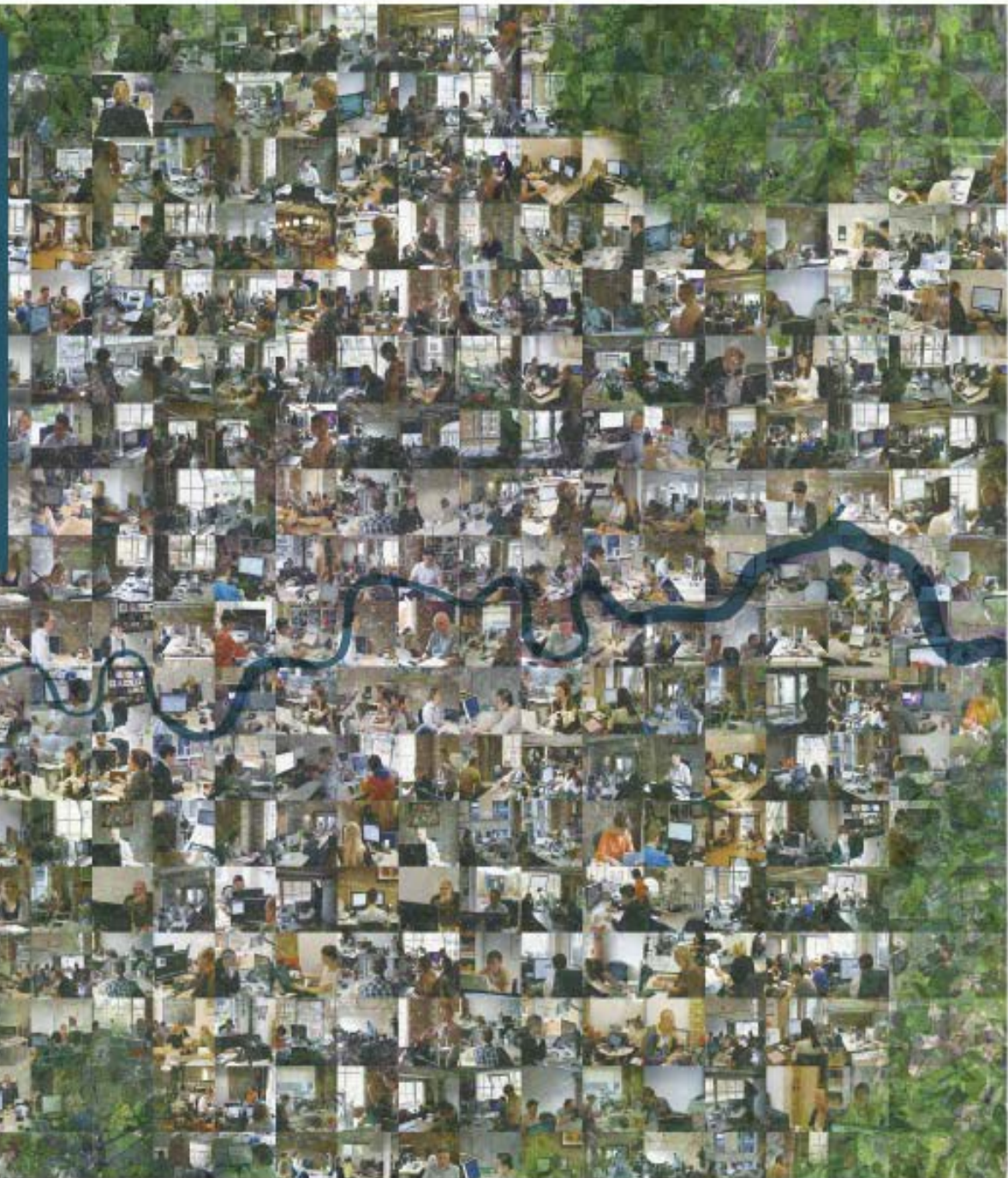




Workspace Group

**Results for the  
Half Year  
30 September 2011**



# → Agenda

**Introduction**

**Harry Platt**

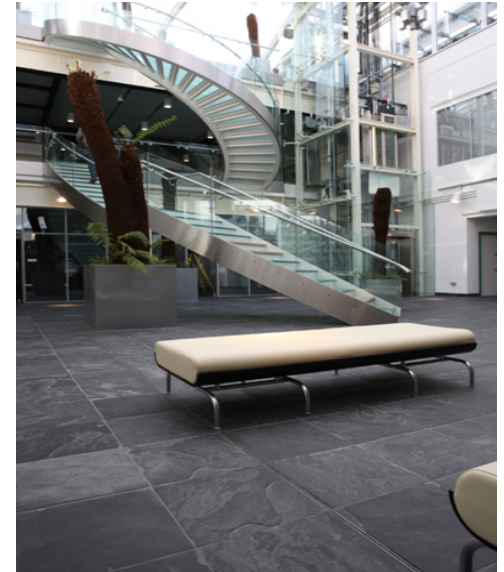
**Financial Performance**

**Graham Clemett**

**Outlook**

**Harry Platt**

# → Welcome to Kennington Park



# → Our Market



# → Priorities and Strategy

## Priorities

- to continue to drive occupancy and rental income
- to maximise value from the property portfolio
- to utilise and exploit our brand fully

## Portfolio Strategies

- redevelopment and repositioning of existing properties
- portfolio activity (acquisitions/disposals)
- new for old (no Workspace capital required)



