

ANALYST AND INVESTOR  
PRESENTATION  
13 NOVEMBER 2012

# WORKSPACE INTERIM RESULTS MOMENTUM MAINTAINED





# AGENDA

## WORKSPACE

**Jamie Hopkins**

Chief Executive Officer

## PERFORMANCE

**Graham Clemett**

Chief Financial Officer

## DIRECTION

**Jamie Hopkins**

Chief Executive Officer

## QUESTIONS



# WORKSPACE RESULTS

<b>Six Months</b>	<b>September 2012</b>	<b>March 2012</b>	<b>Change</b>
Enquiries (per month)	<b>1,038</b>	1,009	<b>↑ +5%</b>
Occupancy (lfl)	<b>88.8%</b>	87.7%	<b>Up 1.1%</b>
Rent Roll (lfl)	<b>£43.6m</b>	£42.3m	<b>↑ +3%</b>
Rent per sq ft. (lfl)	<b>£12.99</b>	£12.77	<b>↑ +2%</b>
Valuation	<b>£781m</b>	£760m	<b>↑ +2%*</b>
EPRA NAV (per share)	<b>£3.19</b>	£3.08	<b>↑ +4%</b>
	<b>September 2012</b>	<b>September 2011</b>	
Trading Profit after Interest	<b>£8.8m</b>	£7.8m	<b>↑ +13%</b>
Interim Dividend (per share)	<b>3.22p</b>	2.93p	<b>↑ +10%</b>

\*Underlying



# WORKSPACE DRIVING INCOME

## FOCUSED ASSET MANAGEMENT

- ➡ 460 lettings: targeted marketing
- ➡ 170 rent reviews: rigorous approach
- ➡ 67 events held: 3,000 attendees

## REFURBISHMENT AND REDEVELOPMENT ACTIVITY

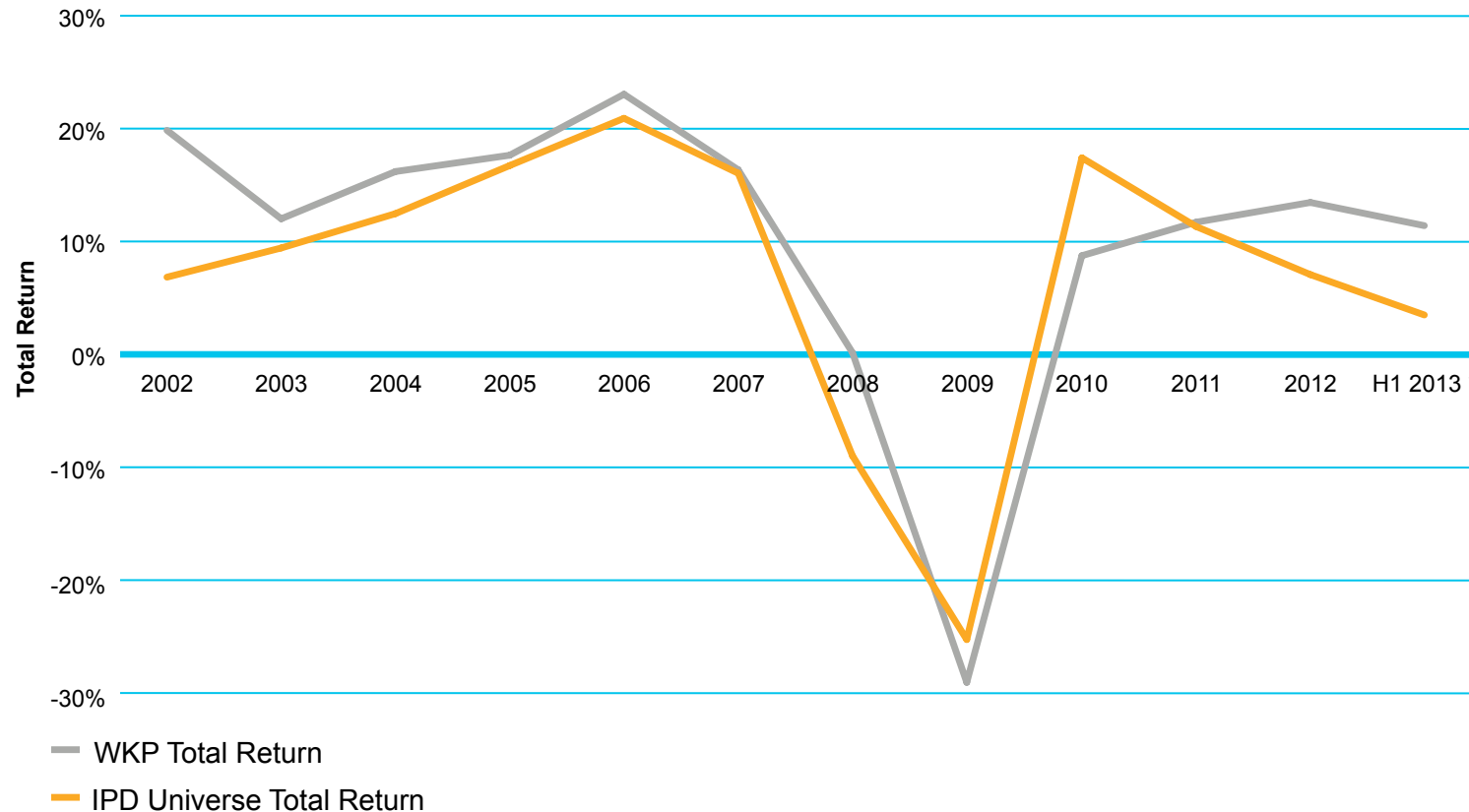
- ➡ 2 refurbishments completed: Canalot and Whitechapel
- ➡ 6 refurbishment projects initiated: repositioning
- ➡ 2 redevelopment agreements signed: Bow and Grand Union

