

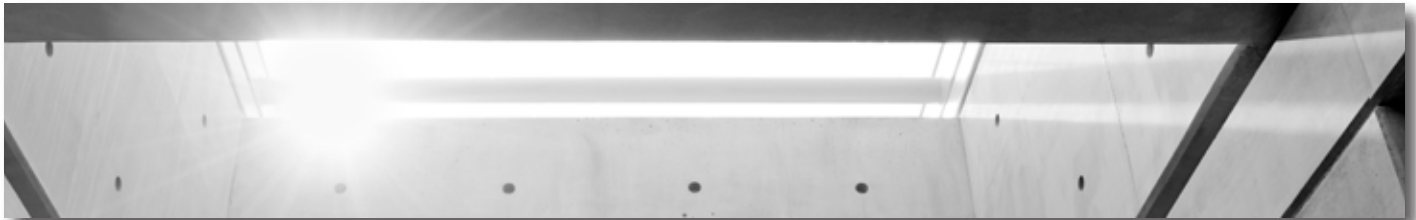
The image is a vertical collage of seven panels, each showing a different view of a modern building's glass facade. The panels are arranged in a grid-like fashion, with each panel showing a different perspective or reflection of the building's structure. The reflections are sharp and clear, showing the building's lines and colors. The overall effect is a sense of depth and architectural complexity.

**Derwent London plc
Interim Results 2011**

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

John Burns





» **Strong performance across the business**

» **Robust balance sheet - recycling capital and bond issue**



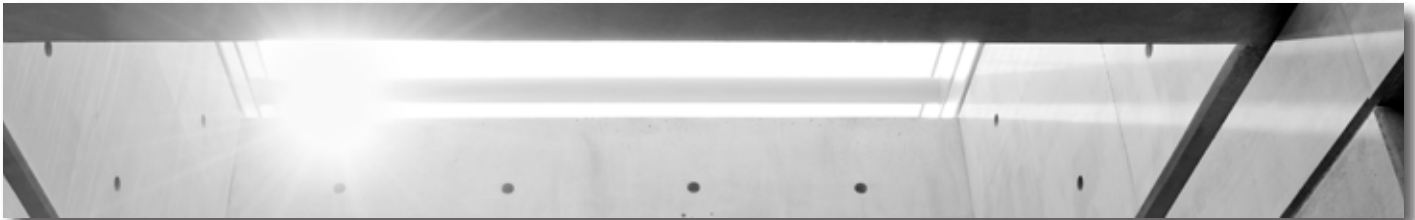
» **Continued successful letting activity**



» **Good progress on the development pipeline**



Damian Wisniewski



Headline numbers

DERWENT
LONDON

	Jun 2011	Dec 2010	Jun 2010
Total portfolio at fair value	£2,600.2m	£2,426.1m	£2,150.2m
EPRA net asset value per share ¹	1,621p	1,474p	1,356p
Gross property income	£62.5m	£119.4m	£57.4m
EPRA profit before tax ²	£26.6m	£55.2m	£26.3m
Underlying profit before tax ^{2,3}	£25.0m	£53.7m	£25.6m
EPRA earnings per share	25.88p	52.89p	24.72p
Interim dividend per share	9.45p	8.75p	8.75p
Net debt	£904.5m	£887.8m	£749.2m
Loan to value (LTV) ratio	34.2%	35.7%	33.8%
Balance sheet gearing	54.4%	59.4%	55.1%
Interest cover ratio	312%	328%	320%

¹ On a diluted basis

² See Appendix 2 for reconciliation to IFRS profit before tax

³ Previously 'adjusted recurring profit before tax'

» Appendices 1, 2 and 5

Group balance sheet

DERWENT
LONDON

	Jun 2011 £m	Dec 2010 £m	Jun 2010 £m
Investment property ¹	2,496.5	2,373.3	2,105.0
Owner-occupied property ¹	16.4	15.2	14.0
Other non-current assets	61.1	56.4	49.2
	2,574.0	2,444.9	2,168.2
Non-current assets held for sale	45.4	-	-
Trading properties	-	-	1.0
Other current assets and liabilities	(27.1)	(26.0)	(13.9)
Cash and cash equivalents	7.3	7.2	3.4
Bank overdraft	(7.5)	(5.6)	(2.7)
Financial liabilities - current	(32.5)	-	-
Corporation tax liability	(2.7)	(3.3)	(3.4)
	(62.5)	(27.7)	(15.6)
Financial liabilities - non-current	(871.8)	(889.4)	(749.9)
Other non-current liabilities	(23.7)	(33.1)	(42.0)
	(895.5)	(922.5)	(791.9)
Total net assets	1,661.4	1,494.7	1,360.7
Minority interests	(50.3)	(45.9)	(41.6)
Attributable to equity holders	1,611.1	1,448.8	1,319.1

¹ June 2010 and December 2010 figures have been restated for the accounting policy change for owner-occupied property

» Appendix 1

Group balance sheet

DERWENT
LONDON

» Shareholders' funds up by 11.2%

> To £1.61bn from £1.45bn

» Net debt increased

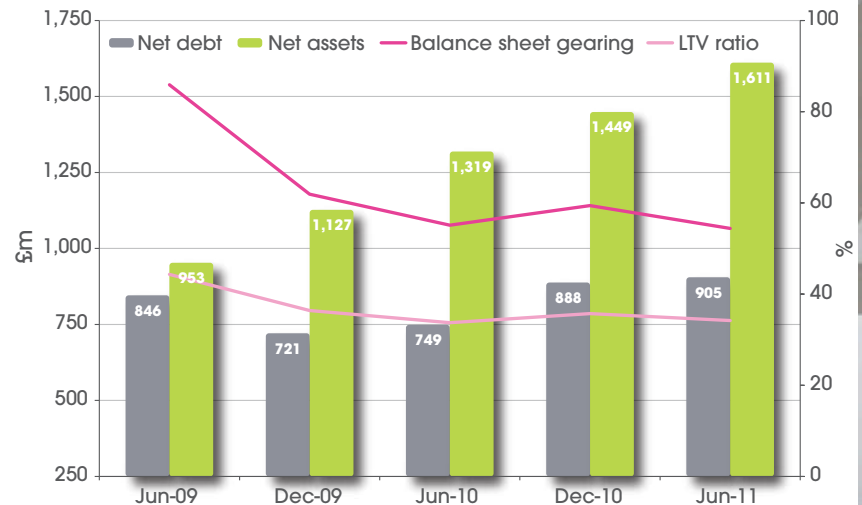
> To £904.5m from £887.8m

> £28.0m (net) invested in the portfolio

» LTV and balance sheet gearing ratios

> Reduced from 31 December 2010 as a result of property valuation surplus

Debt, net assets and gearing



Group income statement

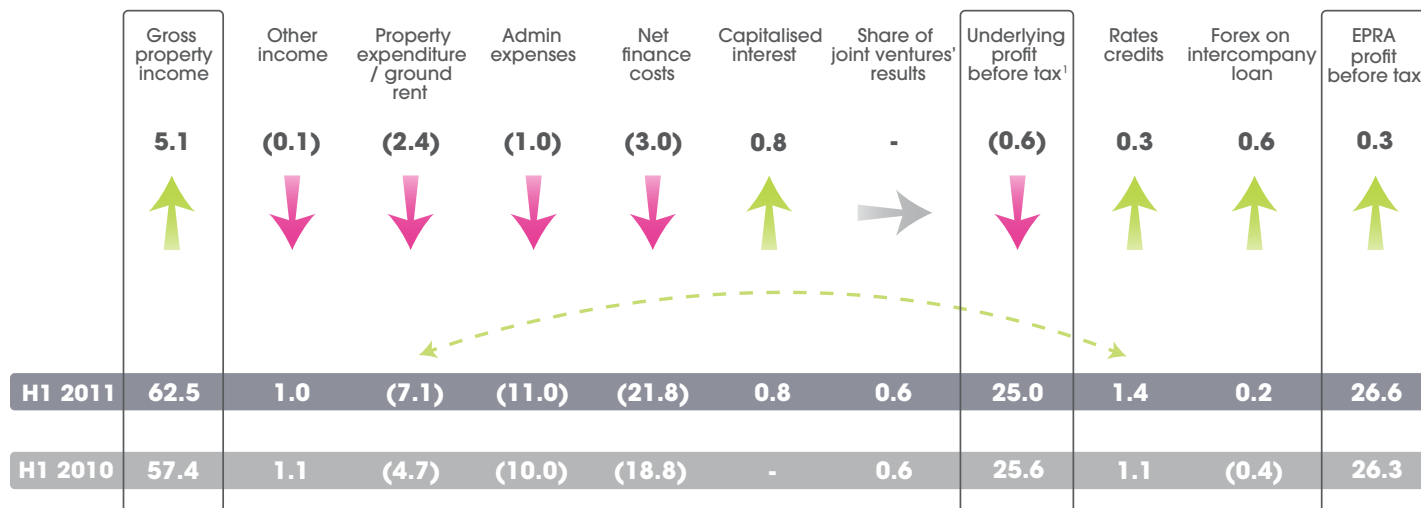
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	Half year ended Jun 2011 £m	Half year ended Jun 2010 £m
Gross property income	62.5	57.4
Other income	1.0	1.1
Property outgoings	(5.7)	(3.6)
	(7.1)	(4.7)
	1.4	1.1
Net property income	57.8	54.9
Total administrative expenses	(11.2)	(9.5)
	(11.0)	(10.0)
	(0.2)	0.5
Revaluation surplus ¹	117.3	197.5
Profit on disposals	21.5	-
Net finance costs	(21.0)	(18.8)
Foreign exchange gain/(loss)	0.2	(0.4)
Joint venture results	0.9	1.3
	0.3	0.7
	0.6	0.6
Derivatives fair value adjustment	7.8	(10.9)
IFRS profit before tax	173.3	214.1

¹The June 2010 revaluation surplus has been restated for the accounting policy change for owner-occupied property

Underlying and EPRA profit before tax

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LONDON



¹ Previously 'adjusted recurring profit before tax'. A reconciliation of the EPRA and underlying profit before tax to the IFRS profit before tax is shown in Appendix 2.