### Delivering an acceleration in:

- rental income growth
- asset value growth; and



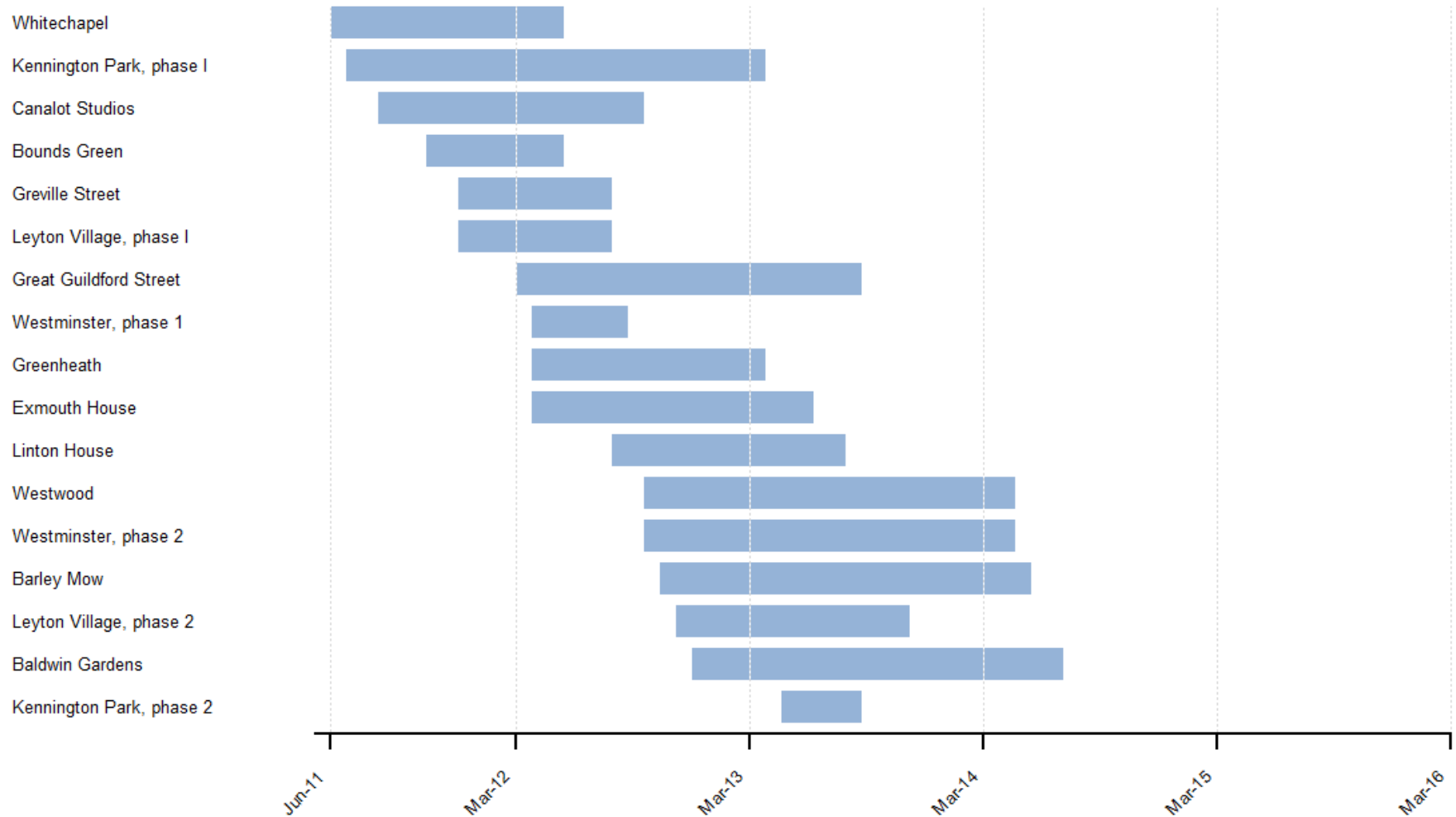
### Releasing cash for reinvestment

From Rights Issue (£63m) July 2011

# → Trading

	<b>September 2011</b>	<b>March 2011</b>
Occupancy (like-for-like)	<b>87.4%</b>	86.2%
Rent Roll (like-for-like)	<b>£43.9m</b>	£42.9m
Rent per sq ft (like-for-like)	<b>£12.17</b>	£12.01
Overall occupancy	<b>85.2%</b>	83.6%
Overall rent roll	<b>£50.0m</b>	£48.9m

# → Refurbishment & Repositioning



# → Portfolio Activity

<b>Acquisitions (BWPT)</b>	-	Completed	£5m
	-	In legals	£5m
	-	Offers out	£26m
<b>Disposals</b>	-	Completed	£9m
	-	Exchanged	£3m
	-	In legals	£4m
<b>New for Old</b>	-	Aberdeen Studios, Islington In legals	



# → Financial Highlights

	September 2011	September 2010	Growth
Trading Profit after Interest	<b>£7.6m</b>	£6.6m	+15%
Interim Dividend per Share	<b>2.93p</b>	2.66p	+10%
Property Valuation	<b>£733m</b>	£732m	+5% <i>(underlying)</i>
Net Debt	<b>£(310)m</b>	£(397)m	£87m <i>decrease</i>
LTV	<b>42%</b>	54%	
EPRA NAV per Share	<b>£2.90</b>	£2.68	+8%