## TRANSACTIONAL SUCCESS

- ➡ 5 properties acquired: 8% yield
- ➡ 2 properties sold: above book value



# WORKSPACE DRIVING VALUES



\*Year to 30<sup>th</sup> September 2012



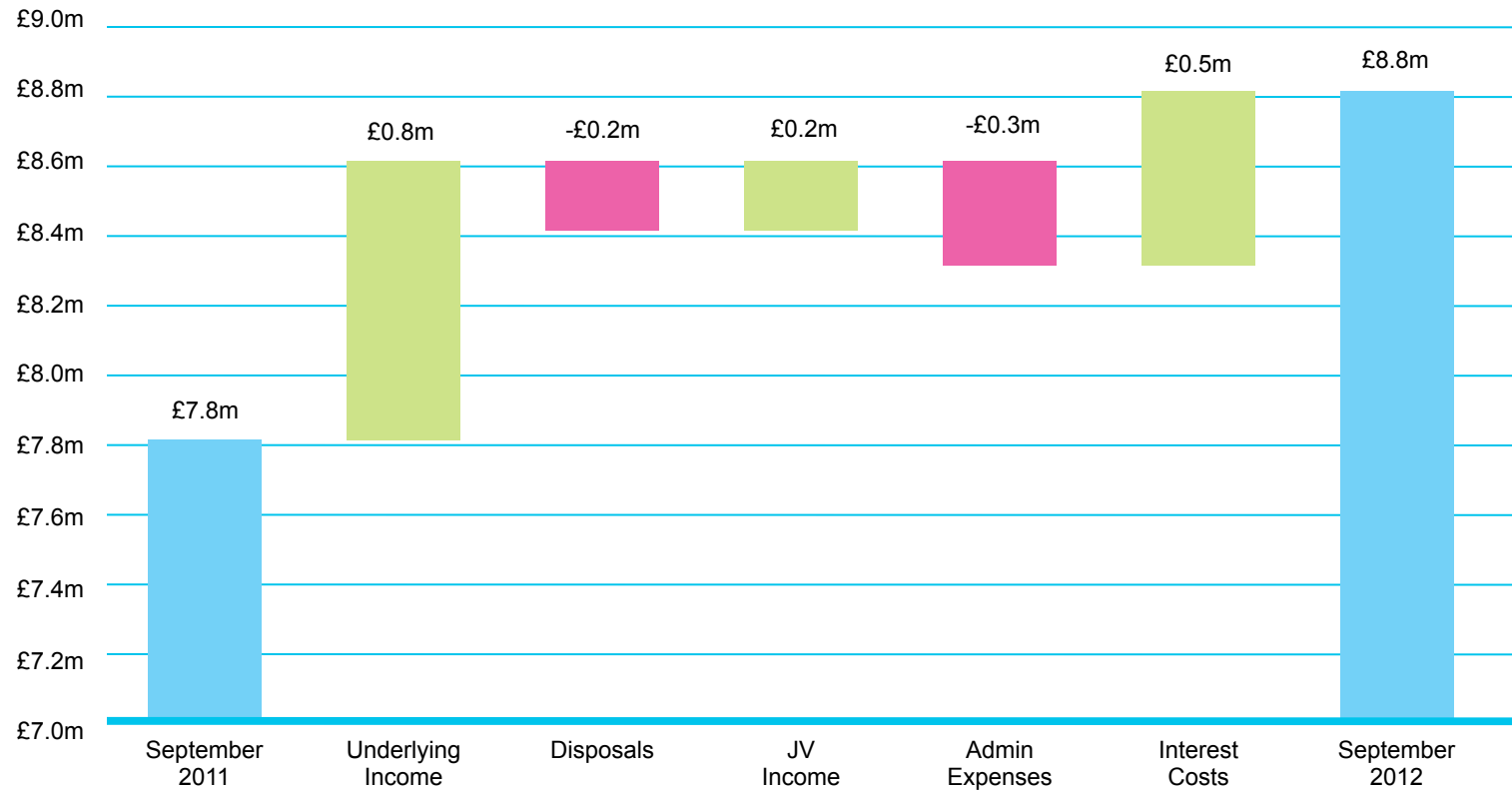
# PERFORMANCE HIGHLIGHTS

	September 2012	September 2011	Change
Trading Profit after Interest	<b>£8.8m</b>	£7.8m	<b>↑ +13%</b>
Profit before Tax	<b>£24.6m</b>	£16.9m	<b>↑ +46%</b>
EPRA Earnings per Share	<b>5.9p</b>	5.9p	<b>○ 0%</b>
Interim Dividend per Share	<b>3.22p</b>	2.93p	<b>↑ +10%</b>
Net Assets	<b>£453m</b>	£407m	<b>↑ +11%</b>
Loan to Value	<b>41%</b>	42%	<b>Down 1%</b>
EPRA Net Assets Per Share	<b>£3.19</b>	£2.90	<b>↑ +10%</b>



# PERFORMANCE

## TRADING PROFIT AFTER INTEREST





# PERFORMANCE CASH FLOW

		£m
<b>Trading</b>		
Net cash from operations	9	<b>1</b>
Dividends paid	(8)	
<b>Other</b>		
Capital Expenditure	(12)	<b>(6)</b>
Joint Venture Investments	(5)	
Disposals	9	
Other	2	
Net Cash flow		<b>(5)</b>
Net Bank Debt at March 2012		<b>(314)</b>
Net Bank Debt at September 2012		<b>(319)</b>





