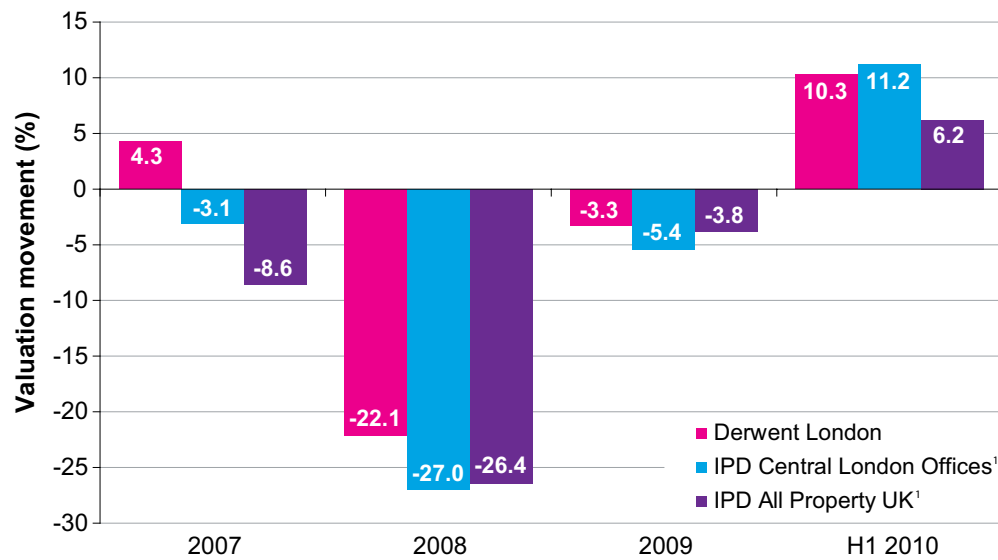
- Strong H1 2010 valuation performance
 - Our villages in demand
- Low average capital values
 - Portfolio £420 psf
 - West End central £520 psf
- Appendices 7 and 8 - valuation statistics

¹ As at 30 June 2010

² Underlying - properties held throughout the period

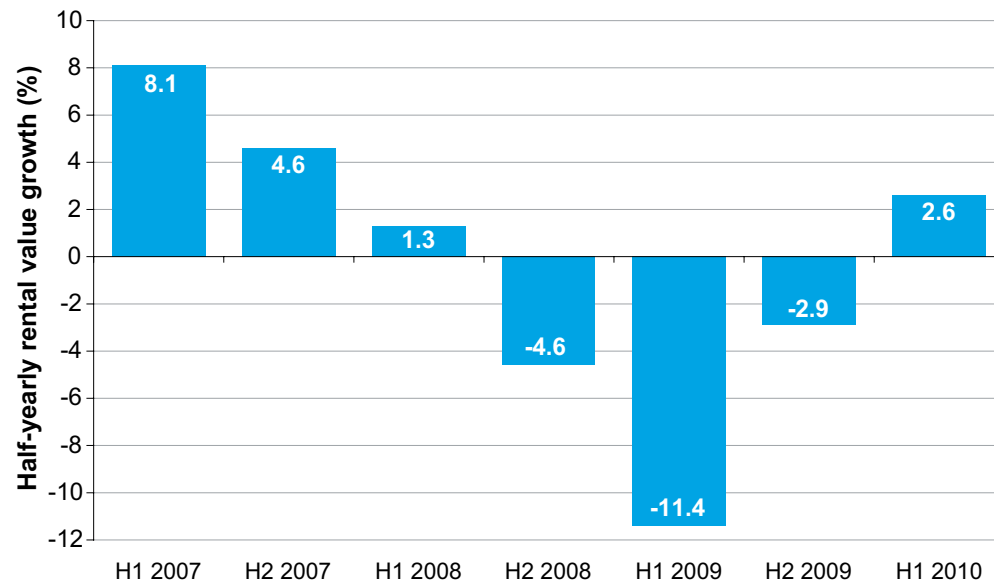
³ Angel Building, Leonard Street site

Valuation performance



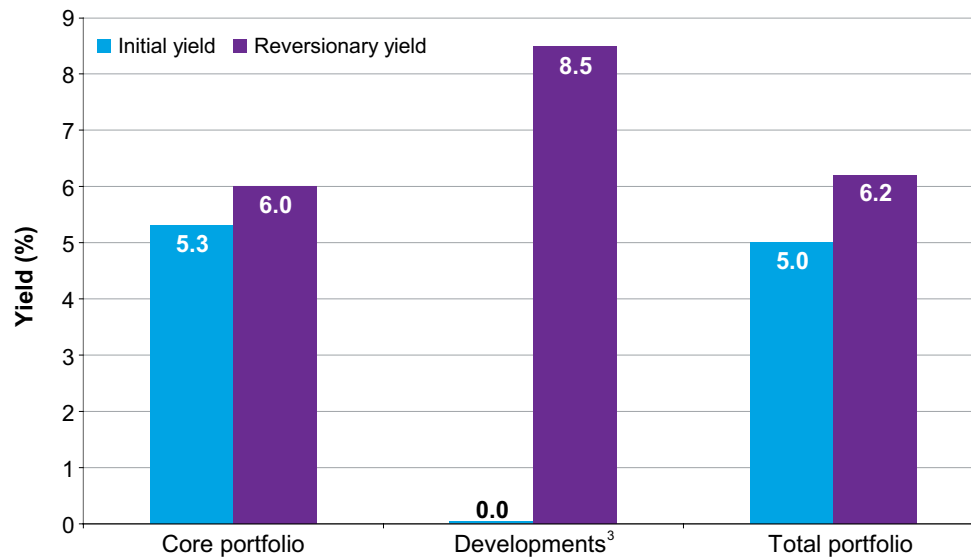
- Central London continues to deliver valuation outperformance against the wider property market
- H1 2010 total property return of 13.3%
 - IPD Central London Offices¹ 14.2%
 - IPD All Property UK¹ 9.6%

Rental value growth



- Return to rental growth
 - Underlying portfolio 2.6% (-2.9% in H2 2009)
 - Central London 2.9% (-2.9% in H2 2009)
 - West End 3.0% (-1.8% in H2 2009)
- IPD Central London Offices¹ 2.8%
- Low average office rents
 - West End £26.35 psf
 - Central London £25.42 psf
 - Positioned for growth
- Appendix 10 - rental value growth

Initial and reversionary yields



- Portfolio initial yield¹ of 5.0%
 - Tightened by 100 bp in H1 2010
 - If current development properties are excluded the initial yield is 5.3%
- Portfolio reversionary¹ yield of 6.2%
 - 120 bp yield spread
- Portfolio true equivalent yield² of 5.89%
 - Tightened by 55 bp in H1 2010
- Appendices 9 and 10 - yield analysis

¹ Yield to Derwent London at 30 June 2010 based upon an annualised contracted net rental income of £108.3m pa (see Appendix 13) and an estimated rental value of £134.7m pa. Adjusted for costs to complete commenced projects.

² True equivalent yield after adjusting for purchasers' costs

³ Angel Building, Leonard Street site

Rental income profile

	Core properties ¹			Angel Building		Total		
	Rental uplift £m	Rental per annum £m	Yield %	Rental uplift £m	Rental per annum £m	Rental uplift £m	Rental per annum £m	Yield ² %
Contracted rental income, net of ground rents		108.3	5.3		-		108.3	5.0
Angel pre-let area - Cancer Research UK	-		5.3	5.0		5.0		5.3
Completion and letting of remaining Angel area	-		5.3	4.8		4.8		5.5
Letting vacant accommodation - available ³	3.0		5.4	-		3.0		5.6
Completion and letting of project floor area ³	5.8		5.7	-		5.8		5.8
Fixed uplifts, anticipated rent review and lease renewal reversions	7.8		6.0	-		7.8		6.2
Portfolio reversion		16.6			9.8		26.4	
		124.9			9.8		134.7	

- Portfolio 24% reversionary at £26.4m – up from 14% in 2009 (£16.3m)
 - £5.0m Angel - CRUK income
 - £13.6m available/projects
 - £7.8m fixed uplifts/reviews/renewals
- Appendices 11 to 13 - rental income statistics

¹ Including acquisitions

² Yield to Derwent London at 30 June 2010 based upon an annualised contracted net rental income of £108.3m pa (see Appendix 13) and an estimated rental value of £134.7m pa. Adjusted for costs to complete commenced projects.