# Financial Performance

**Graham Clemett**

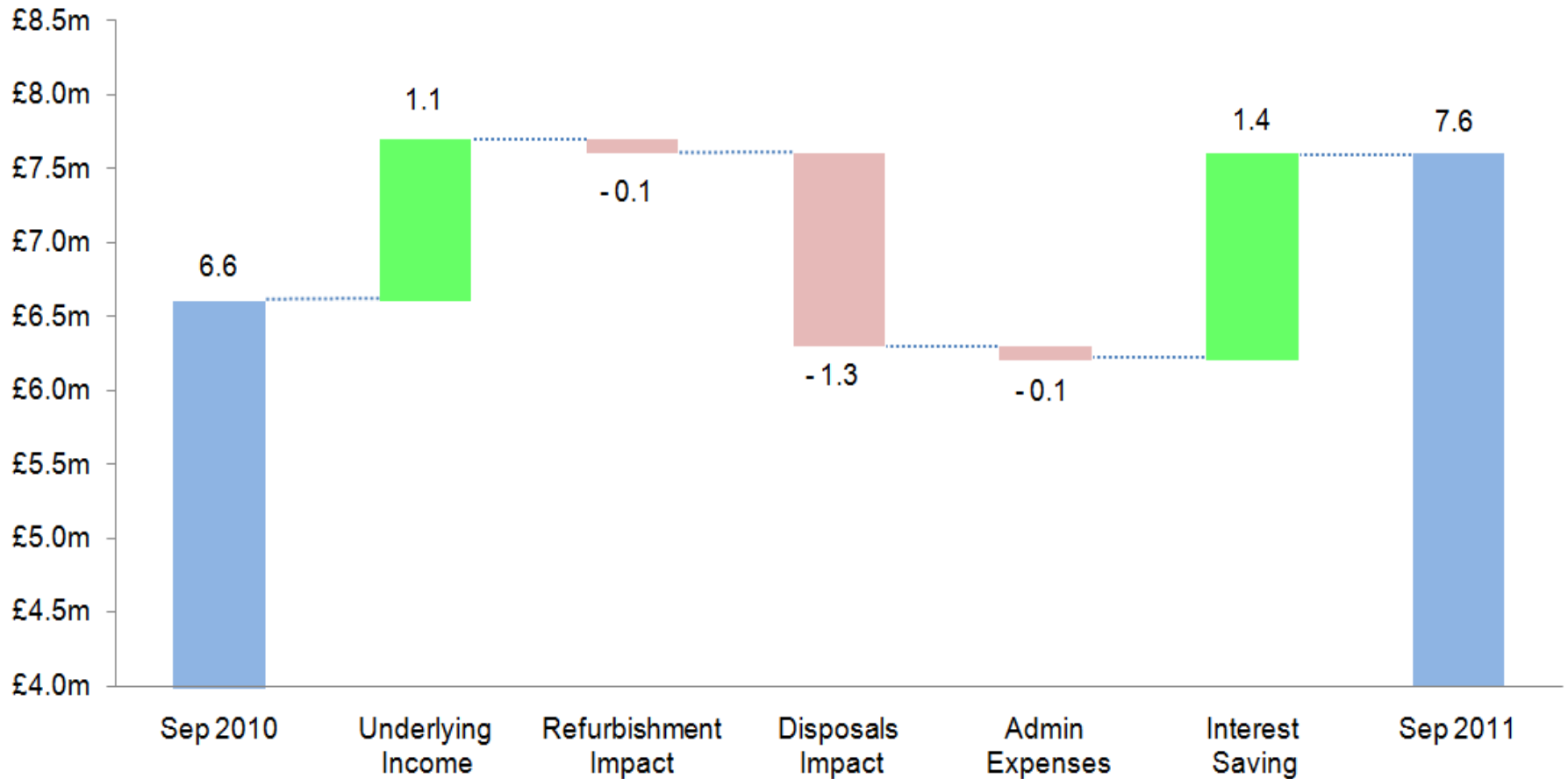
# → Income Statement

£m	September 2011	September 2010	Growth
Net Rental Income	22.6	22.9	
Admin Expenses	(5.2)	(5.1)	
Net Interest	(9.8)	(11.2)	
Trading Profit after Interest	7.6	6.6	+15%
Property Valuation Movement	16.2	14.1	
Interest Rate Derivative Movement	(6.9)	(3.9)	
Other Items	0.0	1.2	
Profit before Tax	16.9	18.0	
<i>EPRA Earnings per Share*</i>	<b>5.9p</b>	5.5p	+7%
<i>Interim Dividend per Share</i>	<b>2.93p</b>	2.66p	+10%

