

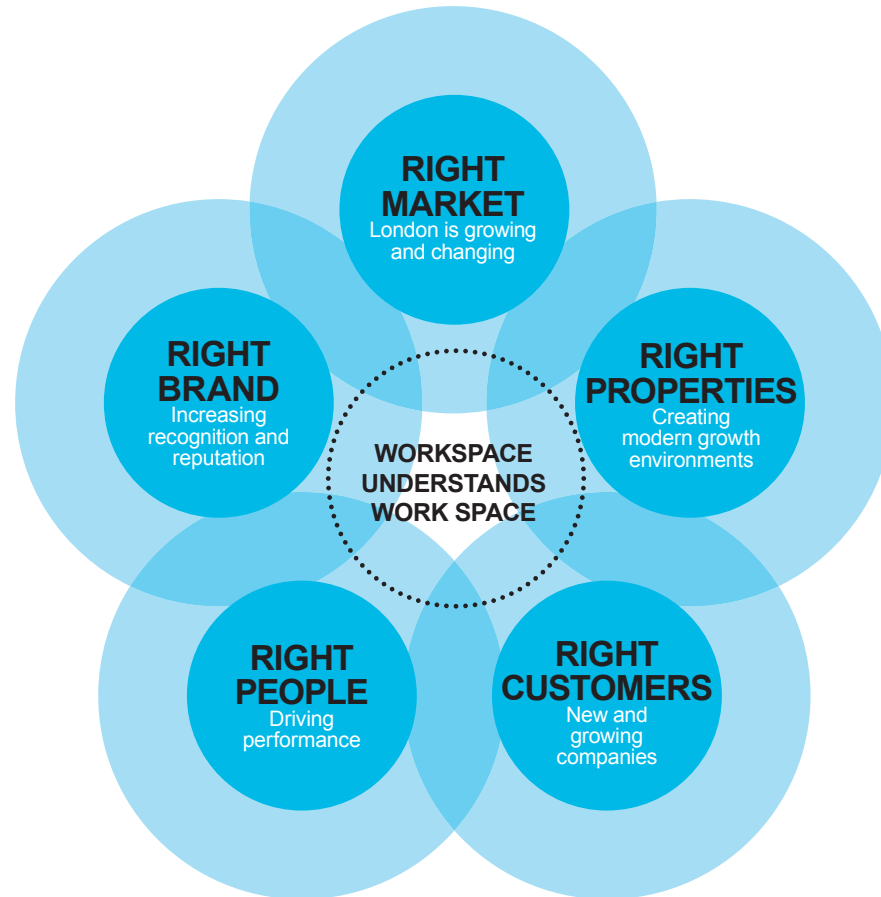
WORKSPACE RESULTS 2015

GROWTH
THROUGH
PERFORMANCE

INVESTOR AND
ANALYST PRESENTATION
3 JUNE 2015



WORKSPACE®



WORKSPACE

Jamie Hopkins
Chief Executive Officer

PERFORMANCE

Graham Clemett
Chief Financial Officer

DIRECTION

Jamie Hopkins
Chief Executive Officer

QUESTIONS

	March 2015	March 2014	Change
Strong Growth			
Rent Roll (lfl)	£46.5m	£39.5m	↑ +18%
Property Valuation	£1,423m	£1,078m	↑ +30%*
Total Property Return	37%	35%	↑ Up 2%
EPRA NAV (per share)	£7.03	£4.96	↑ +42%
Dividend (per share)	12.04p	10.63p	↑ +13%
Operational Momentum			
Enquiries (per month)	1,222	1,063	↑ +15%
Occupancy (lfl)	92.2%	91.4%	↑ Up 0.8%
Rent per sq. ft (lfl)	£18.37	£15.87	↑ +16%
Trading Profit after Interest	£26.6m	£20.5m	↑ +30%