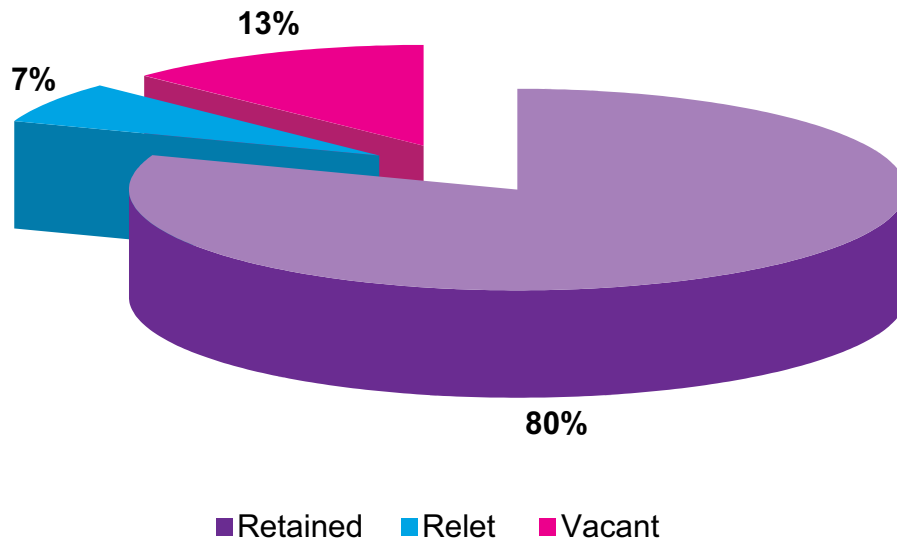
³ Detailed in Appendix 14 - vacant accommodation

Five-year vacancy trend

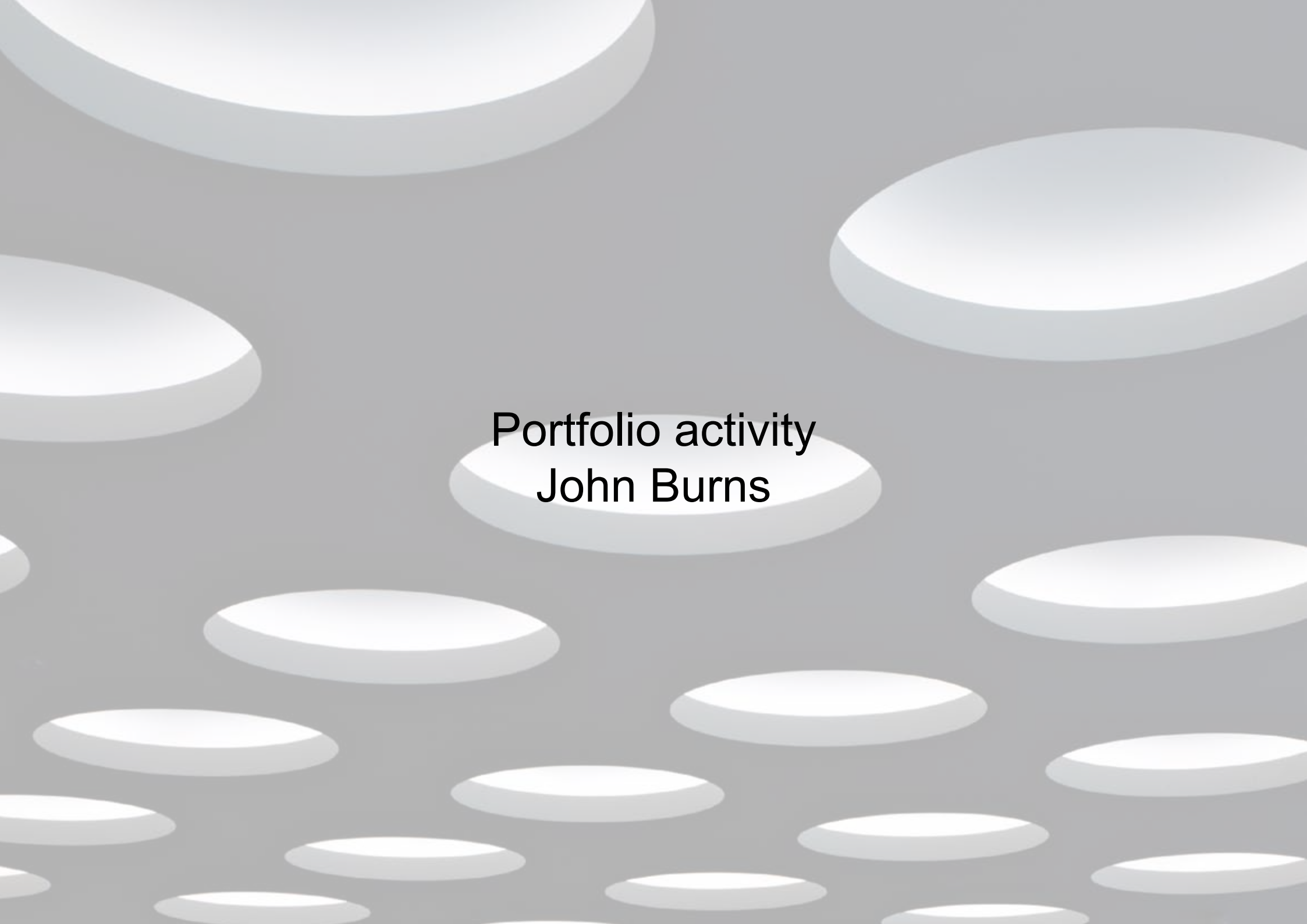


- Vacant space available for letting (1)
 - 2.2% by rental value
 - 2.7% by floor area
- Vacancy rate by rental value decreased from 3.6% at December 2009 following continued strong letting activity
- Delivery of project space will increase the vacancy rate to 10.1% by rental value or 9.6% by floor area
- Appendix 14 - vacant accommodation

Lease expiry and break analysis¹

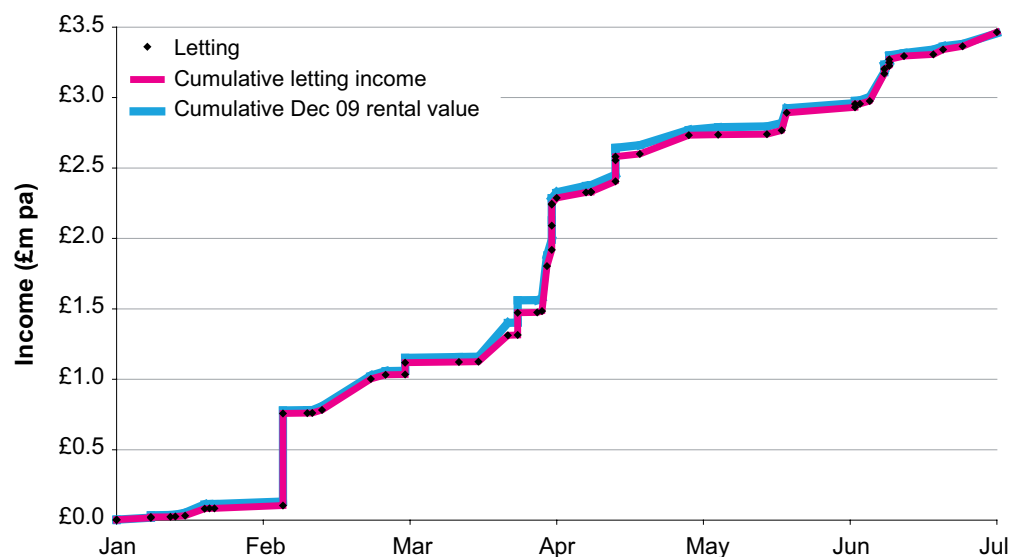


- H1 2010 expiries/breaks
 - Exposure of £12.2m equating to 10.6% of rental income
 - £6.4m related to identified projects
 - Mainly £4.2m BT lease expiry at Angel
 - Of £5.8m remaining:
 - 80% retained, 7% re-let, 13% vacant
- Average time to re-let - two months
- Portfolio average lease length of 7.7 years
- Appendices 15 and 16 - tenants and lease expiries

The background consists of a dark gray gradient with numerous white, three-dimensional circular discs of varying sizes and orientations scattered across the frame. The discs have a slight shadow, giving them a floating appearance.

Portfolio activity
John Burns

H1 2010 letting activity



- Our trademark space in demand
- 47 lettings, totalling 125,700 sq ft at £3.5m pa
 - £3.0m from space vacant at year end
 - 30 open-market lettings at £2.6m pa
 - 17 short-term lettings at our future development properties at £0.9m pa
- Open-market lettings 5% above Dec 2009 ERV
 - Overall, lettings just above ERV
- A further £1.9m pa let or placed under offer since the half year
- 46 rent reviews/lease renewals concluded in H1 2010 at £5.1m pa
 - Marginally above previous rents and year end ERV



