
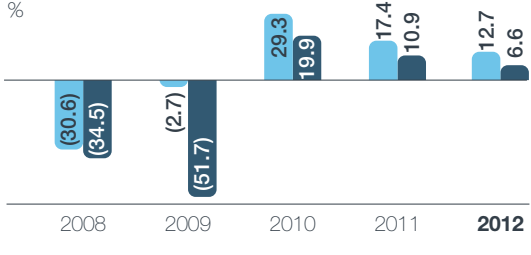

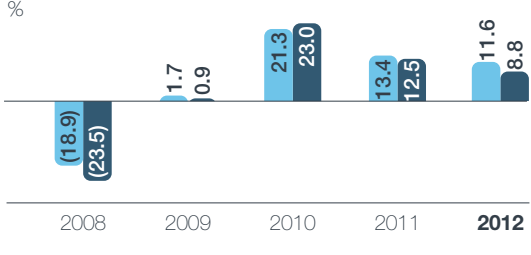
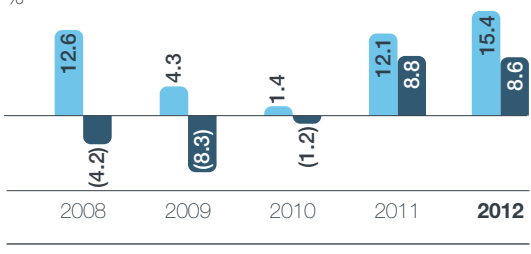


KEY PERFORMANCE INDICATORS AND METRICS

Key performance indicators

Objective	Measure	Progress
<p>Maximise overall returns from the portfolio</p> <p> p55</p>	<p>Total return</p> <p>We aim to exceed the return from the combination of NAV growth and dividends achieved by the other major UK REIT companies using an annualised calculation based on publicly available information</p>	<p>%</p>  <p>2008 2009 2010 2011 2012</p> <p>■ Derwent London ■ Major UK REIT companies</p>
<p>Maximise returns from the investment portfolio</p> <p> p36</p>	<p>Total property return</p> <p>We aim to exceed the IPD Central London Offices Index on an annual basis</p>	<p>%</p>  <p>2008 2009 2010 2011 2012</p> <p>■ Derwent London ■ IPD Central London Offices Index</p>
	<p>Total property return – three year rolling</p> <p>We also aim to exceed the annualised IPD All UK Property Index return on a three-year rolling basis</p>	<p>%</p>  <p>2008 2009 2010 2011 2012</p> <p>■ Derwent London ■ IPD All UK Property Index</p>

We outperformed all of our key performance indicator benchmarks in 2012.

Objective

Maximise returns from the investment portfolio

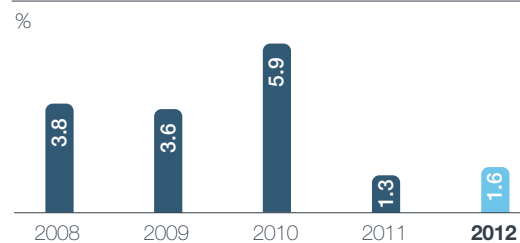
 p41

Measure

Void management

We plan ahead to minimise the space immediately available for letting and this should not exceed 10% of the portfolio's estimated rental value

Progress

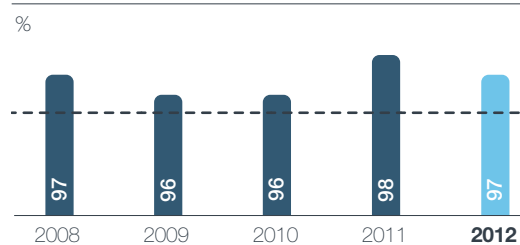


Maximise cash flow

 p41

Tenant receipts

We aim to collect more than 95% of rent invoiced within 14 days of the due date throughout the year



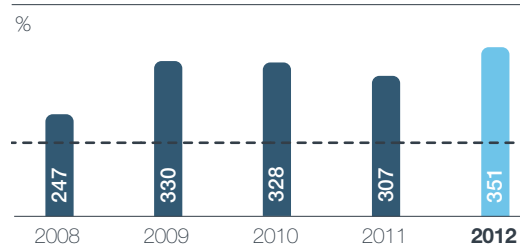
--- Benchmark

Financial stability

 p58

Interest cover ratio

We aim for our gross rental income to be at least twice our net interest payable. This measures our ability to meet our interest obligation and is similar to that in many of the Group's security-specific bank covenants



--- Benchmark

Environmental sustainability

 p64

BREEAM ratings

All developments in excess of 5,000m² to obtain a Building Research Establishment Environmental Assessment Method (BREEAM) rating of "Very Good" or above

BREEAM	Completion	Expected rating
4 & 10 Pentonville Road	Completed	Very Good
Buckley Building	March 2013	Very Good
Morelands Buildings	March 2013	Outstanding
1 Page Street	Q2 2013	Excellent
Tummill	Q3 2014	Excellent
40 Chancery Lane	Q4 2014	Excellent
1-2 Stephen Street	2013/14	Very Good

KEY PERFORMANCE INDICATORS AND METRICS CONTINUED

Key metrics

Objective

Future capital growth

 p44

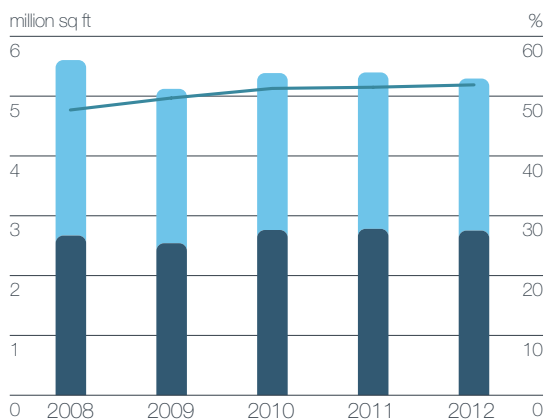
Measure

Development potential

We monitor the proportion of our portfolio that has the potential for refurbishment or redevelopment

