REPORT OF THE REMUNERATION COMMITTEE

Policy report

This part of the report of the Remuneration Committee sets out the remuneration policy for the Company with effect from 1 January 2013. There are no changes to the policy compared to 2012, which the Committee considers still supports the Group's philosophy and is directly aligned with the business strategy.

The Committee, on behalf of the Board, is responsible for determining remuneration packages for the executive Directors and selected other senior executives. It also oversees the operation of the Group's bonus scheme and PSP and considers whether the schemes encourage the taking of excessive business risk.

The key aims of the Committee's remuneration policy for senior executives are:

- to ensure that the Company attracts, retains and motivates executives who have the skills and experience necessary to make a significant contribution to the delivery of the Group's objectives;
- to incentivise key executives by use of a remuneration package that is appropriately competitive with other real estate companies taking into account the experience and importance to the business of the individuals involved, whilst also having broad regard to the level of remuneration in similar sized FTSE 350 companies. The Committee also takes account of the pay and conditions throughout the Company;
- to align, as far as possible, the interests of the senior executives with those of shareholders by providing a significant proportion of the Directors' total remuneration potential through a balanced mix of short and long-term performance related elements that are consistent with the Group's business strategy;
- to ensure that incentive schemes are subject to appropriately stretching performance conditions and designed so as to be consistent with best practice; and
- to ensure that the Group's remuneration structure does not encourage management to adopt an unacceptable risk profile for the business.

The areas covered in this policy report comprise:

- A table setting out the remuneration policy for executive Directors.
- Remuneration scenarios for executive Directors.
- Description of key remuneration related aspects of service contracts.
- Chairman's and non-executive Directors' fees.

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2013 executive Director policy table

	Purpose and link to strategy	How operated	Maximum opportunity	Performance metrics	Changes in the year
Base salary	To help recruit, retain and motivate high-calibre executives. Reflects experience and importance to the business.	Reviewed annually, with effect from 1 January. Review reflects: ▪ role, experience and performance; ▪ economic conditions; ▪ increases throughout the rest of the business; and ▪ levels in companies with similar characteristics.	Annual increases generally linked to those of the wider workforce though the Remuneration Committee retain discretion to award increases to individuals above this level where appropriate. For promotions, role changes or where a Director gains experience of being in the role, salary increases may be higher than that of the workforce.	None	Directors' salaries increased by approximately 3% for 2013[1]. An additional increase of £12,000 was awarded to Mr Silverman which continues to move his salary towards the market benchmark.
Benefits	To provide a market competitive benefits package to help recruit and retain high-calibre executives. Medical benefits to help minimise disruption to business.	Directors are entitled to private medical insurance, car and fuel allowance and life assurance.	n/a	None	None
Pension	To help recruit and retain high calibre executives and reward continued contribution to the business.	The Company operates a defined contribution pension scheme. Where contributions would exceed either the lifetime or annual contribution limits payments in lieu are made.	Directors receive a contribution of 20% of salary.	None	None
Annual bonus	To incentivise the annual delivery of stretching financial targets and personal performance goals. Financial performance measures reflect KPIs of the business.	Bonus payments are determined by the Committee after the year end, based on performance against the targets set. Measures and targets for the year ahead are reviewed by the Committee at the start of each financial year. Bonuses up to 100% of salary are paid as cash. Amounts in excess of 100% are deferred into shares of which 50% is released after 12 months and the balance after 24 months. These deferred shares are potentially forfeitable if the executive leaves prior to the share release date. Bonus payments are not pensionable. Clawback provisions apply in the event of misstatement or misconduct.	Maximum bonus potential, for the achievement of stretching performance conditions: John Burns and Simon Silver – 150% of salary. Other executive directors – 125% of salary.	37.5% of the maximum is based on Group's net asset value performance against IPD Central London Offices Total Return Index. 37.5% based on Group's total return against that of major real estate companies. 25% based on personal performance objectives. Total return is one of the KPIs used to measure the Group's overall success and its use in calculating a significant part of the Directors' bonus ensures an alignment between delivery of the Group's strategy and Directors' remuneration.	Clawback provisions were implemented during 2012.