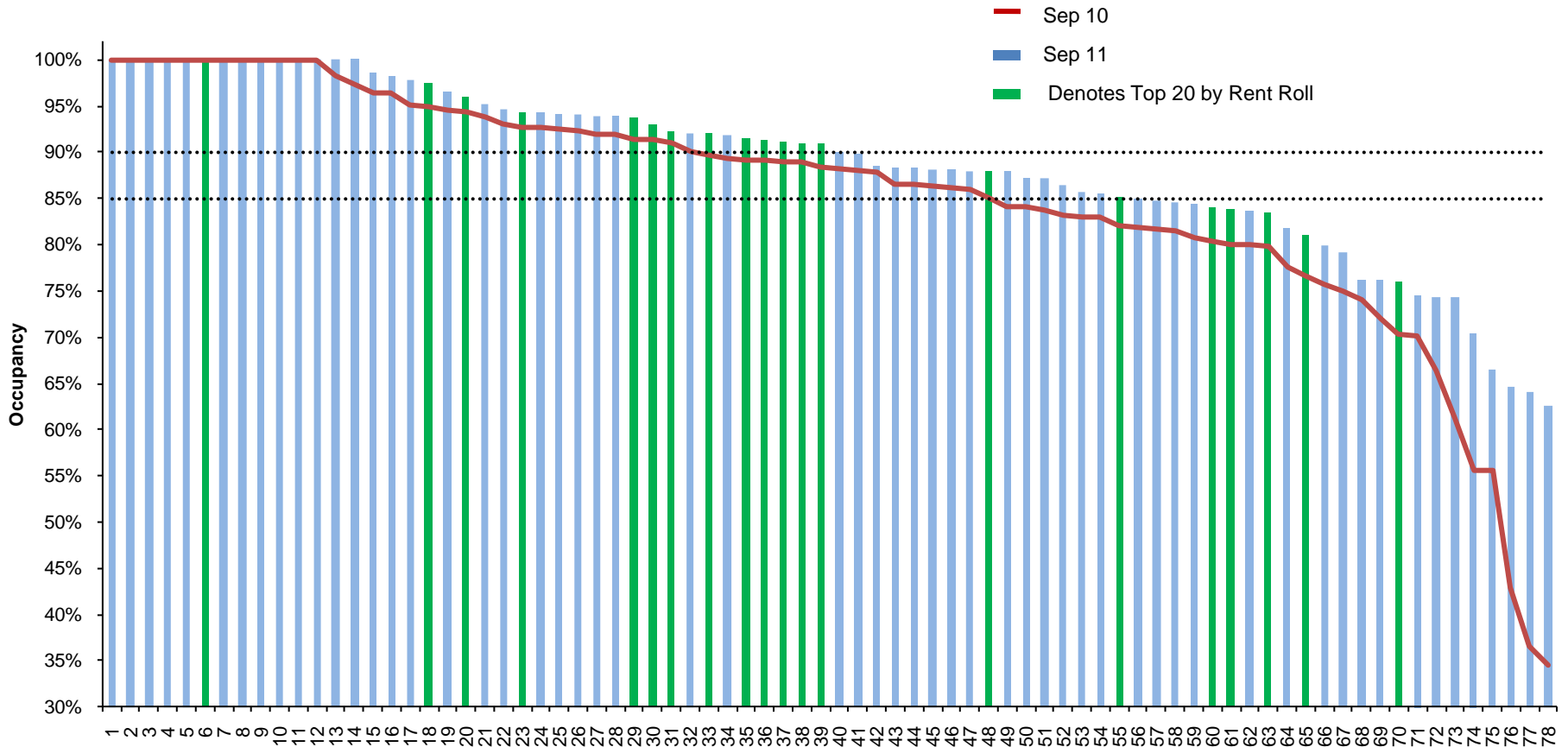
\* Weighted average number of shares (diluted) at 30 September 2011 was 130.0m compared to 120.2m