



INTERIM RESULTS 2018
DERWENT LONDON PLC

CONTENTS

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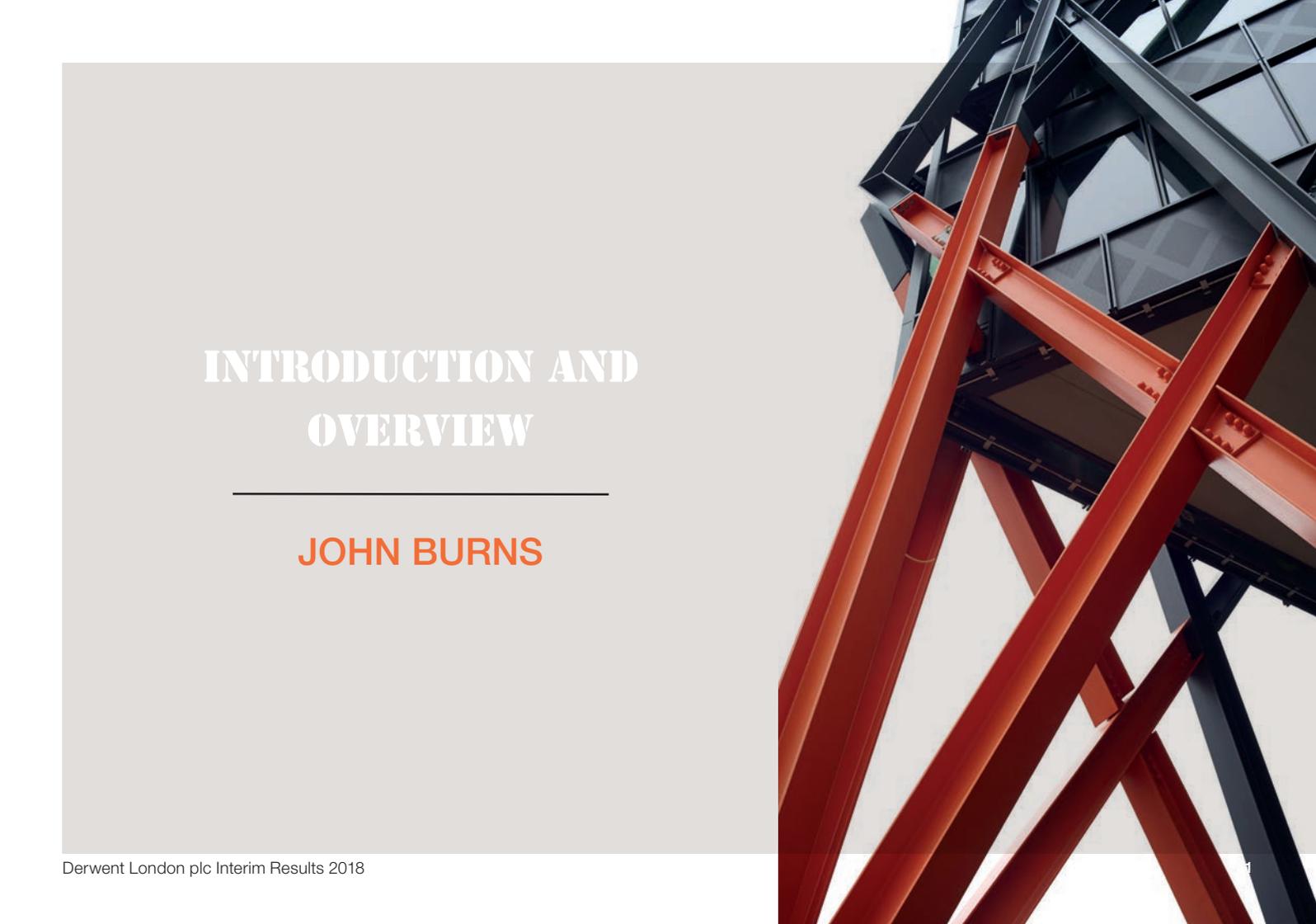
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INTRODUCTION AND OVERVIEW

JOHN BURNS

HIGHLIGHTS



OPERATIONAL

- £8.4m¹ pa of lettings, 8.2% above Dec 2017 ERV
- Major pre-let to Sony Pictures at Brunel Building W2
- EPRA vacancy rate of 4.2% at 30 Jun 2018
- Progressing our schemes at Soho Place W1 and The Featherstone Building EC1

FINANCIAL

- EPRA earnings per share +47.3%
- Underlying earnings per share +14.0%
- EPRA NAV per share -0.1% after dividends
- Interim dividend +10.2%

OPPORTUNITIES

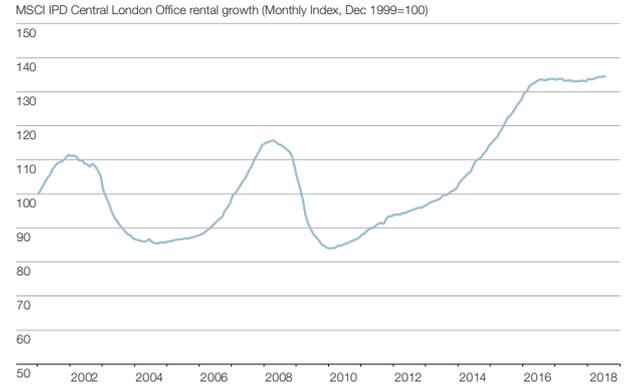
- £99m of potential rental reversion to add to income², 30% pre-let
- £662m of capex and capitalised interest required to execute on-site development programme, including Soho Place W1 and The Featherstone Building EC1
- Low leverage with LTV of 15.2%

¹ £8.2m net ² Excludes £44.0m of contractual uplifts already allowed for under SIC 15 accounting

A STABLE MARKET AGAINST AN UNCERTAIN BACKGROUND

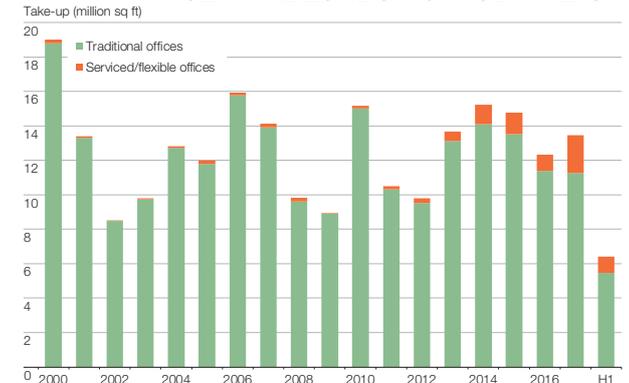
- The market has plateaued for two years
- Substantial take-up by flexible workspace providers
- Derwent London business model is well placed:
 - Cutting-edge office space and mid-market rents
 - Adding value through refurbishment, development and asset management
 - Robust financing

CENTRAL LONDON OFFICE RENTAL GROWTH



Source: MSCI IPD

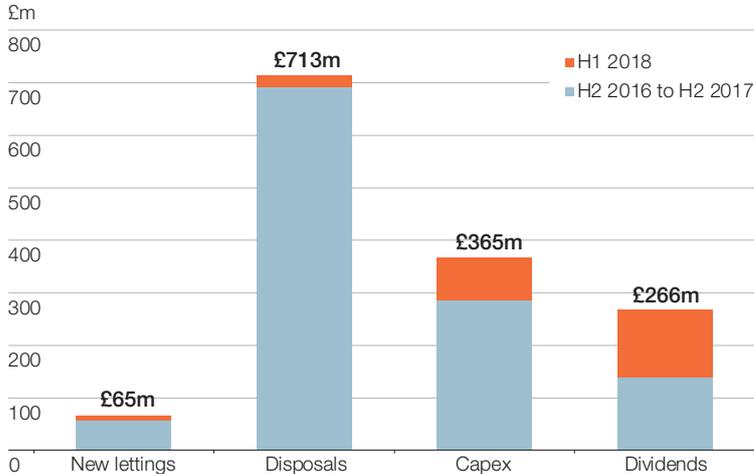
CENTRAL LONDON OFFICE TAKE-UP



Source: CBRE

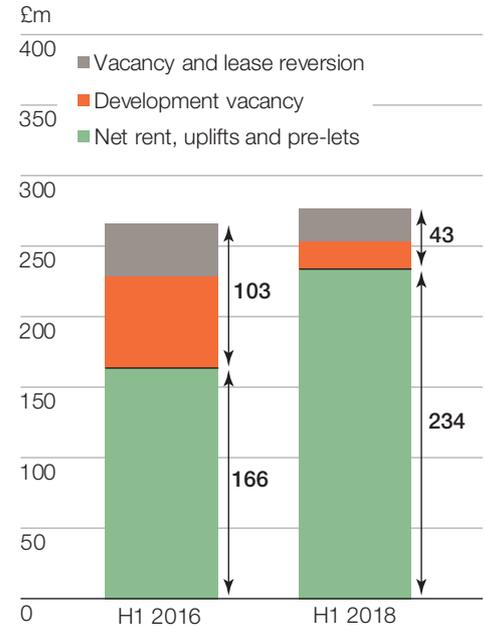
AN EFFECTIVE BUSINESS MODEL

ACTIVITY SINCE JUNE 2016



■ Lack of market momentum has not restricted our activity

CAPTURING REVERSION (LIKE-FOR-LIKE¹)

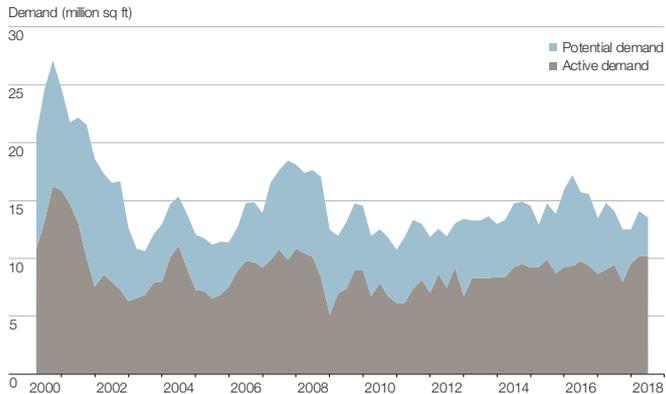


- Topped-up pre-let income increased 41% to £234m
- £43m of reversion still to capture
- £5.6m let or under offer in H2 2018 to date

¹ Excluding disposals and acquisitions

CENTRAL LONDON OFFICE OUTLOOK

CENTRAL LONDON OFFICE DEMAND



Source: JLL

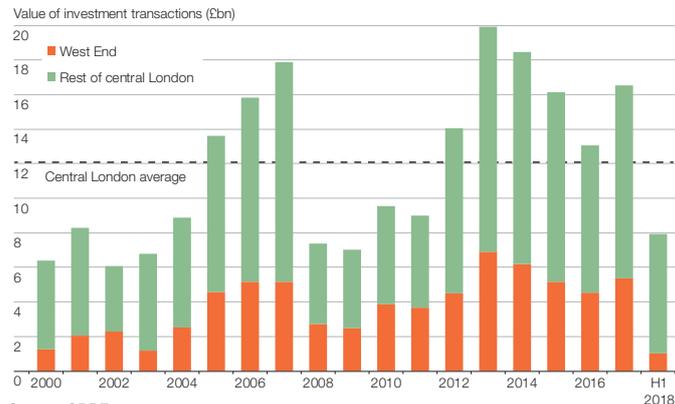
Rents

ERV 2018 estimate +2% to -1%

- Economy: Modest growth
- Supply: Above average but half pre-let
- Vacancy: Stable and below average
- Take-up: Good levels of active demand
- Political uncertainty

Derwent London plc Interim Results 2018

CENTRAL LONDON OFFICE INVESTMENT



Source: CBRE

Yields

Staying firm in 2018

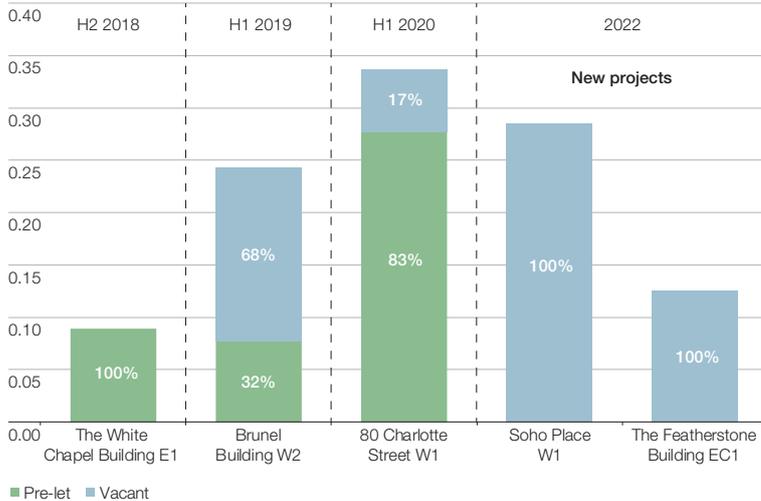
- London remains attractive as a global city
- Good investor demand
- Property yields attractive relative to alternatives
- Domestic investors showing more interest

▪ Appendices 25 to 30

CREATING OPPORTUNITIES IN A STABLE MARKET

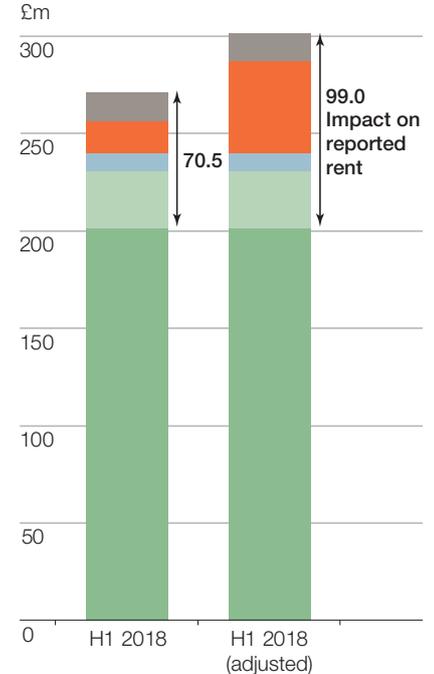
DEVELOPMENT COMPLETIONS TO 2022

Commercial floorspace (million sq ft)



- Extending the on-site programme to 2022 with Soho Place and The Featherstone Building
- Increasing reversionary impact on income from £70.5m to £99m
- Raises additional capex from £206m to £662m
- Considerable further opportunities

IMPACT OF TWO NEW DEVELOPMENTS



- Rent reviews and lease renewals
- Under refurbishment/development
- Available to occupy
- Pre-lets
- Contractual rent (including rental uplifts)

CASE STUDY - FITZROVIA W1

Long term investors in Fitzrovia

- Largest Derwent London village
- 1.4m sq ft valued at £1.5bn
- 29% of the portfolio

Continuing activity since June 2016

- Disposals of £476m
- Acquisitions of £109m¹:
 - Soho Place
 - 88-94 Tottenham Court Road
 - 14-19 Tottenham Mews
- Committed capex £554m:
 - 80 Charlotte Street
 - Soho Place



Investing for the future: 88-94 Tottenham Court Road

- Exchanged contracts in August 2018:
 - 36-year leasehold interest
 - £42m before costs
 - 45,900 sq ft
 - £2.5m net rent (£48 psf²)
 - 6.0% yield
- Derwent London owned freehold
- A cluster of our ownerships
- Future development:
 - Existing 129,500 sq ft
 - Potential 220,000+ sq ft

¹ Includes deferred purchase of Soho Place site
² Offices

RESULTS AND FINANCIAL REVIEW

DAMIAN WISNIEWSKI



HEADLINE NUMBERS

	Jun 2018	% change	Dec 2017	Jun 2017
Net asset value	£4,197.1m	0.1*	£4,193.2m	£4,043.0m
EPRA net asset value per share ^{1,2}	3,713p	(0.1)*	3,716p	3,582p
EPRA triple NAV per share ^{1,2}	3,626p	0.2*	3,617p	3,491p
EPRA total return	3.1%	n/a	7.7%	3.4%
Gross property income	£107.1m	25.4	£172.2m	£85.4m
Net rental income	£80.6m	1.6	£161.1m	£79.3m
EPRA earnings ²	£74.6m	47.4	£105.0m	£50.6m
EPRA earnings per share	66.93p	47.4	94.23p	45.42p
Underlying earnings per share	51.77p	14.0	94.23p	45.42p
Profit for the period	£132.4m	(8.8)	£313.0m	£145.2m
Interim dividend per share	19.10p	10.2	17.33p	17.33p
Net debt	£821.5m	24.9*	£657.9m	£733.7m
Loan-to-value (LTV) ratio	15.2%	n/a	13.2%	14.9%
NAV gearing	19.6%	n/a	15.7%	18.1%
Net interest cover ratio	514%	n/a	454%	431%