- 3,400 sq ft
£0.1m pa
£39.50 psf

Greencoat House SW1



Morelands EC1



Orchestra

- 5,600 sq ft
£0.1m pa
£20.50 psf

Barworks

- 7,500 sq ft
£0.2m pa
£20.00 psf



Suncourt House N1



19-23 Fitzroy Street W1



- 3,400 sq ft
£0.1m pa
£36.50 psf

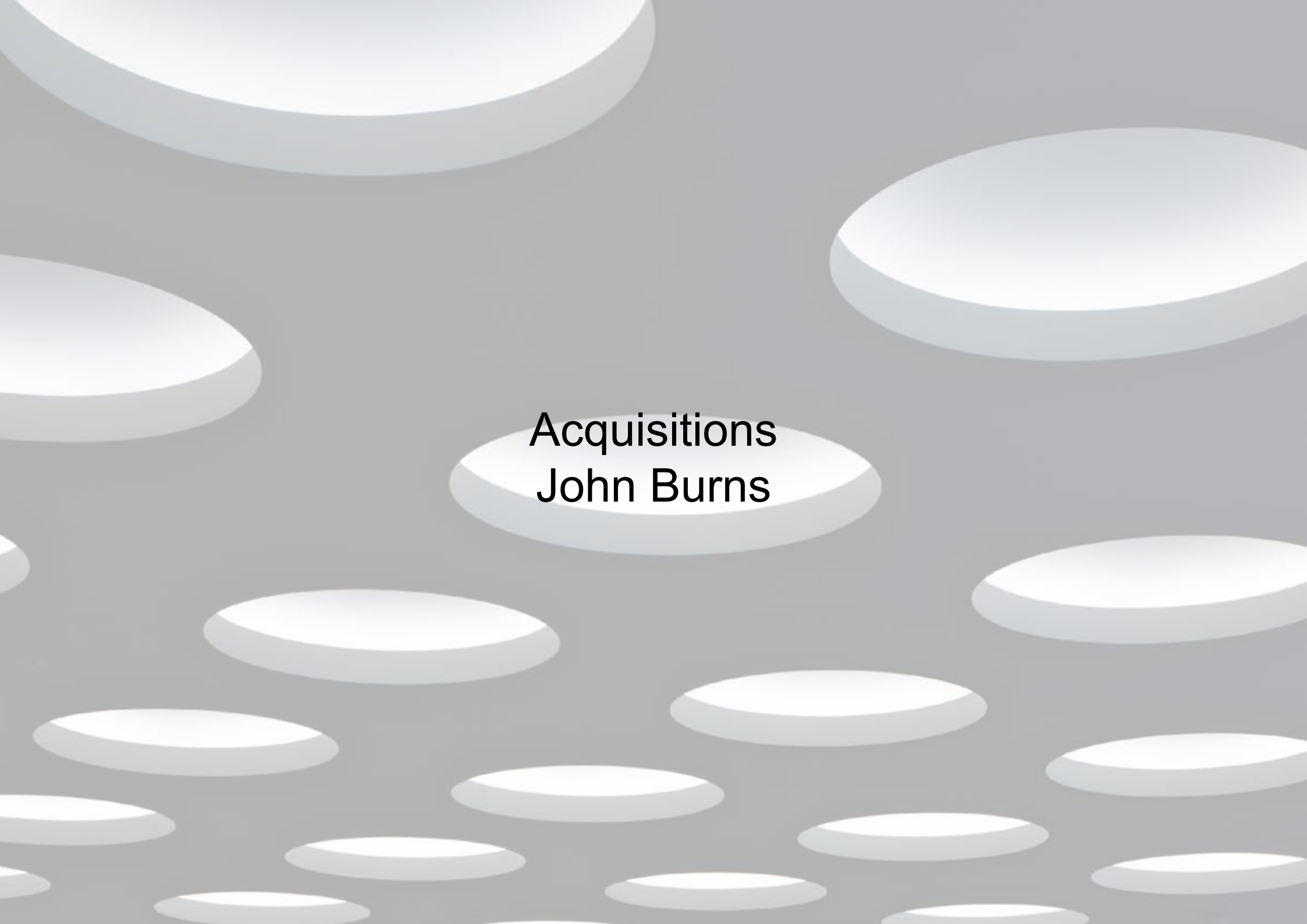
Charlotte Building 17 Gresse Street W1

DERWENT
LONDON

Linked in.



- Fully let following Q3 letting to LinkedIn
 - 7,400 sq ft at £47.50 psf
 - Previous rents £43.50 - £45 psf
- Total net annualised rental income £1.9m
- Other tenants include:
 - Converse
 - Unanimis
 - Icon Entertainment
 - Brandopus
- Awards received for this 47,000 sq ft development
 - RIBA Award for architectural excellence
 - BCO Best Commercial Workplace London & South East Award 2010

The background consists of a gray gradient with numerous white, three-dimensional circular discs floating at various heights and positions. The discs are rendered with soft shadows, giving them a sense of depth and movement. The text is centered on one of these discs.

**Acquisitions
John Burns**

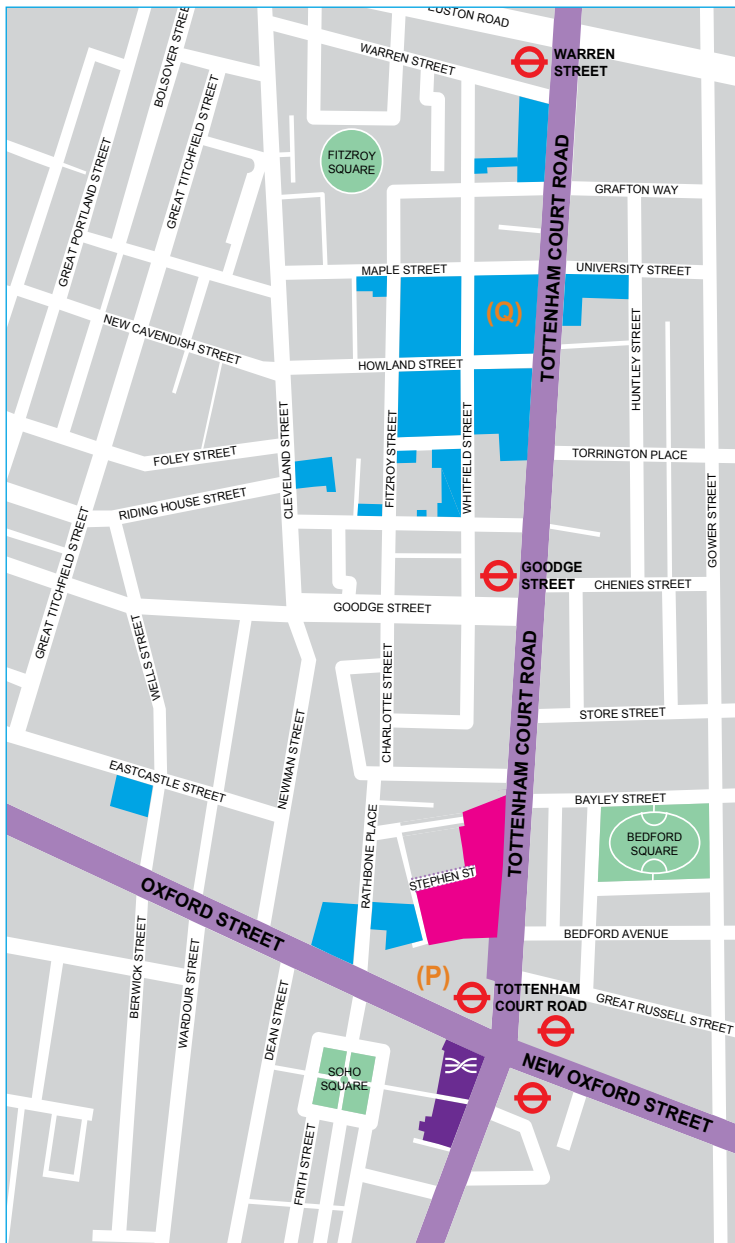
Central Cross W1 - acquisition



Central Cross, 18-30 Tottenham Court Road W1

- Acquired post half year for £146m before costs
- Net initial yield of 5.5%
- Freehold - 2.1 acre site
- 251,000 sq ft
 - 216,000 sq ft offices
 - 24,000 sq ft retail
 - 11,000 sq ft cinema
- Annual rental income of £8.1m
 - 21 leases
 - 10 tenants
- Average lease length of 6 years
- Average rent of £34 psf - low
- Ideal for Derwent London's asset management skills

Central Cross W1 - strategic West End location



- Increases our holdings in the Oxford Street and Fitzrovia areas
 - Now 1.5m sq ft
 - £40m pa of rental income
- Identified as an area for regeneration
- Our Qube development attracted new tenant mix (Q)
 - Itsu, Space NK
 - c. £150 Zone A rents
- Improvements to eastern end of Oxford Street
 - New Primark letting, trading on 85,000 sq ft (P)
 - c. £300 Zone A rent
- Comprehensive transport upgrades
 - London Underground - commenced
 - Crossrail

Key

- Central Cross
- Derwent London ownerships
- Crossrail Oversight Development Agreement

Central Cross W1 - retail potential



Existing retail frontage: Tottenham Court Road

- Existing retail
 - Over 400 ft retail frontage
 - 24,000 sq ft
 - £0.7m pa income
 - Very low Zone A rents at c. £100 psf
- Issues
 - Poorly configured
 - Hidden behind columns
 - Small units
 - Limited tenant demand



Initial proposal for upgraded retail frontage

- Potential retail
 - Infill to building line
- Proposed floor area
 - 40,000 sq ft
 - Nearly double existing
- Redefine location
 - Cater to wider sectors
 - Fashion & food
- Zone A rents £250+ psf
 - Equates to c. £3.0m pa
- Programme
 - Planning - next 12 months
 - Possession - 2014
 - Estimated capex £5m-£7m



Existing office entrance

- Offices
 - Reception upgrade
 - Potential for 75,000 sq ft to become available in 2011
 - Generous spaces - 3 metre floor to ceiling heights
 - Office extensions and terraces to be explored

Making an entrance.....

Horseferry House SW1



Tower House WC2



Qube W1



Oliver's Yard EC2




Greencoat House SW1



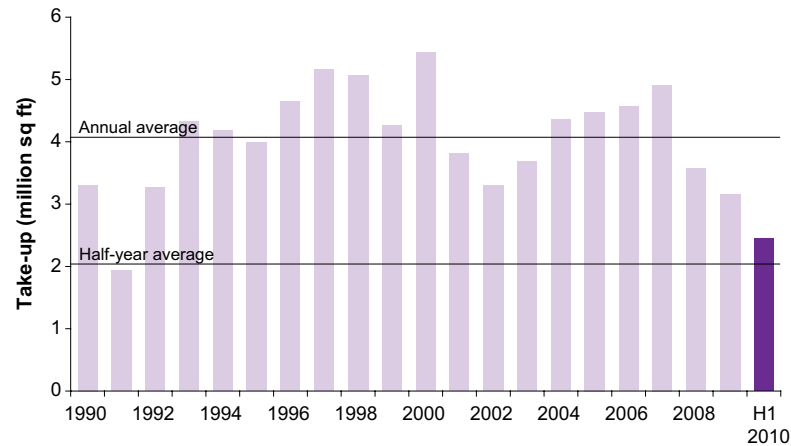
Johnson Building EC1



The background features a dark gray gradient with numerous white, three-dimensional circular discs of varying sizes and orientations scattered across the frame. The discs have a slight shadow, giving them a floating appearance.