at 30 September 2010



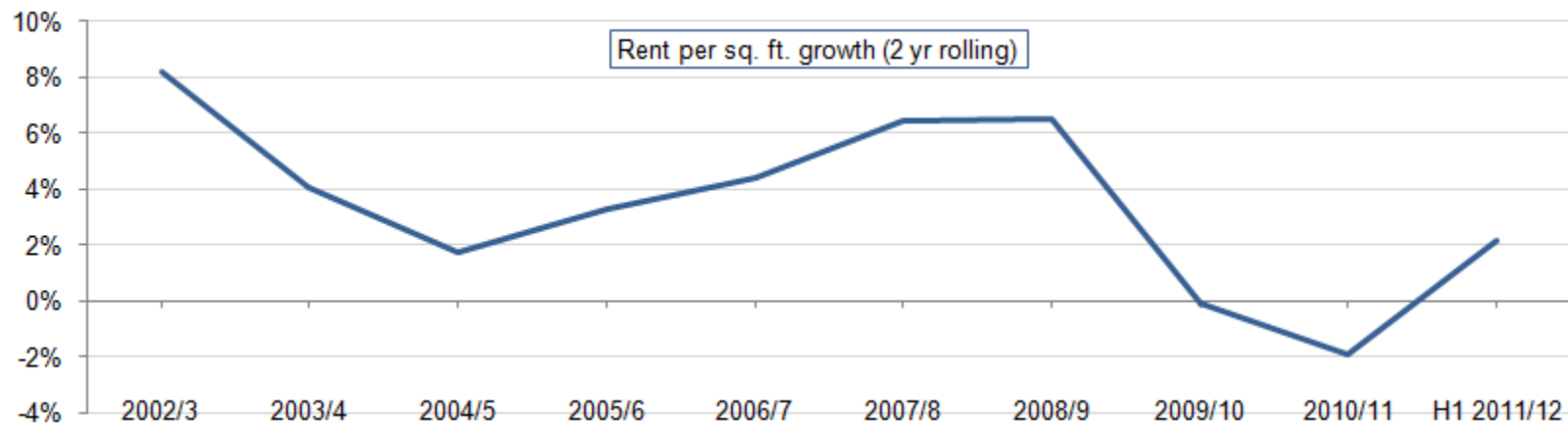
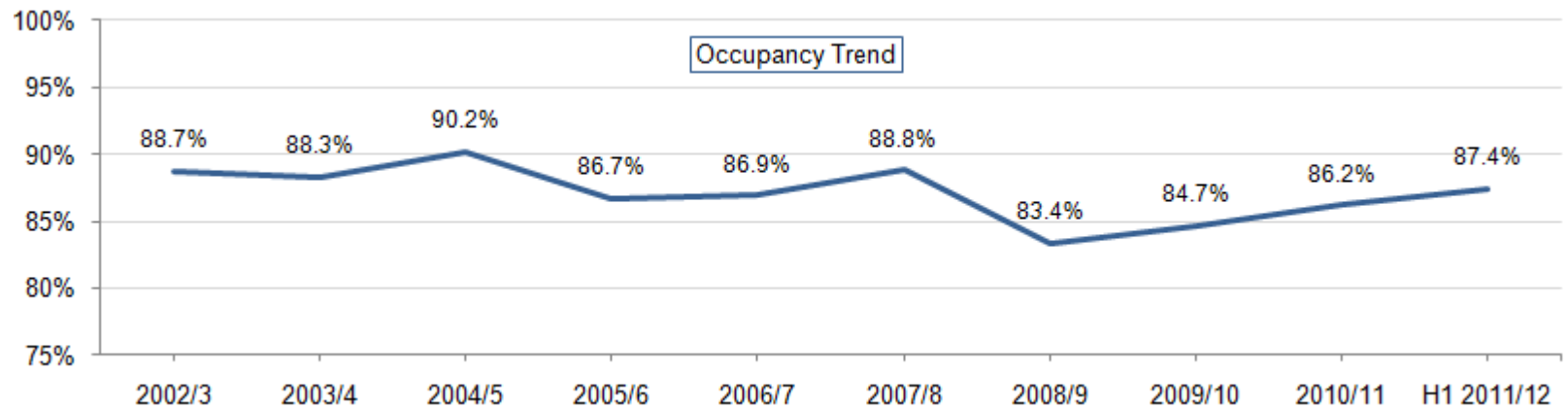
# Trading Profit after Interest