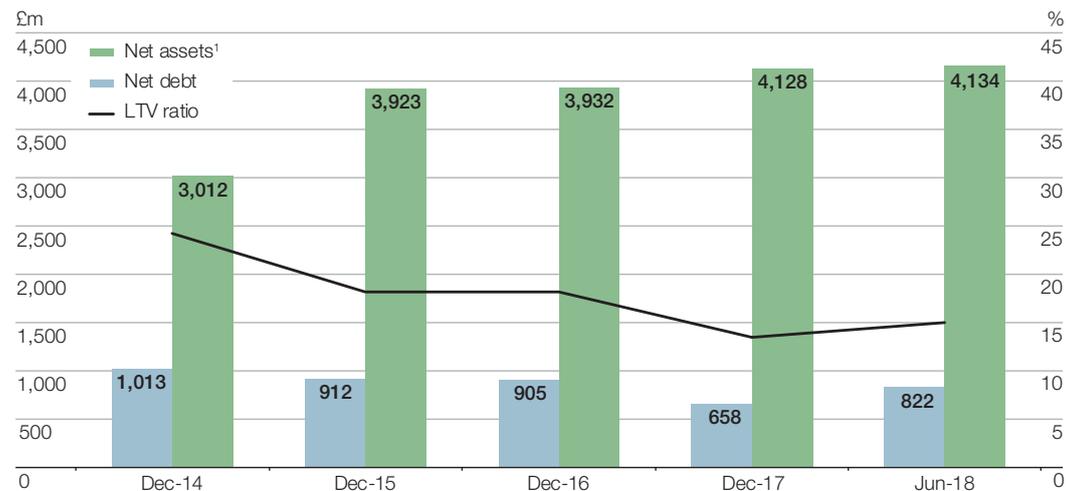
* Compared with Dec 2017

¹ On a diluted basis ² Reconciliations to IFRS figures in Appendices 2 and 4

NET ASSETS, DEBT AND GEARING

- Equity shareholders' funds increased by 0.1% to £4,134m
- EPRA NAV per share was 3,713p from 3,716p at 31 December 2017
- LTV ratio of 15.2% at 30 June 2018

NET ASSETS, DEBT AND GEARING



¹ Attributable to equity shareholders

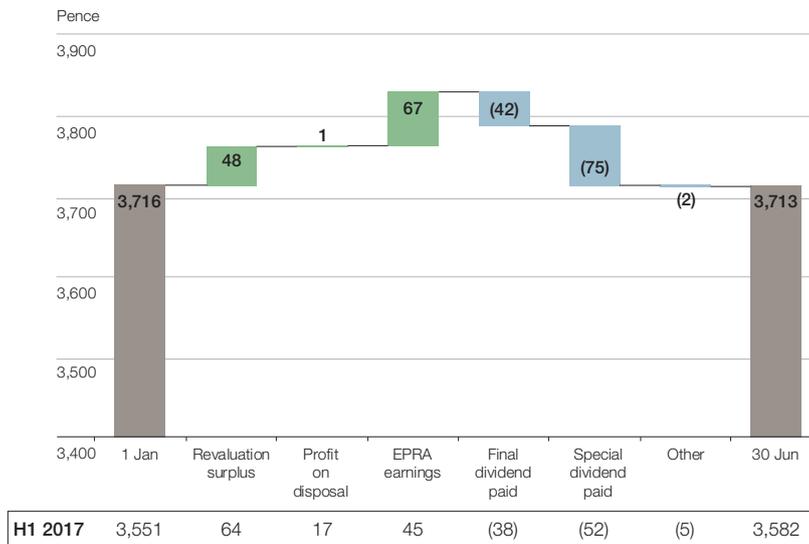
EPRA NAV MOVEMENT

■ Revaluation surplus:

Investment properties	£54.0m
Owner-occupied property	£0.5m
Trading property adjustment ¹	(£0.4m)
Share of JV revaluation surplus	£0.1m
	<u>£54.2m</u> 48p

- The revaluation surplus includes 29p relating to Brunel Building W2

EPRA NAV PER SHARE

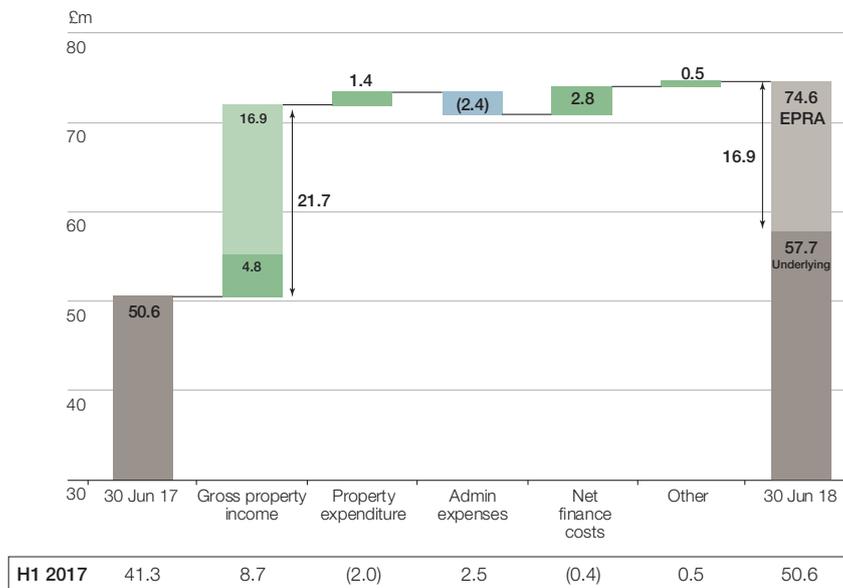


¹ Asta House residential units and Welby House
Derwent London plc Interim Results 2018

EPRA EARNINGS¹

- EPRA earnings were up £24m, or 47%, to £74.6m. On an underlying basis, earnings were £57.7m, 14% higher than in H1 2017
- Gross property income analysed on slide 13
- After a fall in 2017, admin costs were at a comparable level to H1 2016
- EPRA cost ratio² of 20.9% was unchanged from H1 2017 and 0.1% higher than for the whole of 2017
- Net finance costs fell due to lower average borrowings in the period
- Two adjustments to EPRA earnings totalling £16.9m to derive an underlying performance:
 - £1.1m of surrender premiums received have been deferred to H2
 - Access rights receipt of £15.8m has been excluded

MOVEMENTS IN EPRA EARNINGS



¹ An explanation of EPRA adjustments is provided in Appendix 5 ² Including direct vacancy costs

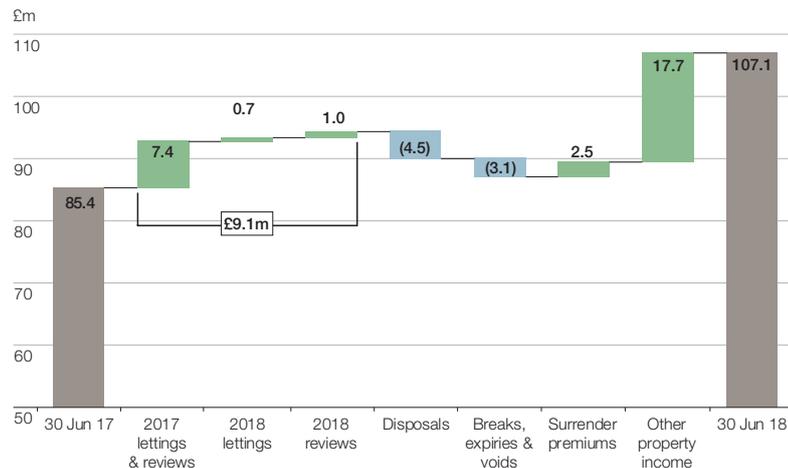
GROSS PROPERTY INCOME

- Gross property income increased by £21.7m to £107.1m in H1 2018
- Sale of 8 Fitzroy Street W1 in 2017 reduced income by £4.2m in the period
- Lettings and reviews include:

	2017 lettings & reviews	2018 lettings & reviews
White Collar Factory EC1	£3.8m	-
Angel Square EC1	-	£0.5m
The White Chapel Building E1	£0.5m	-
88 Rosebery Avenue EC1	£0.6m	-
4 & 10 Pentonville Road EC1	-	£0.3m

- Other property income relates to £15.8m rights of access and £1.9m rights of light receipts

MOVEMENTS IN GROSS PROPERTY INCOME



LIKE-FOR-LIKE INCOME

- EPRA like-for-like income¹ has been distorted by the unusually high non-rental income and surrender premiums received

	Properties owned throughout the period				
	Total £m	Adjustments ² £m	EPRA £m	Adjustments ³ £m	Underlying £m
H1 2018					
Gross rental income	86.9	(7.8)	79.1	1.3	80.4
Property expenditure	(6.3)	1.9	(4.4)	0.1	(4.3)
Net rental income	80.6	(5.9)	74.7	1.4	76.1
Other property income	17.7	-	17.7	(15.8)	1.9
Premiums/other	5.1	0.2	5.3	(2.5)	2.8
Net property income	103.4	(5.7)	97.7	(16.9)	80.8
H1 2017					
Gross rental income	85.4	(8.8)	76.6	-	76.6
Property expenditure	(6.1)	1.9	(4.2)	-	(4.2)
Net rental income	79.3	(6.9)	72.4	-	72.4
Premiums/other	2.2	(1.0)	1.2	-	1.2
Net property income	81.5	(7.9)	73.6	-	73.6
Like-for-like movement on H1 2017:					
Gross rental income			3.3%		5.0%
Net rental income			3.2%		5.1%
Net property income			32.7%		9.8%
Like-for-like movement on H2 2017:					
Gross rental income			0.1%		1.8%
Net rental income			(1.1)%		0.8%
Net property income			26.9%		4.9%

¹ See Appendix 6 for detailed reconciliation of like-for-like income ² Impact of acquisitions, disposals and development property

³ Removes £15.8m one-off rights of access receipt, defers £1.1m of surrender premiums received to H2 2018 and reallocates the premiums recognised to net rental income
Derwent London plc Interim Results 2018

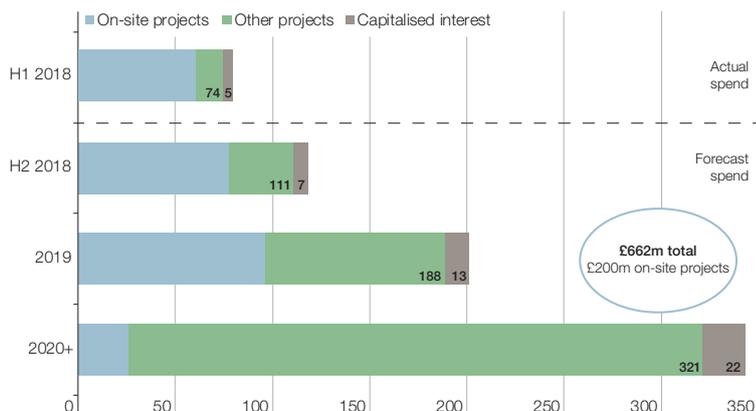
CASH FLOW

- Increase in net debt of £163.6m to £821.5m
- Cash from operations in H1 2018 benefitted from £15.8m rights of access and £1.4m rights of light receipts, as well as £4.9m of surrender premiums received

NET CASH FLOW MOVEMENTS

	H1 2018 £m	H1 2017 £m
Cash from operations	72.1	37.2
Acquisitions	(12.9)	(0.9)
Capex	(76.5) (78.8)	236.7 (87.2)
Reimbursement of capex	15.2	-
Disposal proceeds	-	324.8
Ordinary dividend paid	(45.3)	(40.6)
Special dividend paid	(83.6)	(57.9)
Other cash flow movements	13.2	(12.5)
(Increase)/decrease in net borrowing	(120.1)	162.9
Leasehold liabilities	(41.9)	9.8
Other non-cash items	(1.6)	(1.6)
(Increase)/decrease in net debt	(163.6)	171.1

FORECAST CAPITAL EXPENDITURE¹



¹ Further details of forecast capital expenditure can be found in Appendix 37

PROFORMA IMPACT OF MAJOR PROJECTS AND DISPOSALS

- Assumes no further lettings other than those already contracted
- Shows impact of estimated capital expenditure and schemes commencing

PROFORMA IMPACT OF ON-SITE PROJECTS				PROFORMA IMPACT OF SOHO PLACE & THE FEATHERSTONE BUILDING			
	June 2018 ¹	Capex and contracted income on on-site projects ²	Void costs ³	Proforma 1	Capex and site acquisition cost ⁴	Void costs ³	Proforma 2
Gross property income	£174m	£25m		£199m			£199m
Net property income (adjusted)	£164m	£24m	(£9m)	£179m		(£13m)	£166m
Interest cost	£32m	£5m ⁵		£37m	£8m ⁵		£45m
Net interest cover ratio	514%			484%			370%
Portfolio fair value	£5,002m	£206m		£5,208m	£369m		£5,577m
Drawn debt net of cash	£761m	£206m		£967m	£369m		£1,336m
Loan-to-value ratio	15.2%			18.6%			24.0%

¹ First half adjusted and annualised ² See Appendix 37 for capex ³ Void costs upon completion of project ⁴ Includes remaining Soho Place site acquisition cost of £48m
⁵ Assuming a marginal interest rate of 2.25%

DEBT SUMMARY

- £41.9m of the increase in net debt is due to the inclusion of the discounted headlease payments in relation to Soho Place W1
- The conversion price of the £150m unsecured convertible bonds, which mature in July 2019, was adjusted to £31.78 following the dividend payments in June
- Substantial headroom under financial covenants as at 30 June 2018:
 - Values could fall by 73% without breaching the gearing covenant
 - Property income could fall by 74% before breaching the interest cover covenant

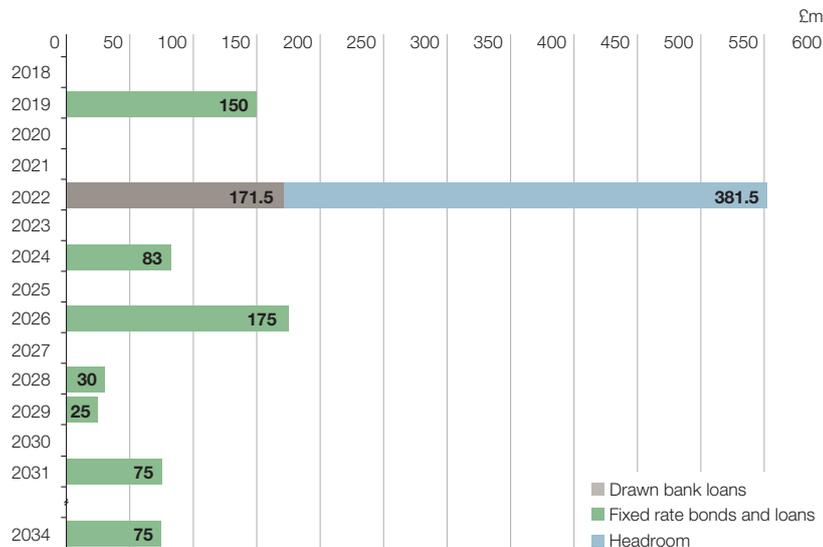
	Jun 2018	Dec 2017
Total facilities	£1,166m	£1,166m
Unutilised facilities and cash	£403m	£523m
Percentage of debt unsecured	64%	61%
Uncharged properties	£3,985m	£3,864m
Uncharged properties % of portfolio	80%	80%
Net debt	£822m	£658m
Gearing:		
LTV ratio	15.2%	13.2%
NAV gearing	19.6%	15.7%
Net interest cover ratio	514%	454%

DEBT FACILITIES

	Jun 2018	Dec 2017
Average spot interest rate (cash basis)	3.56%	3.80%
Average spot interest rate (IFRS basis)	3.86%	4.11%
Marginal interest rate	1.25% ¹	1.25%
Percentage of drawn facilities at fixed rate or hedged	82%	88%
Average maturity of facilities	5.8 years	6.3 years
Average maturity of borrowings	6.8 years	7.6 years

	Jun 2018	Dec 2017
Unsecured bank loans	£144m	£89m
Secured bank loans	£28m	£28m
Unsecured bonds and non-bank loans	£355m	£355m
Secured bonds and non-bank loans	£258m	£258m
Total facilities drawn	£785m	£730m