	Purpose and link to strategy	How operated	Maximum opportunity	Performance metrics	Changes in the year
Long-term incentive plan	To align the long-term interests of the Directors with those of the Group's shareholders. To incentivise value creation over the long-term. To aid retention.	The Committee makes a conditional award of nil cost options each year. Vesting is determined by the Group's achievements against stretching performance targets over the three subsequent years and continued employment. The Group's performance against the targets is independently verified on behalf of the Committee. The Committee considers the appropriateness of measures, their relative weightings and targets prior to each grant. Clawback provisions apply in the event of misstatement or misconduct. Where an employee retires during the three-year vesting period, their award will be adjusted in accordance with the scheme rules. Awards will be satisfied by either newly issued shares or shares purchased in the market. Any use of newly issued shares will be limited to corporate governance compliant dilution limits contained in the scheme rules.	Normal limit – 200% of salary. Limit in exceptional circumstances (e.g. recruitment) – 300% of salary. Working policy limits currently set at: John Burns and Simon Silver – 175% of salary. Other executive directors – 150% of salary.	50% determined by the Group's total shareholder return compared to a bespoke comparator group of real estate companies[2]. 25% vests at median performance with full vesting at upper quartile performance. No awards vest for below median performance. 50% determined by the Group's net asset value growth compared to the IPD Central London Offices Total Return Index. 25% vests at median performance with full vesting for exceeding the median by 5%. No awards vest for below median performance. Vesting is on a straight line basis between threshold and maximum. The Committee has discretion to reduce the extent of vesting in the event that it considers that performance against the relevant measure of performance (whether TSR or NAV growth) is inconsistent with underlying financial performance.	Clawback provisions were implemented during 2012.
Share ownership guidelines	To provide alignment between executives and shareholders.	Executive Directors are required to retain at least half of any shares vesting (net of tax) until the guideline is met.	John Burns – 200% of salary. Other Executive Directors – 100% of salary.	None	None
New appointments	Base salary levels will be set to reflect the experience of the individual, appropriate market data and internal relativities. If it is considered appropriate to appoint a new director on a below market salary through external recruitment or internal promotion, they may be the subject of a series of increases to a desired salary over an appropriate time frame, (e.g. two to three years), subject to performance in post. Normal policy will be for the new director to participate in the remuneration structure detailed above. Should it be the case that the Remuneration Committee considered it necessary to buy out incentive pay which an individual would forfeit on leaving their current employer, such compensation, where possible, would be structured so that the terms of the buy-out mirrored the form and structure of the remuneration being replaced (e.g. vested share awards may be replaced with shares in Derwent London while recently granted long-term incentive awards may be replaced with an exceptional performance related LTIP award).				
Exit payment policy	Outside of the legacy arrangements of the Company's current executive Directors, the Company's policy for new appointments will be for service contracts to be terminable by the Company on one year's notice and to contain a mitigation clause providing for monthly phased payments throughout the notice period to include pro-rated salary, benefits and pension only, until alternative employment is found, at which point payments will cease or be reduced accordingly. Other than in the event of certain "good leaver" events (such as redundancy or retirement), no bonus will be payable unless the individual remains employed and is not under notice at the payment date. With regards to LTIP awards, standard "good leaver" definitions are included in the plan rules which also include the facility to reduce vested awards pro-rata for time served in the relevant period.				

[1] The basic salaries effective from 1 January 2013 (2012 equivalents in brackets) are: John Burns £584,000 (£567,000), Simon Silver £501,000 (£486,000), Nigel George £372,000 (£361,000), Paul Williams £372,000 (£361,000), Damian Wisniewski £372,000 (£361,000), David Silverman £357,000 (£335,000).

[2] The TSR Comparator Group for 2013 awards remains unchanged from the prior year. The peer companies are:
Big Yellow Group plc, British Land plc, Capital & Regional plc, Capital Shopping Centres Group plc, Great Portland Estates plc, Hammerson plc, Intu Properties plc, Land Securities plc, Quintain Estates and Development plc, St Modwen Properties plc, Segro plc, Shaftesbury plc and Workspace Group plc.
TSR will be measured over a single three-year performance period from the date of grant and will be calculated by comparing average performance over three months prior to the start and the end of the performance period. TSR calculations are performed independently for the Committee by NBS.

REPORT OF THE REMUNERATION COMMITTEE
CONTINUED

Service contracts
The service contracts of John Burns and Simon Silver are dated 20 May 1997 whilst those of Nigel George and Paul Williams are dated 31 March 1999 and that of David Silverman 2 January 2008. These contracts have no stated termination date but require 12 months' notice of termination by the Company or six months' notice by the executive. They include a provision whereby the Company will pay, by way of liquidated damages, a cash amount equivalent to 12 months' salary, benefits in kind and a pension contribution or salary supplement of at least 20% of basic salary. No defined contractual entitlement to compensation arises from a change of control of the Company. Damian Wisniewski's service contract is dated 2 February 2010. In addition to terms similar to those of the other Directors, his contract includes certain post termination restrictions and a mitigation clause. Under this mitigation clause, instead of paying the liquidated damages provision outlined above, the Company can, at its discretion, alternatively make monthly payments throughout the notice period until the executive obtains an alternative employment at which point (except in the event of the Company giving notice following a change of control) monthly payments cease or are reduced depending upon the value of remuneration arising from the alternative role. If this clause is used by the Company, monthly payments would comprise one-twelfth of the total of his annual basic salary, annual pension contribution, annual value of benefits in kind and 20% of his maximum bonus potential.