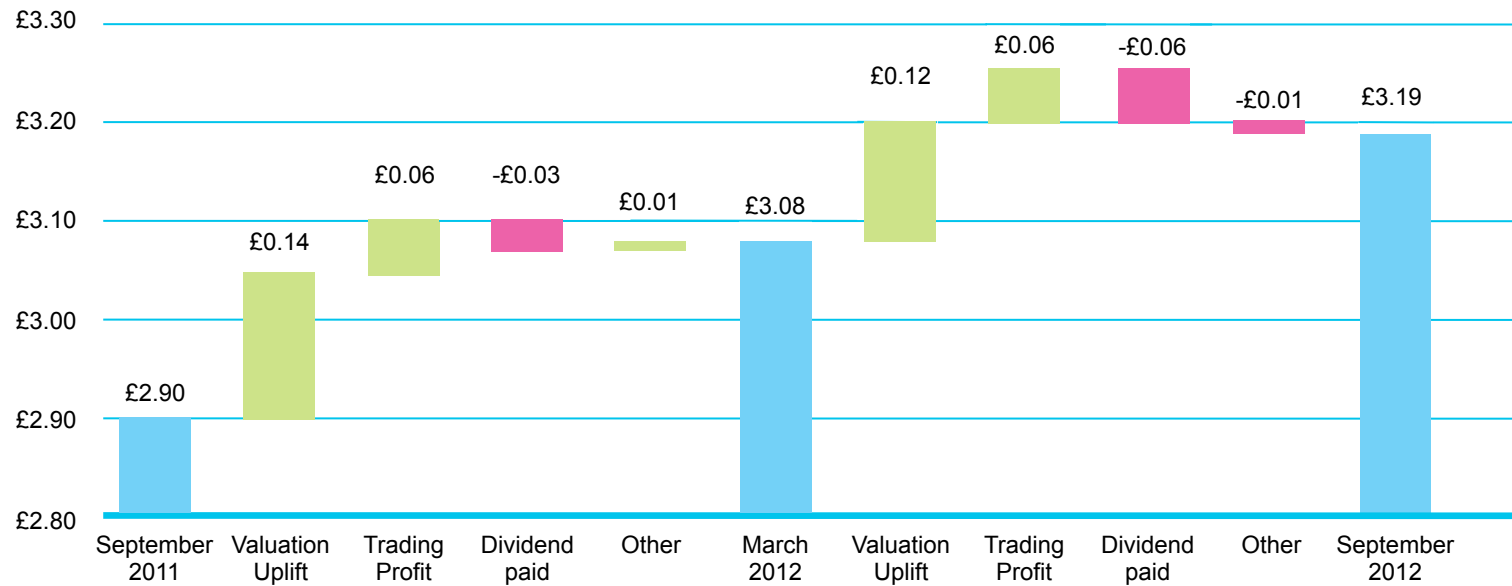
# PERFORMANCE DEBT ANALYSIS

	September 2012	Impact of Retail Bond	Pro-forma
Secured Bank Facilities	<b>£393m</b>	(£57m)	£336m
Unsecured Bond	—	£57m	£57m
Term to Maturity (average)	<b>2.7 Years</b>	0.7 Years	3.4 years
Undrawn Facilities/Cash	<b>£74m</b>	(£2m)	£72m
Percentage hedged (on drawn bank facilities)	<b>77%</b>	(2%)	75%
Average Interest Cost	<b>5.0%</b>	0.2%	5.2%
Loan to Value	<b>41%</b>	0%	41%