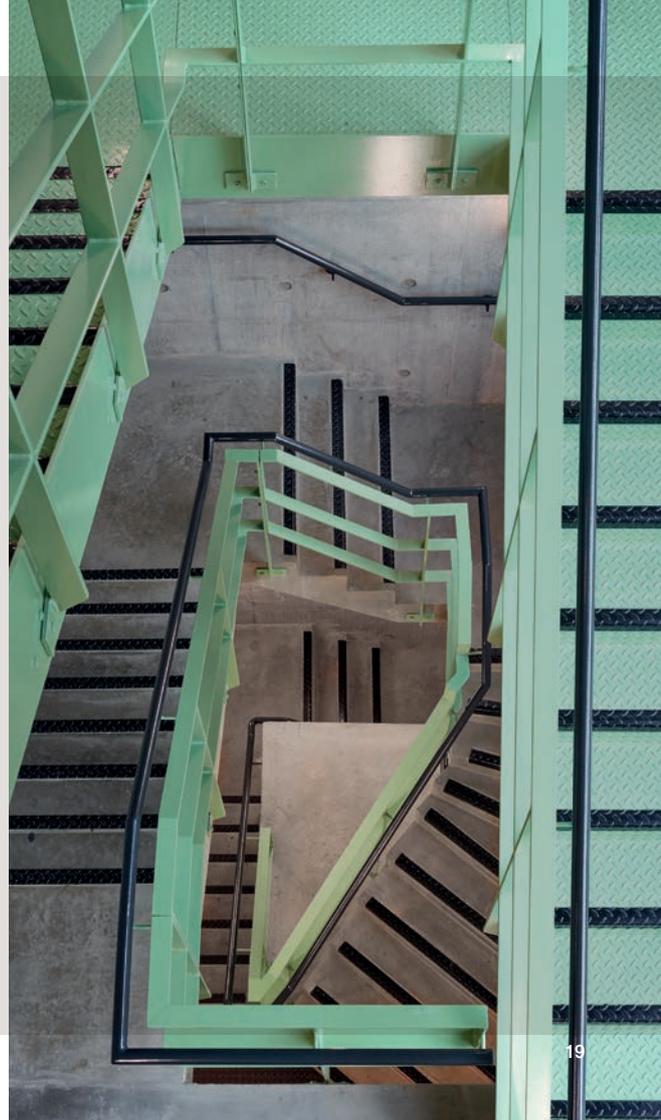
MATURITY PROFILE OF DEBT FACILITIES



¹ As at 30 June 2018, and increases to c.1.5% following base rate rise on 2 August 2018

VALUATION AND PORTFOLIO ANALYSIS

NIGEL GEORGE



VALUATION

Investment portfolio valued at £5.0bn

- Underlying growth 1.3% H2 2017: 2.5%:
 - West End 0.8% H2 2017: 1.1%
 - City Borders 2.3% H2 2017: 5.0%

- Valuers focus:
 - Shorter leases – capex and voids
 - Occupiers seeking greater flexibility
 - Casual dining sector

- MSCI IPD Central London Offices¹ 1.0%

Developments outperformed

- Valued at £499m, uplift of 9.4% in H1 2018:
 - 80 Charlotte Street W1 (73% pre-let 2017) 3.0%
 - Brunel Building W2 (32% pre-let H1 2018) 21.5%

- Excluding developments, uplift 0.5%

	Portfolio valuation £m	Joint venture valuation £m ²	Total £m	H1 2018 valuation movement %
West End	2,987.0	-	2,987.0	0.8
City Borders ³	1,908.3	26.9	1,935.2	2.3
Central London	4,895.3	26.9	4,922.2	1.4
Provincial	99.7	-	99.7	(1.9)
Underlying	4,995.0	26.9	5,021.9	1.3
Acquisitions	7.3	-	7.3	(5.9)
Investment portfolio	5,002.3	26.9	5,029.2	1.3

¹ Quarterly index ² 50% joint venture interests in 9 and 16 Prescot Street E1 ³ Principally properties in the Tech Belt - Appendix 39

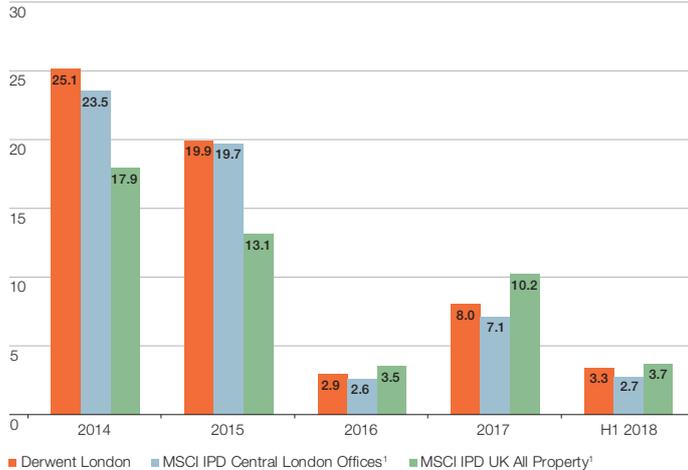
PROPERTY RETURN

Total property returns in H1 2018

■ Derwent London	3.3%
■ MSCI IPD Central London Offices ¹	2.7%
■ MSCI IPD UK All Property ¹	3.7%

TOTAL PROPERTY RETURN PERFORMANCE

Total property return (%)

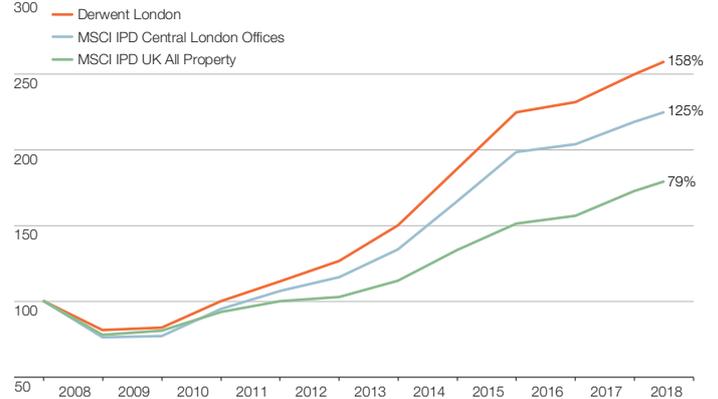


¹ Quarterly Index

Derwent London plc Interim Results 2018

CUMULATIVE TOTAL PROPERTY RETURN

Index (31 Dec 2007=100)



MOVEMENT IN YIELDS

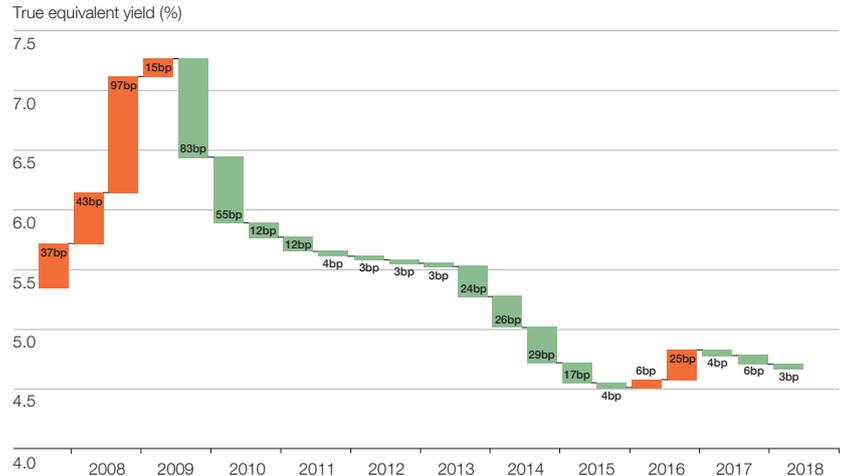
EPRA yields

- Net initial yield 3.4% (Dec 2017: 3.4%):
 - 'Topped-up' net initial yield 4.3% (Dec 2017: 4.4%)

- True equivalent yield 4.70% (Dec 2017: 4.73%):
 - 3 basis points tightening in H1 2018

- Net reversionary yield 4.8% (Dec 2017: 4.8%)

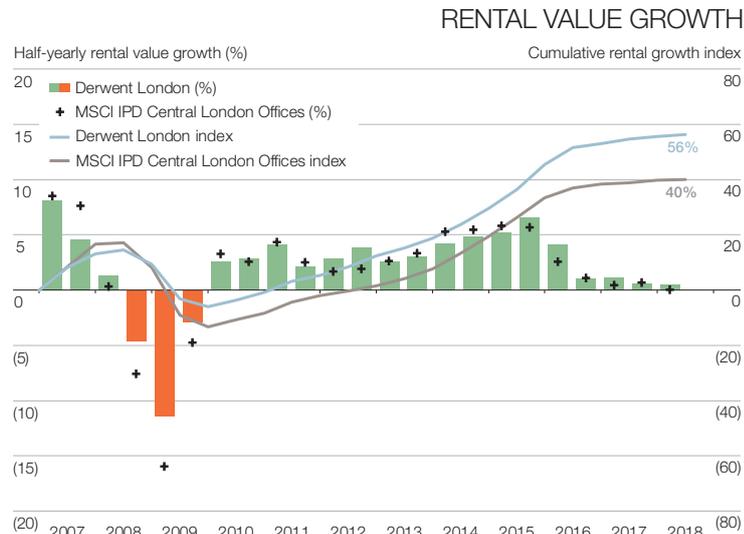
TRUE EQUIVALENT YIELD MOVEMENT¹



¹ Post H2 2010 portfolio on an EPRA basis
 Derwent London plc Interim Results 2018

RENTAL VALUE GROWTH

- Underlying rental growth of 0.5%:
 - City Borders 0.6%
 - West End 0.4%
- Good demand for pre-lets and mid-market priced office space
- Average 'topped-up' office rent £50.23 psf¹ (Dec 2017: £49.74 psf)
- Cumulative rental growth of 56% since 2007, outperforming the 40% from the MSCI IPD Central London Office benchmark



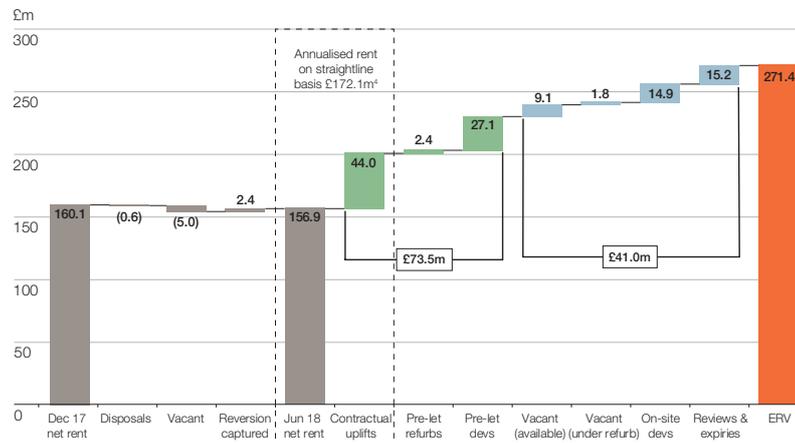
Central London offices	Portfolio % ²	Passing rent £ psf ¹	'Topped-up' rent £ psf ¹	ERV £ psf ³
Core income	58	39.22	53.62	55.91
Potential projects	31	31.07	36.35	42.62
	89	36.43	47.71	51.47
On-site developments	11	-	77.02	75.17
	100	33.31	50.23	54.41

¹ Calculated on let office area ² Calculated on entire portfolio area - see Appendix 19 ³ Total office area

BUILD-UP OF PORTFOLIO ERV

- Net income of £156.9m
- Significant potential reversion £114.5m¹:
 - 64% (£73.5m) contracted, including:
 - White Collar Factory EC1 £10.0m
 - Angel Building EC1 £8.0m
 - 80 Charlotte Street W1 (pre-lets) £21.8m²
 - Brunel Building W2 (pre-let) £5.3m³
- EPRA vacancy rate 4.2%, up from 1.3% at year end

BUILD-UP OF ERV



On-site developments	Let £m	Vacant £m	ERV £m	Delivery
80 Charlotte Street W1	21.8	4.0	25.8	H1 2020
Brunel Building W2	5.3	10.9	16.2	H2 2019
Total on-site	27.1	14.9	42.0	

¹ Requires additional capex as set out in Appendix 37 ² Initial rent on Arup space £11.2m pa, subject to 2.25% annual uplifts for the first 15 years

³ Net of 2.5% ground rent ⁴ Includes Derwent London share of joint ventures

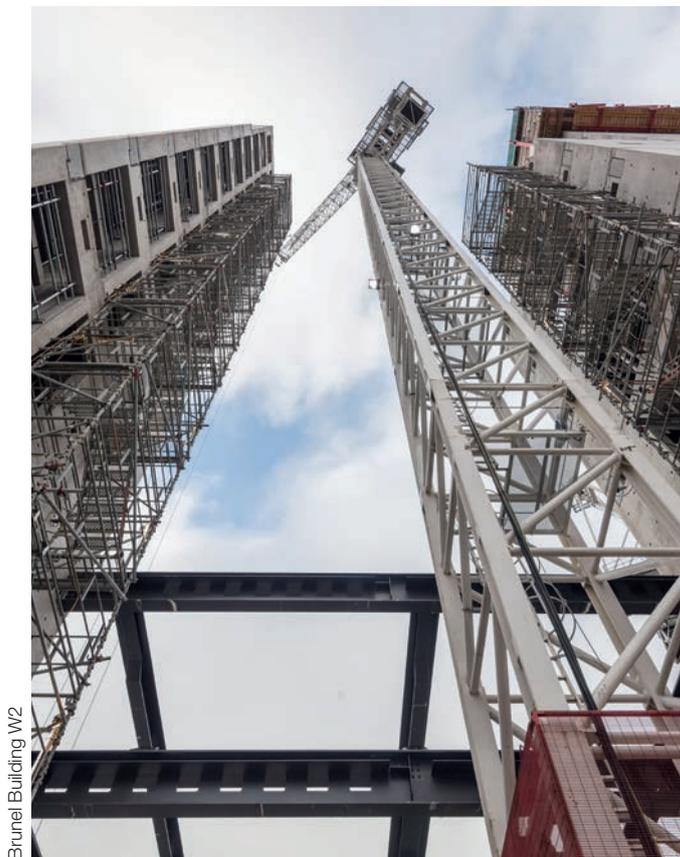
DEVELOPING A PRODUCT

SIMON SILVER



PROJECT UPDATE

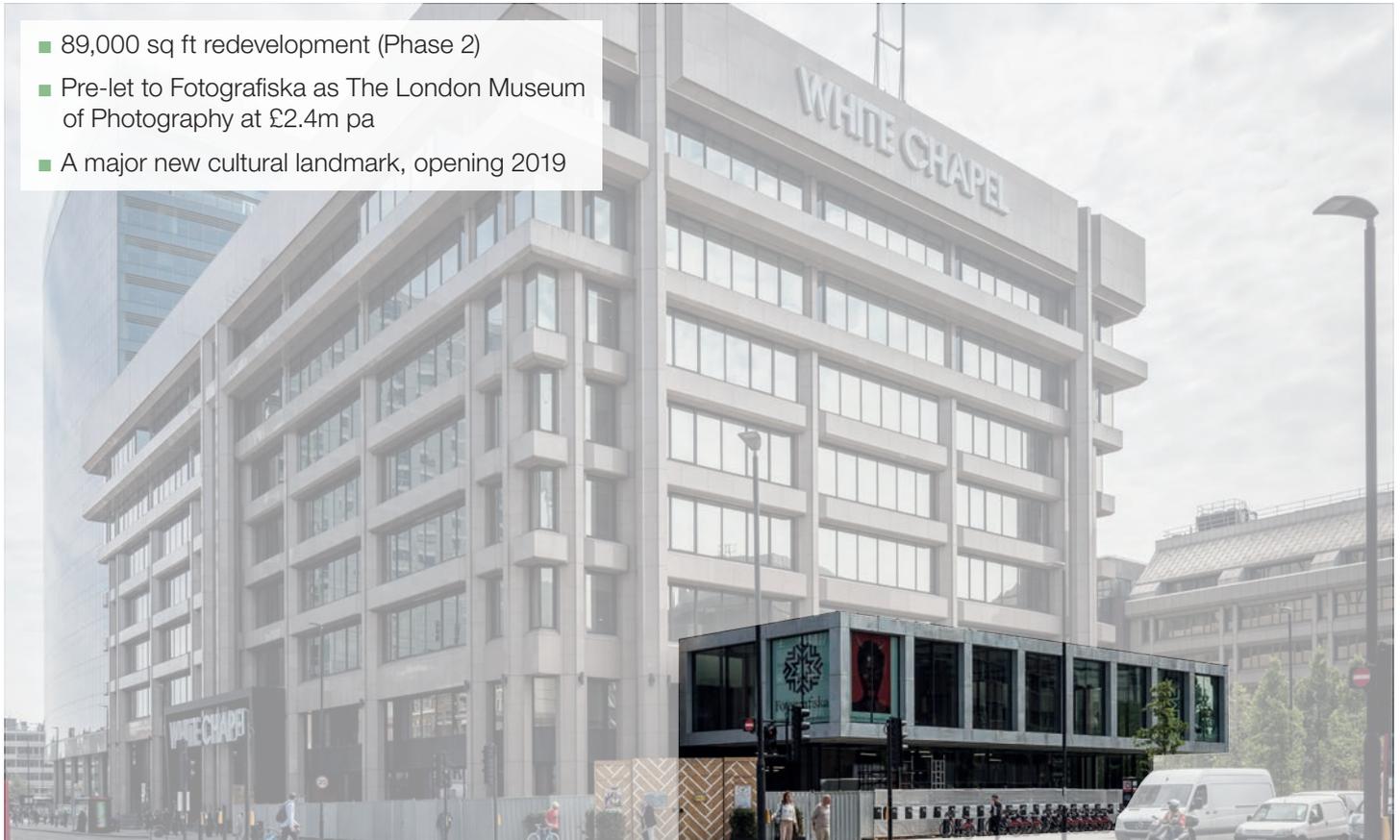
- One major refurbishment completed in Q3 2018:
 - The White Chapel Building E1 (Phase 2) – 89,000 sq ft (100% pre-let)
- Two major schemes on site:
 - Brunel Building W2 – 243,000 sq ft (32% pre-let)
 - 80 Charlotte Street W1 – 380,000 sq ft (73% pre-let)
- Two major schemes being advanced:
 - Soho Place W1 – 285,000 sq ft
 - The Featherstone Building EC1 – 125,000 sq ft