Market summary
John Burns

West End take-up



Market

Half year take-up of 2.4m sq ft

- 115% higher than H1 2009
- 20% higher than 10-year average

Derwent London

Continued letting success

- 47 transactions (125,700 sq ft)
- £3.5m pa rental income

Market outlook

Cautious economic recovery

- Diverse occupier demand

Return of rental growth

- Prime: £80 to £85 psf over H1
- Reduced leasing incentives

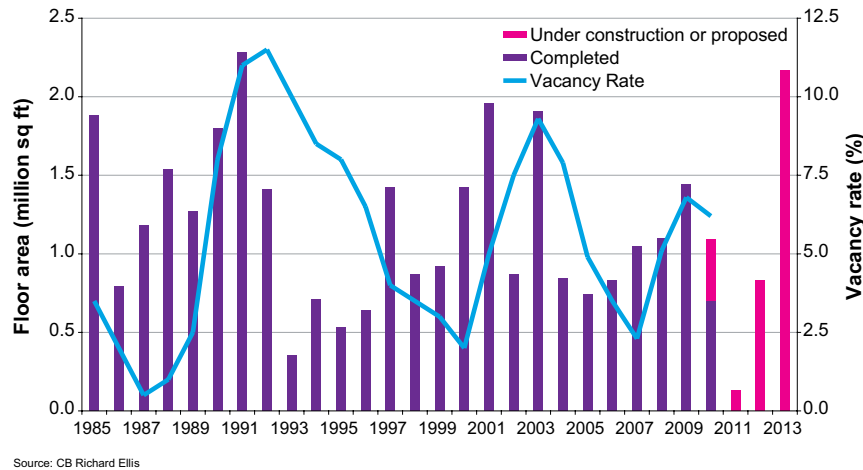
Mid-market focus of £30-£50 psf

- Selective rental growth
- Incentives reducing

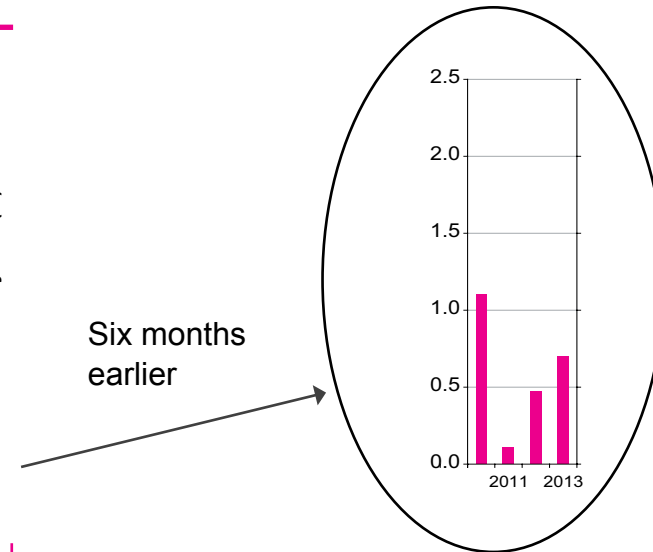
Market favouring landlord

- Further rental growth

West End development pipeline



Source: CB Richard Ellis



Market

Vacancy rate

- 6.8% to 6.2% in H1
- See Appendix 17

Below average completions

- 1.1m sq ft in 2010
- 1.2m sq ft 10-year average

Derwent London

Low vacancy rate

- 3.8% to 2.7% by floorspace
- 3.6% to 2.2% by rental value

Active developments

- Angel Building
- Portfolio refurbishments
- Flexible pipeline

Market outlook

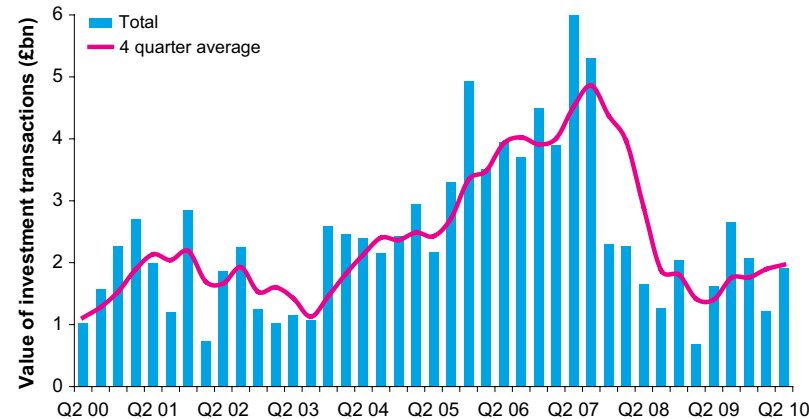
Diminishing supply of space

- Nearing 10-year 5.4% average
- Upward pressure on rents

Development upswing

- Total of 1.0m sq ft in 2011-12
- Increased delivery in 2013

Central London investment transactions



Source: CB Richard Ellis

Market

£3.1bn of H1 transactions

- 35% higher than H1 2009
- 36% lower than 10-year average

Derwent London

No major investment activity in H1

Market outlook

London continues to be attractive

- Yield stabilisation

Overseas investors remain active

- 56% of transactions in H1 2010
- Down from 73% in 2009

Central Cross acquisition in H2

- £146m (251,000 sq ft)
- Ideal for our asset management skills

Anticipated increase in supply



Projects
Simon Silver

- Angel development completing shortly
- Refurbishment programme continues
- Pipeline of major developments progressing
- Ability to be flexible on delivery



Angel Building EC1

Angel Building, St John Street EC1

DERWENT
LONDON

- Striking 263,000 sq ft six-storey office building
 - Completion Q3 2010
- Cancer Research UK occupying 126,000 sq ft
 - On-site fitting out
 - Rent £5.0m pa - 2 years rent free
 - 20 year lease - break at 15 years
- Balance 137,000 sq ft
 - Upper floors with terraces
 - Delivered into improving market
 - 30,000 to 50,000 sq ft floorplates
 - Central circulation core allows for sub-division



www.angelbuilding.com

1 Maple Place W1

- 20,000 sq ft



9-10 Rathbone Place W1

- 12,000 sq ft



65 Whitfield Street W1

- 30,000 sq ft



33 George Street W1

- 14,000 sq ft

- Active programme of projects
- Delivered 50,000 sq ft in H1 2010
- On-site at June 2010:
 - 140,000 sq ft
 - Capex £17.4m
 - Rental value £4.5m pa
- To follow:
 - 33 George Street - 14,000 sq ft
 - 2-14 Pentonville Road - 55,000 sq ft

Refurbishments - Victory House, Tottenham Court Road W1



- Comprehensive refurbishment underway
 - Office: 30,000 sq ft, Residential: 12,000 sq ft
- Part of the continued improvement of our Fitzrovia estate

Date	2010	2011	2012
Stage		Construction	Available
Area		12 months Capex £10m	42,000 sq ft
Rent			£40 psf

Pipeline - 132/142 Hampstead Road NW1

- Existing buildings
 - 230,000 sq ft of warehouse space
- Planning application to be submitted shortly
 - Office: 233,000 sq ft
 - Residential: 32,000 sq ft
- Comprehensive refurbishment and extension
 - Includes new 'sky' floors with panoramic views



Date	2010	2011	2012	2013	2014
Stage	Income £2.0m pa	Construction 24 months			Available
Area	230,000 sq ft	Capex circa £85m			265,000 sq ft
Rent	£9 psf				circa £37 psf

Pipeline - City Road Estate EC1

- Planning application now submitted
 - Includes new 16-storey office building totalling 220,000 sq ft
- Innovative office development incorporating White Collar Factory concept
- Set around a new public square



Date	2010/2012	2013	2014	2015	2016
Stage	Income £1.3m pa	Construction 30 months			Available
Area	124,000 sq ft				285,000 sq ft
Rent	£13 psf				circa £45 psf

Pipeline - 80 Charlotte Street W1

- 1.4 acre island site in the heart of our Fitzrovia estate
- Our designs are taking shape
 - Autumn 2010 planning application anticipated
- Aim - create a new office hub set around public realm
- Currently occupied by Saatchi & Saatchi
 - Leases expire 2013

