

WHAT WE DO AND KEY ACHIEVEMENTS

Our principal objective is to deliver above average long-term returns for our shareholders through owning, creating and managing well-designed central London offices benefiting occupiers and neighbourhoods.

OUR BUSINESS MODEL



Q Page 18

28.4%

increase in EPRA net asset value per share

Q Page 62

30.1%

total return

Q Page 62

1 ACQUIRE PROPERTIES AND UNLOCK THEIR VALUE

We purchase buildings in central London which can be improved, enlarged or regenerated. These purchases will typically be off relatively low rents and capital values per sq ft.

- In March we acquired 19-23 Featherstone Street EC1, adjoining our Monmouth House EC1 and potentially unlocking a site for 125,000 sq ft (uplift of 81% by area) opposite our White Collar Factory EC1 development site
- In November we purchased Angel Square EC1 (128,700 sq ft offices in three adjoining properties), opposite our Angel Building EC1, with reversionary and longer term enlargement and regeneration potential

£90.9m

acquisition of two properties both adding to existing Tech Belt clusters

Q Page 60



2 CREATE WELL-DESIGNED SPACE

Each property has a business plan, where we seek to maximise returns through design-led planning gain, effective development and construction delivery to provide flexible, resilient and sustainable space attractive to occupiers, investors and the local community.

- In 2014 we completed 106,550 sq ft of major projects, currently 75% let or sold, including our first standalone residential scheme
- Started construction of White Collar Factory EC1 (293,000 sq ft of mixed-use space) adopting our research into the space demands of the creative industries and, as a result, providing innovative office space with potential for lower carbon emissions
- Planning secured on 25-33 Berners Street W1 and 25 Savile Row W1 (together 163,000 sq ft)

485,000sq ft

of development ready to start in 2015

Q Page 47



- A Angel Square EC1
- B White Collar Factory EC1
- C 1-2 Stephen Street W1
- D Jaeger House W1
- E Horseferry House SW1

“Our long-term strategy of investing in innovative design-led projects in London’s emerging villages appeals to occupiers and investors, as the definition of London’s core office locations continues to evolve.”

ROBERT RAYNE
CHAIRMAN

3

OPTIMISE INCOME

We seek to work with our occupiers through active management which can include letting, restructuring leases, or taking back space. Our aim is to secure a sound recurring and growing income base which services our overheads, interest costs and dividend and provides the platform for our regeneration activity.

- In July we pre-let 28,350 sq ft to Freud Communications
- 2014 lettings secured £9.2m p.a. of rental income 11.2% above December 2013 ERV

4.5%

increase in contracted net rental income to £131.7m p.a.

Q Page 43



4

RECYCLE CAPITAL

Sell properties where business plans have been completed, market conditions are favourable, or which no longer fit the Group’s strategy.

- In April sold Jaeger House W1 for £30.3m prior to development
- In H2 sold four smaller properties for a total of £67.7m

£98.0m

of commercial property at an average value of £675 per sq ft: 40% above Dec 2013 values

Q Page 60



5

MAINTAIN STRONG AND FLEXIBLE FINANCING

Each property is considered in the context of the Group as a whole, as well as having its own business plan. Our financing approach provides a robust and flexible financial base consistent with our active asset management model. This gives us the ability to cover our financial commitments with headroom to spare while maintaining the flexibility to cope with a changing economic environment.

- In December extended maturity of £550m bank facility to January 2020
- LTV ratio reduced to 24% at 31 December 2014
- Conversion of £175m of bonds into new equity in January 2015 reduces debt and further lowers gearing ratios

286%

net interest cover ratio

Q Page 66