Brunel Building W2

THE WHITE CHAPEL BUILDING E1: 2018 REFURBISHMENT

- 89,000 sq ft redevelopment (Phase 2)
- Pre-let to Fotografiska as The London Museum of Photography at £2.4m pa
- A major new cultural landmark, opening 2019



BRUNEL BUILDING W2: 2019 DELIVERY

- 243,000 sq ft canalside offices
- 32% pre-let to Sony Pictures
- Striking external diagrid structure
- 17,000 sq ft column-free floors
- 3.5m floor to ceiling heights
- Roof terraces and restaurant
- Opposite Paddington station



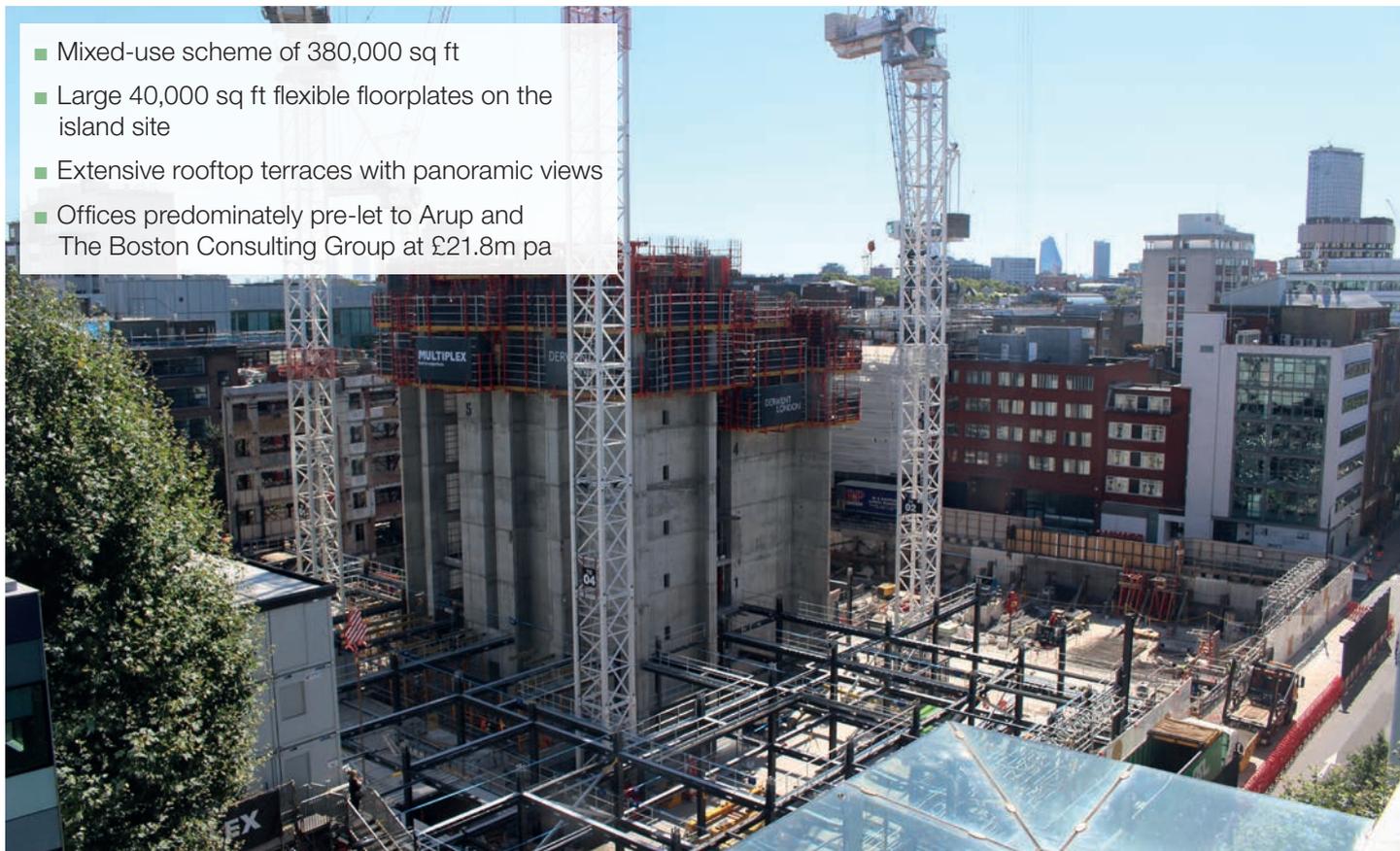


STONEL BUILDING



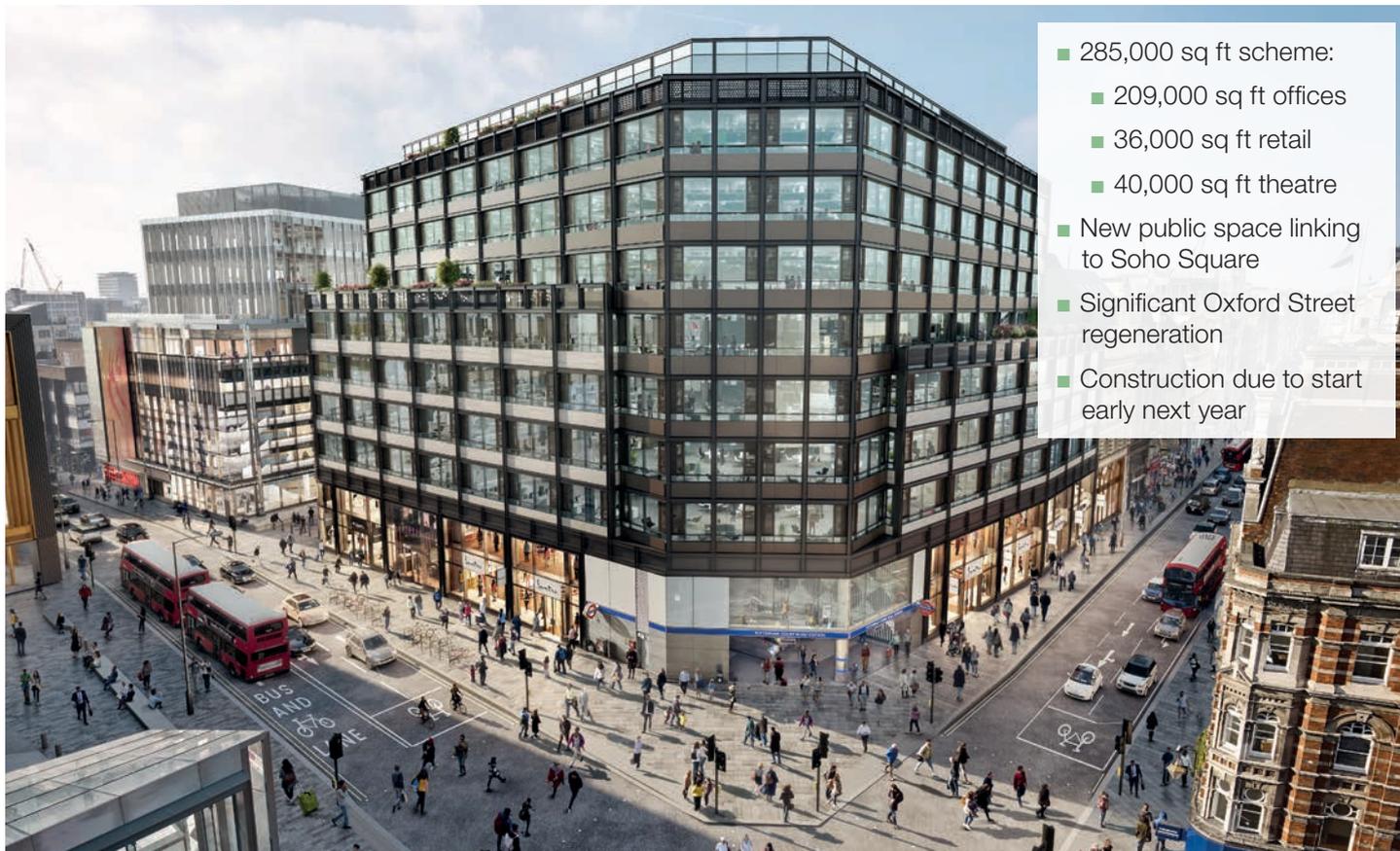
80 CHARLOTTE STREET W1: 2020 DELIVERY

- Mixed-use scheme of 380,000 sq ft
- Large 40,000 sq ft flexible floorplates on the island site
- Extensive rooftop terraces with panoramic views
- Offices predominately pre-let to Arup and The Boston Consulting Group at £21.8m pa





SOHO PLACE W1: OUR NEXT MAJOR PROJECT



- 285,000 sq ft scheme:
 - 209,000 sq ft offices
 - 36,000 sq ft retail
 - 40,000 sq ft theatre
- New public space linking to Soho Square
- Significant Oxford Street regeneration
- Construction due to start early next year



Sporta

Sporta

Sporta

SPACE

SPACE

Santro

Santro

Santro



THE FEATHERSTONE BUILDING EC1: 2019 START

- Planning permission for a 125,000 sq ft scheme:
 - Offices, workspaces and retail
- Adjacent to White Collar Factory
- Replaces two buildings totalling 69,000 sq ft:
 - 81% uplift in floor area
 - Vacant possession in Dec 2018
 - Demolition due to commence in Jan 2019
- Scheme completion in early 2022



THE FEATHERSTONE BUILDING EC1: 2019 START



FURTHER PLANNING CONSENTS

- 443,000 sq ft of further planning consents (resolution to grant), reflecting an 88% uplift in existing floor area



19-35 Baker Street W1

- 293,000 sq ft
- 70% offices, 18% residential and 12% retail
- Joint venture with The Portman Estate (DLN share 55%)



Holden House W1

- 150,000 sq ft
- Potential for a single Oxford Street flagship store or a retail-led scheme with offices

SUMMARY

JOHN BURNS

OUR MARKET

- Economic and political uncertainty
- Good occupier and investment demand
- ERV guidance improved: +2% to -1% in 2018
- Investment yields expected to remain firm in 2018

DERWENT LONDON

- Good demand for our space
- Soho Place and The Featherstone Building add to growth potential
- Robust financial position
- Dividend growth in 2018 forecast at c.10%

APPENDICES



APPENDICES

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APPENDIX 1 - GROUP BALANCE SHEET

	Jun 2018 £m	Dec 2017 £m	Jun 2017 £m
Investment property	4,857.0	4,670.7	4,509.6
Owner-occupied property	47.0	46.5	44.7
Investment in joint ventures	41.6	39.7	38.5
Other non-current assets	115.2	110.9	106.4
	5,060.8	4,867.8	4,699.2
Non-current assets held for sale	-	-	132.0
Other current assets and liabilities	(63.5)	(31.0)	(53.4)
Trading property	28.5	25.3	14.1
Cash and cash equivalents	21.4	87.0	102.8
Borrowings - current	-	-	(28.0)
	(13.6)	81.3	(35.5)
Borrowings - non-current	(786.9)	(730.8)	(794.4)
Other non-current liabilities	(63.2)	(25.1)	(29.3)
	(850.1)	(755.9)	(823.7)
Total net assets	4,197.1	4,193.2	4,043.0
Non-controlling interest	(63.3)	(64.9)	(65.9)
Attributable to equity shareholders	4,133.8	4,128.3	3,977.1

APPENDIX 2 - NET ASSET VALUE PER SHARE

	£m	Jun 2018 Diluted p	£m	Dec 2017 Diluted p
Net assets attributable to equity shareholders	4,133.8	3,693	4,128.3	3,694
Revaluation of trading properties net of tax	0.9		1.0	
Fair value of secured bonds	(34.9)		(37.7)	
Fair value of unsecured convertible bonds	(9.4)		(11.8)	
Fair value of fixed rate secured loan	(3.7)		(4.9)	
Fair value of fixed rate unsecured private placement notes	(21.1)		(23.5)	
Unamortised issue and arrangement costs	(7.6)		(8.6)	
EPRA triple NAV	4,058.0	3,626	4,042.8	3,617
Fair value of bonds and costs	76.7		86.5	
Deferred tax on revaluation surplus	4.5		4.5	
Fair value of derivatives	4.7		7.9	
Fair value adjustment to secured bonds on acquisition less amortisation	12.4		12.9	
Non-controlling interest in respect of the above	(1.1)		(1.5)	
EPRA NAV	4,155.2	3,713	4,153.1	3,716

APPENDIX 3 - GROUP INCOME STATEMENT

	Half year ended Jun 2018 £m	Year ended Dec 2017 £m	Half year ended Jun 2017 £m
Gross property income	107.1	172.2	85.4
(Write-down)/reversal of write-down of trading properties	(0.2)	1.0	1.0
Other income less other costs	1.2	2.7	1.2
Property outgoings	(4.7)	(11.1)	(6.1)
Net property and other income	103.4	164.8	81.5
Administrative expenses	(15.2)	(28.2)	(12.8)
Revaluation surplus	54.0	147.9	66.7
Profit on disposal of investment properties	0.1	50.3	19.1
Net finance costs	(11.5)	(27.1)	(14.3)
Joint venture (JV) results	1.9	5.0	3.7
Derivatives fair value movement	3.1	9.4	6.4
Financial derivative termination costs	(1.8)	(7.3)	(4.5)
IFRS profit before tax	134.0	314.8	145.8
Tax charge	(1.6)	(1.8)	(0.6)
IFRS profit for the period	132.4	313.0	145.2
Attributable to:			
Equity shareholders ¹	134.0	314.0	146.4
Non-controlling interest	(1.6)	(1.0)	(1.2)
	132.4	313.0	145.2

JV revaluation	0.1
Profit on disposal of JV property	1.3
Other JV profit	0.5

3.9	-	3.4	-
1.1	1.1	0.3	0.3

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

APPENDIX 4 - IFRS PROFIT AND EPRA/UNDERLYING EARNINGS

	Half year ended Jun 2018 £m	Year ended Dec 2017 £m	Half year ended Jun 2017 £m
IFRS profit for the year attributable to shareholders	134.0	314.0	146.4
Revaluation surplus	(54.0)	(147.9)	(66.7)
Joint venture revaluation surplus	(0.1)	(3.9)	(3.4)
Profit on disposal of properties	(0.1)	(50.3)	(19.1)
Profit on disposal of share of associate's properties	(1.3)	-	-
Write-down/(reversal of write-down) of trading property	0.2	(1.0)	(1.0)
Derivatives fair value movement	(3.1)	(9.4)	(6.4)
Financial derivative termination costs	1.8	7.3	4.5
Tax adjustment	(0.2)	(0.4)	(1.2)
Non-controlling interest in respect of the above	(2.6)	(3.4)	(2.5)
EPRA earnings	74.6	105.0	50.6
Deduction for access rights receipt and premiums	(16.9)	-	-
Underlying earnings	57.7	105.0	50.6

APPENDIX 5 - EXPLANATION OF EPRA ADJUSTMENTS

	H1 2018 IFRS £m	Adjustments			H1 2018 EPRA basis £m	H1 2017 EPRA basis £m
		A £m	B £m	C £m		
Net property and other income	103.4		0.2		103.6	80.5
Administrative expenses	(15.2)				(15.2)	(12.8)
Revaluation surplus	54.0		(54.0)		-	-
Profit on disposal of investment property	0.1	(0.1)			-	-
Net finance costs	(11.5)				(11.5)	(14.3)
Derivatives fair value movement	3.1			(3.1)	-	-
Financial derivative termination costs	(1.8)			1.8	-	-
Share of results of joint ventures	1.9	(1.3)	(0.1)		0.5	0.3
Profit before tax	134.0	(1.4)	(53.9)	(1.3)	77.4	53.7
Tax charge	(1.6)	-	(0.2)	-	(1.8)	(1.8)
Profit for the year	132.4	(1.4)	(54.1)	(1.3)	75.6	51.9
Non-controlling interest	1.6	-	(3.1)	0.5	(1.0)	(1.3)
Earnings attributable to equity shareholders	134.0	(1.4)	(57.2)	(0.8)	74.6	50.6
Earnings per share	120.22p				66.93p	45.42p

A – Disposal of investment and trading properties, property held in joint ventures and associated tax and non-controlling interest

B – Revaluation movement on investment property and in joint ventures, write-down/reversal of write-down in trading property 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 INCOME