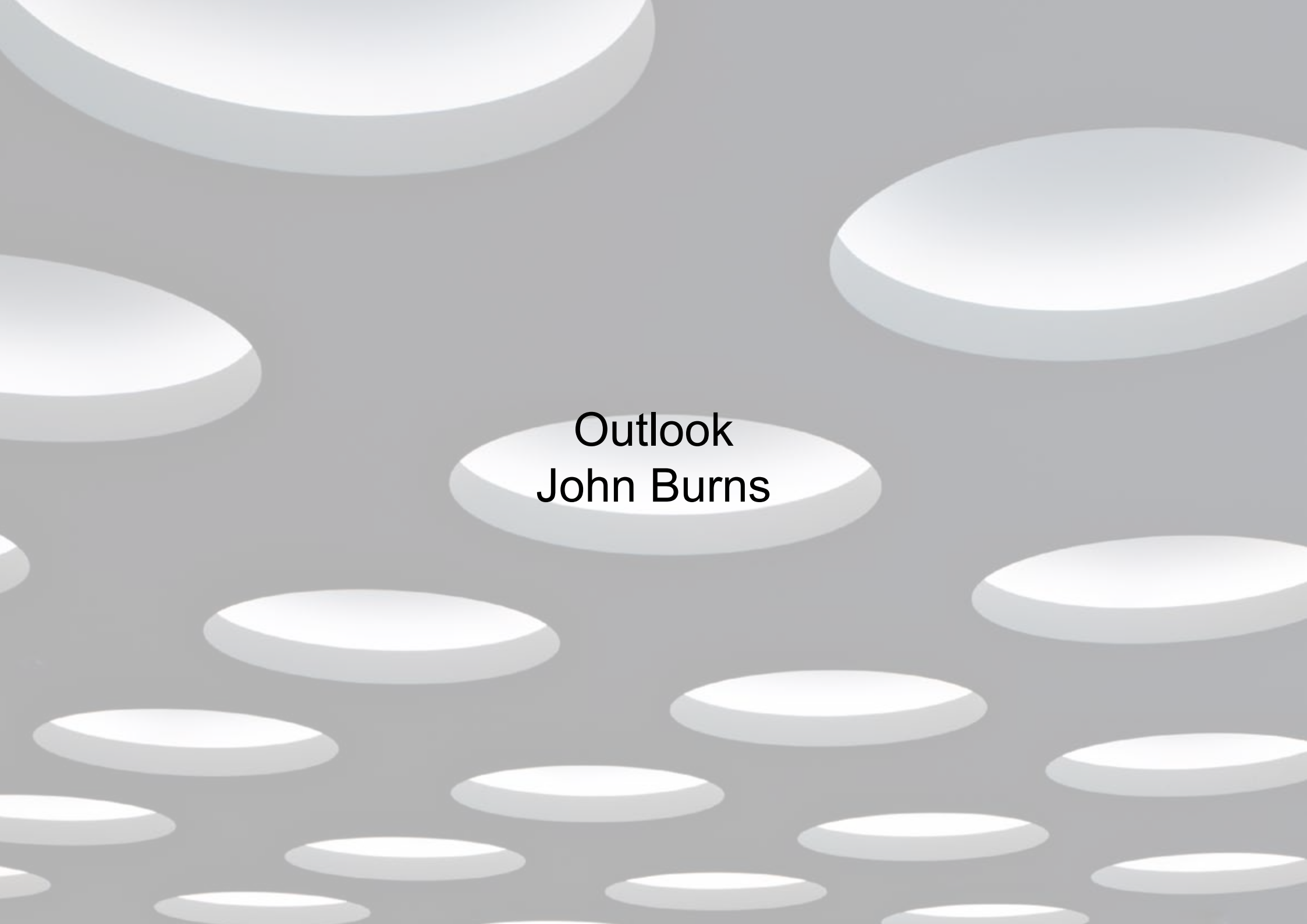


Date	2010/2012	2013	2014	2015	2016
Stage	Income £4.3m pa	Construction 30 months			Available
Area	200,000 sq ft				circa 320,000 sq ft
Rent	£21 psf				

- Delivering space through our refurbishments
- Strong design ethos
- Exciting schemes in the pipeline
- New opportunities with acquisition of Central Cross

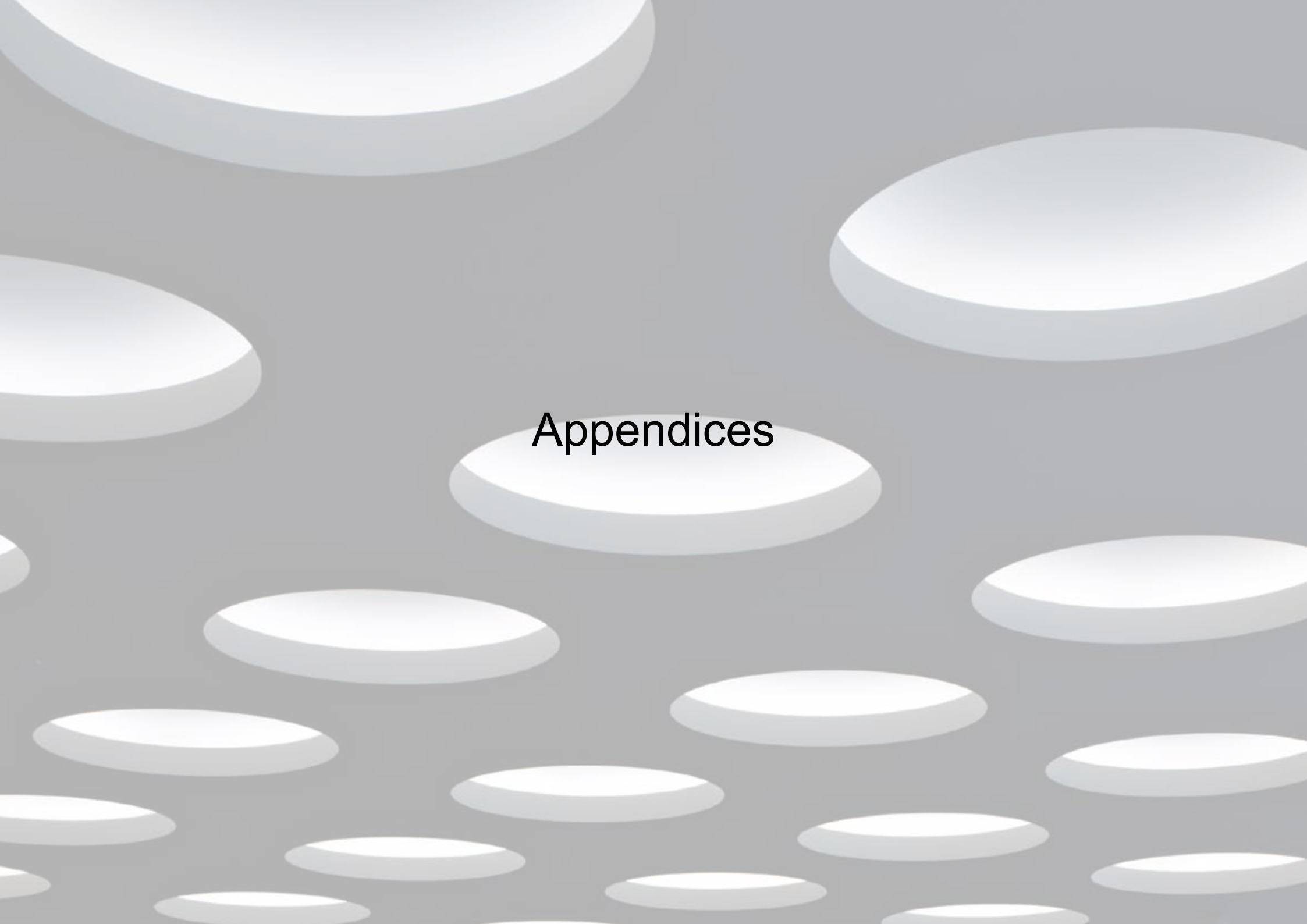


Angel Building EC1 - spectacular roof terraces



Outlook
John Burns

- Continued outperformance from Central London markets
- Rental growth returning - economy awareness
- Yields stabilised
- Strength of overseas buyers for prime
- More opportunities becoming available in our market - ideal for strong buyers
- Progress portfolio regeneration opportunities

The background of the slide features a light gray surface with numerous white, three-dimensional circular objects scattered across it. These objects vary in size and are positioned at different heights, creating a sense of depth and perspective. The lighting is soft, casting subtle shadows on the surface.

Appendices

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Appendix 1 - net asset value per share

	June 2010		Dec 2009		June 2009	
	£m	p	£m	p	£m	p
Net assets attributable to equity shareholders	1,319.1	1,304	1,127.2	1,117	952.7	945
Deferred tax on revaluation surplus	8.8		7.8		7.3	
Fair value of derivatives	33.4		23.4		20.4	
Fair value adjustment to bond on acquisition less amortisation	19.8		20.2		20.5	
	1,381.1	1,365	1,178.6	1,168	1,000.9	993

Appendix 2 - group income statement

- Reconciliation of IFRS profit/(loss) before tax to recurring and adjusted recurring profit before tax

	Half year ended June 2010 £m	Year ended Dec 2009 £m	Half year ended June 2009 £m
Profit/(loss) before tax (IFRS)	216.4	(34.9)	(223.3)
Revaluation (surplus)/deficit	(199.8)	81.1	258.9
Joint venture revaluation (surplus)/deficit	(0.7)	1.3	1.3
Profit/(loss) on disposal of properties	-	16.6	3.4
Fair value movement in derivatives	10.9	(3.9)	(7.0)
Recurring profit before tax	26.8	60.2	33.3
Foreign exchange movement on intercompany loan	0.4	(3.6)	(3.6)
Rates credit	(1.1)	(2.8)	(2.6)
Movement in cash-settled share options	(0.5)	1.6	0.7
Adjusted recurring profit before tax	25.6	55.4	27.8

Appendix 3 - debt facilities

	Nominal		Maturity
	£m	£m	
6.5% secured bond		175.0	March 2026
Floating rate guaranteed unsecured loan note		1.4	February 2012
Committed bank facilities			
Term ¹	28.0		June 2018
Term/revolving credit	125.0		April 2014
Revolving credit	100.0		November 2013
Revolving credit	100.0		April 2013
Term/revolving credit	375.0		March 2013
Term unsecured	31.1		June 2012
Revolving credit	200.0		December 2011
		<u>959.1</u>	
Total bank loan facilities		1,135.5	
Overdraft		10.0	On demand
Total bank facilities		1,145.5	

- All facilities are secured unless noted otherwise

¹ Subject to credit review in 2013

Appendix 5 - reclassification of loan arrangement costs

- Changes due to the reclassification noted on page 11 are shown in the blue boxes below

Income statement	H1 2010 £m	Previous £m	FY 2009 £m	New £m	Previous £m	H1 2009 £m	New £m
Administrative expenses	-1.4	20.0	-2.5	17.5	9.1	-1.3	7.8
Finance costs	+1.4	39.0	+2.5	41.5	20.0	+1.3	21.3

Balance sheet	H1 2010 £m	Previous £m	FY 2009 £m	New £m	Previous £m	H1 2009 £m	New £m
Current assets							
Trade and other receivables	-2.2	46.6	-2.6	44.0	33.0	-3.0	30.0
Non-current liabilities							
Borrowings	+2.2	(736.5)	+2.6	(733.9)	(854.0)	+3.0	(851.0)

	H1 2010 £m	Previous £m	FY 2009 £m	New £m	Previous £m	H1 2009 £m	New £m
Balance sheet gearing	-0.1%	62.2%	-0.3%	61.9%	86.2%	-0.3%	85.9%