Group income statement

DERWENT
LONDON

	H1 2011 £m	H1 2010 £m
Rental income	60.0	55.6
Surrender premiums received	0.4	0.3
SIC15 lease incentives	2.1	1.5
	62.5	57.4

» **Gross property income in H1 2011 increased by £5.1m compared to H1 2010**

Property acquisitions include £4.5m from Central Cross

Lettings and reviews include Angel Building (£2.2m),
Strathkelvin Retail Park (£0.5m) and Charlotte Building (£0.4m)

Voids include Angel Building (£1.0m), 88 Rosebery Avenue
(£0.6m) and Riverwalk House (£0.6m)

	H1 2011 £m
Property acquisitions	4.9
Lettings and reviews	5.2
Voids, breaks and expiries	(5.1)
Other	0.1
	5.1

Group income statement

DERWENT
LONDON

“Recurring” property outgoings increased by £1.4m mainly due to void costs at the Angel Building

£1.3m surrender premium paid at 210 Old Street

Dilapidation receipts received at 88 Rosebery Avenue (£0.8m) and Riverwalk House (£0.6m)

	H1 2011 £m	H1 2010 £m
Property outgoings	6.5	5.1
Surrender premiums paid	2.0	0.1
Dilapidation receipts	(1.4)	(0.5)
Rates credits	(1.4)	(1.1)
	5.7	3.6

Like-for-like rental income¹

	Gross	Net
Compared to H1 2010	+2.4%	+2.9%
Compared to H2 2010	+2.2%	+2.6%

¹ See Appendix 3 for detailed reconciliation of like-for-like income

» **Increase in net debt**

> By £16.7m to £904.5m

» **Net cashflow movement in investment property portfolio**

	H1 2011 £m	H1 2010 £m
Acquisitions	(91.3)	(1.3)
Capex	(15.7)	(29.6)
	(107.0)	(30.9)
Disposal proceeds	79.0	0.3
	(28.0)	(30.6)

» **Disposal proceeds of c. £48m in H2 2011 to date**

» **Forecast capital expenditure**

> c. £47m in 2011 and c. £125m in 2012

> Further details can be found in Appendix 19

- » **£175m 2.75% unsecured convertible bonds repayable July 2016**
 - > Launched May 2011 and issued June 2011
- » **Initial conversion price £22.22; 30% premium to reference share price of £17.09**

Income statement presentation

	2011 £m	2012 £m
Interest payable	2.8	4.8
Discount amortisation	1.3	2.2
IFRS finance costs	4.1	7.0

Balance sheet presentation

	Gross £m	Issue costs £m	Net at issue £m	Amortisation £m	30 June 2011 £m
Borrowings	165.4	(4.6)	160.8	0.2	161.0
Equity	9.6	(0.2)	9.4	-	9.4
	175.0	(4.8)	170.2	0.2	170.4

Debt facilities, covenants and gearing

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LONDON

	Jun 2011	Dec 2010	Jun 2010
Gearing			
LTV ratio	34.2%	35.7%	33.8%
Balance sheet	54.4%	59.4%	55.1%
Interest cover ratio	312%	328%	320%
Interest cover ratio - excluding capitalised interest	302%	328%	320%
Total facilities	£1,310m	£1,135m	£1,145m
Unutilised committed facilities	£405m	£261m	£416m
Unutilised facilities drawable	£402m	£245m	£375m
Uncharged properties	£541m	£484m	£370m

- » **£100m bilateral facility expiring in 2013 extended to 2015**
- » **Refinancing commenced for other debt maturities in 2013**
- » **Substantial headroom under financial covenants**
- » **Weighted average maturity - 4.9 years (June 2010: 4.8 years)**

Maturity profile of loan facilities¹



¹ Excludes £10m overdraft facility

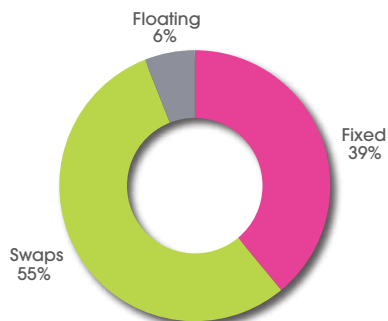
» Appendices 4 and 5

Liability risk management

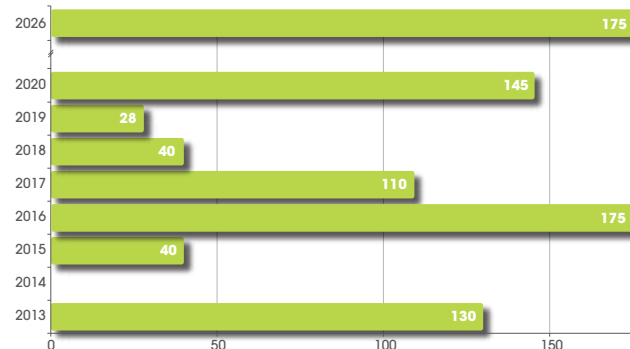
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	Jun 2011	Dec 2010
Proportion of drawn facilities at fixed rates or hedged	94%	70%
Weighted average length of swaps	5.7 years	6.1 years
Spot weighted average cost of drawn facilities ¹	4.66%	4.34%
Spot weighted average cost of drawn facilities ²	4.90%	4.34%

Hedging profile

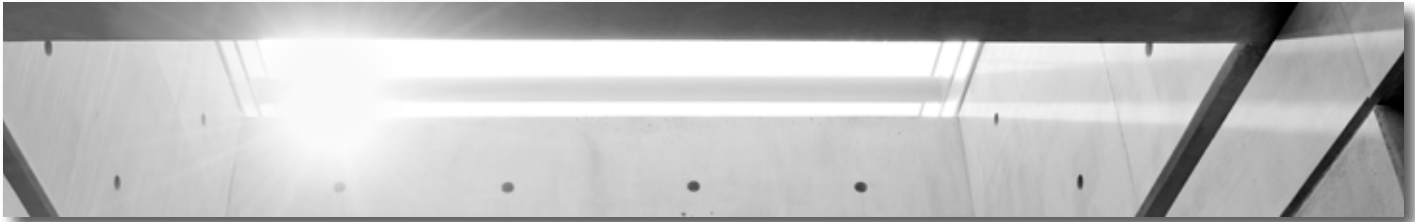


Maturity profile of fixed and hedged debt



¹ Convertible bonds at 2.75% ² Convertible bonds on IFRS basis

Nigel George



- » **Strong underlying valuation growth**
 - > 5.1% in H1 2011
 - > 5.9% if completed H1 2011 disposals included
- » **Total property return**
 - > 7.9% in H1 2011
- » **Development properties valued at £132.3m**
 - > 18.8% underlying capital growth in H1 2011
 - > Principally Victory House W1

	Portfolio valuation £m	H1 valuation movement %
West End	1,907.8	5.4
City Borders	487.3	4.9
Central London	2,395.1	5.3
Provincial	113.7	1.1
Underlying	2,508.8	5.1
Acquisitions	91.4	2.8
Investment portfolio	2,600.2	5.0

» Appendices 6 and 7

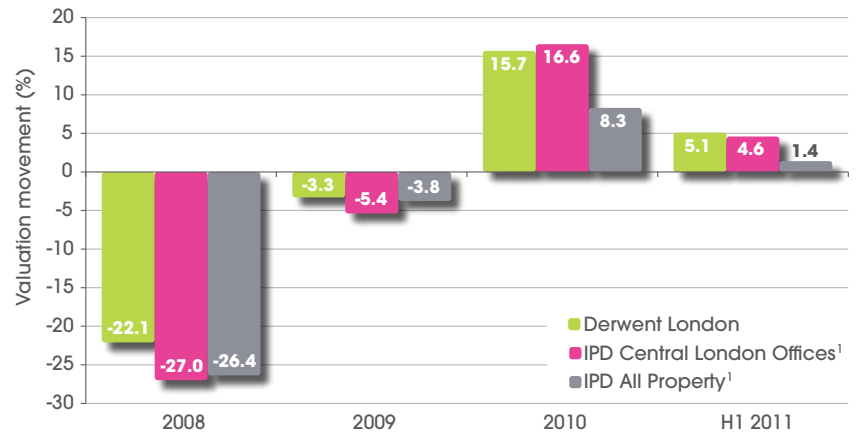
» **Outperformance against IPD Central London Office Index¹**

- > IPD capital growth 4.6%
- > IPD total return 7.2%

» **Average capital values remain low**

- > Portfolio £478 psf
- > West End Central £578 psf

Valuation performance



¹ Quarterly Index

» **EPRA yields¹**

- > Net initial 4.3%
- > 'Topped-up' net initial 5.2%

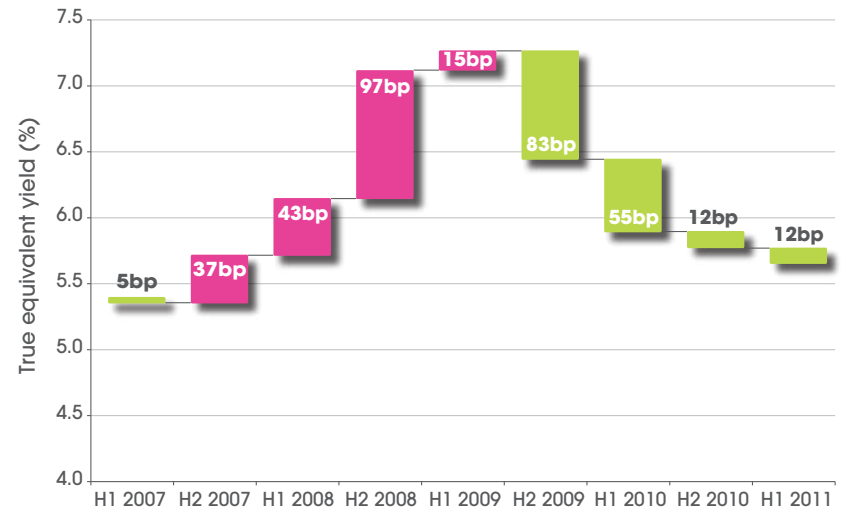
» **True equivalent yield 5.65%**

- > Tightened by 12bp in H1 2011

» **Strong reversionary element at £46.6m**

- > £18.9m via contracted uplifts
- > Detailed in Appendix 9

Yield movement profile



¹ Calculated in accordance with EPRA guidelines

» **Rental growth trend continued in H1 2011**

> Underlying 4.0% (H2 2010: 2.8%)