* Underlying increase

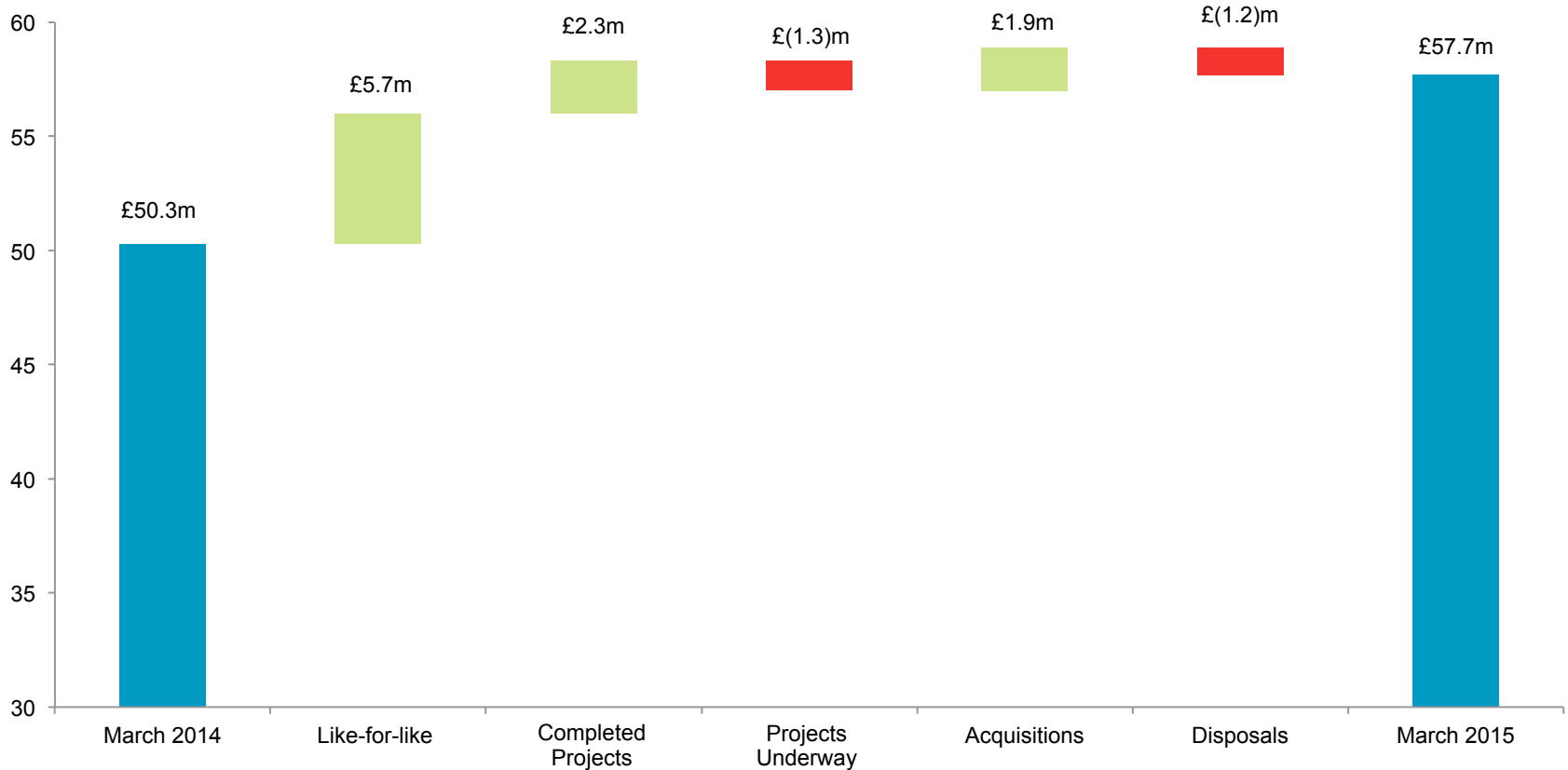
→ PERFORMANCE

INCOME STATEMENT

£m	March 2015	March 2014	Change
Net Rental Income	57.7	50.3	+15%
Joint Venture Income	1.2	1.1	+9%
Administrative Expenses	(13.8)	(12.4)	+11%
Net Finance Costs	(18.5)	(18.5)	0%
Trading Profit after Interest	26.6	20.5	+30%
Revaluation Surplus	328.1	228.4	+44%
Other items	5.3	3.6	–
Profit Before Tax	360.0	252.5	+43%
Underlying Earnings per Share	17.2p	13.9p	+24%
Dividend per Share	12.04p	10.63p	+13%