# PERFORMANCE

## EPRA NAV PER SHARE





# PERFORMANCE REFURBISHMENT AND REDEVELOPMENT PROJECTS

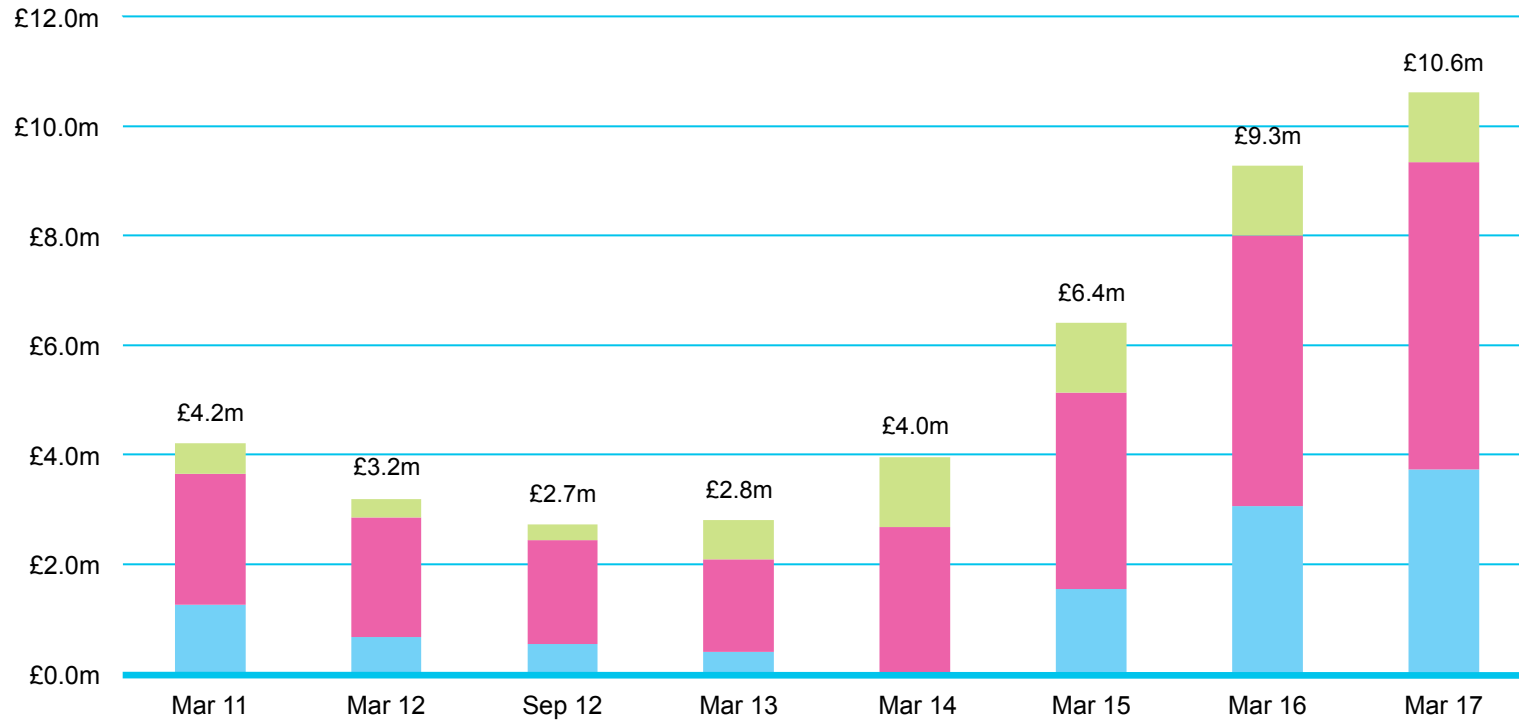
	Number of Projects	Value*	Rent Roll*	Future Capex	Potential Future Rent**	Other
<b>Refurbishments</b>						
Completed	2	£15m	£0.3m	£0m	£1.3m	—
Underway	6	£40m	£1.9m	£32m	£5.6m	—
Design Stage	8	£37m	£1.8m	£55m	£7.8m	—
<b>Redevelopments</b>						
Underway	4	£71m	£0.5m	£0m	£3.8m	£22m cash and overage
Planning Stage	8	£76m	£3.8m	Seeking consent for 2,325 residential units		

\* At 30 September 2012

\*\* Estimate at 90% occupancy



# PERFORMANCE REFURBISHMENT & REDEVELOPMENT RENT ROLL ESTIMATES



- Completed - Refurbishment
- Underway - Refurbishment
- Underway - Redevelopment