# → Like-for-like Occupancy



# → Like-for-like Occupancy & Pricing Trends



# → Cashflow

£m

## Trading

Cashflow from Operations	7
Dividends	(6)



1  
63

## Rights Issue

Net proceeds	63
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## Other Property Related

Disposals	9
Capital Expenditure	(8)



1

## Other (including Financing)

Restricted Cash	(5)
Refinancing Costs	(2)
Other	(1)



(8)

Net cashflow

57

Opening Net Debt

(367)

Closing Net Debt

(310)

# → Balance Sheet

£m	September 2011	March 2011	September 2010
Property Valuation	733	719	732
Investment in Joint Venture	7	7	-
Net Debt	(310)	(367)	(397)
Hedging	(16)	(11)	(22)
Other Assets/Liabilities	(7)	(14)	(13)
Net Assets	407	334	300
<i>EPRA NAV per share*</i>	<b>£2.90</b>	£2.86	£2.68
<i>Loan to Value</i>	<b>42%</b>	50%	54%

\* Number of shares (diluted) at 30 September 2011 was 146.2m , 120.7m at March 2011 and 120.4m at September 2010

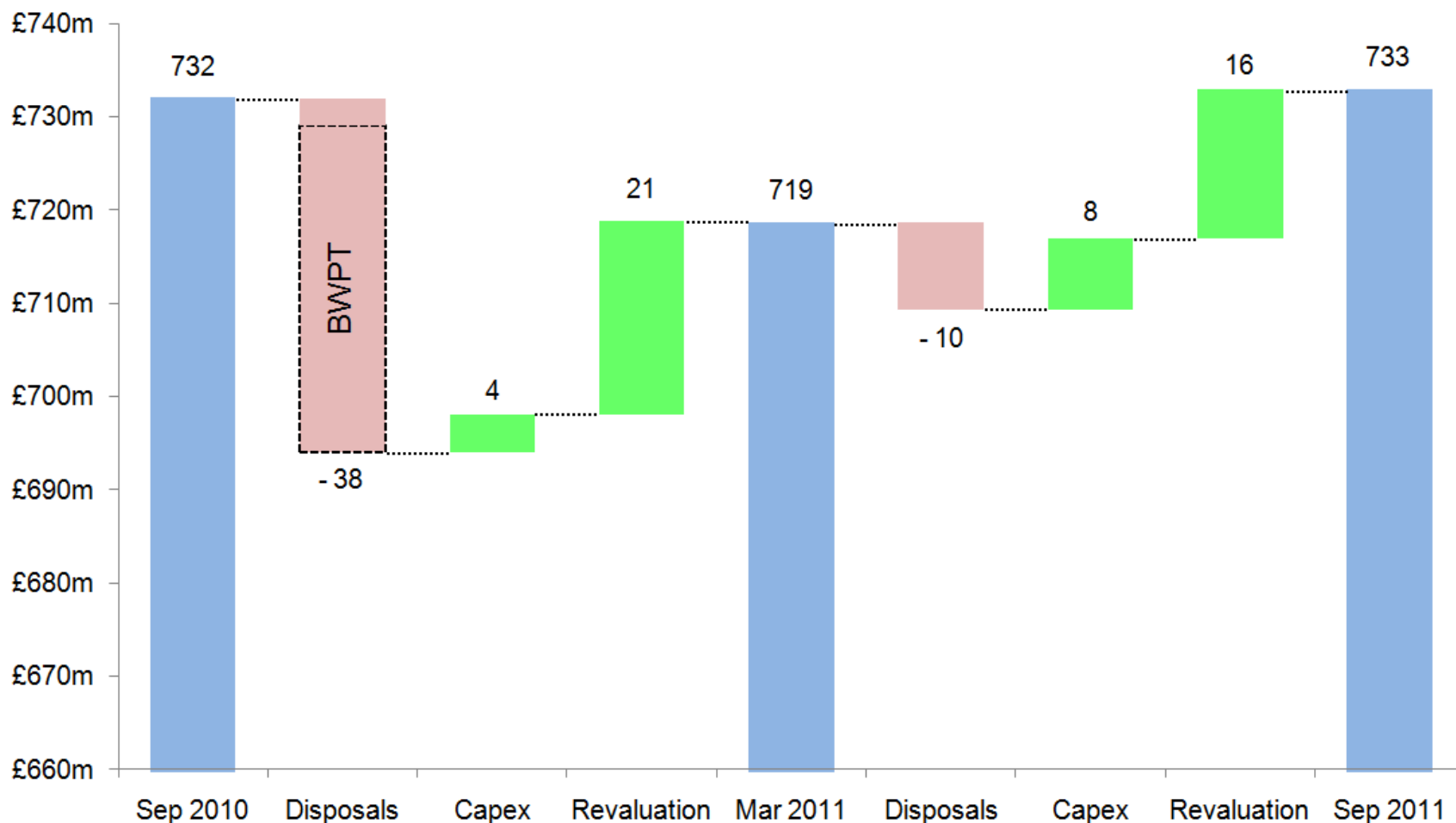


# → Debt Analysis

	September 2011	March 2011
Cash Deposits	£30m	-
Drawn Debt	£(340)m	£(367)m
LTV	42%	50%
% Hedged	76%	74%
Average Interest Cost	5.2%	5.3%
Headroom (including cash)	£87m	£30m

	<u>Maturity</u>	<u>Facility Type</u>	<u>Facility Amount</u>	<u>Drawn Amount</u>	<u>Margin</u>
Lloyds BoS	Dec 2014	Term	£68m	£68m	1.25%
Bayern Club	June 2015	Term	£200m	£200m	2.25%
RBS/HSBC	June 2015	Term/Revolver	£125m	£70m	2.50%/2.75%
RBS	On demand	Overdraft	£4m	£2m	2.75%

# → Movement in Property Valuation

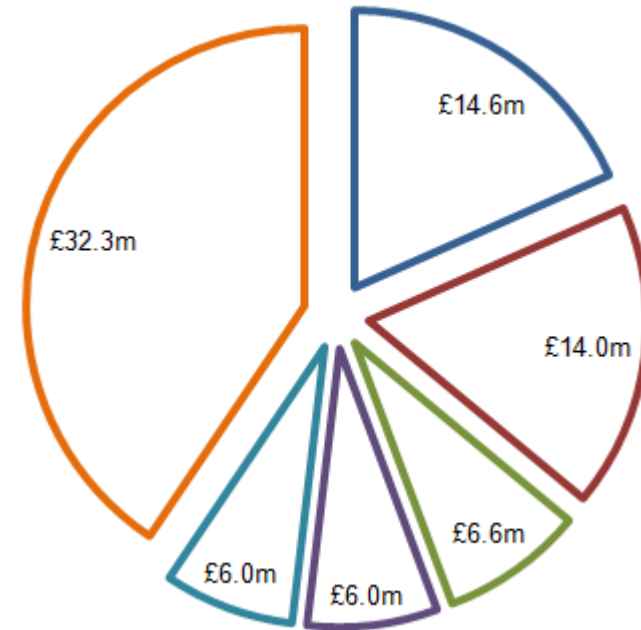


# → Breakdown of Property Valuation

	September 2011	March 2011	September 2010
Cash rent roll	£50.0m	£48.9m	£51.0m
Existing use valuation	£653m	£640m	£670m
Existing use income yield	7.7%	7.7%	7.6%
Added value	£80m	£79m	£62m
ERV	£65.2m	£61.4m	£65.6m
ERV at 90% occupancy	£58.7m	£55.3m	£59.0m

# → Constituents of Added Value

	£m
Added Value at March 2011	79
Disposals	(8)
Uplift – Aberdeen Studios	6
Uplift – Wandsworth	2
Other	1
Added Value at September 2011	<u>80</u>