	Total £m	Development property £m	Acquisitions & disposals £m	Properties owned throughout the year £m	Like-for-like movement on: H1 2017 %	H2 2017 %
H1 2018						
Gross rental income	86.9	(7.8)	-	79.1	3.3	0.1
Property expenditure	(6.3)	1.9	-	(4.4)		
Net rental income	80.6	(5.9)	-	74.7	3.2	(1.1)
Write-down of trading property	(0.2)	-	0.2	-		
Premiums/other ¹	23.0	-	-	23.0		
Net property income	103.4	(5.9)	0.2	97.7	32.7	26.9
H1 2017						
Gross rental income	85.4	(4.3)	(4.5)	76.6		
Property expenditure	(6.1)	1.8	0.1	(4.2)		
Net rental income	79.3	(2.5)	(4.4)	72.4		
Write-down of trading property	1.0	(1.0)	-	-		
Premiums/other ¹	1.2	-	-	1.2		
Net property income	81.5	(3.5)	(4.4)	73.6		
H2 2017						
Gross rental income	86.7	(7.4)	(0.3)	79.0		
Property expenditure	(4.9)	1.3	0.1	(3.5)		
Net rental income	81.8	(6.1)	(0.2)	75.5		
Premiums/other ¹	1.5	-	-	1.5		
Net property income	83.3	(6.1)	(0.2)	77.0		

¹ Includes surrender premiums paid or received, dilapidation receipts, other property income 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	16.5	58.5	75.0	July 2022
Club revolving credit - unsecured	127.0	323.0	450.0	January 2022
Committed bank facilities	171.5	381.5	553.0	
At 30 June 2018	784.5	381.5	1,166.0	

APPENDIX 8 - NET DEBT

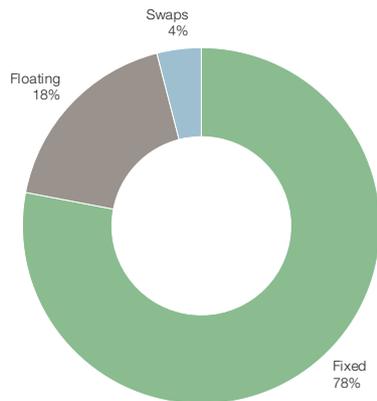
	Jun 2018 £m	Dec 2017 £m
Borrowings	786.9	730.8
Acquired fair value of secured bonds less amortisation	(12.4)	(12.9)
Equity component of unsecured bonds	12.6	12.6
Unwinding of discount of unsecured bonds	(10.2)	(9.1)
Unamortised issue and arrangement costs	7.6	8.6
Facilities - drawn	784.5	730.0
Facilities - undrawn	381.5	436.0
Total debt facilities	1,166.0	1,166.0

	Jun 2018 £m	Dec 2017 £m
Borrowings	786.9	730.8
Leasehold liabilities	56.0	14.1
Cash and cash equivalents	(21.4)	(87.0)
Net debt	821.5	657.9

APPENDIX 9 - FIXED RATES AND HEDGING

	Jun 2018	Dec 2017
Proportion of drawn facilities at fixed rates or hedged	82%	88%
Weighted average duration of swaps ¹	1.7 years	1.2 years
Mark-to-market cost of swaps and forward-start swaps	£4.7m	£7.9m
Weighted average duration of fixed rate instruments	7.7 years	8.2 years

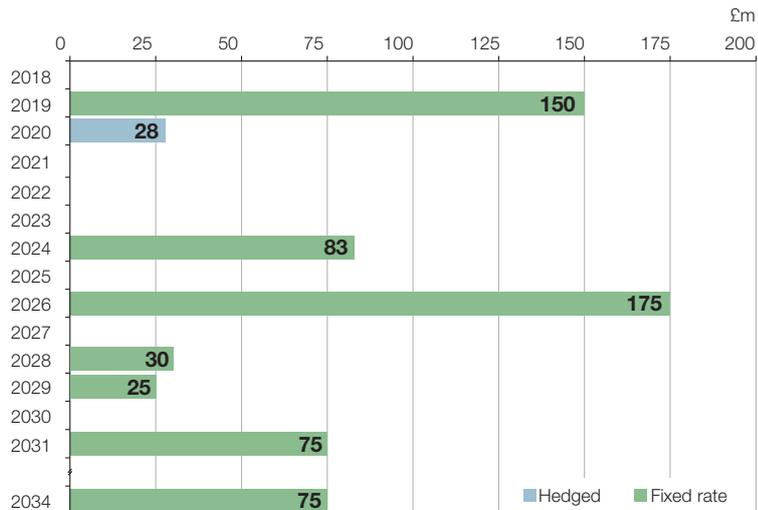
HEDGING PROFILE¹



¹ Excludes the following forward-start swaps:

Principal £m	Rate %	Start date	Expiry date
70.0	3.99	September 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



APPENDIX 10 - VALUATION PERFORMANCE BY VILLAGE

	Valuation Jun 2018 £m	Weighting Jun 2018 %	Valuation movement H1 2018 ¹ %
West End Central			
Fitzrovia ²	1,472.6	29	(0.3)
Victoria	530.6	11	(1.9)
Paddington	190.9	4	21.5
Baker Street/Marylebone	172.9	4	(3.8)
Mayfair	92.5	2	1.4
Soho/Covent Garden	69.0	1	4.0
	2,528.5	51	0.7
West End Borders			
Islington/Camden	465.8	9	1.3
West End	2,994.3	60	0.8
City Borders			
Clerkenwell	616.8	12	3.5
Old Street	560.4	11	2.5
Shoreditch/Whitechapel	455.5	9	1.4
Holborn	300.3	6	0.8
Other	2.2	-	0.0
	1,935.2	38	2.3
Central London	4,929.5	98	1.4
Provincial	99.7	2	(1.9)
Investment portfolio	5,029.2	100	1.3

¹ Underlying - properties held throughout the period ² Includes North of Oxford Street

APPENDIX 11 - RENTAL VALUE GROWTH

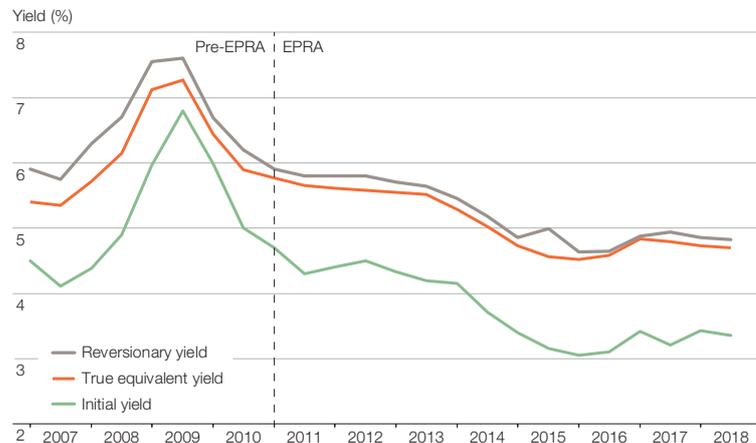
RENTAL VALUE GROWTH¹

	2016 %	H1 2017 %	H2 2017 %	2017 %	H1 2018 %
West End	5.5	0.7	0.0	0.7	0.4
City Borders	4.4	1.7	1.3	3.0	0.6
Central London	5.1	1.1	0.6	1.7	0.5
Provincial	4.5	1.2	1.2	2.4	0.1
Underlying	5.1	1.1	0.6	1.7	0.5

¹ On EPRA portfolio

APPENDIX 12 - VALUATION YIELDS

YIELD PROFILE¹



EPRA INITIAL YIELDS

	Net initial yield %	'Topped-up' initial yield %
West End	3.5	4.2
City Borders	3.1	4.3
Central London	3.3	4.2
Provincial	6.5	6.7
EPRA portfolio	3.4	4.3

TRUE EQUIVALENT YIELDS²

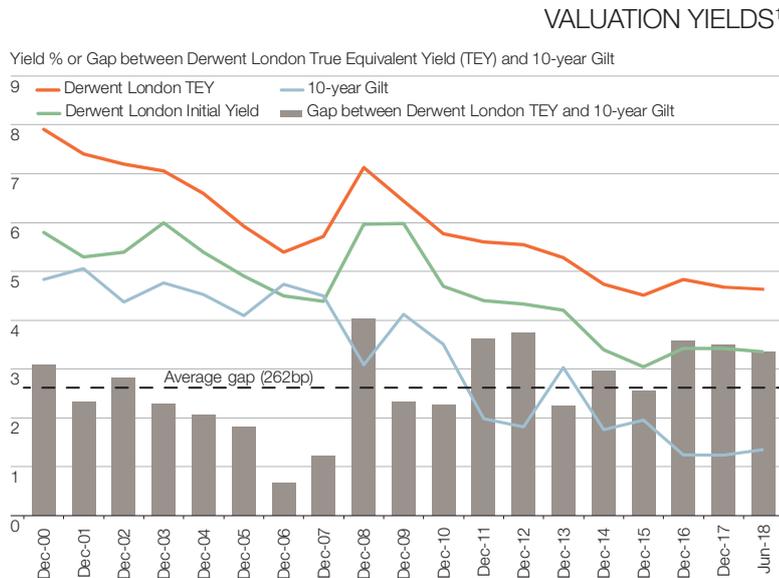
	Dec 2017 %	H1 2018 movement basis points	Jun 2018 %
West End	4.62	(3)	4.59
City Borders	4.79	(3)	4.76
Central London	4.69	(2)	4.67
Provincial	6.87	14	7.01
Underlying	4.73	(3)	4.70

¹ Six-monthly data ² On EPRA portfolio

APPENDIX 13 - CONTEXT TO YIELD MOVEMENT

- 337bp spread between true equivalent yield and 10-year Gilt:
 - Gilt yield low and stable at 1.3% on 30 Jun 2018 compared to 1.2% at start of the year
 - Strong investor demand
 - Above trend occupier demand

- Undemanding capital values²:
 - Central London £972 psf:
 - West End £1,010 psf
 - City Borders £927 psf



¹ Post H2 2010 portfolio on an EPRA basis ² Excludes 0.62m sq ft of on-site developments - Appendix 37

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 reversion ⁴ £m pa	Total reversion £m pa	Estimated rental value £m pa
West End Central										
Fitzrovia ²	1,472.6	29	1,385	152	43.4	35.59	7.2	33.1	40.3	83.7
Victoria	530.6	11	588	12	21.4	37.11	0.5	5.0	5.5	26.9
Paddington	190.9	4	243	165	(0.1)	-	10.9	5.4	16.3	16.2
Baker Street/Marylebone	172.9	4	197	6	7.9	41.38	0.4	1.6	2.0	9.9
Mayfair	92.5	2	43	19	0.2	77.40 ³	1.9	2.2	4.1	4.3
Soho/Covent Garden	69.0	1	108	-	-	0.23	-	-	-	-
	2,528.5	51	2,564	354	72.8	33.21	20.9	47.3	68.2	141.0
West End Borders										
Islington/Camden	465.8	9	494	-	14.6	29.64	-	10.9	10.9	25.5
	465.8	9	494	-	14.6	29.64	-	10.9	10.9	25.5
West End	2,994.3	60	3,058	354	87.4	32.55	20.9	58.2	79.1	166.5
City Borders										
Clerkenwell	616.8	12	649	16	23.0	37.92	0.5	7.2	7.7	30.7
Old Street	560.4	11	546	20	15.4	29.35	0.5	11.8	12.3	27.7
Shoreditch/Whitechapel	455.5	9	596	13	17.5	29.96	0.7	7.5	8.2	25.7
Holborn	300.3	6	295	59	8.4	37.52	3.2	3.6	6.8	15.2
Other	2.2	-	-	-	-	-	-	-	-	-
City Borders	1,935.2	38	2,086	108	64.3	33.25	4.9	30.1	35.0	99.3
Central London	4,929.5	98	5,144	462	151.7	32.85	25.8	88.3	114.1	265.8
Provincial	99.7	2	343	2	5.2	15.40	-	0.4	0.4	5.6
Investment portfolio	5,029.2	100	5,487	464	156.9	31.67	25.8	88.7	114.5	271.4

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

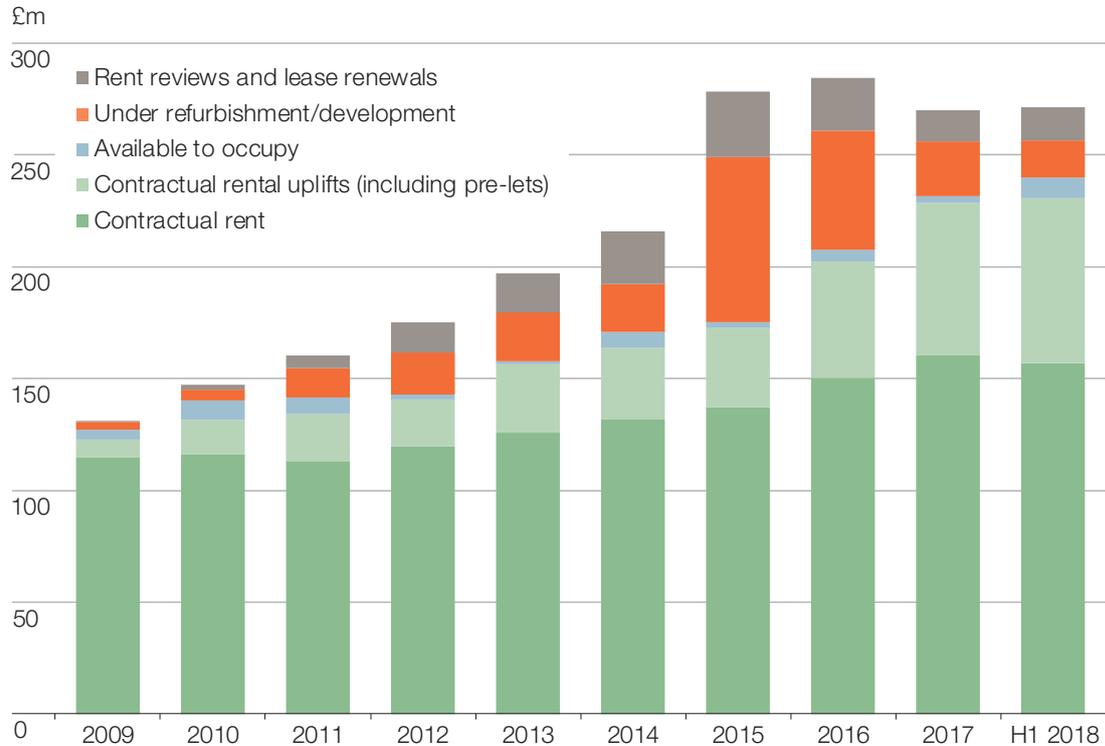
⁴ Contractual uplifts, rent review/lease renewal reversion and pre-lets

APPENDIX 15 - BUILD-UP OF PORTFOLIO ERV

	£m	Rent uplift pa £m	Rent pa £m
Contracted rental income, net of ground rents			156.9
Contractual rental uplifts			
White Collar Factory EC1	10.0		
Angel Building EC1	8.0		
40 Chancery Lane WC2	2.8		
60 Whitfield Street W1	2.4		
Other	20.8	44.0	
Pre-let refurbishments			
The White Chapel Building E1 (Phase 2)	2.4	2.4	
Vacant space¹			
Available to occupy	9.1		
Under refurbishment	1.8	10.9	
Lease reversions			
Anticipated rent reviews and lease renewals		15.2	72.5
			229.4
Two on-site developments (non-EPRA)²			
Pre-let element	27.1		
Available	14.9		42.0
Estimated rental value			271.4

¹ Detailed in Appendix 18 ² Capex to complete £200m excluding capitalised interest - see Appendix 37

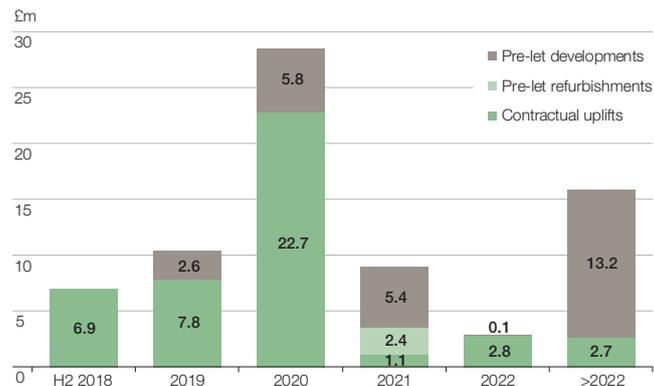
APPENDIX 16 - EVOLUTION OF PORTFOLIO ERV



APPENDIX 17 - TIMING OF THE REVERSION

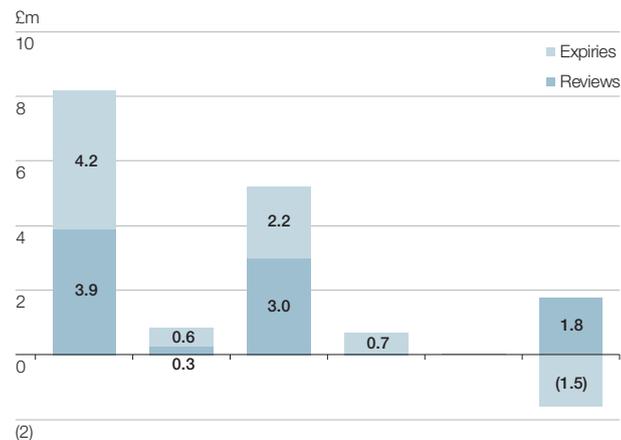
- £73.5m of the reversion contracted:
 - Fixed rental uplifts £44.0m
 - Pre-let refurbishments £2.4m
 - Pre-let developments £27.1m