# **DIRECTION** **WHAT WE DO**

**TAILORED BUSINESS  
PREMISES**

**+**

**NEW AND GROWING  
COMPANIES**

**+**

**LONDON**



# DIRECTION TAILORED BUSINESS PREMISES



Southbank House, SE1

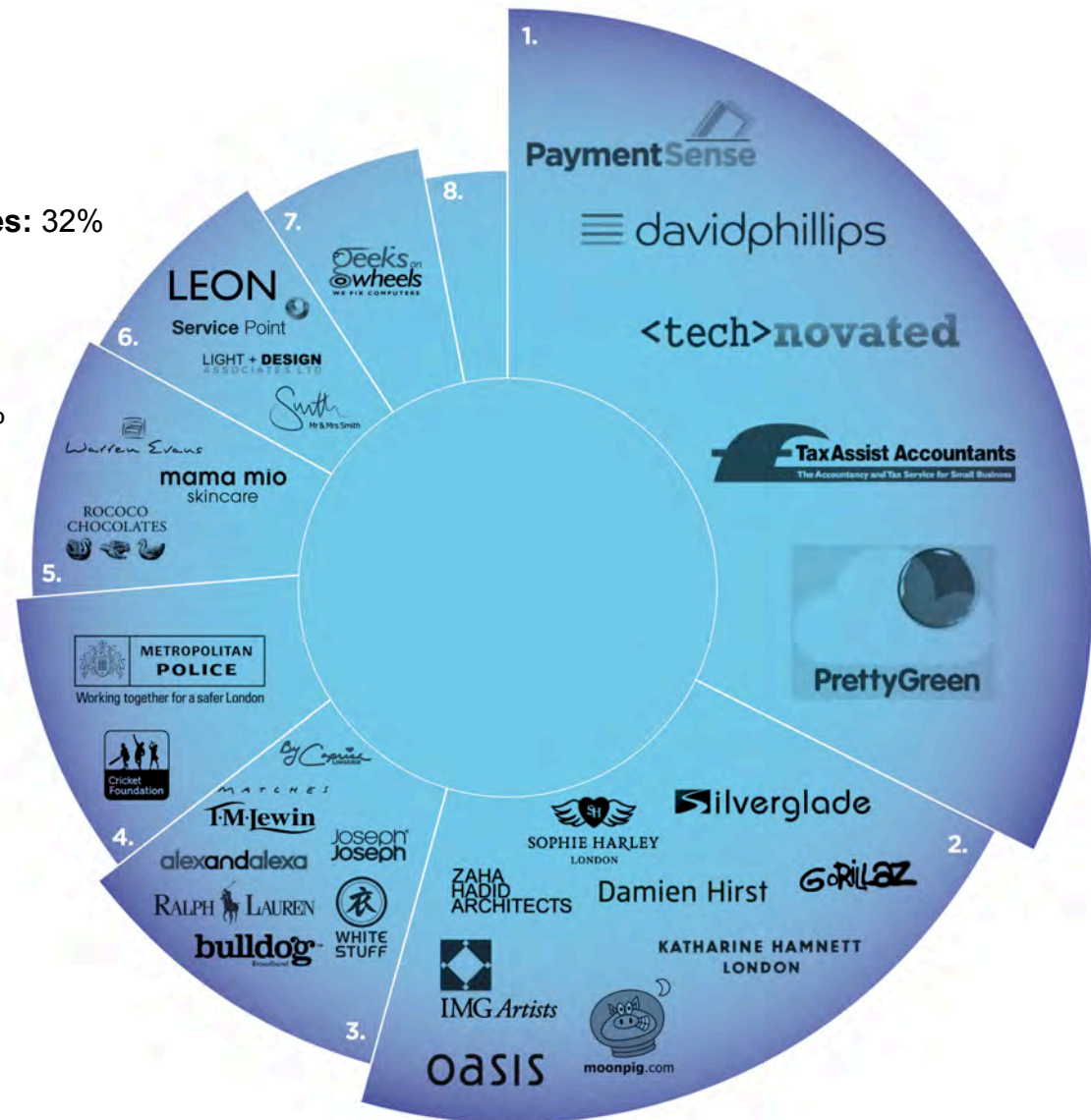


Pall Mall Deposit, W10



# DIRECTION NEW AND GROWING COMPANIES

1. Business and professional services: 32%
2. Creative industries: 23%
3. Wholesale and retail: 10%
4. Government and public sector: 9%
5. Manufacturing: 9%
6. Other services: 8%
7. IT & communications: 6%
8. Transport and storage: 3%