» **9.7% rental growth in last 18 months**

> 17.9% fall in previous cycle

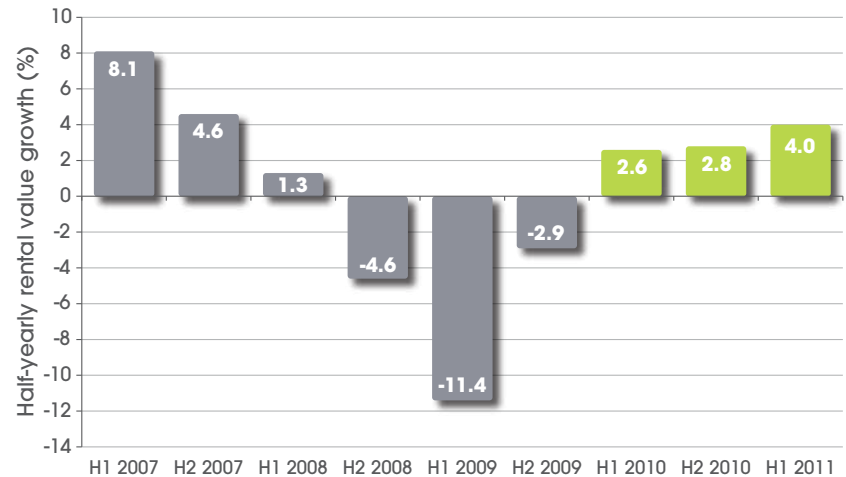
» **Low average office rents**

> West End £27.16 psf

> Central London £25.82 psf

> Rents moving forward

Rental value growth



» Appendices 7 and 14

» **Vacancy rate¹ by rental value 4.0% at June 2011**

> Decreased from 5.9% at December 2010

» **Post half year lettings and space under offer will reduce the vacancy rate to 1.1%**

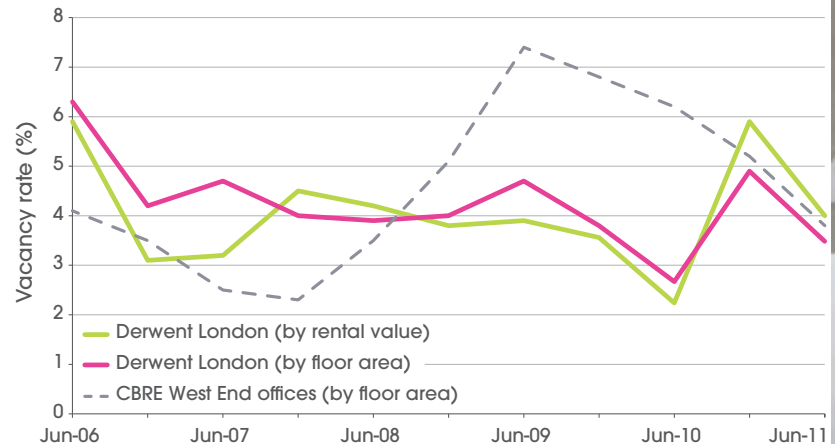
> Mainly due to lettings at Angel Building

» **Current on site projects of 307,000² sq ft**

> Rental value £10.5m pa

> Would take vacancy rate to c. 7%³

Vacancy rates



¹Space available for letting

²Projects on site less Victory House W1, 48,000 sq ft

³After taking into account the pre-let at 88 Rosebery Avenue EC1

Lease expiries and breaks

» Strong record of tenant retention

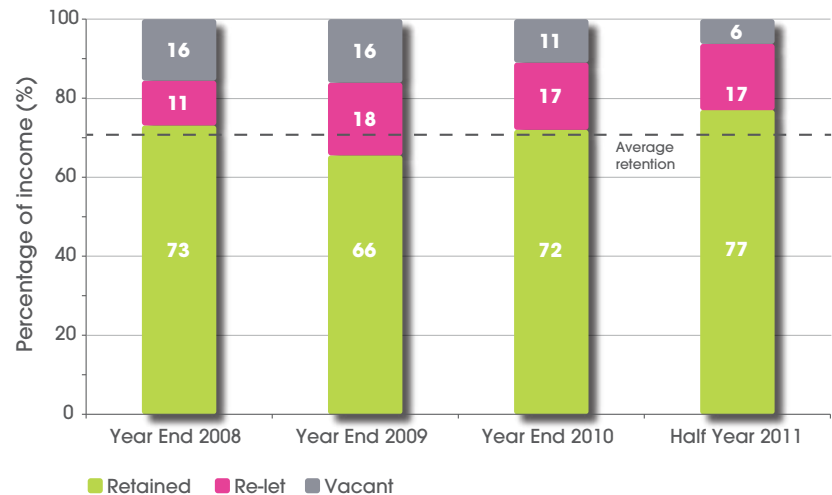
» 2011 expiries/breaks

- > Exposure of £10.8m pa equating to 9% of rental income
- > £ 4.8m pa related to identified projects
 - > Mainly Riverwalk House SW1 and Hampstead Road NW1
- > Of £6.0m pa remaining:
 - > 77% retained, 17% re-let, 6% vacant

» Portfolio average lease length

- > 7.2 years

Lease expiry and break analysis¹



¹ Figures as at reporting date

John Burns



- » **51 H1 lettings, totalling 264,800 sq ft at £8.5m pa**
 - > Previous income of £2.9m pa at December 2010
 - > £7.0m pa of open-market lettings
 - > £1.5m pa of short-term lettings at our future development properties

- » **Open-market lettings in H1**
 - > 9.6% above December 2010 ERV

- » **Activity post half year**
 - > 107,400 sq ft let at £4.1m pa
 - > Including Expedia at Angel Building EC1 - 81,300 sq ft

- » **31 rent reviews/lease renewals totalling 177,700 sq ft at £4.7m pa**
 - > 13.9% above previous rents

Angel Building EC1

Four lettings

Rent: £1.6m pa

Office rent: £40 to £42 psf

Area: 41,600 sq ft



Holden House W1

Tenant: Envy Post Production

Rent: £0.3m pa - £40 psf

Area: 7,100 sq ft



1 Maple Place W1

Tenant: Keyhaven Capital

Rent: £0.5m pa - £41 psf

Area: 11,500 sq ft



12 Fitzroy Street W1

Tenant: Efficient Frontier

Rent: £0.4m - £40 psf

Area: 8,800 sq ft



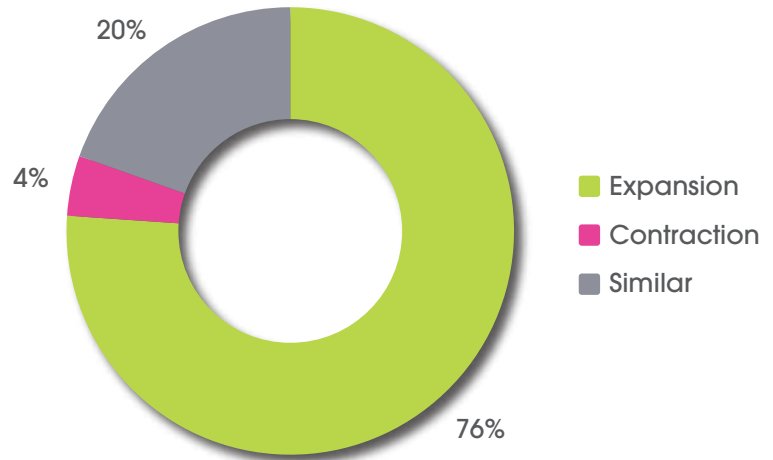
» Positive signs

- > 76% of lettings were to occupiers seeking expansion space
- > Only 4% contraction