CONTRACTUAL UPLIFTS AND PRE-LETS



- £15.2m of the reversion from reviews and expiries

REVIEWS AND EXPIRIES

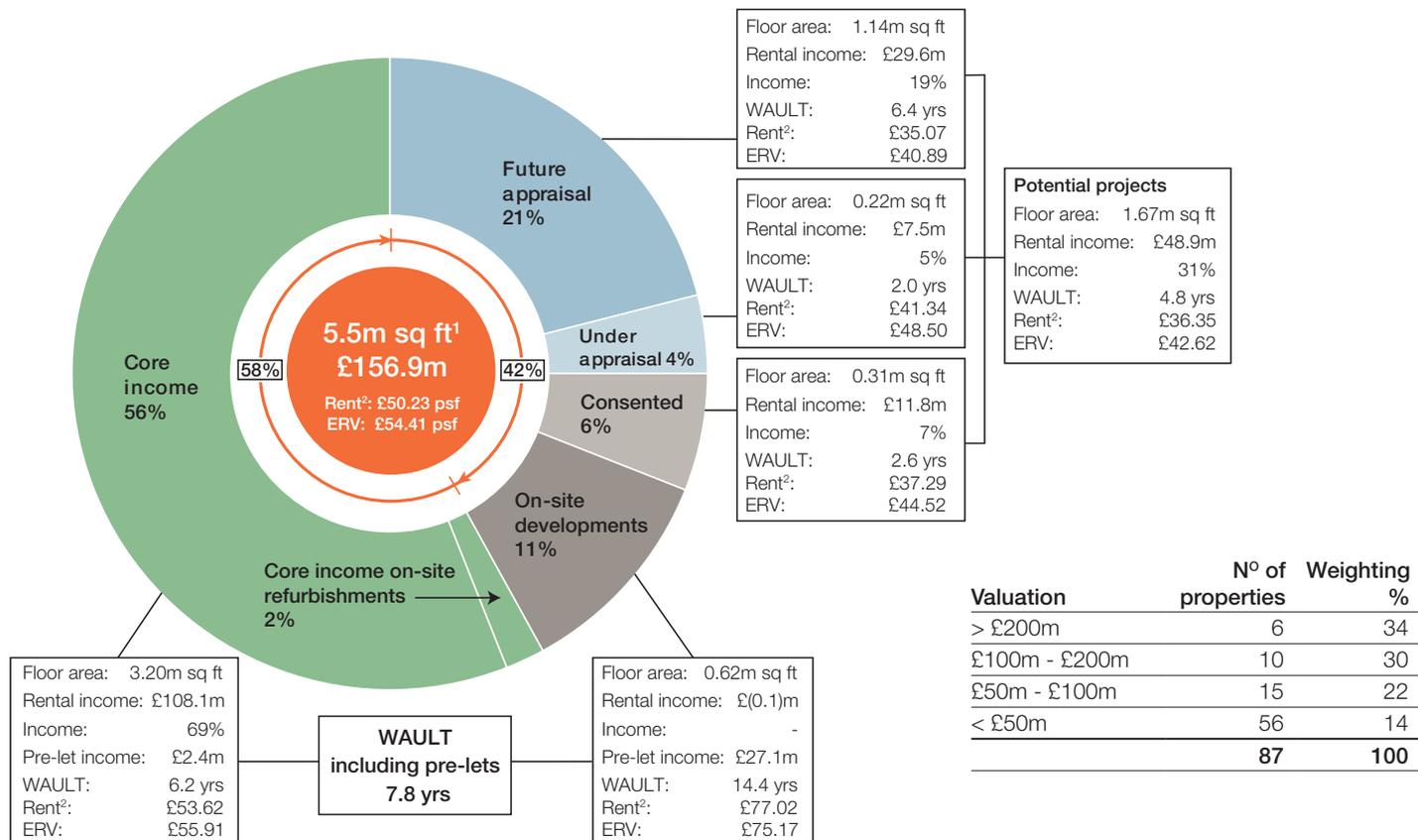


	H2 2018	2019	2020	2021	2022	>2022
Rent psf	£36	£41	£48	£54	£47	£67
ERV psf	£45	£47	£54	£55	£47	£59
Uplift %	25	15	13	2	0	(12)

APPENDIX 18 - AVAILABLE SPACE AND PROJECTS

	Vacant area '000 sq ft	Pre-let area '000 sq ft	Total area '000 sq ft	Gross vacant ERV £m pa	Ground rent £m pa	Net vacant net rent ERV £m pa	Pre-let net rent ERV £m pa	Total net ERV £m pa	Comment
Available to occupy (EPRA)									
Johnson Building EC1	58	-	58	3.2	-	3.2	-	3.2	
25 Savile Row W1	19	-	19	1.9	-	1.9	-	1.9	5,600 sq ft under offer
1-2 Stephen Street W1	11	-	11	0.8	-	0.8	-	0.8	11,100 sq ft under offer
Tea Building E1	13	-	13	0.7	-	0.7	-	0.7	12,800 sq ft let at £0.7m pa in Q3
Other	61	-	61	2.6	0.1	2.5	-	2.5	
	162	-	162	9.2	0.1	9.1	-	9.1	
Under refurbishment									
1-2 Stephen Street W1	21	-	21	1.5	-	1.5	-	1.5	
Other	10	-	10	0.3	-	0.3	-	0.3	
	31	-	31	1.8	-	1.8	-	1.8	
On-site developments (non-EPRA)									
80 Charlotte Street W1	105	275	380	4.0	-	4.0	21.8	25.8	11,000 sq ft under offer
Brunel Building W2	166	77	243	11.2	0.3	10.9	5.3	16.2	20,500 sq ft under offer
	271	352	623	15.2	0.3	14.9	27.1	42.0	
Total	464	352	816	26.2	0.4	25.8	27.1	52.9	

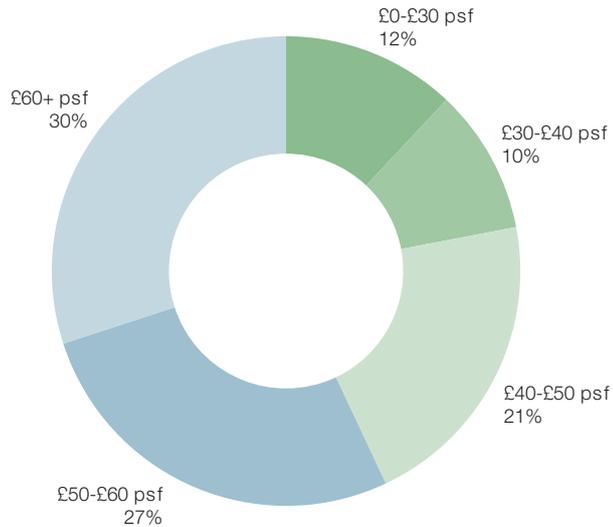
APPENDIX 19 - PORTFOLIO SUMMARY



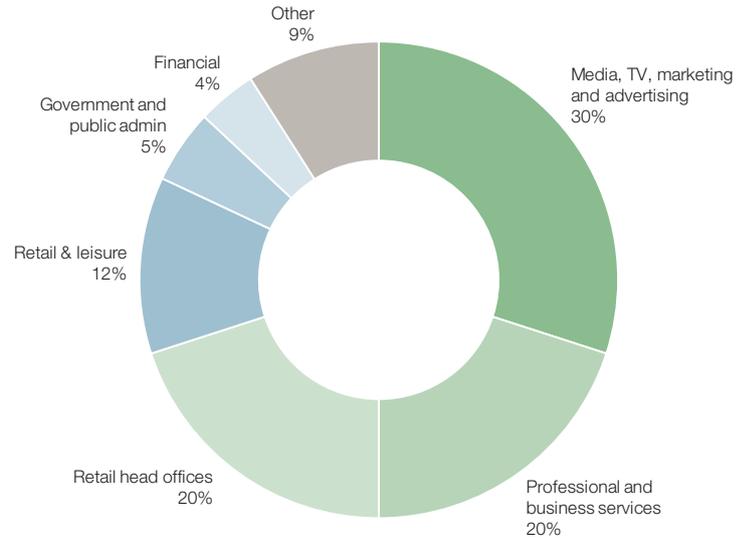
¹ Comprises 4.87m sq ft of existing buildings plus 0.62m sq ft of on-site developments ² "Topped-up" office rent psf

APPENDIX 20 - RENT AND TENANT BANDING

CENTRAL LONDON 'TOPPED-UP'
OFFICE RENT BANDING¹



PROFILE OF TENANTS'
BUSINESS SECTOR²



¹ Based on floor area ² Based on annualised rental income

APPENDIX 21 - MAJOR TENANTS



BURBERRY



**T H E
O F F I C E
G R O U P**

WPP Group plc



TelecityGroup⁺



ticketmaster[®]



MORNINGSTAR[®]



Pre-lets:

ARUP

BCG



'Topped-up' income¹ %

		Existing	Pre-let
01	Expedia	7.4	-
02	Burberry	5.1	-
03	Arup	0.1	4.8
04	Publicis Groupe	4.6	-
05	The Boston Consulting Group	-	4.5
06	Government	3.5	-
07	The Office Group	3.1	-
08	WPP Group	2.6	-
09	Sony Pictures	-	2.4
10	FremantleMedia Group	2.0	-
11	IWG	1.7	-
12	TelecityGroup	1.4	-
13	Adobe	1.3	-
14	Mother	1.3	-
15	VCCP	1.3	-
16	Ticketmaster	1.2	-
17	Capital One	1.1	-
18	Morningstar	1.1	-
19	Fotografiska	-	1.0
20	The Doctors Laboratory	1.0	-
	Total		52.5

¹ Derwent London share

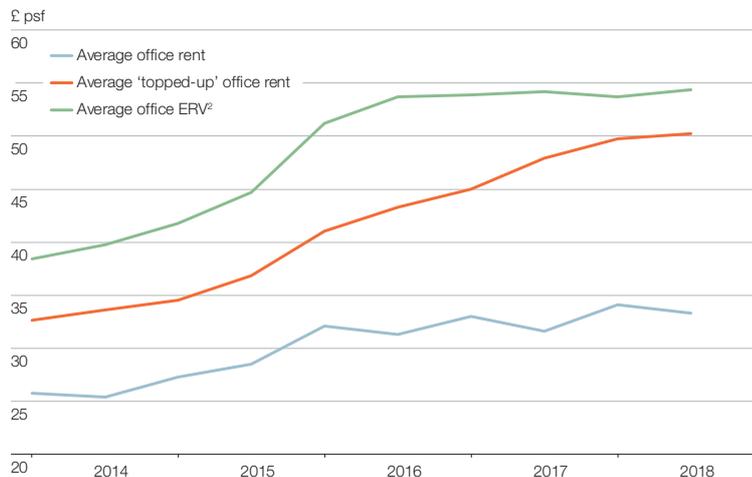
APPENDIX 22 - CENTRAL LONDON OFFICE RENTAL VALUES

86% of portfolio income from central London offices

- Average 'topped-up' office rent £50.23 psf

'Topped-up' rents	2017 ¹ %	H1 2018 ¹ %
<£30 psf	13	12
£30-£40 psf	11	10
£40-£50 psf	20	21
£50-£60 psf	28	27
>£60 psf	28	30

CENTRAL LONDON OFFICE RENT PROFILE



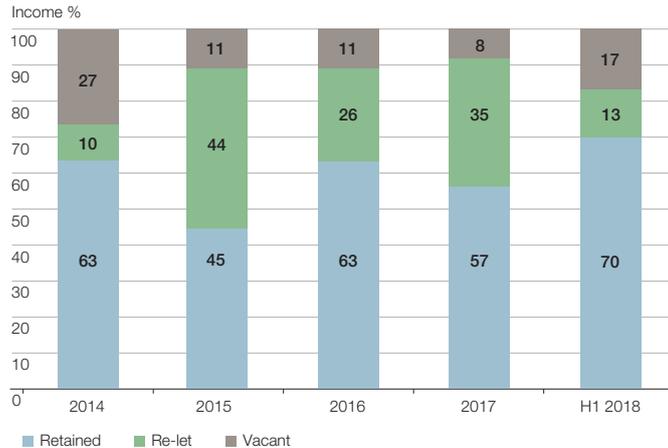
¹ Based on floor area ² Includes ERV of on-site schemes

APPENDIX 23 - LEASE EXPIRIES, BREAKS AND VACANCY RATES

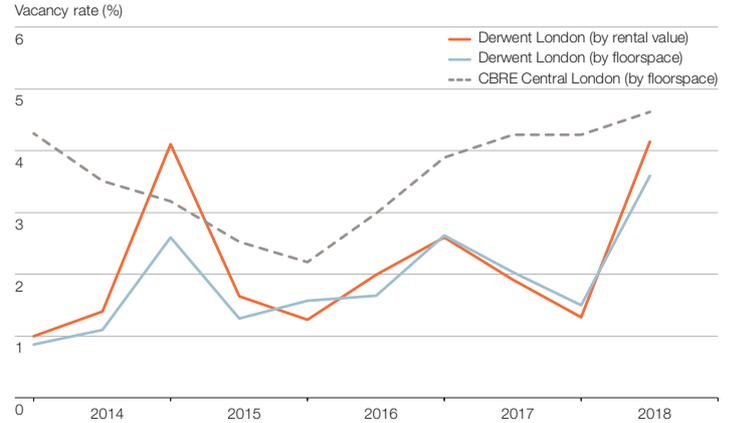
- £4.0m of income subject to breaks/expiries in H1 2018:
 - 83% retained or re-let

- EPRA vacancy rate of 4.2%² at the half year – up from 1.3% at the start of 2018:
 - Group's 10-year average of 2.7%

LEASE EXPIRY AND BREAK ANALYSIS¹



EPRA VACANCY RATES



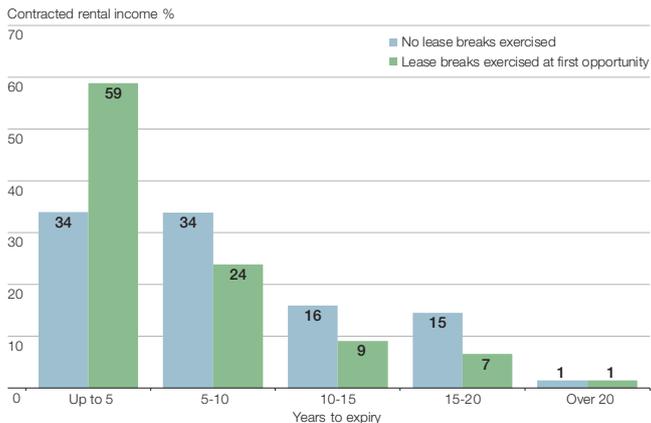
¹ As at end of reporting period ² Calculated as space immediately available to occupy

APPENDIX 24 - LEASE EXPIRY PROFILE AND LEASE LENGTH

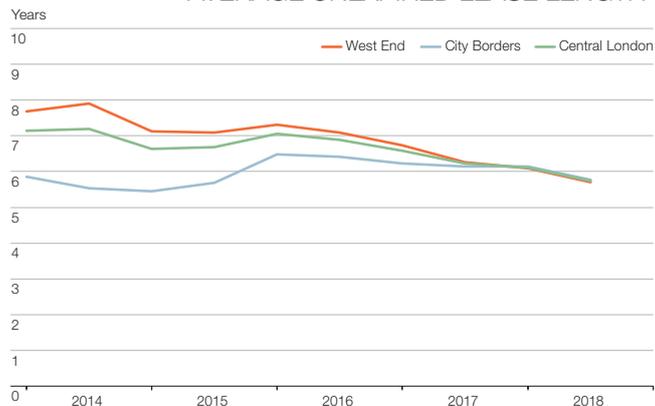
EXPIRIES AND BREAKS AS A PERCENTAGE OF PORTFOLIO INCOME¹

	West End	City Borders	Provincial	H2 2018	2019	2020	2021	2022	Total
Expiries	2	2	1	5	2	8	11	4	30
Rolling breaks	1	0	0	1	1	2	2	0	6
Single breaks	1	0	0	1	4	4	10	4	23
	4	2	1	7	7	14	23	8	59

PROFILE OF RENTAL INCOME EXPIRY¹



AVERAGE UNEXPIRED LEASE LENGTH²



- Average lease length 5.7 years (Dec 2017: 6.0 years):
 - 7.8 years - core income and on-site developments pre-lets

¹ Based upon annualised contracted rental income of £156.9m ² Lease length weighted by rental income and assuming tenants break at first opportunity

APPENDIX 25 - CENTRAL LONDON OFFICE DEMAND

Market statistics

- Central London take-up of 6.4m sq ft in H1 2018:
 - In line with the half-year average
 - 7% above H1 2017, 14% below H2 2017
 - 26% Business Services, 18% Creative Industries, 18% Banking & Finance, 13% Public Sector, 12% Professional