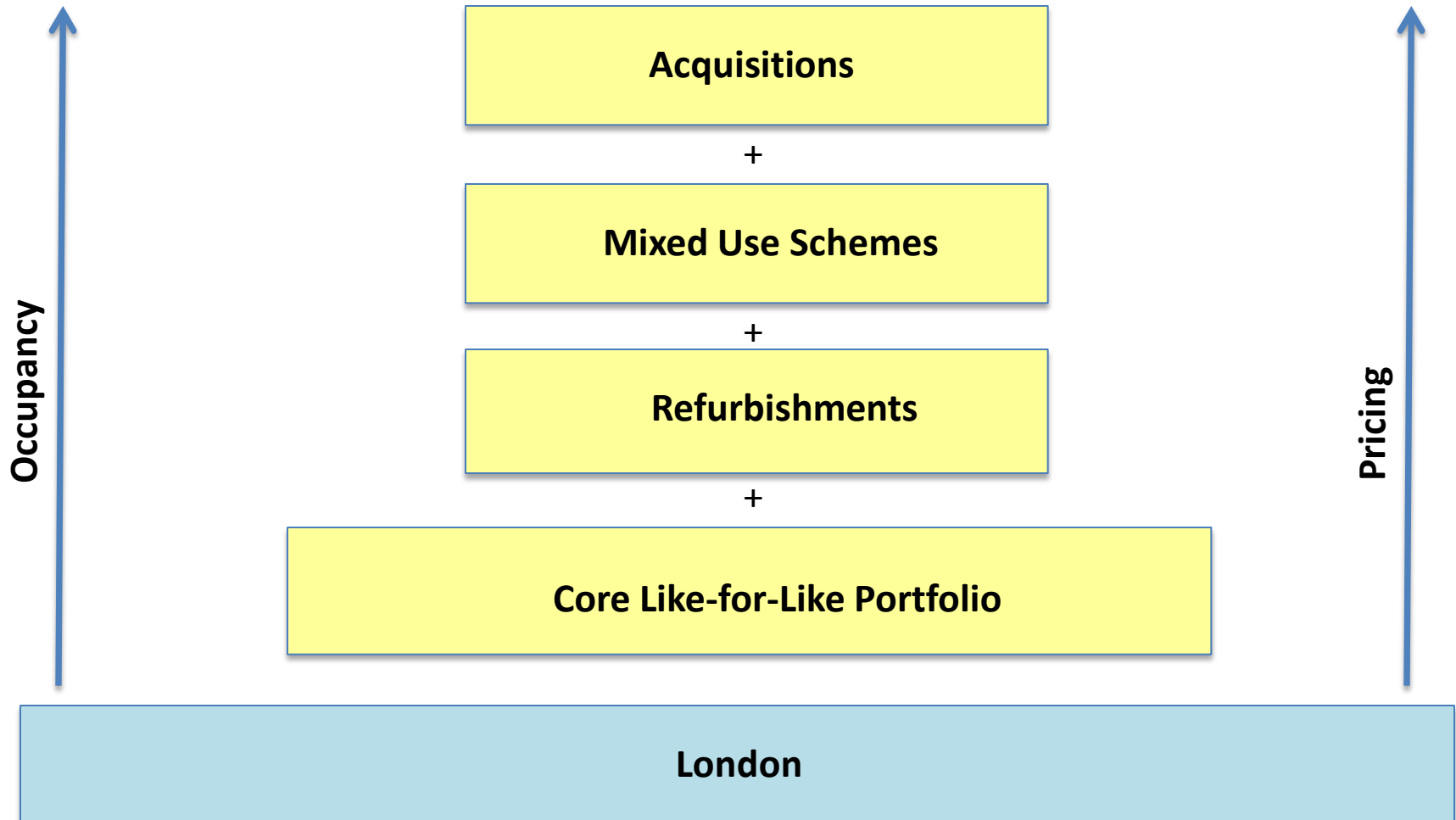


- Aberdeen Studios, N5
- Wandsworth Business Village, SW18
- Tower Bridge Business Complex, SE16
- Grand Union Centre, W10
- Bow Enterprise Park, E3
- Other Properties (18 sites)

# → BlackRock Workspace Property Trust

- Set up in February 2011, seeded with 8 properties from Workspace
- Equity capacity for a further £65m of property acquisitions
- Focus is on multi-let office and industrial buildings in and around London
- Assessed a wide range of opportunities
- Recently completed first acquisition; Chandelier Building, NW10 for £5m
- Offers out on a number of other properties