PERFORMANCE

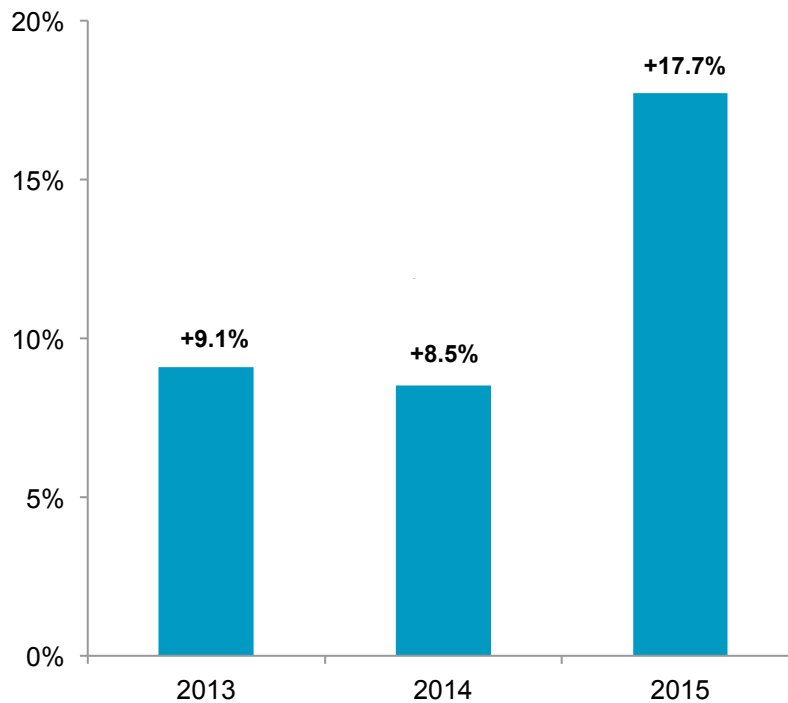
NET RENTAL INCOME



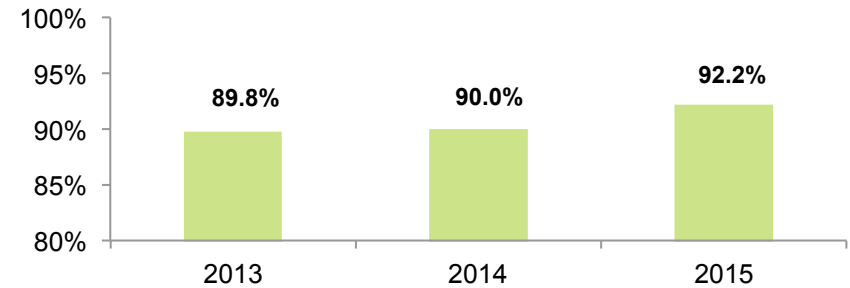
→ PERFORMANCE

LIKE-FOR-LIKE PROPERTIES

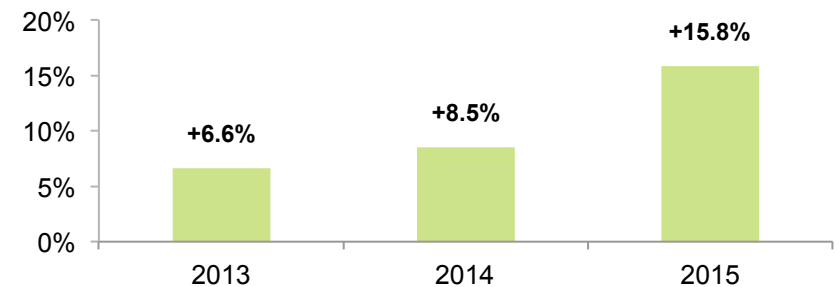
RENT ROLL GROWTH



OCCUPANCY



RENT PER SQ.FT GROWTH

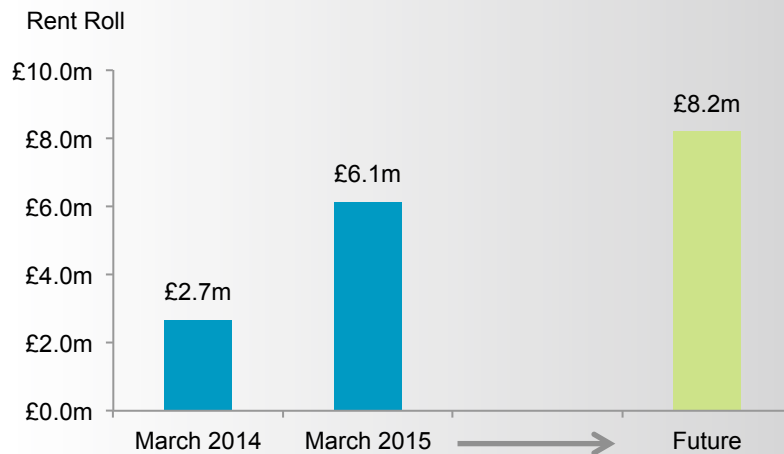


- Like-for-like performance as reported over the last 3 years
- Like-for-like rent roll of £46.5m represents 67% of total rent roll