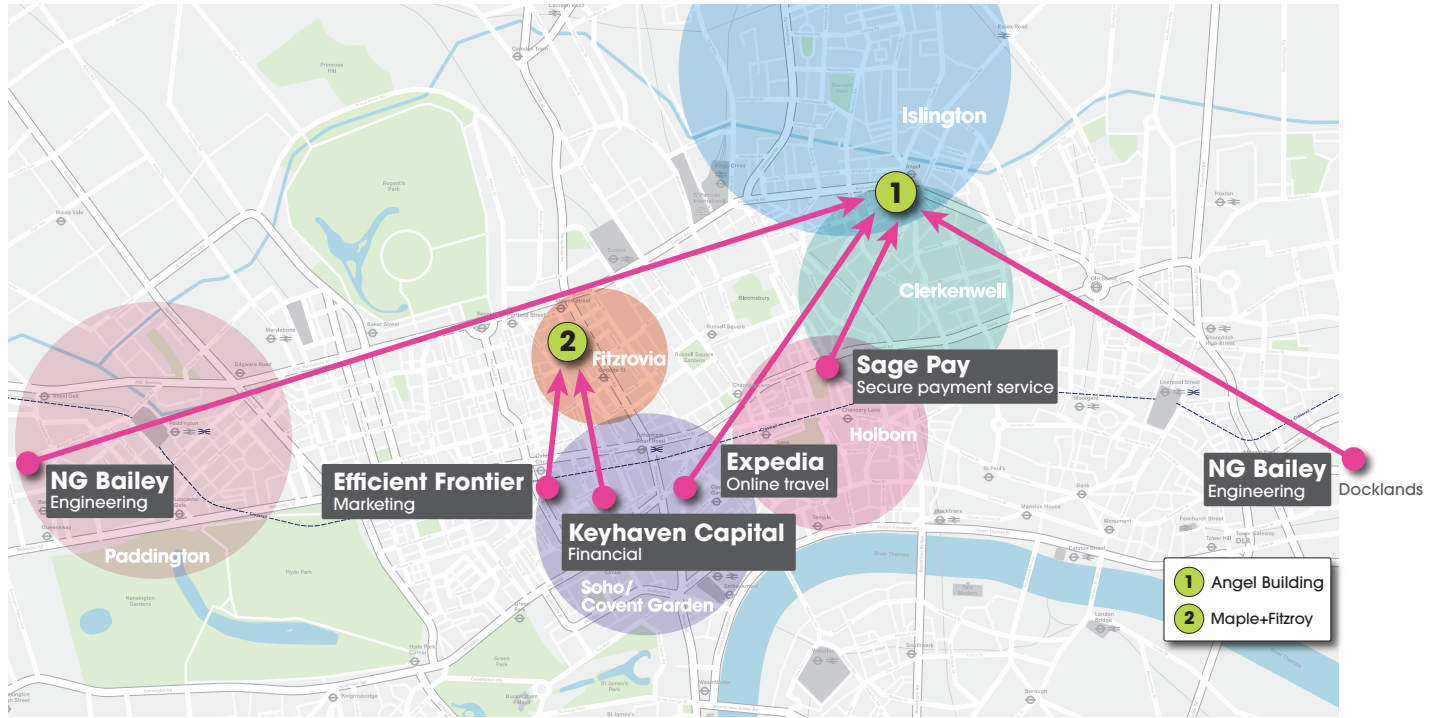
» Active portfolio asset management

- > 18% of lettings from tenants within the portfolio

Tenant movement



» Our brand attracts tenants from their traditional locations



Angel Building EC1

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LONDON

- » **95% let within 10 months**
- » **Rental income when fully let £10.5m**

Cancer Research UK

Moved from 5 buildings in Holborn

Area: 125,500 sq ft

Rent: £5.0m pa - £41 psf



Expedia

Moved from Covent Garden

Area: 81,300 sq ft

Rent: £3.3m pa - £40/£42.50 psf



NG Bailey

Moved from Docklands
and Paddington

Area: 17,000 sq ft

Rent: £0.7m pa - £40 psf



Sage Pay

Moved from Holborn

Area: 12,500 sq ft

Rent: £0.5m pa - £42 psf



» **Disposals 2011 to date - gross proceeds £127.2m**

> Opportunistic

» **H1 completions - gross proceeds £79.0m**

> 38% above December 2010 valuation

» **Profit £21.5m**

» **Net initial yield 3.3%**

Covent Garden Estate WC2

Five buildings: 71,900 sq ft
Gross proceeds: £68.0m
Income: £2.5m pa



79-89 Pentonville Road N1

Warehouse building: 35,600 sq ft
Gross proceeds: £11.0m
Income: £0.2m pa



» **H2 completions - gross proceeds
£48.2m**

> 34%¹ above December 2010
valuation

» **Profit c. £12m**

» **Net initial yield 0.9%**

Victory House W1

Pre-sale of refurbishment project

48,000 sq ft mixed-use building

Sold to UCLH Charity

Gross proceeds: £37.2m



18-30 Leonard Street EC2

Cleared site with planning permission

35,000 sq ft residential (47 units)

20,000 sq ft offices

Gross proceeds: £11.0m



¹After adjusting for 2011 capex

» **£87.5m¹ of acquisitions in H1 2011**

» **Off-market transactions**

» **Refurbishment opportunities**

» **Other**

> Morelands Buildings EC1

> Headlease regear

> 423 Caledonian Road N7 £5.6m

> Adjacent to existing ownership, Balmoral Grove

1 Page Street SW1

118,000 sq ft vacant building

£45.0m before costs

Capital value: £380 psf

Major refurbishment now on site



Network Building W1²

64,000 sq ft corner building

Derwent owned freehold

Headlease acquired - £31.0m before costs

Income: £2.1m pa³

Net initial yield: 6.0%³

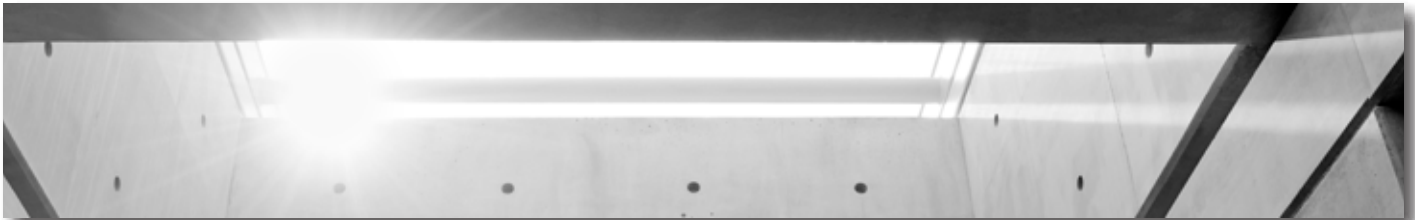
Capital value: £532 psf³

Potential for future refurbishment



¹ Before costs ² 95-100 Tottenham Court Road ³ Merged interest

John Burns



H1 2011 Outlook

Take-up



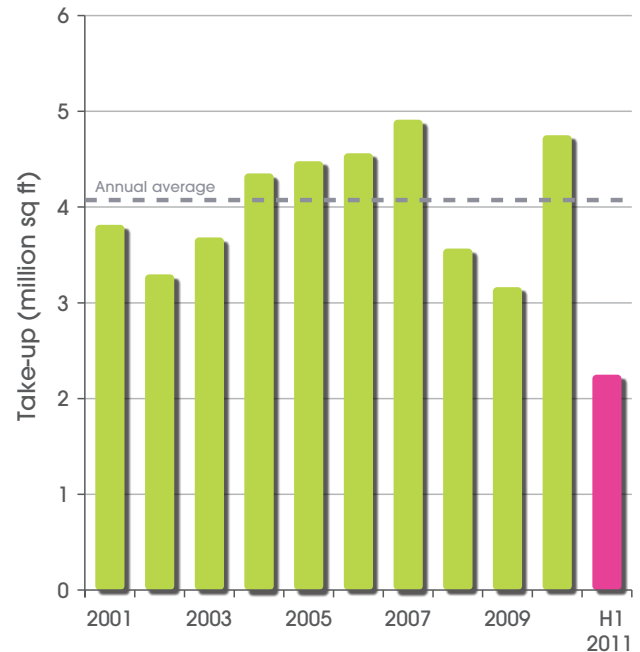
» Take-up of 2.3m sq ft in H1 2011

- > 9% above long-term average
- > Third consecutive half year of above average take-up

» Key note for Derwent.....

- > Strong demand from the technology and media sector
- > Design-led businesses - our brand of space
- > Strong letting activity in our villages such as North of Oxford Street

West End take-up



Source: CB Richard Ellis

» Appendices 16 and 18

H1 2011 Outlook

Vacancy rate



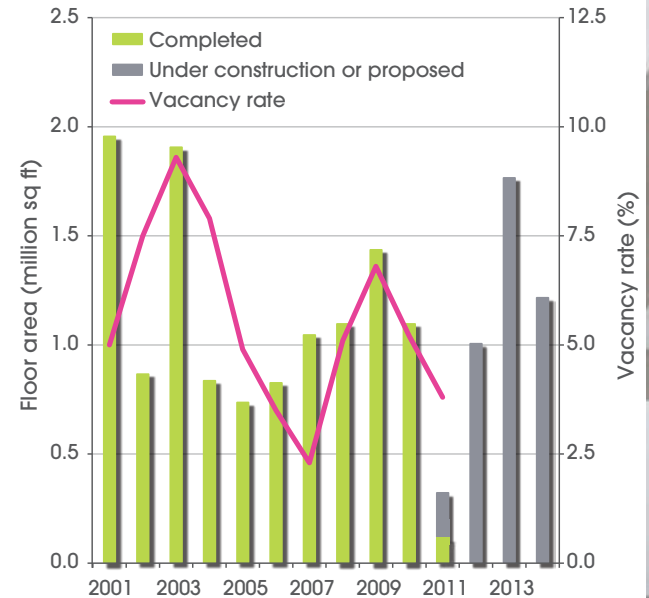
» A supply-demand imbalance

- > Vacancy rate of 3.8% - below average
- > Limited development pipeline - H2 2011 completions of 0.21m sq ft - long-term average of 0.6m sq ft

» Key note for Derwent.....

- > 0.45m sq ft of projects either on site or due to commence in 2011
- > Flexible long-term development pipeline

West End development pipeline



Source: CB Richard Ellis

H1 2011 Outlook

Rental values



Yields



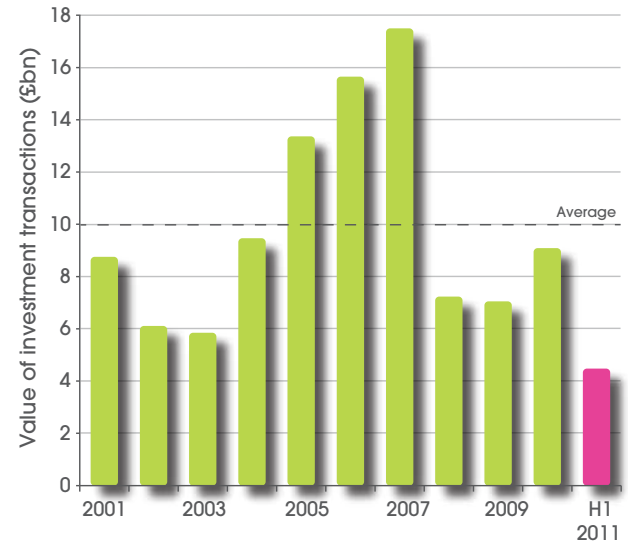
» London - a strong international investment market

- > H1 transactions £4.5bn - in line with the long-term average
- > Low level of distressed sales in central London
- > Slight yield compression in H1 but limited scope for further reductions

» Key note for Derwent.....