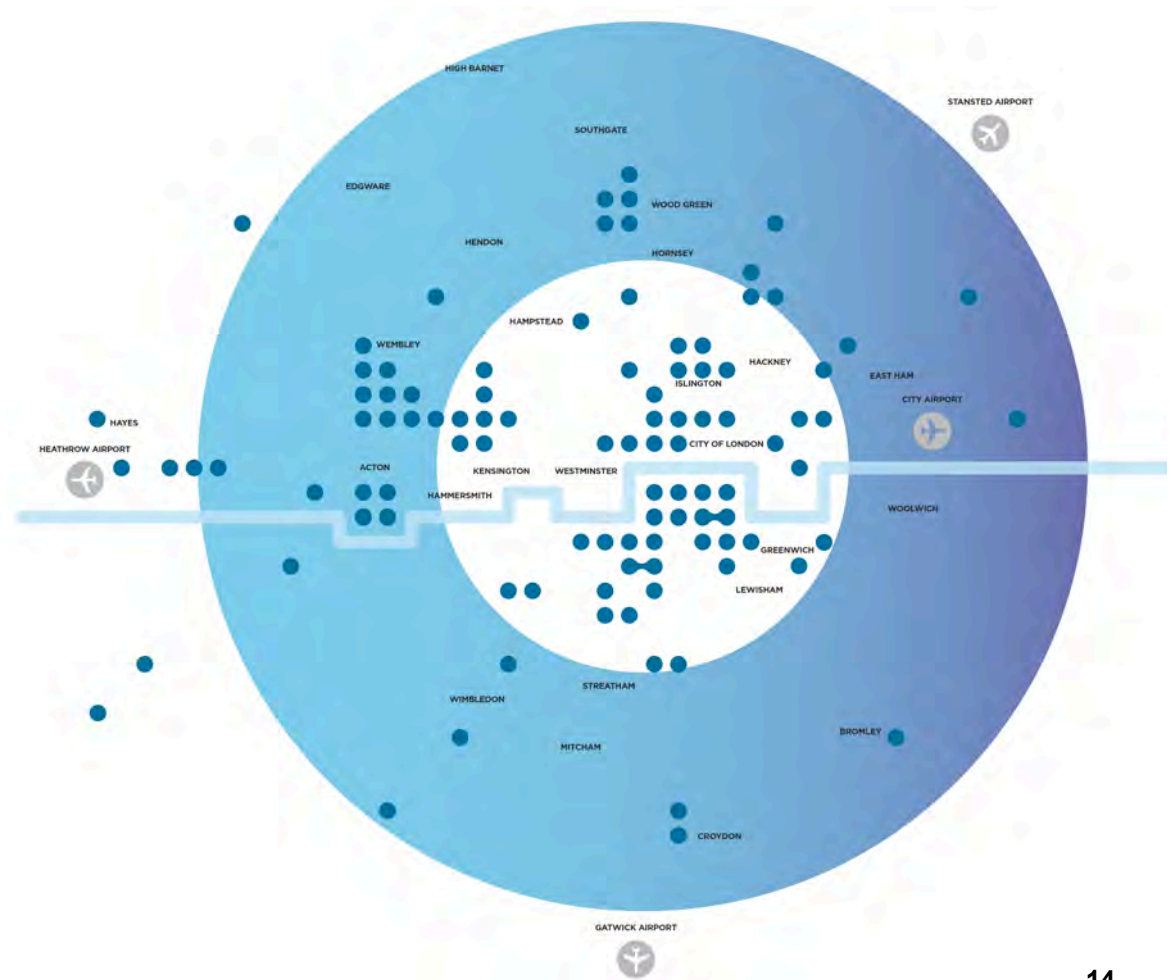


# DIRECTION LONDON

## OPPORTUNITY FOR GROWTH

- ➔ London continues to lead the UK's economic recovery
- ➔ Around 750,000 private sector enterprises in London
- ➔ Early stage entrepreneurial activity in London is the highest of any region in the UK
- ➔ London's GDP expected to grow 1.5% in 2012, 2.4% in 2013, 3.8% in 2014