PERFORMANCE

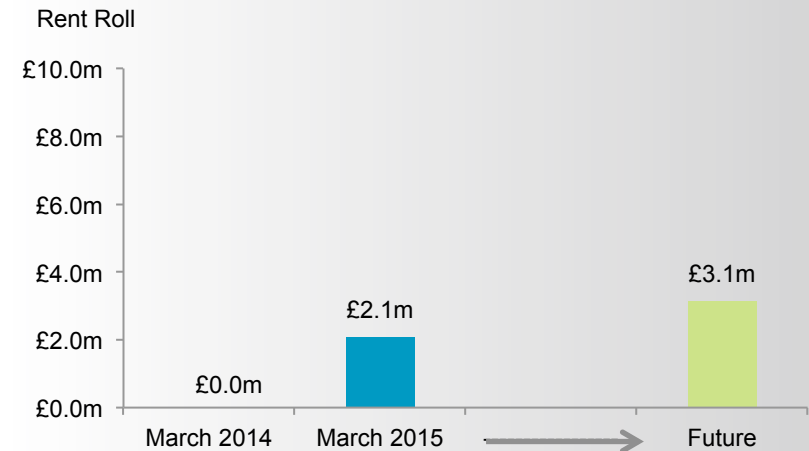
COMPLETED PROJECTS

REFURBISHMENTS



- 5 refurbishments completed
- Majority of future rent to come is at the Metal Box Factory, completed January 2015

REDEVELOPMENTS



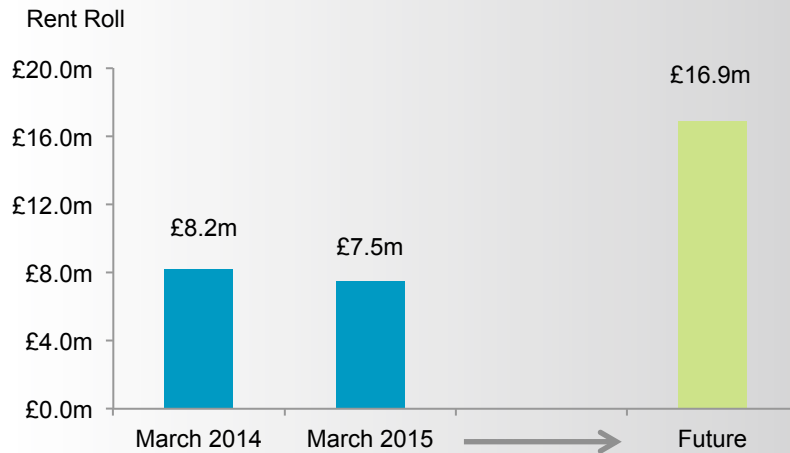
- 2 business centres opened in the year
- Majority of future rent to come is at The Light Bulb, opened March 2015

Note: Future rents are based on the assumptions set out in Appendix 1 and 2

PERFORMANCE

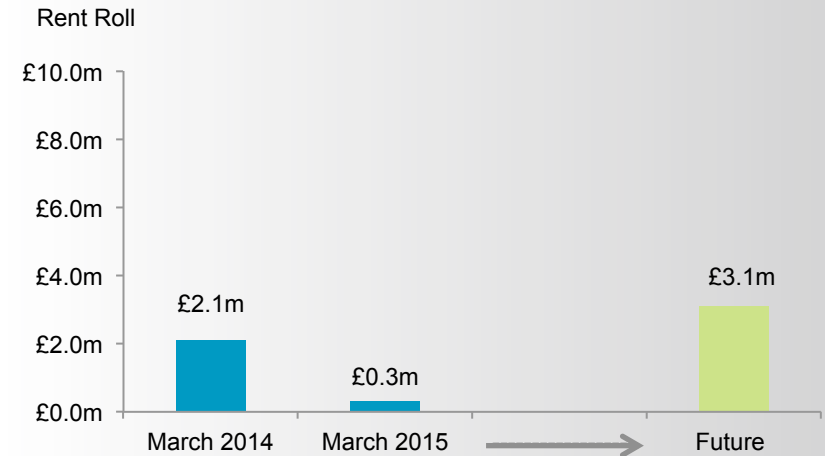
PROJECTS UNDERWAY

REFURBISHMENTS



- 8 projects underway
- 3 expected to complete during 2015
- Excludes projects at the design stage