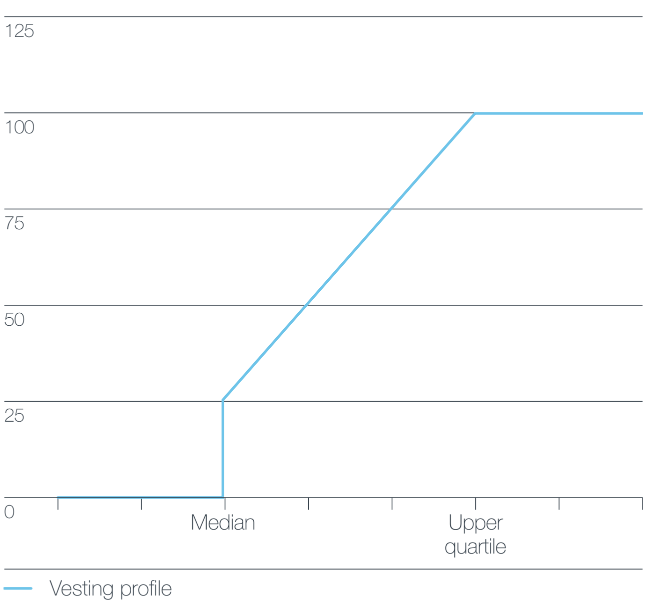
As mentioned in the policy table, the Company's policy for new appointments will be for service contracts to be terminable by the Company on one year's notice and to contain a mitigation clause providing for monthly phased payments throughout the notice period to include pro-rated salary, benefits and pension only, until alternative employment is found, at which point payments will cease or be reduced accordingly.

Chairman and non-executive Directors
The remuneration for the Chairman is set by the full Board. The remuneration for non-executive Directors, which consists of fees for their services in connection with Board and Board committee meetings and, where relevant, for additional services such as chairing a Board committee, is also set by the whole Board. As part of the recruitment process, the remuneration of the non-executive Directors was reviewed during 2012 to ensure that the fees were at an appropriate level. Neither the Chairman nor non-executive Directors are eligible for pension scheme membership and do not participate in the Company's bonus or equity-based incentive schemes, although the Chairman has a number of unexercised options granted under the historic LMS Executive Share Option Scheme, details of which are given in table 4 on page 97.

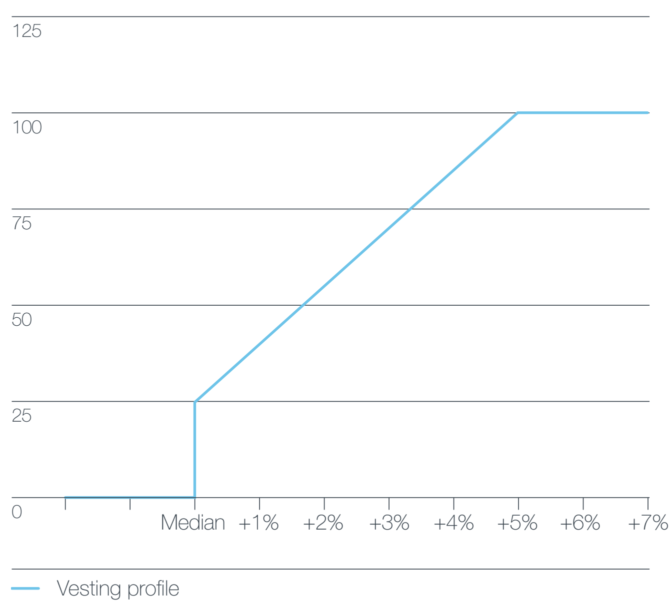
The non-executive Directors do not have service contracts and are appointed for three-year terms which expire as follows: Stuart Corbyn, 23 May 2015; June de Moller, 31 January 2016; Stephen Young, 9 July 2013; John Ivey, 12 December 2014 and Robert Farnes, 31 December 2014. Mr Rayne has a letter of appointment, which runs for three years, expiring on 31 January 2016. In addition to his fee as Chairman, it provides for a car, driver and secretary, together with a contribution to his office running costs. His letter of appointment also contains provisions relating to payment in lieu of notice, which are similar to those for the executive Directors.