Appendix 6 - Central Cross acquisition

- The acquisition of Central Cross which completed on 10 August 2010 has the following pro-forma impact on key financial measures as at 30 June 2010
- Based on fair value of £146.0m

	June 2010 as reported	June 2010 proforma including Central Cross
Investment property - fair value	£2,150.2m	£2,296.2m
Investment property - carrying value	£2,119.0m	£2,265.0m
Net debt	£749.2m	£896.2m
Net assets	£1,360.7m	£1,359.7m
Balance sheet gearing	55.1%	66.1%
Loan to value ratio	33.8%	38.0%
Undrawn borrowings	£409.0m	£262.0m

Appendix 7 - valuation performance

	H1 2010 portfolio valuation £m	H1 2010 valuation movement %	H1 2009 valuation movement %	H2 2009 valuation movement %	2009 valuation movement %
West End	1,614.7	11.6	-12.7	10.9	-2.8
City Borders	432.8	5.9	-11.8	7.3	-5.3
Central London	2,047.5	10.4	-12.5	10.1	-3.3
Provincial	101.5	9.9	-7.3	5.1	-2.5
Underlying¹	2,149.0	10.3	-12.3	9.8	-3.3

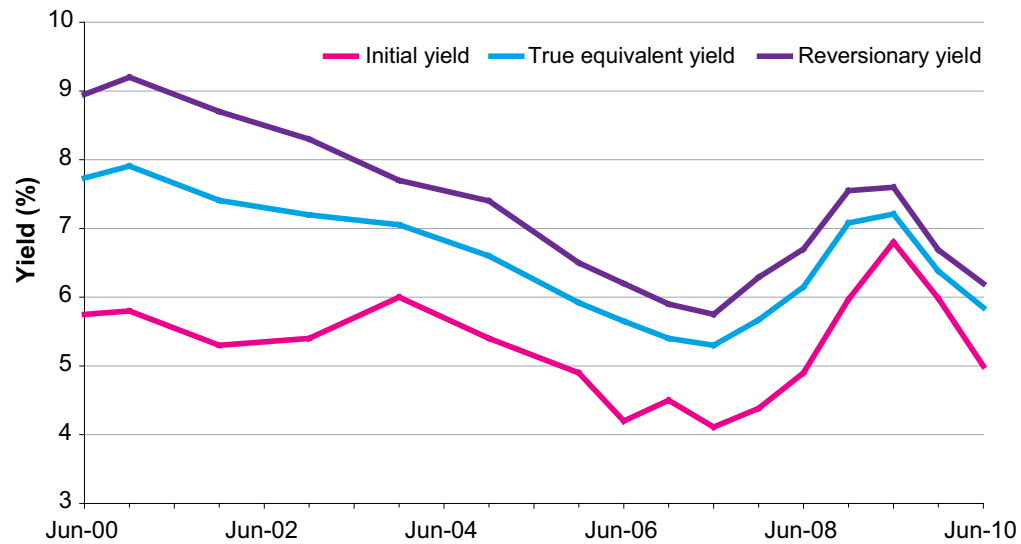
¹ The underlying portfolio includes properties held throughout the period. The total portfolio, including acquisitions of £1.2m, was valued at £2,150.2m at 30 June 2010

Appendix 8 - valuation performance by village

	H1 2010 Valuation £m	H1 2010 Weighting %	Valuation movement H1 2010 ¹ %	Valuation movement H1 2010 ^{2,3} £m	Comment
West End					
Mayfair	47.0	2	19.6	7.7	Savile Row rental growth & yield shift
Victoria	290.0	14	15.8	39.5	
Noho	181.2	8	12.3	19.9	Letting activity at Charlotte Building
Baker Street/Marylebone	105.8	5	12.3	11.6	
Belgravia	129.8	6	11.7	13.6	
Soho/Covent Garden	157.2	7	10.8	15.3	
Fitzrovia/Euston	520.1	24	9.7	45.8	Yield movements at Qube and Arup
Paddington	31.2	2	5.9	1.7	Short term income pending development
West End: Central	1,462.3	68	11.9	155.1	
Islington/Camden	134.4	6	9.1	11.2	Angel Building nearing completion
Other ⁴	19.2	1	8.5	1.5	
West End: Borders	153.6	7	9.0	12.7	
West End	1,615.9	75	11.6	167.8	
City Borders					
Shoreditch	80.8	4	10.8	7.9	Tea Building continues to be popular
Old Street	124.3	6	8.2	9.5	
Holborn	108.2	5	4.5	4.6	Yield movement but rental values level
Southbank	6.1	-	2.4	0.1	
Clerkenwell	113.1	5	2.1	2.3	
Other	0.3	-	-40.0	-0.2	
City Borders	432.8	20	5.9	24.2	
Central London	2,048.7	95	10.4	192.0	
Provincial	101.5	5	9.9	9.2	Letting activity at Strathkelvin Retail Park
Investment portfolio	2,150.2	100	10.3	201.2	

¹ Underlying - properties held throughout the period ² Including acquisitions ³ Before lease incentive adjustments of £1.4m ⁴ Principally Portobello Dock

Portfolio yields



	Initial yield ¹ %	Reversionary yield ¹ %	Yield spread %
West End	4.6	6.0	1.4
City Borders	6.6	7.1	0.5
Central London	5.0	6.2	1.2
Provincial	5.2	5.7	0.5
	5.0	6.2	1.2

¹ Yield to Derwent London at 30 June 2010 based upon an annualised contracted net rental income of £108.3m pa (see Appendix 13) and an estimated rental value of £134.7m pa. Adjusted for costs to complete commenced projects.

Appendix 10 - valuation yields and rental value growth

	True equivalent yield Dec 2009 ¹ %	H1 movement basis points	True equivalent yield June 2010 ¹ %		H1 2010 rental value growth %
West End	6.17	(56)	5.61	West End	3.0
City Borders	7.16	(34)	6.82	City Borders	2.4
Central London	6.38	(52)	5.86	Central London	2.9
Provincial	8.06	(123)	6.83	Provincial	-2.4
Underlying	6.44	(55)	5.89	Underlying	2.6

¹ True equivalent yield after adjusting for purchasers' costs

Appendix 11- portfolio summary

	Valuation £m	Net contracted rental income per annum £m	Average rental income £psf	Vacant floor area rental value per annum £m	Rent review and lease reversions per annum £m	Total reversion per annum £m	Estimated rental value per annum £m
West End							
Central	1,462.3	71.6	27.27	5.7	7.3	13.0	84.6
Borders	153.6	2.8	7.23	5.5	5.2	10.7	13.5
City	1,615.9	74.4	24.67	11.2	12.5	23.7	98.1
Borders	432.8	28.7	23.02	1.7	0.4	2.1	30.8
Central London	2,048.7	103.1	24.19	12.9	12.9	25.8	128.9
Provincial	101.5	5.2	15.26	0.7	(0.1)	0.6	5.8
Investment portfolio	2,150.2	108.3	23.52	13.6	12.8	26.4	134.7

West End

Central: Belgravia, Mayfair, Soho, Covent Garden, Victoria, Fitzrovia, Euston, Noho, Paddington, Baker Street, Marylebone

Borders: Camden, Islington, Ladbroke Grove

City

Borders: Clerkenwell, Holborn, Shoreditch, Southbank, Old Street

Provincial

Scotland

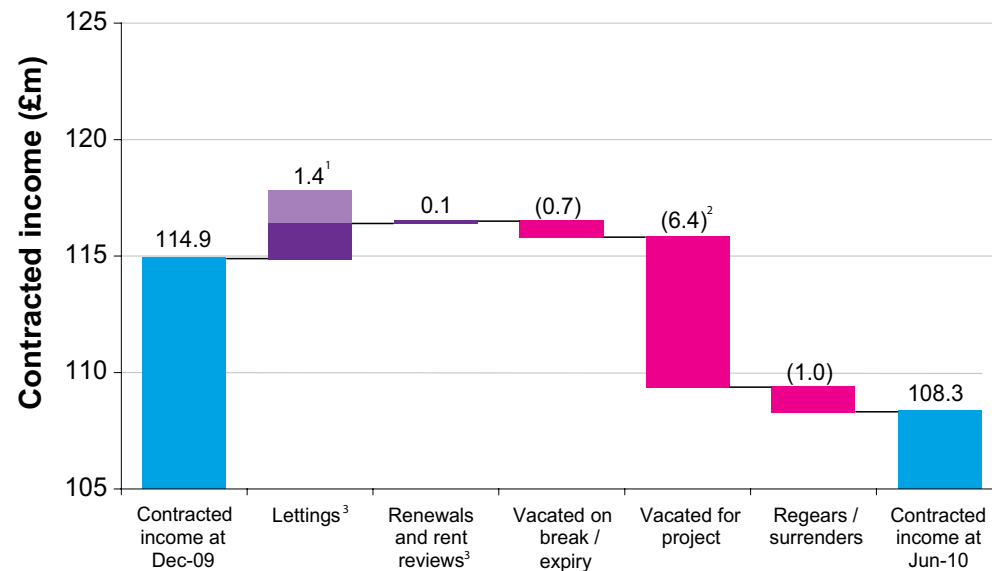
Appendix 12 - portfolio statistics by village