REDEVELOPMENTS

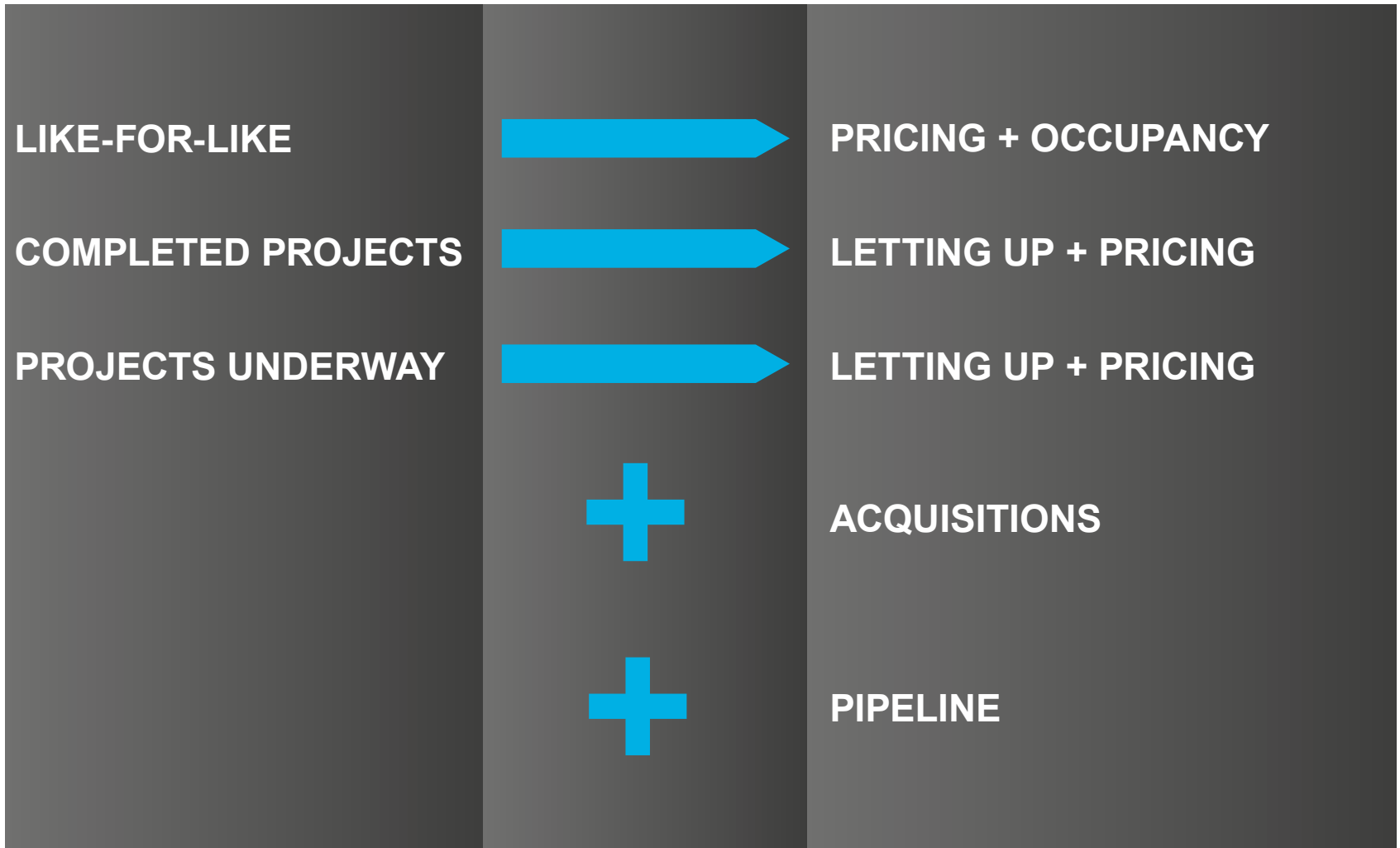


- 3 business centres to be delivered
- Grand Union Studios due in December 2015
- Excludes projects at the planning/design stage