The vesting profiles of the two elements of the LTIP are illustrated in the diagrams below:

Vesting profile of LTIP element measured against comparator group
vesting percentage



Vesting profile of LTIP element measured against IPD
vesting percentage



How the pay of employees is taken into account

In determining the remuneration policy for executive Directors, the Committee takes account of the policy for employees across the workforce. The remuneration policy is broadly consistent for executive Directors and the remainder of the workforce. It should be noted that the constituent parts of the employees' remuneration package, which includes both an option and bonus scheme, were similar to those of the Directors and that the average pay increase awarded for 2013 was in line with the basic increase made to the Directors.

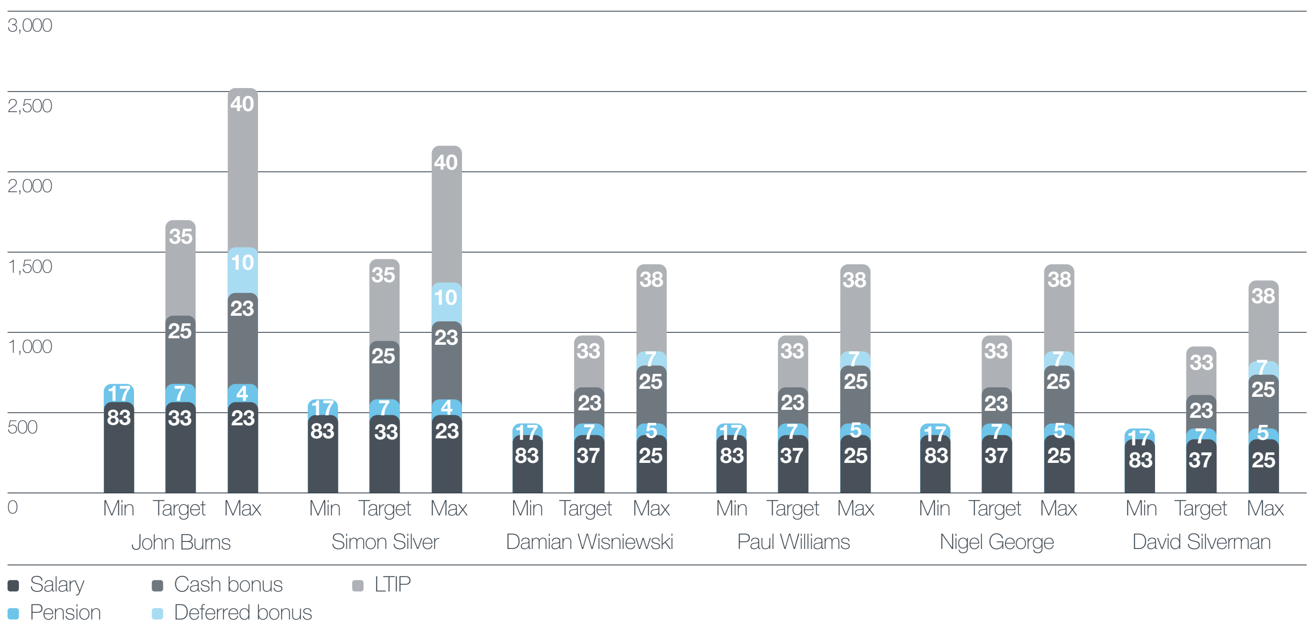
How the views of shareholders are taken into account

The Committee actively seeks dialogue with shareholders and values their input in helping to formulate the Company's remuneration policy. Any feedback received from shareholders is considered as part of the Committee's annual review of remuneration policy.

Remuneration scenarios for executive Directors

The Committee aims to provide a significant part of the Directors' total remuneration through variable pay and the following diagram illustrates the remuneration opportunity provided to the Directors by the current remuneration structure at minimum, target and maximum levels of performance.

Total remuneration opportunity[1] £'000



[1] The figures in this graph represent the percentages of total remuneration for each given scenario

The target figures reflect the Committee's intention that, on average, the LTIP will deliver 60% of the maximum potential and the bonus scheme 50% of potential.