	Valuation £m	Weighting %	Floor area sq ft 000's	Vacant floor area sq ft 000's	Net contracted rental income £m pa	Average rental income £psf	Vacant accommodation rental value £m pa	Rent review/ lease renewal reversion £m pa	Total reversion £m pa	Estimated rental value £m pa
West End: Central										
Fitzrovia/Euston	520.1	24	1,239	90	25.5	22.21	3.0	3.7	6.7	32.2
Victoria	290.0	14	484	-	15.2	31.49	-	1.4	1.4	16.6
Noho	181.2	8	275	30	8.5	35.37	1.0	0.9	1.9	10.4
Soho/Covent Garden	157.2	7	299	6	7.9	26.93	0.2	(0.1)	0.1	8.0
Belgravia	129.8	6	168	18	4.7	32.43	0.8	1.3	2.1	6.8
Baker Street/Marylebone	105.8	5	212	-	6.4	30.05	0.1	0.1	0.2	6.6
Mayfair	47.0	2	42	-	2.0	47.32 ²	-	0.4	0.4	2.4
Paddington	31.2	2	86	18	1.4	22.40	0.6	(0.4)	0.2	1.6
	1,462.3	68	2,805	162	71.6	27.27	5.7	7.3	13.0	84.6
West End: Borders										
Islington/Camden	134.4	6	495	177	1.9	6.13	5.4	4.7	10.1	12.0
Other ¹	19.2	1	83	7	0.9	11.83	0.1	0.5	0.6	1.5
	153.6	7	578	184	2.8	7.23	5.5	5.2	10.7	13.5
West End	1,615.9	75	3,383	346	74.4	24.67	11.2	12.5	23.7	98.1
City: Borders										
Old Street	124.3	6	390	37	8.6	24.26	0.7	(0.7)	-	8.6
Clerkenwell	113.1	5	368	35	7.9	24.17	0.6	(0.2)	0.4	8.3
Holborn	108.2	5	265	9	7.6	29.67	0.2	(0.2)	-	7.6
Shoreditch	80.8	4	284	12	4.3	15.81	0.2	1.5	1.7	6.0
Southbank	6.1	-	39	-	0.3	8.43	-	-	-	0.3
Other	0.3	-	2	2	-	-	-	-	-	-
City Borders	432.8	20	1,348	95	28.7	23.02	1.7	0.4	2.1	30.8
Central London	2,048.7	95	4,731	441	103.1	24.19	12.9	12.9	25.8	128.9
Provincial	101.5	5	395	50	5.2	15.26	0.7	(0.1)	0.6	5.8
Investment portfolio	2,150.2	100	5,126	491	108.3	23.52	13.6	12.8	26.4	134.7

¹ Principally Portobello Dock

² Rental income on owner occupied area of 13,000 sq ft has been included at nil. If this area is excluded the average rental income is £67.49 psf.

Reconciliation of contracted income Dec 09 to June 10



- Annualised contracted rental income at 30 June 2010

- Includes

- Annualised rents under committed leases
- Rent frees - £1.4m

- Excludes

- Future contracted stepped rent increases
- Future rent review increases where there is a contracted minimum level
- Rental movements on outstanding rent review and lease renewals

¹ Total lettings were £3.5m. However, as some tenants are paying stepped rents, only the initial contracted income of £2.0m is recognised at 30 June 2010. This represents an initial uplift of £1.4m over previous income of £0.6m on the let space.

² Includes expiry of £4.2m pa BT lease at Angel Building

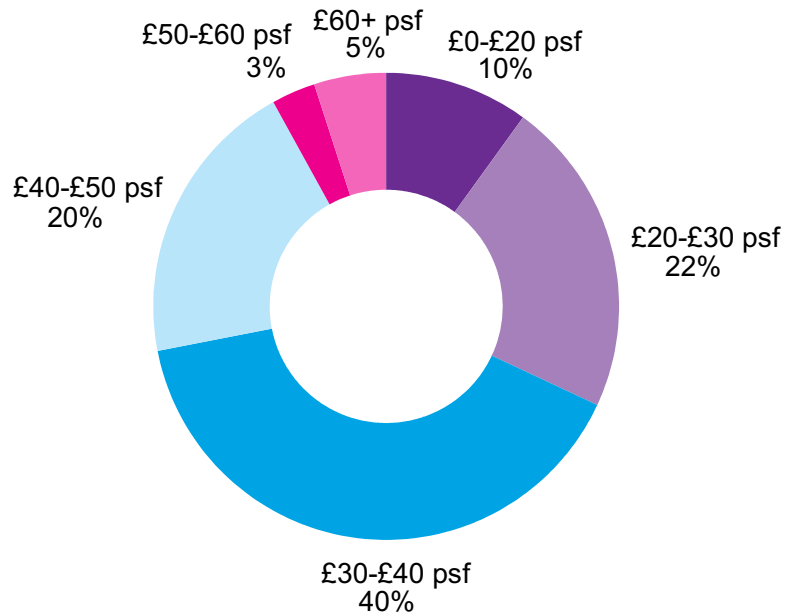
³ Uplift on previous rents

Appendix 14 - vacant accommodation at half year

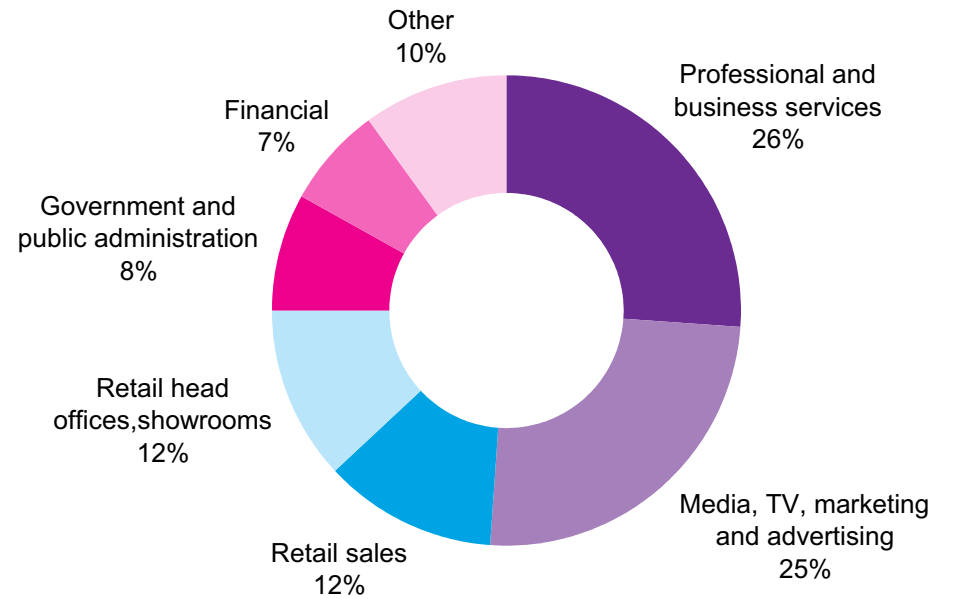
	Floor area '000 sq ft	Rental per annum £m	Comment
Available			
Strathkelvin Retail Park Scotland	50	0.7	Lettings to Boots and Pets at Home totalling 20,000 sq ft
4 Grosvenor Place SW1	14	0.6	7,500 sq ft let/under offer since half year
City Road Estate EC1	24	0.5	Short term lettings proposed
Charlotte Building W1	7	0.4	Now fully let - see page 26
Tower House WC2	6	0.3	
Tea Building E1	12	0.2	4,200 sq ft under offer
1-3 Grosvenor Place SW1	3	0.2	1,900 sq ft under offer
Other	20	0.1	
	136	3.0	
Refurbishments			
Victory House, 163-170 Tottenham Court Road W1	42	1.6	Refurbishment underway
65 Whitfield Street W1	12	0.4	Refurbishment completed post half year - over 60% let
1 Maple Place W1	11	0.3	Due to complete Q4 2010
14 Pentonville Road N1	19	0.3	Proposed scheme 55,000 sq ft when other leases expire
12 Fitzroy Street W1	9	0.3	Due to complete Q4 2010
Morelands EC1	14	0.2	
Other	111	2.7	
	218	5.8	
Development			
Angel Building EC1 ¹	137	4.8	Due to complete shortly ¹
	491	13.6	

¹ Total project area 263,000 sq ft, of which 126,000 sq ft has been let to Cancer Research UK at £5.0m pa

Central London office rent banding



Profile of tenant's business sector ¹

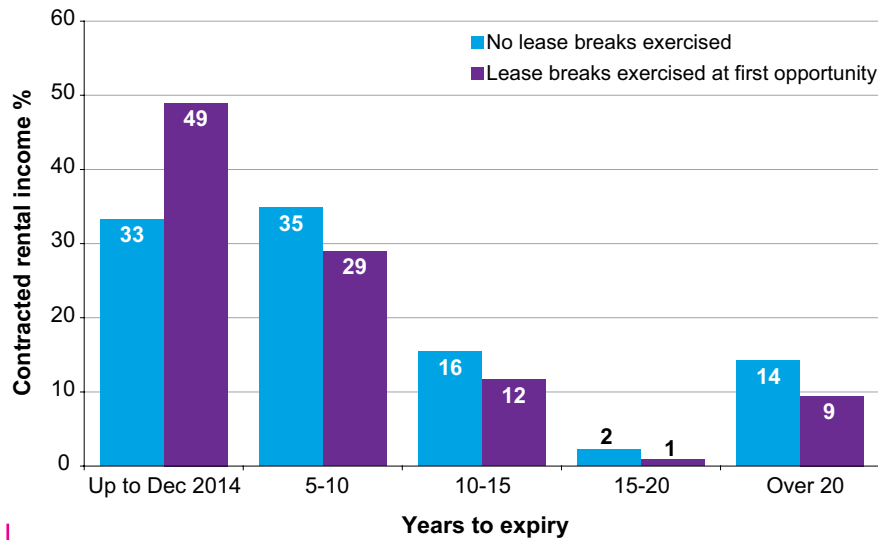


¹ Expressed as a percentage of annualised rental income

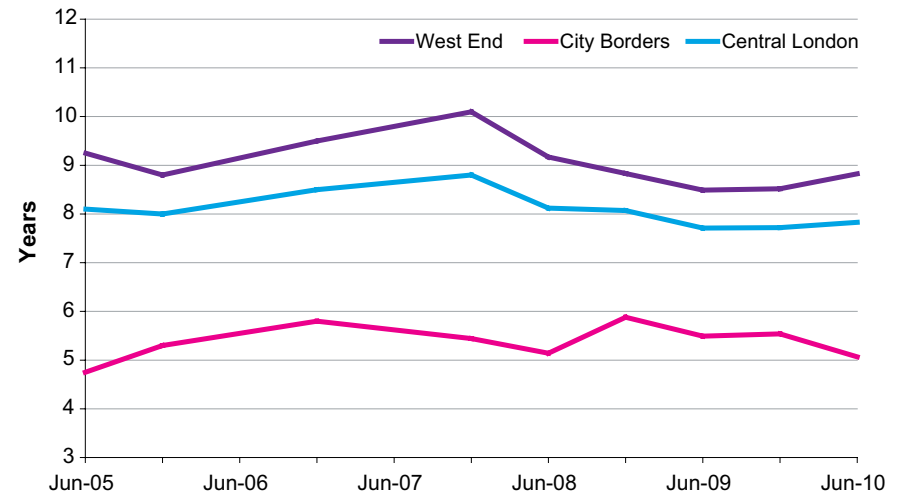
Appendix 16 - lease expiry profile and lease length