- Central London space under offer at 4.3m sq ft, the highest for 18 years

- West End take-up at 2.1m sq ft in H1:
 - 1.0% above the half-year average

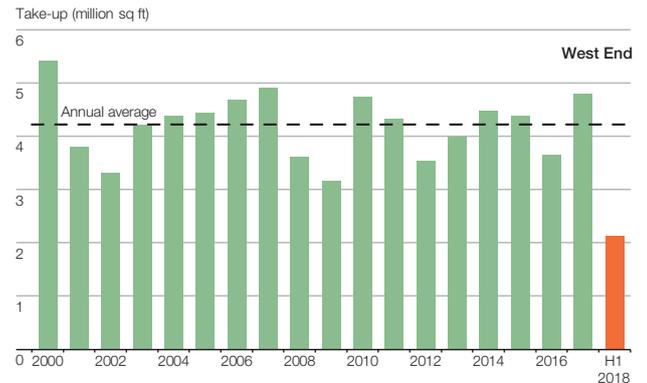
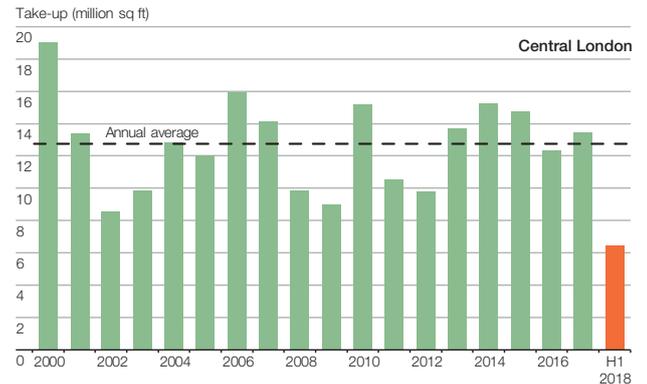
- Rents predominantly flat in H1:
 - No change in 12 out of 13 CBRE's central London sub-areas: Fitzrovia £85 psf, Victoria £72.50 psf, Midtown £80 psf, Mayfair/St James's £105 psf, City £68.50 psf
 - Paddington +3.6% to £72.50 psf

Derwent London's view

- Strong demand for our space
- Rents and incentives stable

Derwent London plc Interim Results 2018

OFFICE TAKE-UP



Source: CBRE

APPENDIX 26 - CENTRAL LONDON OFFICE SUPPLY

Market statistics

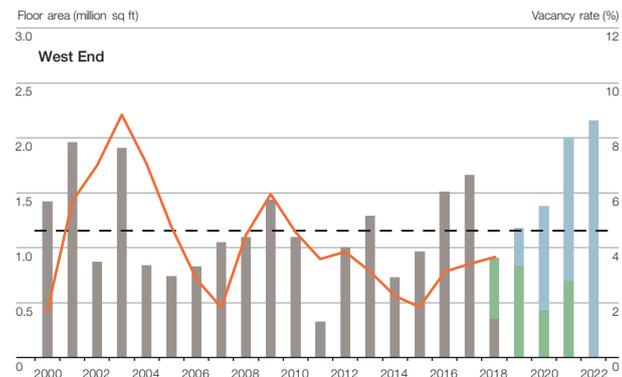
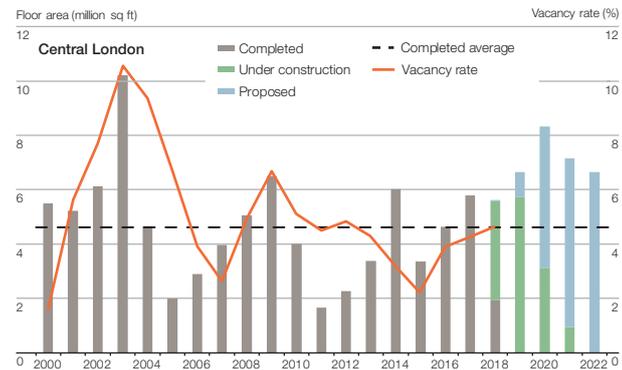
- Vacancy rate of 4.6%, up from 4.3% at the start of the year:
 - Below the long term average (LTA) of 5.1%
 - West End 3.6% (4.2% LTA), City 5.4% (6.4% LTA)

- Central London completions:
 - 2018: 5.6m sq ft with 1.9m sq ft delivered in H1
 - Committed: 5.7m sq ft 2019, 3.1m sq ft 2020, 1.0m sq ft 2021:
 - 49% pre-let
 - Potential: 6.6m sq ft 2019, 8.3m sq ft 2020, 7.2m sq ft 2021
 - Long term average 4.6m sq ft

Derwent London's view

- Comfortable with current level of deliveries
- Continue to de-risk our on-site developments:
 - 80 Charlotte Street 73% pre-let
 - Brunel Building 32% pre-let

OFFICE DEVELOPMENT PIPELINE



Source: CBRE

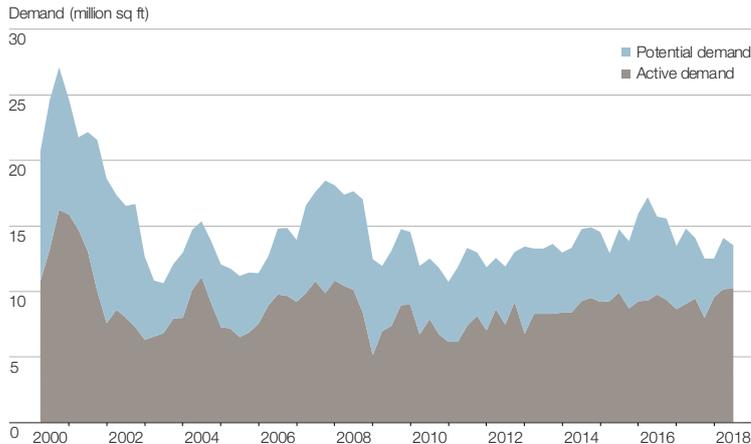
APPENDIX 27 - CENTRAL LONDON OFFICE REQUIREMENTS

- 6.4m sq ft of take-up in H1 2018
- 10.2m sq ft of active demand at 30 Jun 2018:
 - 3.7m sq ft in the West End

- Current large space requirements still dominate:



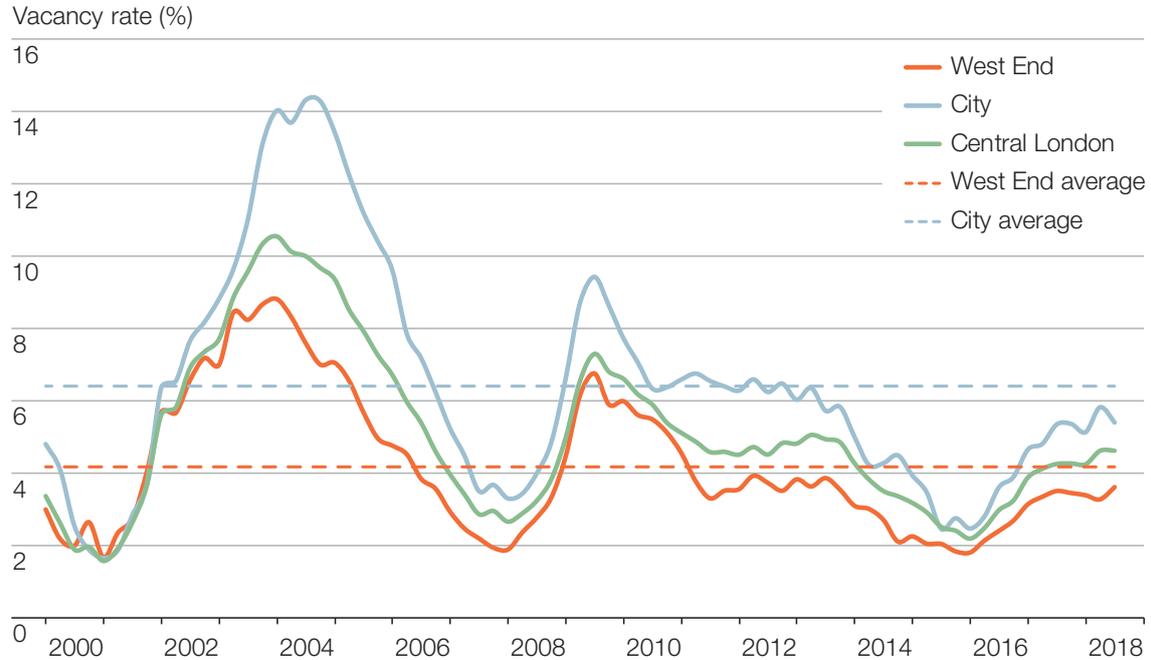
CENTRAL LONDON OFFICE DEMAND



Source: JLL

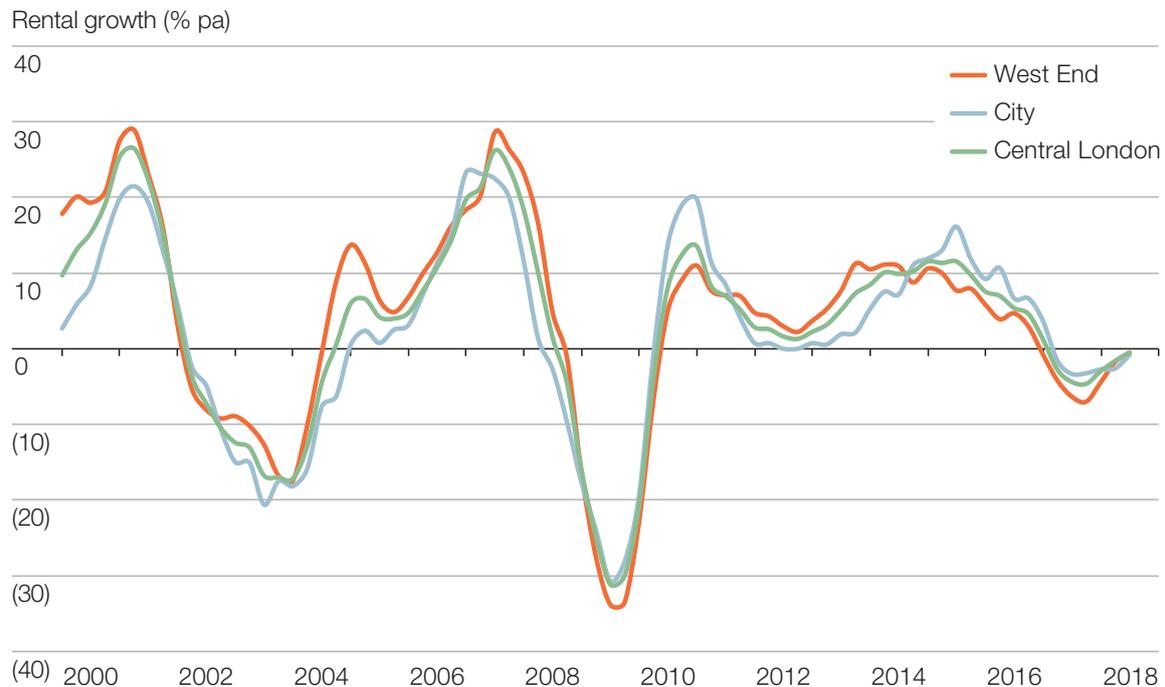


APPENDIX 28 - CENTRAL LONDON OFFICE VACANCY



Source: CBRE

APPENDIX 29 - CENTRAL LONDON OFFICE RENTAL GROWTH



Source: CBRE

APPENDIX 30 - CENTRAL LONDON OFFICE INVESTMENT MARKET

Market statistics

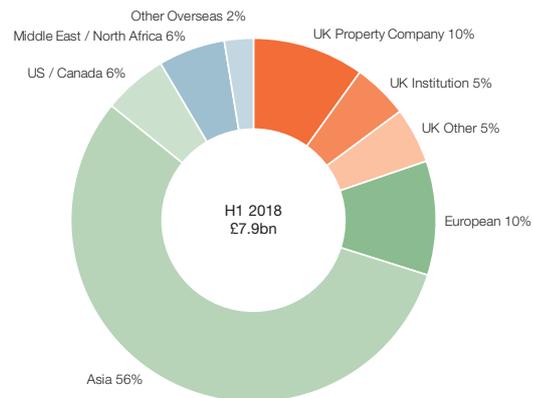
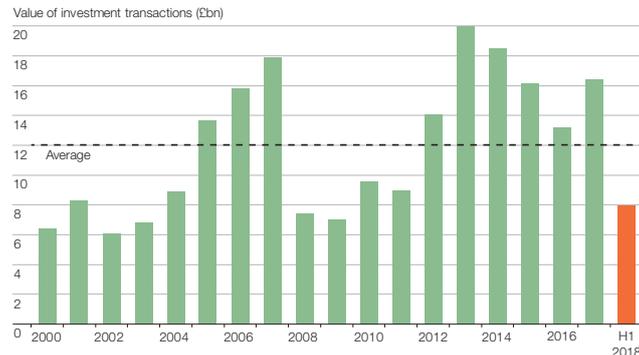
- £7.9bn of central London transactions in H1 2018:
 - 32% above the half-year average
 - 4% lower than both H1 & H2 2017
 - Overseas investors accounted for 80%, with Asia comprising 56%
 - H1 split: 35% in Q1, 65% in Q2

- Prime yields at 30 June 2018:
 - West End: Unchanged for two years at 3.75%
 - City: Unchanged for 18 months at 4.0%

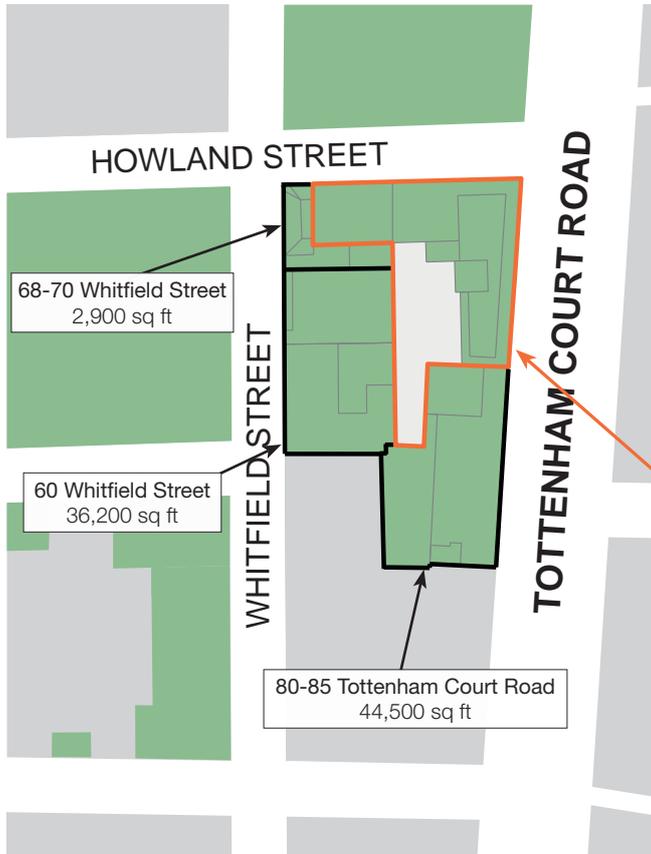
Derwent London's view

- Small joint venture disposal in H1 2018
- Good interest for our product
- Limited acquisition opportunities

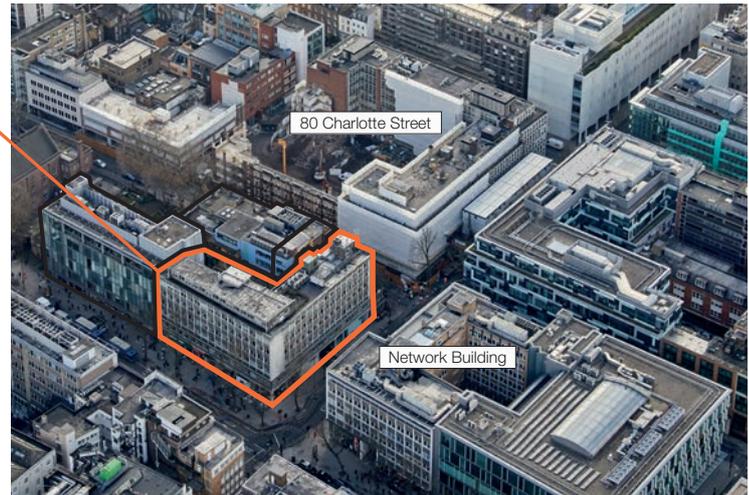
CENTRAL LONDON OFFICE INVESTMENT



APPENDIX 31 - ACQUISITION OF 88-94 TOTTENHAM COURT ROAD W1



- Acquisition of leasehold interest in our heartland, 88-94 Tottenham Court Road in August 2018:
 - 37,400 sq ft offices and 8,500 sq ft retail
 - 36 years remaining on lease at nominal ground rent
 - Group already owned the freehold
- £42m before costs, net rental income £2.5m pa
- Prominent corner of potential 220,000+ sq ft development site immediately to the east of 80 Charlotte Street