Progress

52% of our portfolio has potential for refurbishment or redevelopment



■ Portfolio earmarked for development (million sq ft)
 ■ Balance (million sq ft)
 — Portfolio earmarked for development (%)

Future rental growth

 p39

Reversionary percentage

This is the percentage by which the rental income cashflow would increase, were the passing rent to be increased to the estimated rental value

%	2008	2009	2010	2011	2012
Reversion	33	14	27	42	46

Environmental sustainability

 p63

Energy Performance Certificates (EPC)

We design projects to achieve a "B" certificate for all new-build projects over 5,000m² and a minimum of "C" for all refurbishments over 5,000m²

EPC	Completion	Expected rating
4 & 10 Pentonville Road	Completed	C
Buckley Building	March 2013	C
Morelands Buildings	March 2013	B
1 Page Street	Q2 2013	C
Turnmill	Q3 2014	B
40 Chancery Lane	Q4 2014	B
1-2 Stephen Street	2013/14	C

De-risking of income stream

 p7, p38

Diversity of tenants

A diverse tenant base, both in number and across different industries, protects our income stream

See principal tenants and profile of tenants' business charts on page 7

Continuity of income


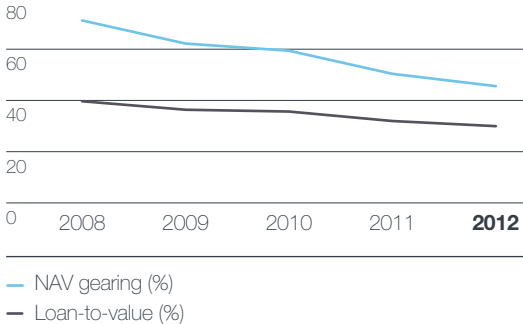

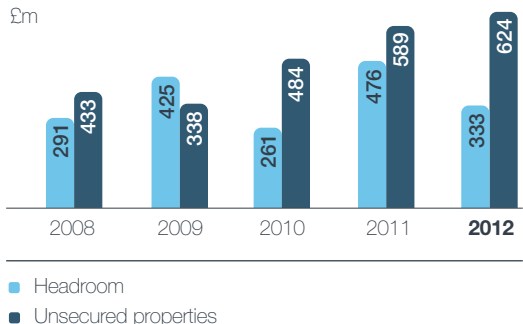

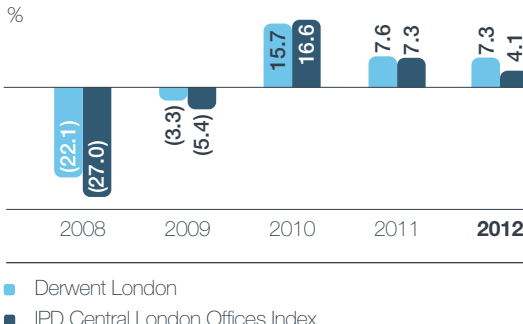

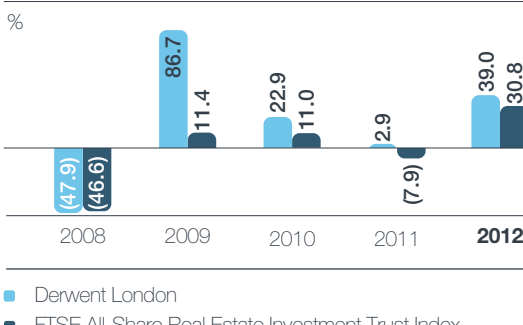
 p40

Tenant retention

It is important, where we wish to retain income, that we maximise tenant retention following tenant lease breaks or expiries and minimise any void period

	2008	2009	2010	2011	2012
Exposure (£m pa)	13.0	12.1	11.5	16.2	14.7
Retention (%)	70	66	72	72	81
Re-let (%)	11	18	17	21	5
Total (%)	81	84	89	93	86

There are a number of further metrics which, whilst they do not constitute key performance indicators, nevertheless we find useful in monitoring the performance of the business.

Objective	Measure	Progress
<p>Financial stability</p> <p> p58</p>	<p>Gearing</p> <p>Consistent with others in its industry, the Group monitors capital on the basis of NAV gearing and the loan-to-value ratio</p>	 <p>— NAV gearing (%) — Loan-to-value (%)</p>
<p>Financial flexibility</p> <p> p58</p>	<p>Available resources</p> <p>We ensure that we have sufficient flexibility to take advantage of acquisition and development opportunities and we carefully monitor our headroom (ie the difference between our total facilities and the amounts drawn under those facilities)</p>	 <p>■ Headroom ■ Unsecured properties</p>
<p>Maximise returns to the investment portfolio</p> <p> p36</p>	<p>Capital return</p> <p>We compare our performance against the IPD Central London Offices Index for capital growth</p>	 <p>■ Derwent London ■ IPD Central London Offices Index</p>
<p>Maximise returns to shareholders</p> <p> p99</p>	<p>Total shareholder return</p> <p>We compare our performance against the FTSE All-Share Real Estate Investment Trust Index¹</p>	 <p>■ Derwent London ■ FTSE All-Share Real Estate Investment Trust Index</p>

¹ In accordance with industry best practice, the benchmarks have been calculated using a 30-day average of the returns