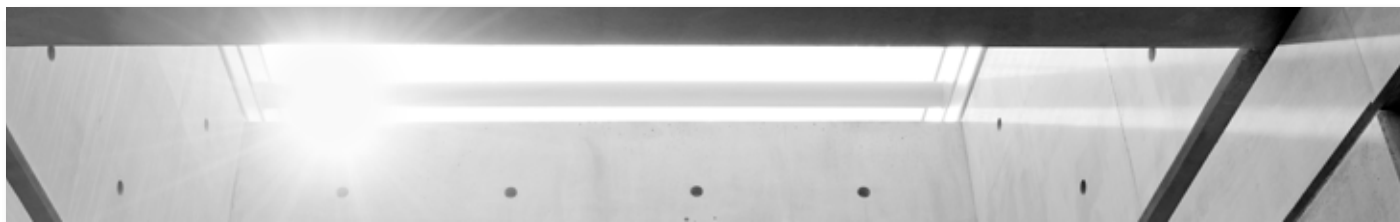
- > Opportunistic approach to recycling capital
- > A strong balance sheet to fund acquisitions

Central London office investment



Source: CB Richard Ellis

Simon Silver



- » **2011 programme**
 - > 450,000¹ sq ft - project capex of c. £71m
 - > 355,000¹ sq ft on site at June 2011 - five schemes
 - > 95,000 sq ft commencing in H2 2011 - two schemes

- » **Planning decisions awaited in H2 2011 on projects totalling 784,000 sq ft**
 - > 80 Charlotte Street W1
 - > City Road Estate EC1
 - > Turnmill EC1
 - > Central Cross W1

- » **Key planning applications for submission in 2011**
 - > 1 Oxford Street W1 - 277,000 sq ft
 - > Riverwalk House SW1 - 148,000 sq ft

- » **Project timing and capex details - see Appendices 19 and 20**

¹ Includes Victory House W1, 48,000 sq ft, which was sold post 30 June 2011 for £37.2m

1 Page Street SW1

118,000 sq ft offices

Delivery: 2012

Rental value: c. £47.50 psf

Capex: c. £18m



2-14 Pentonville Road N1

55,000 sq ft offices

Delivery: 2012

Rental value: c. £35 psf

Capex: c. £11m



Woodbridge House EC1

85,000 sq ft offices

Delivery: 2012

Rental value: c. £40 psf

Capex: c. £15m



- » **Acquired March 2011**
- » **Comprehensive refurbishment**
 - > 118,000 sq ft offices
 - > Striking new entrance lobby
 - > Generous ceiling heights
 - > Ground and lower ground interconnectivity
 - > New garden to rear



» **Timing**

> Delivery 2012

» **Rental value**

> c. £47.50 psf

> c. £4.9m pa

» **Capex**

> c. £18m



Projects update - 80 Charlotte Street W1

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» Planning application 'called in' for determination by the Mayor of London

- > Decision expected September 2011
- > 320,000 sq ft offices
- > 47,000¹ sq ft residential
- > Creation of a new park

» Timing

- > Delivery end 2015

» Rental value

- > c. £55 psf

» Capex

- > c. £125m



¹ Includes 31,000 sq ft of off-site residential at 63-65 Whitfield Street W1 and 1-8 Whitfield Place W1

- » **Planning submission Q3 2011**
 - > 148,000 sq ft residential / retail
 - > comprising c. 120 units
- » **In advanced negotiations to sell the site**
 - > Conditional on planning
 - > Profit overage provision

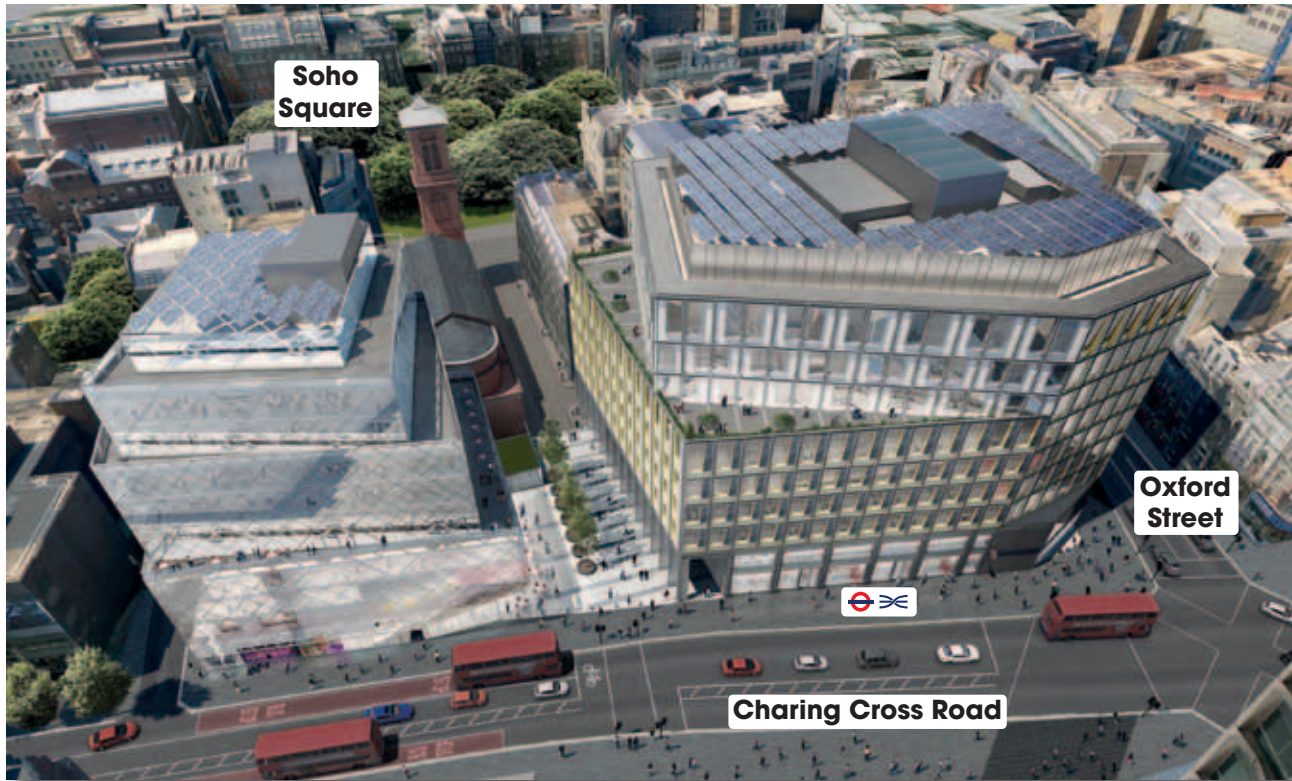


- » **Derwent has the option to acquire the site upon completion of Crossrail works - c. 2017**
- » **Masterplan finalised**
 - > Planning submission H2 2011
- » **Proposed new development over Crossrail station**
 - > 277,000 sq ft - offices, retail and theatre
 - > New public spaces
- » **Major benefit for our nearby holdings**
 - > Fitzrovia Estate
 - > Central Cross
 - > Holden House



Projects update - 1 Oxford Street W1

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Soho
Square

Oxford
Street



Charing Cross Road

132-142 Hampstead Road NW1

233,000 sq ft offices, 32,000 sq ft residential

Planning permission granted

Delivery: 2014

Capex: c. £87m



40 Chancery Lane WC2

100,000 sq ft offices

Planning permission granted

Delivery: 2014

Capex: c. £41m



Turnmill EC1

70,000 sq ft offices

Planning decision awaited

Delivery: 2014

Capex: c. £27m



City Road Estate EC1

285,000 sq ft offices

Planning decision awaited

Vacant possession from 2012

Capex: c. £105m



Projects update - Grosvenor Place SW1

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- » Existing buildings 168,000 sq ft
- » Potential for major mixed use development
- » 1.5 acre site
- » Negotiations progressing with Grosvenor Estate, the freeholder
- » Possession from 2014



» **Angel Building EC1**

- > Shortlisted for the prestigious RIBA Stirling Prize
- > RIBA London Award 2011
- > BCO Refurbished / Recycled Workplace Award 2011
- > New London Architecture Award 2011



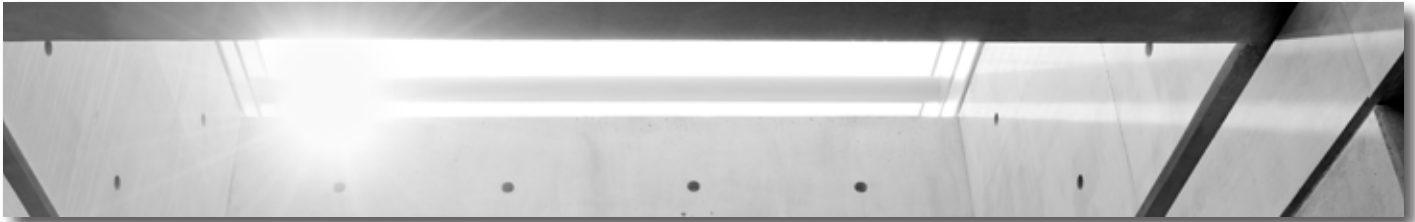
» **Fitzroy+Maple W1**

- > RIBA London Award 2011
- > New London Architecture Award 2011



- » **Continue to advance our product - design, sustainability and efficiency**
- » **Current and H2 projects totalling 450,000 sq ft**
- » **Progressing a number of major planning applications**
- » **435,000 sq ft of schemes for 2012**
- » **Additional projects of 1.7m sq ft earmarked for 2013 onwards**