APPENDIX 32 - BRUNEL BUILDING W2

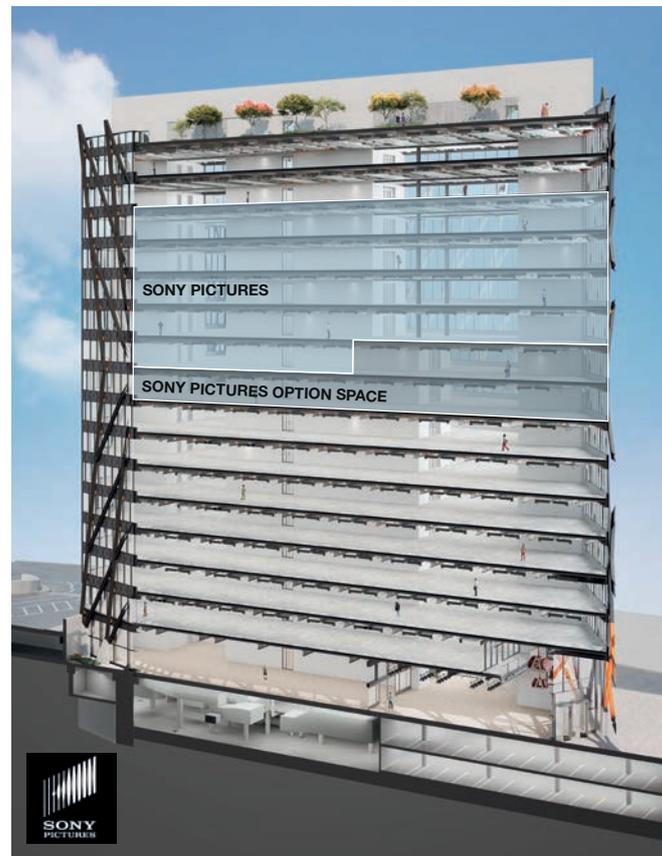
- 243,000 sq ft office scheme which is 32% pre-let:

Sony Pictures

- 77,200 sq ft pre-let on part 9th floor and 10-13th floors
 - Options on a further 23,500 sq ft
 - 15-year lease, break in year 12
-
- Scheme due to complete in H1 2019



Derwent London plc Interim Results 2018



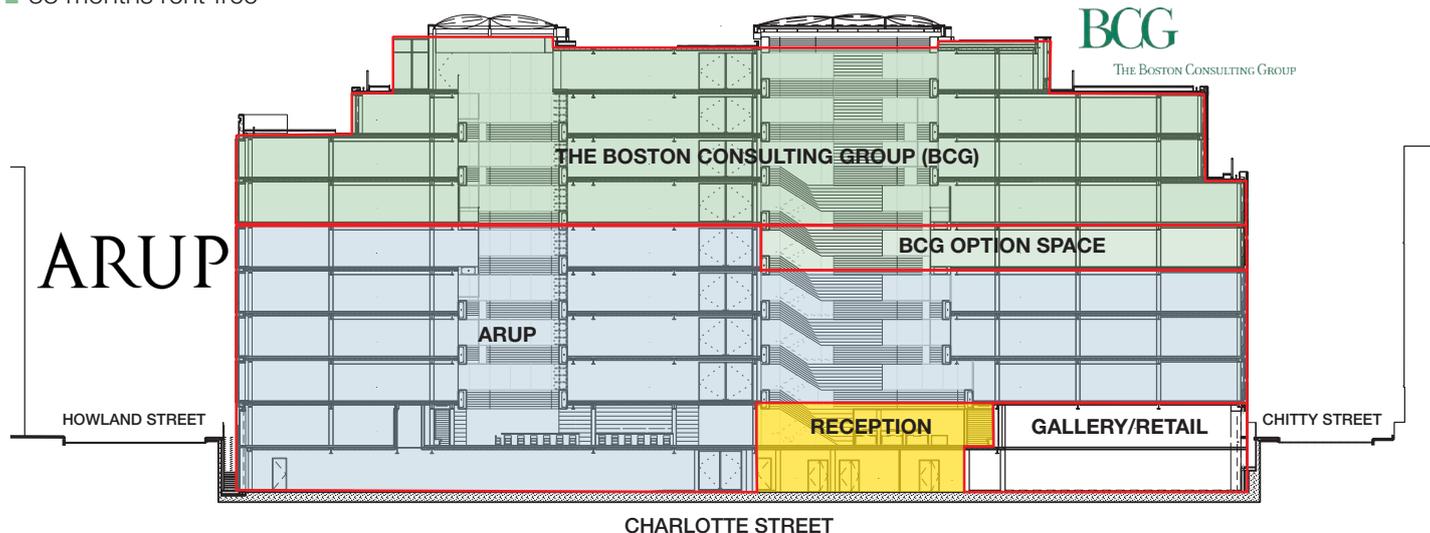
APPENDIX 33 - 80 CHARLOTTE STREET W1

ARUP

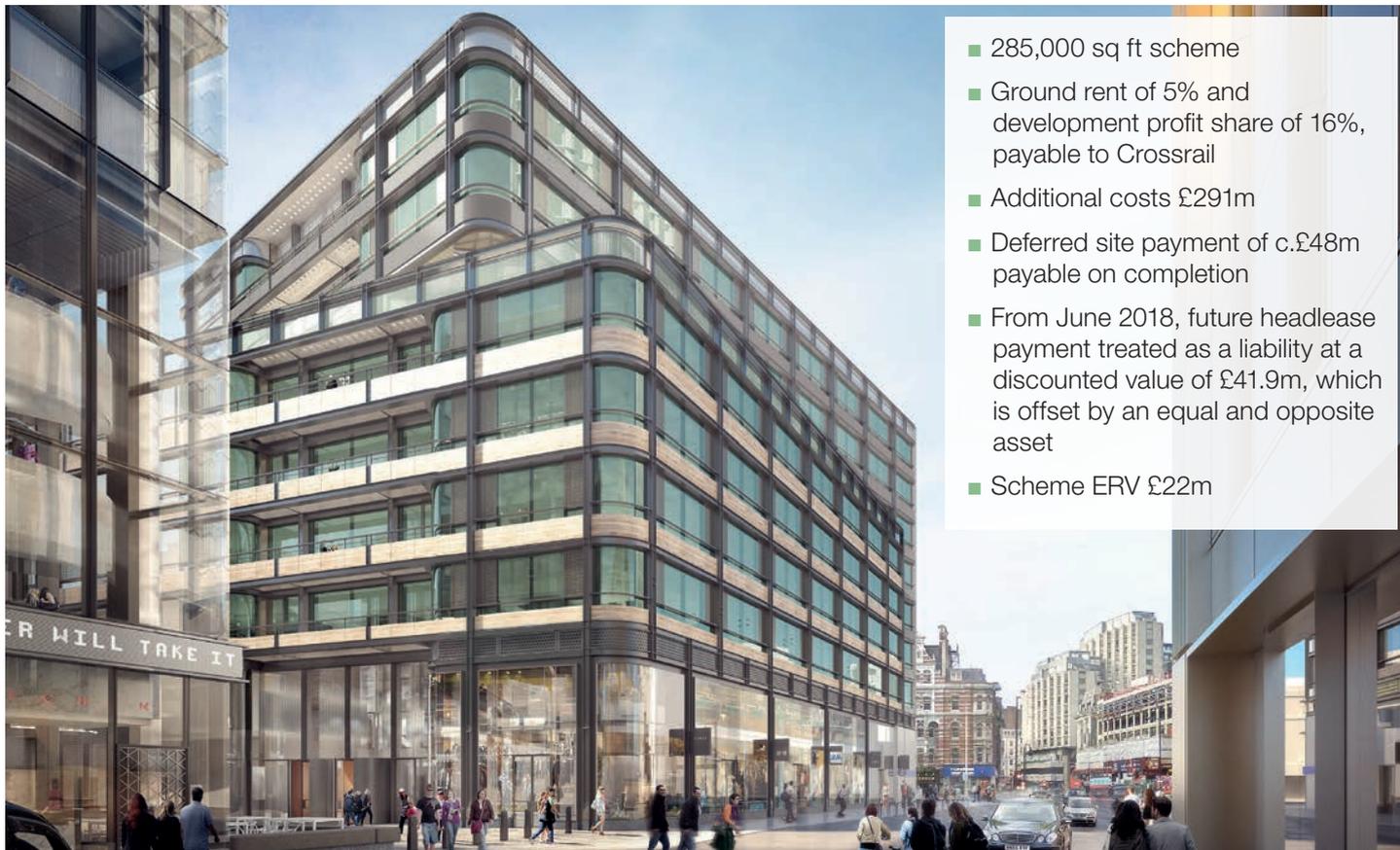
- 153,400 sq ft pre-let in 2017 (133,600 sq ft in Q1, 19,800 sq ft in Q3)
- £11.2m pa with annual increases of 2.25% for the first 15 years
- Average rent of £75 psf on main office floors
- 20-year lease, no breaks
- 33 months rent-free

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 in year 12
- Options on a further 33,100 sq ft



APPENDIX 34 - SOHO PLACE W1



- 285,000 sq ft scheme
- Ground rent of 5% and development profit share of 16%, payable to Crossrail
- Additional costs £291m
- Deferred site payment of c.£48m payable on completion
- From June 2018, future headlease payment treated as a liability at a discounted value of £41.9m, which is offset by an equal and opposite asset
- Scheme ERV £22m

APPENDIX 35 - ON-SITE DEVELOPMENTS: PROFIT ON COST



Completion		H1 2019	H1 2020
Commercial area (sq ft)	578,000	243,000	335,000
Residential area (sq ft)	45,000	-	45,000 ²
Est. future capex (£m)	200	44	156
Total cost (£m) ¹	749	239	510
ERV (£ psf)	-	c.70.00	c.80.00
ERV (£m pa)	42.0	16.2 ³	25.8
Pre-let area (sq ft)	354,100	77,200	276,900
Pre-let income (£m pa)	27.1	5.3	21.8

Summary	£m
End value	976
Less: Total cost ¹	749
Project surplus	227
Less: Booked to Jun 18	85
Surplus to come	142
Profit on total cost	30%
Profit to come on total cost	19%
Yield on cost⁵	6.1%

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

		Valuation yield		
		+0.25%	Base	-0.25%
Rent	-£5.00 psf	£155m 21%	£203m 27%	£258m 34%
	Base	£177m 24%	£227m 30%	£283m 38%
	+£5.00 psf	£200m 27%	£251m 33%	£308m 41%

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

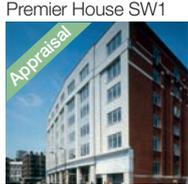
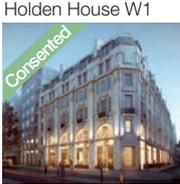
APPENDIX 36 - PROJECT PIPELINE



0.71m sq ft
+81%¹



1.03m sq ft
+127%²



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

APPENDIX 37 - PROJECT SUMMARY: CURRENT

Property	Current net income £m pa	Pre scheme area '000 sq ft	Proposed area '000 sq ft	H2 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	35	8	1	44	H1 2019	£70.00
80 Charlotte Street W1	-	234	380	43	88	25	156	H1 2020	£80.00
	(0.1)	312	623	78	96	26	200		
On-site refurbishments									
The White Chapel Building E1 ¹	-	81	89	5	1	-	6	H2 2018	
	(0.1)	393	712	83	97	26	206		
Other projects									
Soho Place W1	-	-	285	11	55	225	291 ²		
The Featherstone Building EC1 ³	0.3	69	125	3	17	58	78		
Planning & design	-	-	-	2	-	2	4		
Other	-	-	-	12	19	10	41		
	0.2	69	410	28	91	295	414		
Total	0.2	462	1,122	111	188	321	620		
Capitalised interest	-	-	-	7	13	22	42		
Total including interest	0.2	462	1,122	118	201	343	662		

¹ Phase 2 ² Includes remaining site acquisition cost of £48m ³ Existing buildings: Monmouth House and 19-23 Featherstone Street EC1

APPENDIX 38 - PROJECT SUMMARY: FUTURE

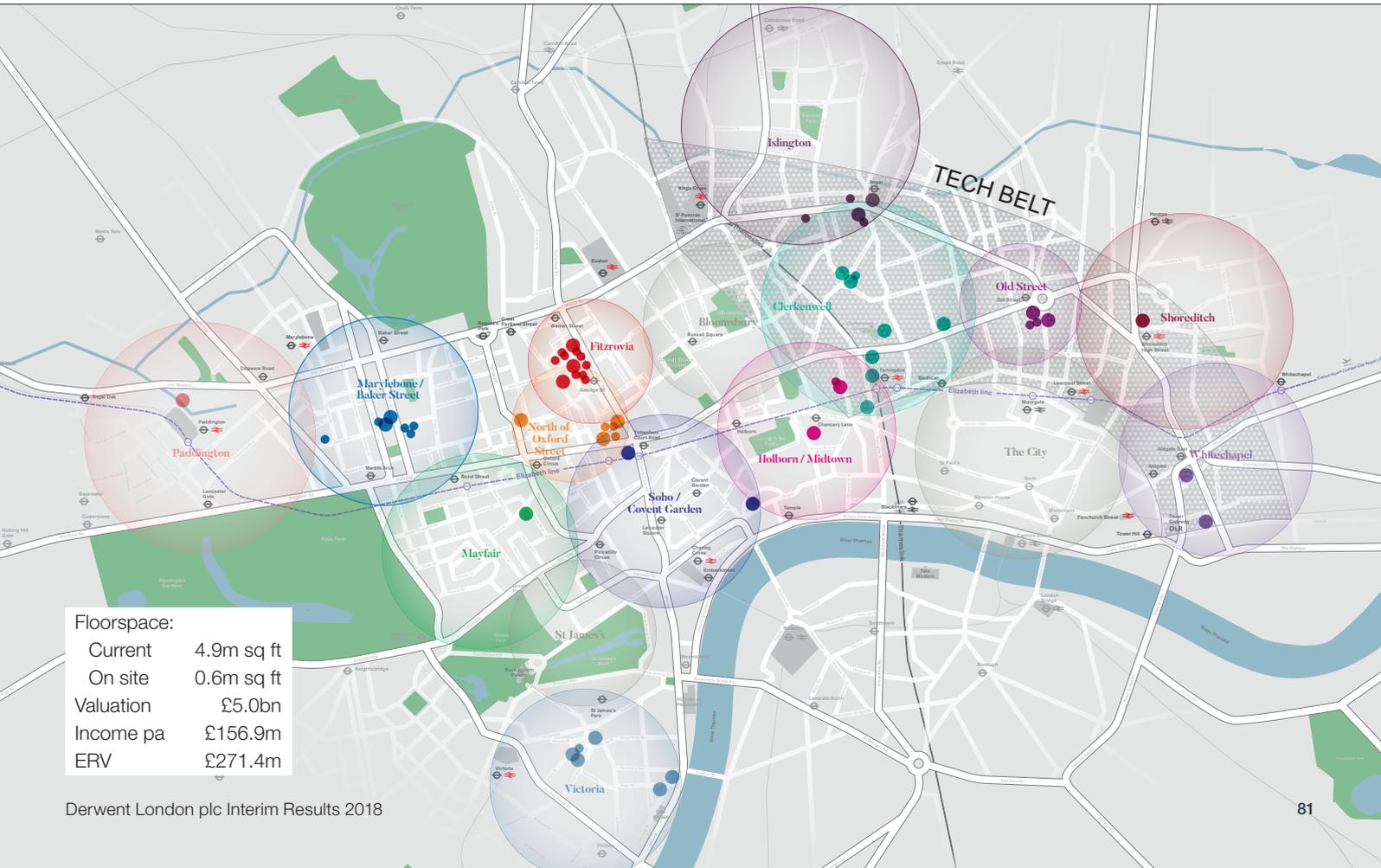
Property	Current net income £m pa	Pre-scheme area '000 sq ft	Proposed area '000 sq ft	Earliest possession year	Comment
Consented					
19-35 Baker Street W1 ¹	5.2	146	293	2021	Joint venture - The Portman Estate
Holden House W1	6.2	90	150	2021	Eastern end of Oxford Street
	11.4	236	443		
Adjustment for JV	(2.3)	(66)	(132)		19-35 Baker Street W1 - Derwent 55% interest
	9.1	170	311		
Under appraisal²					
Premier House SW1	2.2	62	80	2018	
Network Building W1	3.3	64	100	2021	
Francis House SW1 ³	2.0	90	130	TBC	
	7.5	216	310		
Consented and appraisal					
	16.6	386	621		
Current projects	0.2	462	1,122		Appendix 37
Pipeline	16.8	848	1,743		

¹ Includes 88-100 George Street, 30 Gloucester Place and 69-85 Blandford Street W1

³ Includes 6-8 Greencoat Place SW1

² Areas proposed are estimated from initial studies

APPENDIX 39 - PORTFOLIO MAP



Floorspace:	
Current	4.9m sq ft
On site	0.6m sq ft
Valuation	£5.0bn
Income pa	£156.9m
ERV	£271.4m

APPENDIX 40 - 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
Jennifer Whybrow*	Head of Financial Planning & Analysis
Quentin Freeman	Head of Investor & Corporate Communications
John Davies	Head of Sustainability
David Westgate	Head of Tax
Katy Levine	Head of Human Resources
Mark Murray	Head of Information Technology
Lesley Bufton	Head of Property Marketing
Peter Withers	Head of Property & Facilities Management
Giles Sheehan	Associate, Investment

* Members of Executive Committee

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