Implementation report

Remuneration Committee

At the start of the year, the Remuneration Committee (the Committee) consisted of Stuart Corbyn, June de Moller and Stephen Young under the chairmanship of Robert Farnes. On 1 April 2012 June de Moller took over as chairman of the Committee because Robert Farnes had reached nine years of service on this date. Simon Fraser joined the Committee on 1 January 2013. None of the members who have served during the year had any personal interest in the matters decided by the Committee, or any day-to-day involvement in the running of the business and, therefore, are considered to be independent.

The full terms of reference of the Committee are available on the Company's website.

New Bridge Street (NBS) – a trading name of Aon Hewitt Limited (an Aon plc company) – was retained to provide independent assistance to the Committee regarding the setting of salaries and the operation of the PSP and bonus scheme. In particular, NBS determined entitlements under the bonus scheme and the extent of vesting of the conditional share awards and ensures that the measures used for both schemes are comparable and consistent. During 2012 NBS received fees amounting to £28,000 for advising the Committee and did not provide any other services to the Group during the year. No Director had any involvement in determining his own remuneration although some of the matters considered by the Committee were discussed with John Burns. The Company Secretary acted as secretary to the Committee.

Details of Directors' remuneration are given in the table below:

Table 1

2012	Salary and fees £'000	Bonus Cash £'000	Bonus Deferred £'000	Benefits in kind £'000	Sub total £'000	Gains from equity-settled schemes £'000	Total £'000	Pension and life assurance £'000
Executive								
J.D. Burns	567	567	160	50	1,344	931	2,275	112
S.P. Silver	486	486	137	35	1,144	792	1,936	96
D.M.A. Wisniewski	361	361	24	20	766	–	766	72
N.Q. George	361	361	24	16	762	479	1,241	75
P.M. Williams	361	361	24	20	766	479	1,245	76
D.G. Silverman	335	335	23	19	712	402	1,114	67
Non-executive								
R.A. Rayne	150	–	–	32	182	672	854	–
J.C. Ivey	58	–	–	–	58	–	58	–
S.J. Neathercoat	43	–	–	–	43	–	43	–
R.A. Farnes	55	–	–	–	55	–	55	–
S.A. Corbyn	60	–	–	–	60	–	60	–
J. de Moller	54	–	–	–	54	–	54	–
S.G. Young	56	–	–	–	56	–	56	–
S. Fraser	15	–	–	–	15	–	15	–
	2,962	**2,471**	**392**	**192**	**6,017**	**3,755**	**9,772**	**498**

2011	Salary and fees £'000	Bonus Cash £'000	Bonus Deferred £'000	Benefits in kind £'000	Sub total £'000	Gains from equity-settled schemes £'000	Total £'000	Pension and life assurance £'000
Executive								
J.D. Burns	550	550	192	48	1,340	689	2,029	116
S.P. Silver	472	472	165	34	1,143	585	1,728	105
D.M.A. Wisniewski	340	340	43	20	743	–	743	74
N.Q. George	350	350	44	18	762	354	1,116	80
P.M. Williams	350	350	44	20	764	354	1,118	80
D.G. Silverman	300	300	37	19	656	260	916	65
Non-executive								
R.A. Rayne	150	–	–	31	181	–	181	–
J.C. Ivey	58	–	–	–	58	–	58	–
S.J. Neathercoat	48	–	–	–	48	–	48	–
R.A. Farnes	58	–	–	–	58	–	58	–
S.A. Corbyn	52	–	–	–	52	–	52	–
J. de Moller	47	–	–	–	47	–	47	–
D. Newell	20	–	–	–	20	–	20	–
S.G. Young	51	–	–	–	51	–	51	–
	2,846	**2,362**	**525**	**190**	**5,923**	**2,242**	**8,165**	**520**

Donald Newell retired in May 2011 and Simon Fraser joined the Board on 1 September 2012.

The gains from equity-settled schemes are based on i) the TSR element of the 2009 PSP award which vested on 2 May 2012 based on a performance period which ended on 15 April 2012 and a share price of £17.57 (being the share price at the date of vesting), and ii) the NAV element of the 2009 PSP award which was based on a performance period which ended on 31 December 2011 and also vested on 2 May 2012 with the same share price.

This approach is not in accordance with the latest BIS proposals and will be reviewed over the next year once the proposals and their related guidance have been finalised.

Determination of 2012 annual bonus outcome
Provision has been made for a bonus for 2012 of 85.41% (2011: 90.00%) of the maximum potential. In making this award, the Committee has given due regard to the performance measures mentioned above, the Group's total shareholder return for the year and the other achievements outlined earlier in the report and accounts in particular the further diversification of the Group's sources of finance, the progress made with the development pipeline, the level of lettings achieved and the astute acquisitions and disposals.