John Burns





» **Central London is the preferred location for investors**

» **Our product is in demand**



» **A flexible pipeline of projects**

» **Strong financial position for acquisitions**



» **Mindful of the wider economic concerns**





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Appendix 1 - Net asset value per share

DERWENT
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	£m	Basic p	Jun 2011 Diluted p	£m	Basic p	Dec 2010 Diluted p
Net assets attributable to equity shareholders	1,611.1	1,588	1,577	1,448.8	1,432	1,422
Fair value of secured bonds	6.7			2.7		
Fair value of unsecured bonds	(7.6)			-		
EPRA NNNAV	1,610.2	1,587	1,576	1,451.5	1,434	1,425
Fair value of bonds	0.9			(2.7)		
Deferred tax on revaluation surplus	8.8			8.6		
Fair value of derivatives	17.4			25.0		
Fair value adjustment to secured bonds on acquisition less amortisation	19.0			19.4		
EPRA adjusted	1,656.3	1,631	1,621	1,501.8	1,484	1,474

Appendix 2 - Group income statement

DERWENT
LONDON

	Half year ended Jun 2011 £m	Year ended Dec 2010 £m	Half year ended Jun 2010 £m
Profit before tax (IFRS)	173.3	352.8	214.1
Revaluation surplus	(117.3)	(298.1)	(197.5)
Joint venture revaluation surplus	(0.3)	(0.9)	(0.7)
Profit on disposal of properties	(21.5)	(0.9)	-
Fair value movement in derivatives	(7.8)	2.4	10.9
Movement in cash-settled share options	0.2	(0.1)	(0.5)
EPRA profit before tax	26.6	55.2	26.3
Foreign exchange movement on intercompany loan	(0.2)	0.2	0.4
Rates credits	(1.4)	(1.7)	(1.1)
Underlying profit before tax	25.0	53.7	25.6

Appendix 3 - Like-for-like rental income

DERWENT
LONDON

	Like-for-like increase		Properties owned throughout the period £m	Acquisitions £m	Disposals £m	Development property £m	Total £m
	Against H1 2010 %	Against H2 2010 %					
H1 2011							
Rental income	2.4	2.2	50.2	4.9	1.4	5.6	62.1
Property expenditure			(3.4)	(0.2)	-	(1.5)	(5.1)
Net rental income	2.9	2.6	46.8	4.7	1.4	4.1	57.0
Other ¹			0.9	-	-	(0.1)	0.8
Net property income	2.1	0.6	47.7	4.7	1.4	4.0	57.8
H1 2010							
Rental income			49.0	-	1.4	6.7	57.1
Property expenditure			(3.5)	-	(0.1)	(0.4)	(4.0)
Net rental income			45.5	-	1.3	6.3	53.1
Other ¹			1.2	-	-	0.6	1.8
Net property income			46.7	-	1.3	6.9	54.9
H2 2010							
Rental income			49.1	3.4	1.6	7.5	61.6
Property expenditure			(3.5)	(0.4)	(0.1)	(1.3)	(5.3)
Net rental income			45.6	3.0	1.5	6.2	56.3
Other ¹			1.8	-	-	0.1	1.9
Net property income			47.4	3.0	1.5	6.3	58.2

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

Appendix 4 - Debt facilities

DERWENT
LONDON

	Nominal		Maturity
	£m	£m	
6.5% secured bonds		175.0	March 2026
2.75% unsecured bonds		175.0	July 2016
Floating rate guaranteed unsecured loan notes		1.1	June 2012
Overdraft		10.0	On demand
Committed bank facilities			
Term ¹	28.0		June 2018
Term/revolving credit	90.0		December 2017
Revolving credit	100.0		November 2015
Revolving credit	100.0		April 2015
Term/revolving credit	125.0		April 2014
Revolving credit	100.0		November 2013
Term/revolving credit	375.0		March 2013
Term unsecured	31.4		June 2012
		949.4	
Total debt facilities		1,310.5	

» All facilities are secured unless noted otherwise

¹Subject to credit review in 2013

Appendix 5 - Net debt

DERWENT
LONDON

	£m	Jun 2011 £m	£m	Dec 2010 £m	£m	Jun 2010 £m
Overdraft		7.5		5.6		2.7
Financial liabilities - due within 1 year		32.5		-		-
Financial liabilities - due after more than 1 year	871.8		889.4		749.9	
Acquired fair value of secured bonds less amortisation	(17.6)		(17.9)		(18.2)	
Unamortised loan arrangement costs	4.2		4.4		2.2	
Leasehold liabilities	(7.4)		(7.4)		(7.4)	
Unamortised issue costs on unsecured bonds	4.4		-		-	
Equity component of unsecured bonds	9.6		-		-	
		865.0		868.5		726.5
Facilities - drawn		905.0		874.1		729.2
Facilities - undrawn		405.5		261.4		416.3
Total debt facilities		1,310.5		1,135.5		1,145.5
		Jun 2011 £m		Dec 2010 £m		Jun 2010 £m
Financial liabilities - due after more than 1 year		871.8		889.4		749.9
- due within 1 year		32.5		-		-
Overdraft		7.5		5.6		2.7
Cash and cash equivalents		(7.3)		(7.2)		(3.4)
Net debt		904.5		887.8		749.2

Appendix 6 - Valuation performance by village

DERWENT
LONDON

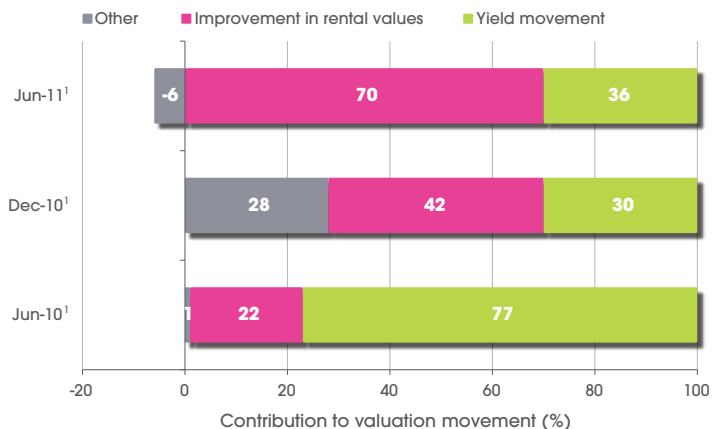
	Valuation Jun 2011 £m	Weighting Jun 2011 %	Valuation movement H1 2011 ¹ %	Valuation movement H1 2011 ^{2,3} £m
West End				
Fitzrovia ⁴	970.3	37	4.7	43.5
Victoria	363.9	14	4.2	12.6
Belgravia	132.9	5	0.2	0.3
Baker Street/Marylebone	123.5	5	7.5	8.6
Soho/Covent Garden	115.7	5	3.9	4.4
Mayfair	54.9	2	8.3	4.2
Paddington	32.7	1	0.2	0.1
West End: Central	1,793.9	69	4.4	73.7
Islington/Camden	184.0	7	15.4	23.9
Other	21.3	1	6.8	1.4
West End: Borders	205.3	8	14.4	25.3
	1,999.2	77	5.4	99.0
City Borders				
Old Street	139.4	5	6.6	8.6
Clerkenwell	125.0	5	2.6	3.1
Holborn	119.6	5	3.5	4.0
Shoreditch	94.5	4	6.2	5.5
Southbank	8.5	-	23.0	1.6
Other	0.3	-	-	-
	487.3	19	4.9	22.8
Central London	2,486.5	96	5.3	121.8
Provincial	113.7	4	1.1	1.3
Investment portfolio	2,600.2	100	5.1	123.1

¹ Underlying - properties held throughout the period ² Including acquisitions ³ Before lease incentive adjustments of £4.6m ⁴ Includes Fitzrovia, Euston and North of Oxford Street

Appendix 7 - Valuation drivers and rental value growth

DERWENT
LONDON

Drivers of valuation movement



Rental value growth

	H1 2010 %	H2 2010 %	2010 %	H1 2011 %
West End	3.0	3.0	6.0	4.1
City Borders	2.4	2.7	5.1	3.3
Central London	2.9	2.9	5.8	3.9
Provincial	(2.4)	(0.2)	(2.7)	6.5
Underlying	2.6	2.8	5.4	4.0

¹Six month period

Appendix 8 - Valuation yields

DERWENT
LONDON

Yields



Initial yields

True equivalent yields

	Net initial yield ¹ %	'Topped-up' net initial yield ¹ %	Dec 2010 %	H1 movement basis points %	June 2011 %
West End	4.1	4.9	5.57	(11)	5.46
City Borders	5.1	5.9	6.46	(22)	6.24
Central London	4.3	5.1	5.75	(13)	5.62
Provincial	6.2	6.9	6.51	8	6.59
EPRA portfolio	4.3	5.2	5.77	(12)	5.65

¹ Calculated in accordance with EPRA guidelines

Appendix 9 - Portfolio reversion

DERWENT
LONDON

	Rental uplift £m	Rental per annum £m
Contracted rental income, net of ground rents		111.1
Contractual rental uplifts across the portfolio	18.9	
Vacant space - available to occupy ¹	6.2	
Vacant space - current schemes ¹	10.9	
Vacant space - held for schemes ¹	6.6	
Anticipated rent review and lease renewal reversion	4.0	46.6
Portfolio estimated rental value		157.7

