

ABOUT US

Derwent London owns and manages a £5.2bn portfolio (31 Dec 2018) of commercial real estate located predominantly in central London. This makes us the largest London focused real estate investment trust.

We typically acquire properties off low capital values and modest rents in improving locations. We capitalise on the unique qualities of each of our properties – taking a fresh approach to the regeneration of every building through asset management and refurbishment.

2018

- New lettings totalling £26.8m, achieving 4.1% above Dec 2017 ERV
- 623,000 sq ft under construction in two schemes with a minimum of 75% pre-let (see below):
 - Brunel Building W2: 243,000 sq ft - 77% pre-let, 23% under offer
 - 80 Charlotte Street W1: 380,000 sq ft scheme - 74% pre-let
- Potential £59.6m to contribute to income after additional capex of £133m
- Two new developments, totalling 410,000 sq ft, on site since year end could add £30m of ERV on completion in 2022, with expected capex of £359m:
 - Soho Place W1
 - The Featherstone Building EC1
- A further 443,000 sq ft of other major planning consents at 19-35 Baker Street W1 and Holden House W1
- EPRA vacancy rate rose to 1.8%, from 1.3% in Dec 2017 (4.2% in Jun 2018)
- Underlying valuation uplift on developments was 18.0%
- ERV growth of 1.1%
- ERV guidance for 2019 +1% to -2%
- Total property return of 6.0%
- Interest cover 491%
- LTV ratio 17.2% and NAV gearing 22.4%
- Cash and undrawn facilities £274m before £250m USPP drawn in Jan 2019
- Net debt increased to £956.9m, from £657.9m in Dec 2017
- In Aug 2018 Fitch assigned the Group a corporate credit rating of A- with senior unsecured debt rating of A
- Paul Williams to become Chief Executive and John Burns to become Non-Executive Chairman in May 2019

2018 SUMMARY

EPRA NAV per share	3,776p: (+1.6%) (3,716p Dec 2017)
EPRA earnings	£126.1m: +20.1% (£105.0m 2017)
EPRA EPS	113.1p: +20.0% (94.23p 2017)
Underlying EPS	99.08p: +5.1%
Interim and final dividend per share	65.85p: +10.2% (59.73p 2017)
Valuation	+2.2% underlying MSCI IPD* +1.8%
True equivalent yield	4.73% (4.73% Dec 2017)

* MSCI IPD Central London Offices Capital Growth Quarterly Index

MANAGEMENT

John Burns, Chief Executive

Damian Wisniewski, Finance Director

Paul Williams, Director

Simon Silver, Director

Nigel George, Director

David Silverman, Director

Quentin Freeman, Investor Relations

ON-SITE PROJECTS as at 31 Dec 2018

Brunel Building, Paddington W2



- 243,000 sq ft canalside offices - 188,100 sq ft pre-let at £13.9m pa to Sony Pictures, FA Premier League, Hellman & Friedman, Alpha FX, Coach and Paymentsense
- Striking external diagrid structure with 17,000 sq ft column-free floors and 3.5m floor to ceiling heights
- Two large roof terraces and on-site restaurant
- Opposite Paddington station - Elizabeth line due to open 2020

80 Charlotte Street, Fitzrovia W1



- 380,000 sq ft office, retail and residential scheme:
 - 133,600 sq ft pre-let to Arup at £9.7m pa
 - 123,500 sq ft pre-let to The Boston Consulting Group at £10.6m pa
 - 11,000 sq ft pre-let to Elliott Wood at £0.6m pa
- 80% of the commercial element pre-let with BCG having an option on the remaining 52,900 sq ft of offices

MAJOR DEVELOPMENTS PIPELINE

Property	Area sq ft	Capex to complete £m ¹	Comment
On-site projects			
Brunel Building, 2 Canalside Walk W2	243,000	16	Offices - 77% pre-let, 23% under offer
80 Charlotte Street W1	380,000	117	321,000 sq ft offices, 45,000 sq ft residential and 14,000 sq ft retail - 74% pre-let overall
	623,000	133	
2019 starts			
Soho Place W1	285,000	283 ⁴	209,000 sq ft offices, 36,000 sq ft retail and 40,000 sq ft theatre
The Featherstone Building EC1	125,000	76	110,000 sq ft offices, 13,000 sq ft workspaces and 2,000 sq ft retail
	410,000	359	
Planning consents			
19-35 Baker Street W1 ²	293,000 ³		206,000 sq ft offices, 52,000 sq ft residential and 35,000 sq ft retail
Holden House W1 ²	150,000		Retail flagship or retail/office scheme
	443,000		

¹ As at 31 Dec 2018 ² Resolution to grant planning permission obtained ³ Total area - Derwent London has a 55% share of the joint venture

⁴ Includes remaining site acquisition cost and profit share to Crossrail

2019 STARTS (2022 COMPLETIONS)

Soho Place W1



- 285,000 sq ft of offices, retail and theatre above Tottenham Court Road station (includes the Elizabeth line)
- Main building contract signed and construction underway
- Capex to complete £283m, including site acquisition

The Featherstone Building EC1



- 125,000 sq ft scheme adjacent to White Collar Factory
- Replaces two tired properties totalling 69,000 sq ft
- Demolition commenced Jan 2019
- Capex to complete £76m

PLANNING CONSENTS

19-35 Baker Street W1



- 293,000 sq ft mixed-use scheme
- Joint venture with The Portman Estate (DL share 55%)

Holden House W1



- 150,000 sq ft - single Oxford Street flagship store or a retail/office scheme