Performance Share Plan
Details of the conditional share awards held by Directors and employees under the Group's PSP at 31 December 2012 are given in the table below:

Table 2

Market price at award date £	Earliest vesting date	J.D. Burns	S.P. Silver	C.J. Odom	N.Q. George	P.M. Williams	D.G. Silverman	D.M.A. Wisniewski	Employees	Total
11.57	05/06/11	75,625	64,275	40,825	38,875	38,875	28,500	–	15,550	302,525
8.25	15/04/12	106,000	90,150	57,250	54,500	54,500	42,700	–	23,000	428,100
13.66	01/04/13	67,250	57,650	–	36,780	36,780	30,190	34,590	14,640	277,880
Interest as at 1 January 2011		248,875	212,075	98,075	130,155	130,155	101,390	34,590	53,190	1,008,505

Shares conditionally awarded during the year:

Market price at award date £	Earliest vesting date	J.D. Burns	S.P. Silver	C.J. Odom	N.Q. George	P.M. Williams	D.G. Silverman	D.M.A. Wisniewski	Employees	Total
16.43	01/04/14	58,550	50,250	–	31,950	31,950	27,350	31,000	12,750	243,800

Shares vested or lapsed during the year:

Market price at award date £	Market price at date of vesting £	J.D. Burns	S.P. Silver	C.J. Odom	N.Q. George	P.M. Williams	D.G. Silverman	D.M.A. Wisniewski	Employees	Total
11.57	18.22	(37,813)	(32,138)	–	(19,438)	(19,438)	(14,250)	–	(7,775)	(130,852)
11.57	18.06	–	–	(13,608)	–	–	–	–	–	(13,608)
11.57	Lapsed	(37,812)	(32,137)	(27,217)	(19,437)	(19,437)	(14,250)	–	(7,775)	(158,065)
Interest as at 31 December 2011		231,800	198,050	57,250	123,230	123,230	100,240	65,590	50,390	949,780

Shares conditionally awarded during the year:

Market price at award date £	Earliest vesting date	J.D. Burns	S.P. Silver	C.J. Odom	N.Q. George	P.M. Williams	D.G. Silverman	D.M.A. Wisniewski	Employees	Total
17.19	12/04/2015	57,720	49,475	–	31,500	31,500	29,230	31,500	12,620	243,545

Shares vested or lapsed during the year:

Market price at award date £	Market price at date of vesting £	J.D. Burns	S.P. Silver	C.J. Odom	N.Q. George	P.M. Williams	D.G. Silverman	D.M.A. Wisniewski	Employees	Total
8.25	17.57	(53,000)	(45,075)	(19,083)	(27,250)	(27,250)	(21,350)	–	(11,500)	(204,508)
8.25	Lapsed	(53,000)	(45,075)	(38,167)	(27,250)	(27,250)	(21,350)	–	(11,500)	(223,592)
Interest as at 31 December 2012		**183,520**	**157,375**	**–**	**100,230**	**100,230**	**86,770**	**97,090**	**40,010**	**765,225**

	31 December 2012	31 December 2011	1 January 2011
Weighted average exercise price of PSP awards	–	–	–
Weighted average remaining contracted life of PSP awards	1.21 years	1.08 years	1.30 years

At each year end, none of the outstanding awards were exercisable. The weighted average exercise price of awards that either vested or lapsed in 2012 was £nil (2011: £nil). The weighted average market price at the date of vesting in 2012 was £17.57 (2011: £18.20).

For all awards granted under the PSP:

- half of the shares vest based on TSR performance relative to a comparator group of companies; and
- half of the shares vest based on NAV performance compared to properties in the IPD Central London Offices Total Return Index.

The TSR comparator group consists of a defined group of real estate companies. The comparator group for 2012 comprised the following – Big Yellow Group plc, British Land plc, Capital & Regional plc, Capital Shopping Centres Group plc, Great Portland Estates plc, Hammerson plc, Intu Properties plc, Land Securities plc, Quintain Estates and Development plc, St Modwen Properties plc, Segro plc, Shaftesbury plc and Workspace Group plc. 25% of awards subject to the TSR target vest for median performance over the three-year performance period, increasing to full vesting for upper quartile performance.

If the Group's NAV performance matches that of the median performing property in the Index over the three-year performance period, 25% of awards subject to the NAV target vest. Vesting increases on a sliding scale to full vesting for out-performing the median performing property by 5% per annum.