¹ Detailed in Appendix 10

Appendix 10 - Vacant accommodation at half year

DERWENT
LONDON

	Floor area '000 sq ft	Rental value per annum £m	Comment
Available to occupy			
Angel Building EC1	95	3.9	81,300 sq ft let to Expedia / 1,200 sq ft under offer 10,700 sq ft let / 4,100 sq ft under offer
Tea Building E1	20	0.5	
55-65 North Wharf Road W2	18	0.4	
4-5 Grosvenor Place SW1	6	0.2	4,900 sq ft let
Strathkelvin Retail Park, Scotland	13	0.2	10,000 sq ft under offer
Other	40	1.0	
	192	6.2	
Current schemes			
1 Page Street SW1	118	4.9	
Woodbridge House EC1	85	2.7	
2-14 Pentonville Road N1	55	1.7	
Victory House W1	42 ¹	1.6	Sold post 30 June 2011
	300	10.9	
Held for schemes²			
Riverwalk House SW1	75	2.5	Building vacant. Proposed 148,000 sq ft scheme
132-142 Hampstead Road NW1	161	1.8	Building part vacant. Proposed 265,000 sq ft scheme
Other	118	2.3	
	354	6.6	
Total	846	23.7	

¹ Income received on 6,000 sq ft. Total building area 48,000 sq ft ² Rental value of existing building until the property becomes a current scheme

Appendix 11 - Portfolio summary

DERWENT
LONDON

	Valuation £m	Net contracted rental income £m pa	Average rental income £ psf	Vacant space rental value £m pa	Rent review/ lease renewal reversion £m pa	Total reversion £m pa	Estimated rental value £m pa
West End							
Central	1,793.9	75.8	29.36	13.5	13.6	27.1	102.9
Borders	205.3	3.0	7.54	5.7	6.9	12.6	15.6
	1,999.2	78.8	26.42	19.2	20.5	39.7	118.5
City							
Borders	487.3	26.8	22.50	4.3	1.9	6.2	33.0
Central London	2,486.5	105.6	25.31	23.5	22.4	45.9	151.5
Provincial	113.7	5.5	14.09	0.2	0.5	0.7	6.2
Investment portfolio	2,600.2	111.1	24.36	23.7	22.9	46.6	157.7

West End

Central: Belgravia, Mayfair, Soho, Covent Garden, Victoria, Fitzrovia, Euston, North of Oxford Street, 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

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	Valuation £m	Weighting %	Floor area sq ft '000	Vacant floor area sq ft '000	Net contracted rental income £m pa	Average rental income £ psf	Vacant space rental value £m pa	Rent review/ lease renewal reversion £m pa	Total reversion £m pa	Estimated rental value £m pa
West End: Central										
Fitzrovia ¹	970.3	37	1,766	261	44.0	29.37	4.5	8.0	12.5	56.5
Victoria	363.9	14	603	208	12.4	31.33	7.7	2.0	9.7	22.1
Belgravia	132.9	5	168	6	5.3	33.90	0.3	1.7	2.0	7.3
Baker Street/Marylebone	123.5	5	214	5	6.0	28.79	0.2	1.0	1.2	7.2
Soho/Covent Garden	115.7	5	228	-	5.5	24.15	-	(0.2)	(0.2)	5.3
Mayfair	54.9	2	42	-	1.8	43.82 ²	-	1.1	1.1	2.9
Paddington	32.7	1	85	25	0.8	15.74	0.8	-	0.8	1.6
	1,793.9	69	3,106	505	75.8	29.36	13.5	13.6	27.1	102.9
West End: Borders										
Islington/Camden	184.0	7	488	165	1.8	5.79	5.7	6.4	12.1	13.9
Other	21.3	1	82	-	1.2	14.36	-	0.5	0.5	1.7
	205.3	8	570	165	3.0	7.54	5.7	6.9	12.6	15.6
West End	1,999.2	77	3,676	670	78.8	26.42	19.2	20.5	39.7	118.5
City: Borders										
Old Street	139.4	5	390	6	7.8	20.31	0.2	1.0	1.2	9.0
Clerkenwell	125.0	5	378	125	6.4	25.99	3.4	(0.7)	2.7	9.1
Holborn	119.6	5	265	10	7.5	29.28	0.2	0.3	0.5	8.0
Shoreditch	94.5	4	287	20	4.8	17.88	0.5	1.2	1.7	6.5
Southbank	8.5	-	39	-	0.3	8.43	-	0.1	0.1	0.4
Other	0.3	-	2	2	-	-	-	-	-	-
City Borders	487.3	19	1,361	163	26.8	22.50	4.3	1.9	6.2	33.0
Central London	2,486.5	96	5,037	833	105.6	25.31	23.5	22.4	45.9	151.5
Provincial	113.7	4	401	13	5.5	14.09	0.2	0.5	0.7	6.2
Investment portfolio	2,600.2	100	5,438	846	111.1	24.36	23.7	22.9	46.6	157.7

¹ Includes Fitzrovia, Euston and North of Oxford Street

² If owner occupied area is excluded the average rental income is \$62.49 psf

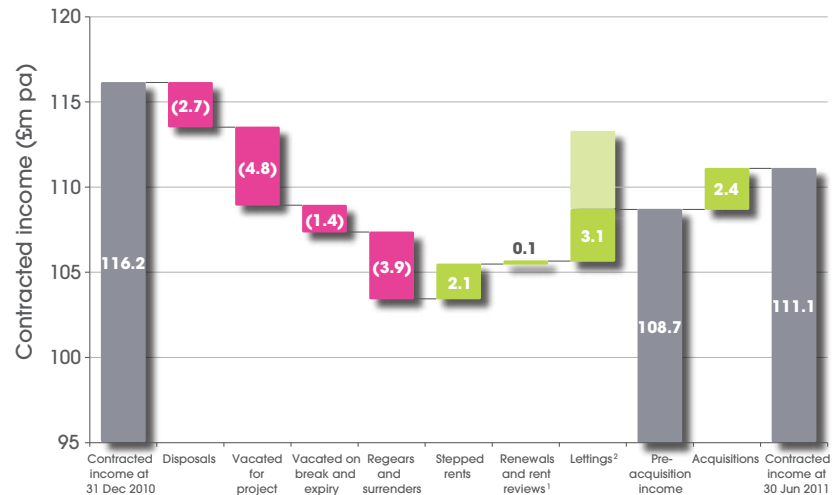
Appendix 13 - Annualised contracted rental income

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» Annualised contracted rental income at 30 June 2011

- > Includes:
 - > Annualised rents under leases
- > Excludes:
 - > Rental movements on outstanding rent reviews and lease renewals
 - > Future contracted rental uplifts
 - > Future rent review increases where there is a contracted minimum level

Reconciliation of contracted income Dec 10 to Jun 11

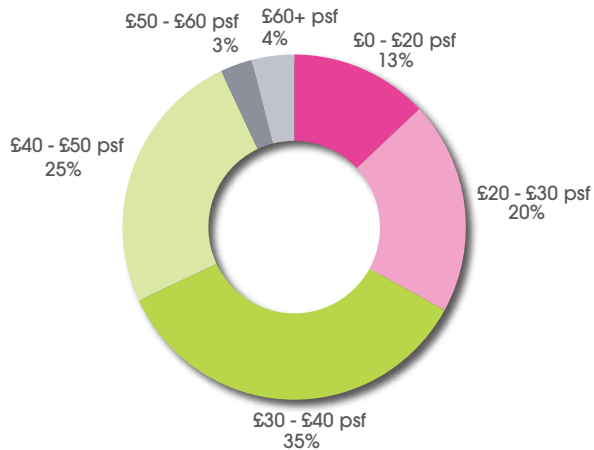


¹ Total renewal and rent review uplift was \$0.6m pa, however as some tenants are paying stepped rents, only the initial contracted income of \$0.1m pa is recognised at 30 June 2011

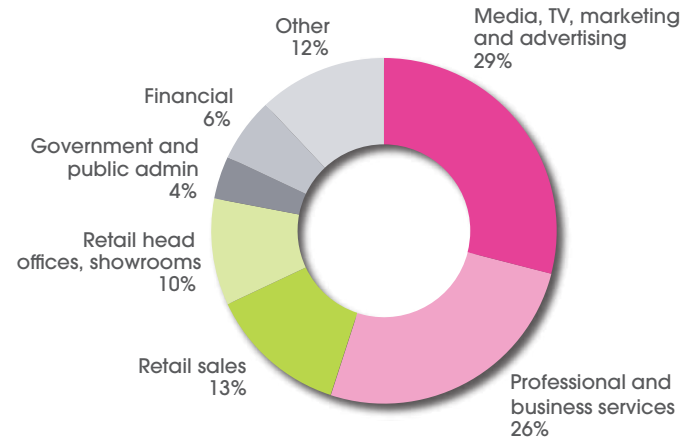
² Total lettings were \$8.5m pa, however as some tenants are in rent-free periods or are paying stepped rents, only the initial contracted income of \$3.1m pa is recognised at 30 June 2011

Appendix 14 - Rent banding and tenant profile

Central London office rent banding¹



Profile of tenants' business sector¹



¹ Expressed as a percentage of annualised rental income

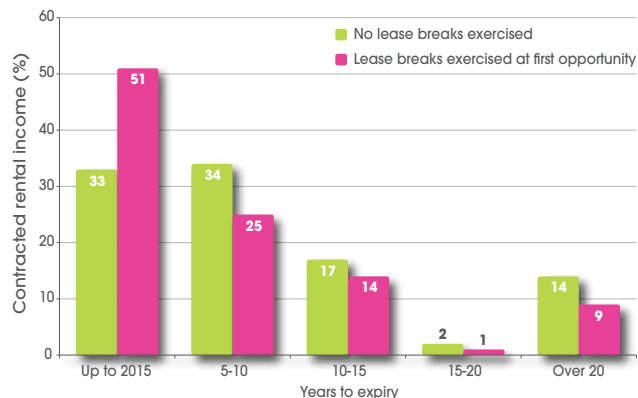
Appendix 15 - Lease expiry profile and lease length