## WORKSPACE LOCATIONS







# DIRECTION

## CAPTURE GROWTH

London factor: Supply

Customer confidence: Demand

Drive income: Trends positive

## DRIVE GROWTH

Leverage operations and brand

Selective acquisitions and disposals

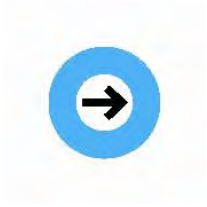
Benefit from London residential market

## CONFIDENT OUTLOOK

Solid balance sheet

Progressive dividend policy

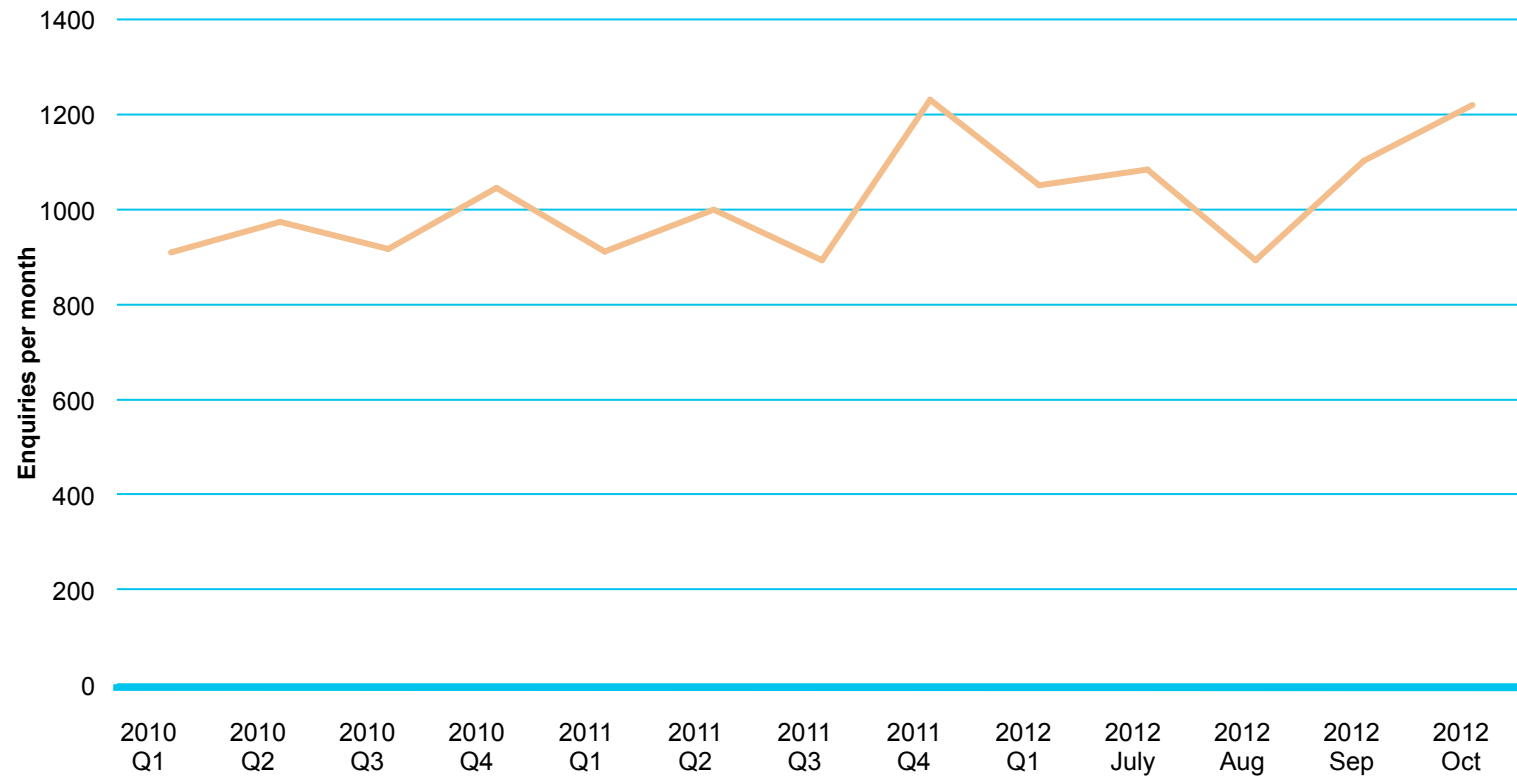
Business improving: Focused, energetic approach



# QUESTIONS



# APPENDIX CUSTOMER DEMAND





# DISCLAIMER

This presentation contains forward looking statements. Although the Group believes that the estimates and assumptions on which such statements are based are reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond the Group's control. The Group does not make any representation or warranty that the results anticipated by such forward looking statements will be achieved and this presentation should not be relied upon as a guide to future performance.