The Committee has discretion to reduce the extent of vesting in the event that it feels that performance against either measure of performance is inconsistent with underlying financial performance.

Determination of PSP awards vesting

The performance criteria in respect of the 2009 award were measured on 16 April 2012 and showed an overall vesting percentage of 50% as a result of the group achieving upper quartile TSR performance against the comparator group and that part of the award thus vesting in full. The balance of the 2009 award (based on NAV performance measured to 31 December 2011) lapsed.

As required by the scheme rules, before allowing any vesting, the Committee considered whether the Group's TSR and NAV performance reflected its underlying financial performance. Having considered a range of key financial indicators, including profits and total return, the Committee concluded that, for the parts of the 2009 and 2010 awards with measurement periods ending in 2012, this was the case.

Share option schemes

Details of the options held by Directors and employees under the Group's share option schemes at 31 December 2012 are given in table 3 below. Disclosure relating to a further share option scheme in which the Directors do not participate is given in note 14.

Table 3

Exercise price £	Date from which exercisable	Expiry date	D.G. Silverman	Employees	Total
10.710	26/04/08	25/04/15	–	7,000	7,000
13.630	08/06/09	07/06/16	6,750	4,500	11,250
Outstanding at 1 January 2011			6,750	11,500	18,250
No options were granted, exercised or lapsed in 2011					
Outstanding at 31 December 2011			6,750	11,500	18,250
Options exercised during 2012					
Exercise price £	**Market price at date of exercise £**		**D.G. Silverman**	**Employees**	**Total**
13.63	17.57		(6,750)	–	(6,750)
10.71	19.70		–	(7,000)	(7,000)
			(6,750)	(7,000)	(13,750)
Outstanding at 31 December 2012			**–**	**4,500**	**4,500**

The weighted average exercise price of options exercised in 2012 was £12.14 (2011: £nil) and the weighted average market price at the date of exercise was £18.65 (2011: £nil).

The exercise of options granted under the 1997 Executive Share Option Scheme is subject to a three-year performance criteria. This states that a year's options can only be exercised once the growth of the Group's net asset value per share over a subsequent three-year period exceeds the increase of the IPD Central London Office Capital Growth Index over the same period by 6% or more. All outstanding options have met this criterion.

	31 December 2012	31 December 2011	1 January 2011
Number of shares:			
Exercisable	4,500	18,250	18,250
Weighted average exercise price of share options:			
Exercisable	£13.63	£12.51	£12.51
Weighted average remaining contracted life of share options:			
Exercisable	3.44 years	4.01 years	5.01 years

Following the acquisition of LMS, options that had already vested under the LMS Executive Share Option Scheme were converted to options over Derwent London shares. Details of these options, all of which are exercisable, are given in the table below:

Table 4

Exercise price £	Expiry date	**R.A. Rayne**
7.54	29/08/13	65,615
9.92	01/09/14	50,274
12.03	28/06/15	41,456
Outstanding at 1 January 2011		157,345
No options were granted, exercised or lapsed in 2011		
Outstanding at 31 December 2011		157,345
Options exercised during 2012		
Exercise price £	Market price at date of exercise £	
7.54	17.79	(65,615)
Outstanding at 31 December 2012		**91,730**

The weighted average exercise price of options exercised during 2012 was £7.54 (2011: £nil) and the weighted average market price at the date of exercise £17.79 (2011: £nil).

In respect of the options outstanding at 31 December 2012 in table 4 the weighted average exercise price is £10.87 (2011: £9.48) and the weighted average remaining contracted life is 2.0 years (2011: 2.5 years).

The market price of the 5p ordinary shares at 31 December 2012 was £21.06 (2011: £15.60). During the year, they traded in a range between £15.35 and £21.53 (2011: £14.00 and £18.80).

Deferred bonus shares

Details of the deferred bonus shares held by the Directors are given in the table below.

Table 5

		J.D. Burns	S.P. Silver	D.M.A. Wisniewski	N.Q. George	P.M. Williams	D.G. Silverman	Total
Interest at 1 January 2011		–	–	–	–	–	–	–
Deferred in 2011:								
Date of deferment	Value per share on deferment £							
25/03/11	16.60	9,883	8,471	1,631	1,892	1,892	1,553	25,322
Interest at 31 December 2011		9,883	8,471	1,631	1,892	1,892	1,553	25,322
Deferred in 2012:								
Date of deferment	Value per share on deferment £							
29/03/12	17.37	11,082	9,510	2,447	2,519	2,519	2,159	30,236
Vested in 2012:								
Date of vesting	Value per share on vesting £							
02/04/12	17.31	(4,942)	(4,236)	(816)	(946)	(946)	(777)	(12,663)
Interest at 31 December 2012		**16,023**	**13,745**	**3,262**	**3,465**	**3,465**	**2,935**	**42,895**