	Percentage of portfolio income ¹									
	West End	City Borders	H2 2010	West End	City Borders	2011	2012	2013	2014	Total
Expiries	1	1	2	6	1	7	2	10	4	25
Single breaks	1	-	1	2	3	5	3	4	5	18
Rolling breaks	1	2	3	2	-	2	-	-	-	5
Holding over	1	-	1	-	-	-	-	-	-	1
	4	3	7	10	4	14	5	14	9	49

Profile of rental income expiry

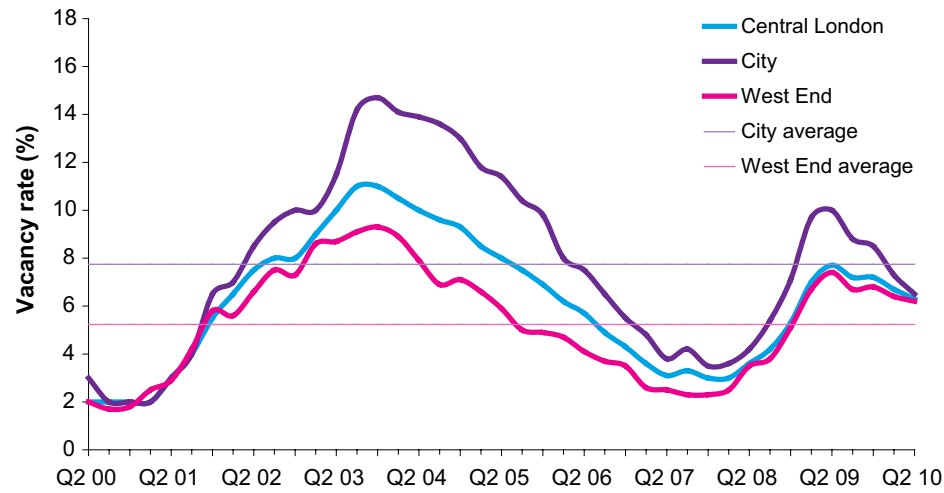


Average unexpired lease length²



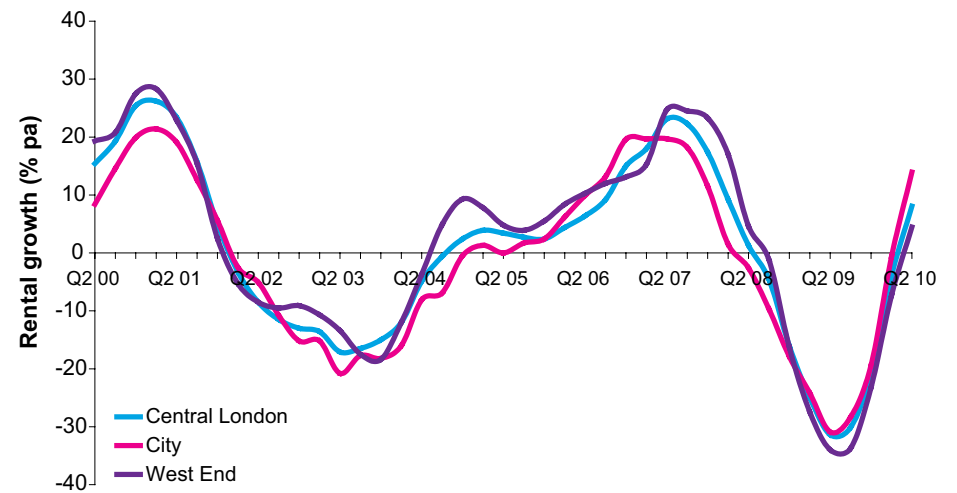
¹ Based upon the annualised contracted rental income of £108.3m at 30 June 2010
² Lease length weighted by rental income and assuming tenants' break at first opportunity

Central London office vacancy rates



Source: CB Richard Ellis

Central London prime office rental growth








Source: CB Richard Ellis

Appendix 18 - capital expenditure

	Actual 2009 £m	Budget 2010 £m	Budget 2011 £m	Budget 2012+ ¹ £m
Current developments				
Angel Building EC1	42.4	30.8	1.5	-
	42.4	30.8	1.5	-
Current refurbishments				
Victory House, Tottenham Court Road W1	-	6.9	2.4	0.3
1 Maple Place/12 Fitzroy Street W1	-	2.5	-	-
65 Whitfield Street W1	0.1	1.6	-	-
9-10 Rathbone Place W1	0.1	1.5	-	-
Other	0.2	1.6	0.2	-
	0.4	14.1	2.6	0.3
Future refurbishments				
33 George Street W1	-	1.6	0.1	-
2-14 Pentonville Road N1	-	0.5	3.8	6.9
Other	0.2	0.3	4.0	0.8
	0.2	2.4	7.9	7.7
Future developments				
132-142 Hampstead Road NW1	0.2	0.8	6.6	76.6
55-65 North Wharf Road W2	0.1	0.7	-	-
City Road Estate EC1	0.4	0.7	1.0	-
63 Clerkenwell Road EC1	0.3	0.6	0.8	23.9
80 Charlotte Street W1	0.2	0.6	0.1	-
	1.2	3.4	8.5	100.5
Other	47.3	15.0	13.0	3.7
	91.5	65.7	33.5	112.2













¹ Does not include projects that commence in 2012 and beyond

Appendix 19 - planning consents

Property ¹	Current income £m pa	Current income £psf	Existing area 000's sqf	Area uplift %	Scheme area 000's sqf	Comment
Leonard Street 	n/a	n/a	n/a	n/a	55	Planning consent for 35,000 sq ft of residential (47 units) and 20,000 sq ft of offices
Wedge House 	0.3	8	39	108	81	Planning consent granted in January 2008 for a new ten-storey office development. Lease break 2012.
Chancery Lane 	0.9	14	71	38	98	Planning consent obtained in February 2008 for a new office building. Lease breaks in 2012.
North Wharf Road 	1.4	21	84	276	316	Planning consent granted in January 2008 for a 240,000 sq ft office building, 73,000 sq ft of residential and 3,000 sq ft of retail space. Lease breaks from 2012/2014.
City Road Estate 	0.7	9	102	146	251	Planning permission obtained on appeal in October 2008 to provide 141,000 sq ft of residential and 110,000 sq ft of commercial space. Revised 285,000 sq ft office scheme proposed, which includes adjacent ownership. See page 44.
	3.3	13	296	171	801	

¹Images of consented schemes

Appendix 20 - appraisal studies

Existing	Proposed	Current income £m pa	Current income £psf	Existing area 000's sqf	Area uplift %	Potential area 000's sqf	Comment
Charlotte Street 		4.3	21	200	60	320	A 1.4 acre ownership in the heart of our Fitzrovia estate, office development proposed. See page 45. Tenants: Saatchi & Saatchi. Leases expire in 2013.
Hampstead Road 		2.0	9	230	15	265	Planning application to be submitted shortly. See page 43. Tenants: NHS, BHS and BP. Leases expire in 2011 and 2012.
Clerkenwell Road 		0.3	10	45	51	68	Revised planning application to be submitted following refusal for a larger scheme. Tenants: short-term lets with rolling breaks
Grosvenor Place 		4.7	31	169	60	270	Working in conjunction with our freeholder, The Grosvenor Estate, various options are being studied. Tenants: multi-let. Leases expiring from 2014.
Riverwalk House 		2.3	31	75	167	200	This prime riverside location in Victoria offers the potential for a significant redevelopment. Tenant: Government. Lease expires in 2011.
Commercial Road 		0.5	17	30	217	95	Planning permission for a mixed use scheme was refused in November 2009. Appeal to be submitted. In addition, a revised application for a 95,000 sq ft mixed use scheme is being lodged. Tenants: Government. Leases expire in 2012.
		14.1	20	749	63	1,218	

Appendix 21 - management structure - executive team

- John Burns Chief Executive
- Simon Silver Head of Regeneration
- Damian Wisniewski Finance Director
- Nigel George Property Director
- Paul Williams Property Director
- David Silverman Property Director
- Tim Kite Company Secretary
- Russell Durling Group Surveyor
- Gary Preston Group Financial Controller
- Celine Thompson Head of Leasing
- Simon Taylor Head of Asset Management
- Asim Rizwani Head of Property Management

This presentation includes statements that are forward-looking in nature. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Derwent London plc to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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