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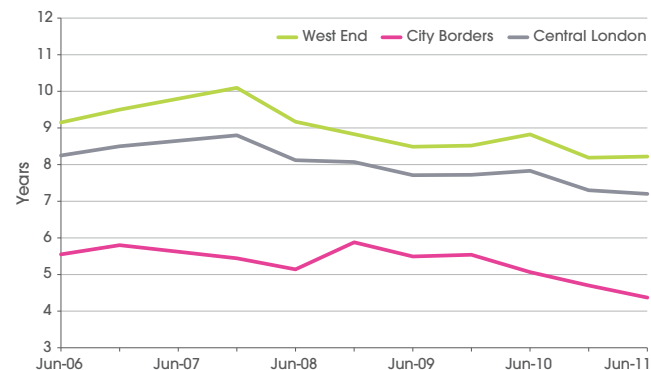
Expiries and breaks as percentage of portfolio income¹

	West End	City Borders	H2 2011	2012	2013	2014	2015	Total
Expiries	4	1	5	3	9	4	4	25
Single breaks	1	1	2	5	6	7	1	21
Rolling breaks	1	2	3	2	-	-	-	5
	6	4	10	10	15	11	5	51

Profile of rental income expiry



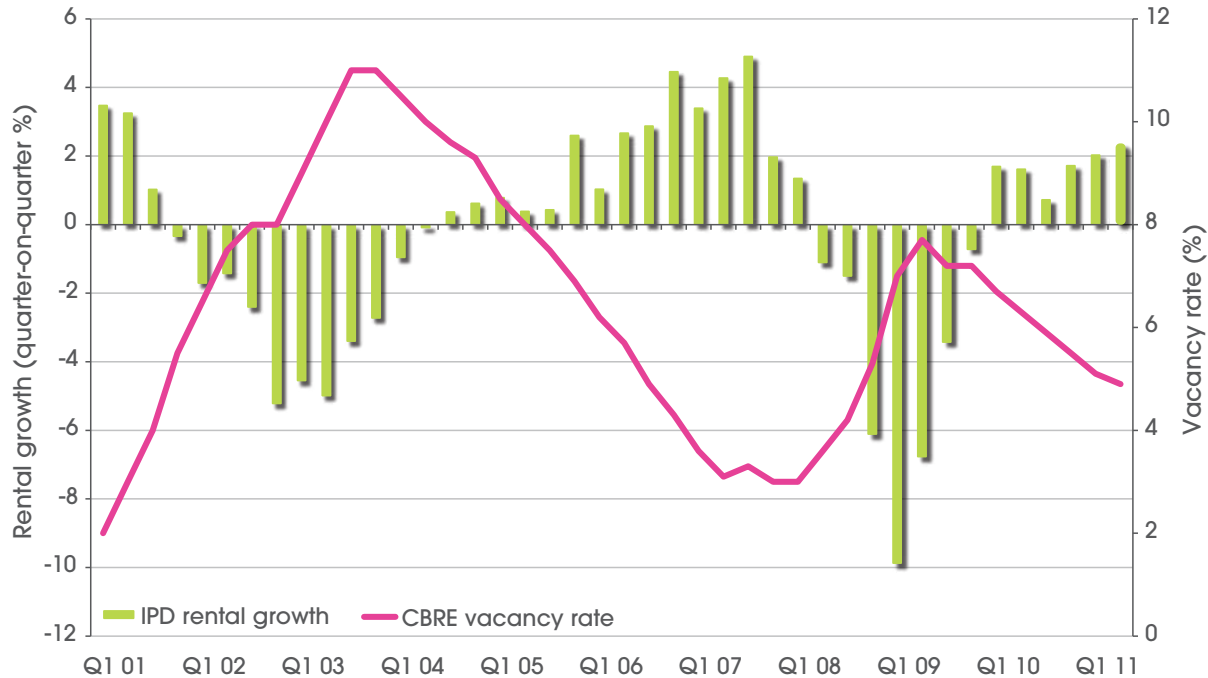
Average unexpired lease length²



¹ Based upon the annualised contracted rental income of £111.1m at 30 June 2011

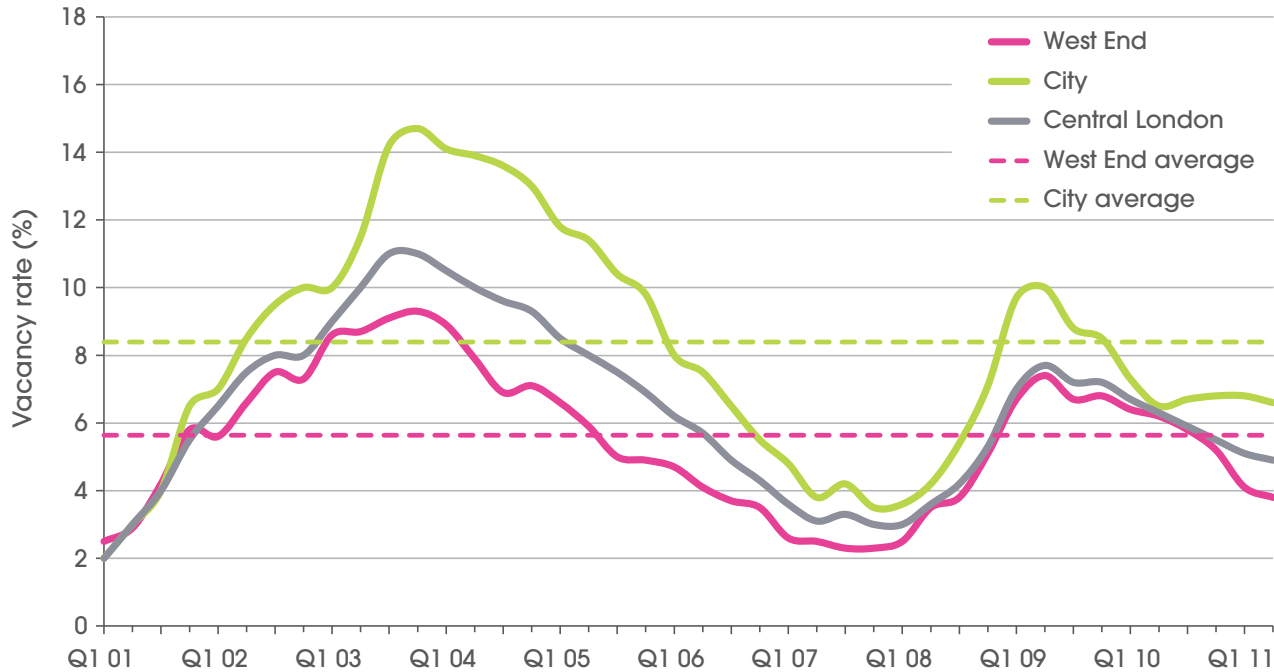
² Lease length weighted by rental income and assuming tenants' break at first opportunity

Appendix 16 - Central London office supply & demand



Source: IPD / CB Richard Ellis

Appendix 17 - Central London office vacancy



Source: CB Richard Ellis

Appendix 18 - Central London office rental growth

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Source: CB Richard Ellis

Appendix 19 - Projects summary 2011 to 2012

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	Pre scheme area '000 sq ft	Proposed area '000 sq ft	2011 capex ¹ £m	2012 capex ¹ £m	2013+ capex ^{1,2} £m	Total capex ¹ £m
On site at June 2011						
Victory House W1 ³	48	48	5.1	-	-	5.1
1 Page Street SW1	118	118	3.6	13.9	0.7	18.2
2-14 Pentonville Road N1	45	55	4.1	6.5	0.4	11.0
88 Rosebery Avenue EC1	49	49	1.8	0.8	-	2.6
Woodbridge House EC1	75	85	1.2	13.2	0.7	15.1
	335	355	15.8	34.4	1.8	52.0
H2 2011						
Central Cross W1 - phases 1 and 2	54	62	1.1	11.7	0.5	13.3
Morelands Buildings EC1	24	33	1.5	3.6	1.0	6.1
	78	95	2.6	15.3	1.5	19.4
2011 programme						
	413	450	18.4	49.7	3.3	71.4
2012						
132-142 Hampstead Road NW1	230	265	4.6	39.9	42.6	87.1
40 Chancery Lane WC2	61	100	1.5	8.8	30.9	41.2
Turnmill EC1	41	70	0.8	5.0	21.1	26.9
	332	435	6.9	53.7	94.6	155.2
Completed			8.5	0.2	-	8.7
Other			13.1	20.9	6.0	40.0
Total	745	885	46.9	124.5	103.9	275.3

¹ Excluding finance ² Excluding projects that commence in 2013 and beyond ³ Sold post 30 June 2011 for £37.2m

Appendix 20 - Projects summary 2013+

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	Pre scheme area '000 sq ft	Proposed area '000 sq ft	Vacant possession year	Comment
2013 onwards				
City Road Estate EC1	124	285	2012	Planning application submitted
80 Charlotte Street W1	233	367	2013	Planning application submitted
Balmoral Grove Buildings N1	49	163	2013	Appraisal studies
Grosvenor Place SW1	168	260	2014	Appraisal studies
55-65 North Wharf Road W2	78	313	2014	Consented scheme
Central Cross W1 - phase 3	24	39	2014	Appraisal studies
1 Oxford Street W1	-	277	c. 2017	Planning submission H2 2011
	676	1,704		
Other				
Riverwalk House SW1	75	148	Vacant	Planning submission H2 2011
Commercial Road E1	30	122	2012	Consented scheme
Wedge House SE1	39	80	2012	Renewing planning permission
Smaller schemes	40	62		Inc. Vauxhall Bridge Rd, Bishops Bridge Rd
	184	412		

Appendix 21 - management structure - executive team

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

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