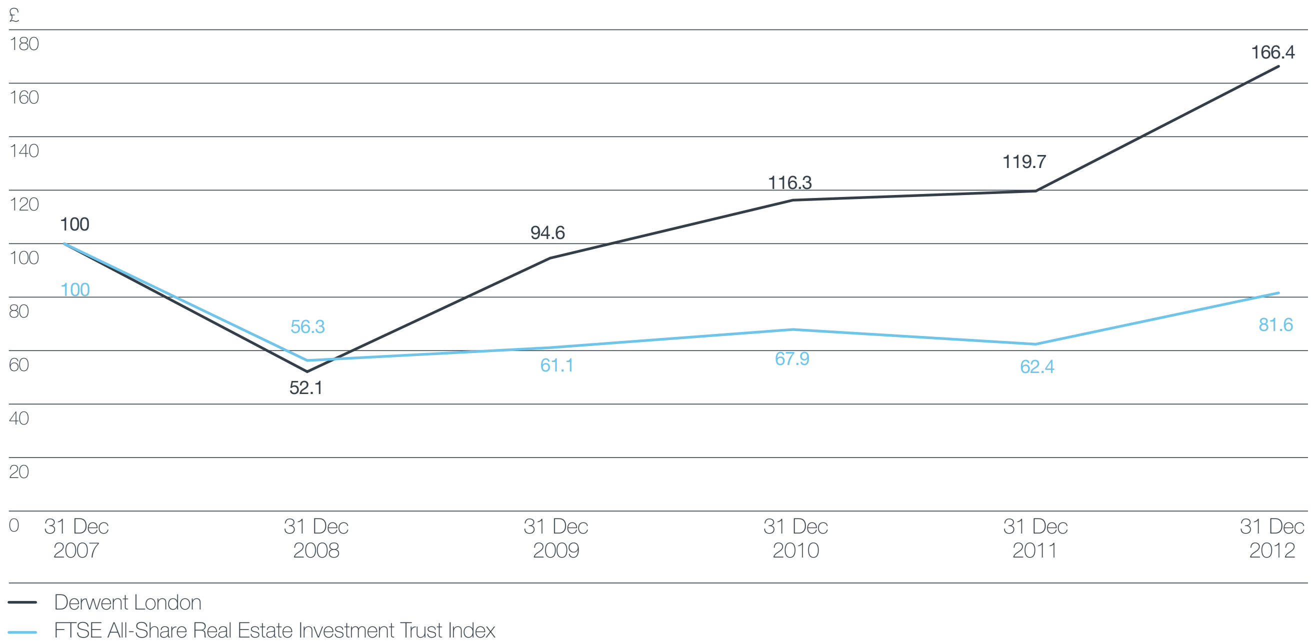
Directors' interests and shareholding guideline

	£'000			Number of shares			
	2012 salary	Shareholding guideline	Value of beneficially held shares[1]	Beneficially held	Deferred	Conditional	**Total**
J.D. Burns	567	1,134	16,363	760,031	16,023	183,520	**959,574**
S.P. Silver	486	486	7,857	364,939	13,745	157,375	**536,059**
D.M.A. Wisniewski	361	361	18	816	3,262	97,090	**101,168**
N.Q. George	361	361	729	33,846	3,465	100,230	**137,541**
P.M. Williams	361	361	767	35,622	3,465	100,230	**139,317**
D.G. Silverman	335	335	191	8,879	2,935	86,770	**98,584**

[1] Valued at £21.53 the value of a 5p ordinary share in the Company on 26 February 2013

Performance graph
Total shareholder return compared to the FTSE All-Share Real Estate Investment Trusts Index.

Net investment total shareholder return
2007–2012



Source: Thomson Reuters

This graph shows the value, by the end of 2012, of a return over five years of £100 invested in Derwent London compared to that of £100 invested in the FTSE All-Share Real Estate Investment Trusts Index. This index has been chosen by the Committee as it is considered the most appropriate benchmark against which to assess the relative performance of the Company for this purpose. To produce a "fair value", each point is a 30-day average of the return.

The disclosure on Directors' remuneration in tables 1, 2, 3 and 4 above has been audited as required by the Companies Act 2006.

On behalf of the Board.

June de Moller
Chairman of the Remuneration Committee
28 February 2013