# → Drivers of Future Growth

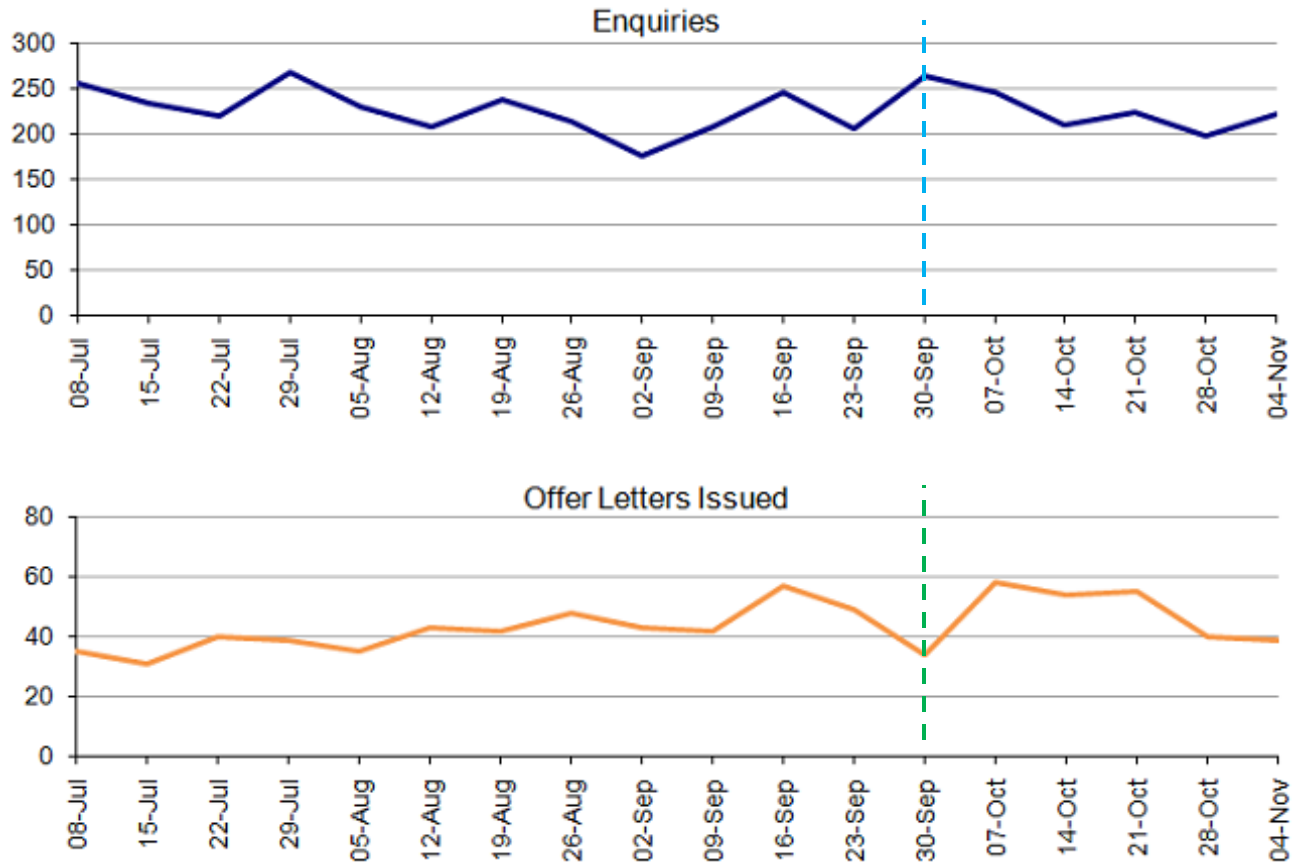




# Outlook

**Harry Platt**

# → Current Trading





# → Brand: Initiatives

## Tech City: 'entrepreneurs wanted'

By James Hurley

THE organisers of London's 'tech city' are looking for experts in finance, exits and marketing to mentor the next generation of start-ups.

been there and got the battle to? We're starting to find those

# ClubWorkspace

Network. Collaborate. Innovate.



At the Leathermarket



At Clerkenwell

## 'Urban campuses' fire London's tech hotbed

GENERAL FINANCIAL

News analysis

A growing cluster of new workspaces is looking to spark innovation, says **Tim Bradshaw**

East London's technology entrepreneurs are flocking to a new crop of co-working offices and community spaces, fuelling the government's ambitions to create

engine optimisation and product management. "Institutions like schools, universities and entrepreneurial community in New York and I believe

stered the technology and entrepreneurial community between members' club, lecture theatre, pub and office, including the Trampery, full of employe

# → ..... Finally





# APPENDIX

# REFURBISHMENT PROGRAMME UPDATE – November 2011

Property	Type	Description of Scheme	Phasing	Estimated capex	Expected start	Estimated duration	Refurbished space Sq. Ft.	Lost space Sq. Ft.	New space Sq. Ft.
Whitechapel, E1	Offices	Extension to existing office building	-	£1m	Underway	Jun-12	-	(3,000)	9,000
Kennington Park, SW9	Business Centre	Refurbishment (Canterbury Ct.), new floor (Chester Hse)	Phase I	£4m	Underway	Apr-13	29,000	-	12,000
Canalot Studios, W10	Business Centre	Roof extension and entrance hall	-	£5m	Underway	Nov-12	33,000	(5,000)	15,000
Bounds Green, N11	Industrial Estate	New industrial building on vacant space	-	£1m	H1 2012	6 months	-	-	5,000
Greville St, EC1	Serviced Office	Repositioning of existing building	-	£2m	H1 2012	7 months	10,000	-	-
Leyton Industrial Village, E10	Industrial Estate	New industrial building	Phase I	£2m	H1 2012	7 months	-	(5,000)	29,000
Great Guildford Street, SE1	Business Centre	Roof extension, refurbishment and reconfiguration	-	£14m	H1 2012	19 months	93,000	-	23,000
Westminster, SE11	Business Centre	New office building	Phase I	£1m	H1 2012	6 months	-	-	6,000
Greenheath, E2	Business Centre	Refurbishment and reconfiguration	-	£8m	H1 2012	12 months	45,000	(3,000)	3,000
Exmouth House, EC1	Business Centre	Additional floor and refurbishment	-	£3m	H1 2012	15 months	54,000	-	7,000
Linton House, SE1	Business Centre	Additional floor	-	£4m	H2 2012	12 months	-	(2,500)	15,000
Westwood, NW10	Industrial Estate	New industrial building/studios	-	£8m	H2 2012	18 months	-	(18,500)	64,000
Westminster, SE11	Business Centre	New office building	Phase II	£14m	H2 2012	18 months	-	(6,000)	65,000
Barley Mow, W4	Business Centre	Extension to existing business centre	-	£10m	H1 2013	18 months	-	(18,000)	42,000
Leyton Industrial Village, E10	Industrial Estate	New industrial building	Phase II	£4m	H1 2013	12 months	-	-	36,000
Baldwin Gardens, EC1	Business Centre	New business centre to replace existing building	-	£17m	H1 2013	18 months	-	(43,000)	62,000
Kennington Park, SW9	Business Centre	Retail (Canterbury Court)	Phase II	£1m	H1 2013	5 months	21,000	-	-
<b>TOTAL</b>				<b>£99m</b>			<b>285,000</b>	<b>(104,000)</b>	<b>393,000</b>