Note: Future rents are based on the assumptions set out in Appendix 1 and 2

→ PERFORMANCE

DRIVERS OF INCOME GROWTH



→ PERFORMANCE

CASH FLOW

£m

Trading

Net Cash from Operations	36	
Dividends Paid	(17)	19

Investment

Capital Expenditure	(37)	
Property Acquisitions	(80)	
Property Disposals	44	
Capital Receipts	55	49
Share Placement	94	
Settlement of Glebe Proceeds Share	(30)	
Distributions from Joint Ventures	3	

Net Movement in year		68
Net Debt at March 2014		(338)
Net Debt at March 2015		(270)

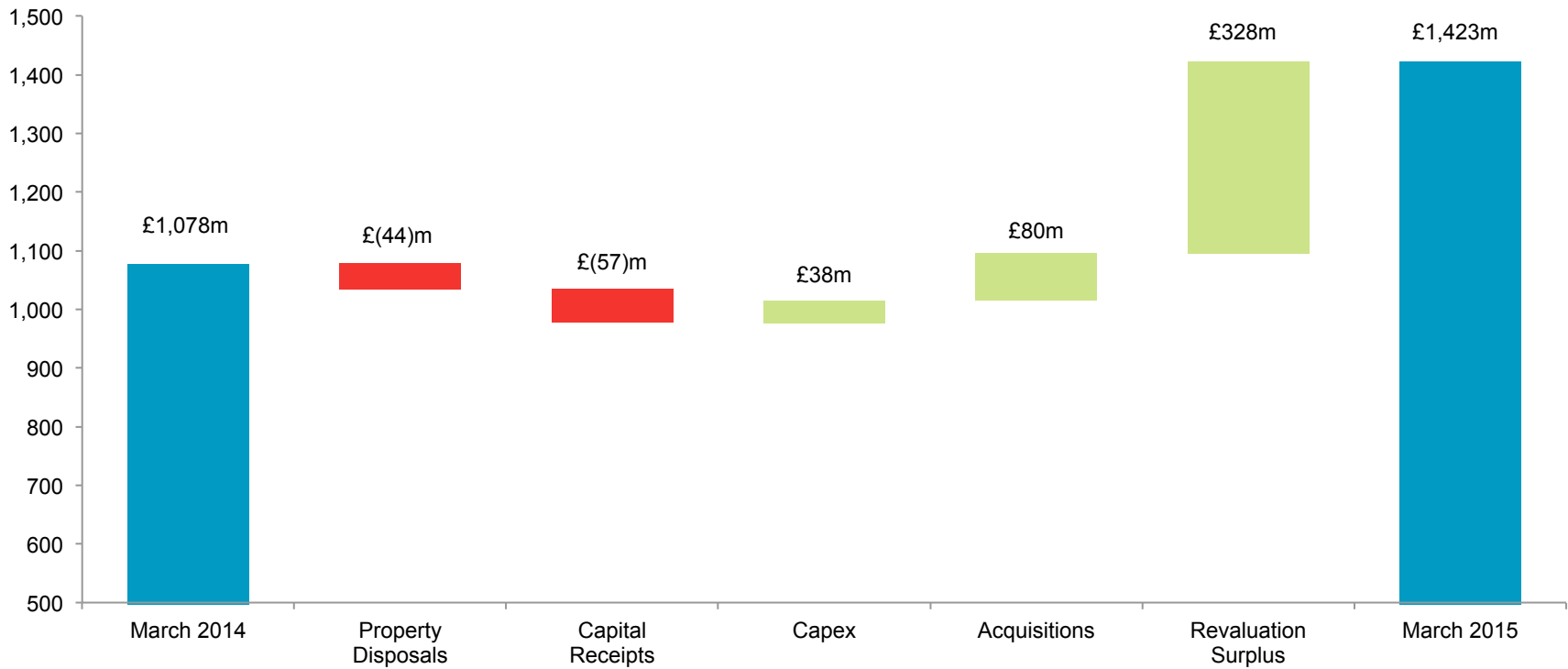
→ PERFORMANCE BALANCE SHEET

£m	March 2015	March 2014
Investment Property Valuation	1,423	1,078
Investment in Joint Ventures	29	23
Net Debt	(270)	(338)
Other	(36)	(37)
Net Assets	1,146	726
EPRA NAV per Share	£7.03	£4.96
Loan to Value	19%	31%
Facility Headroom	£140m	£72m



PERFORMANCE

PROPERTY VALUATION



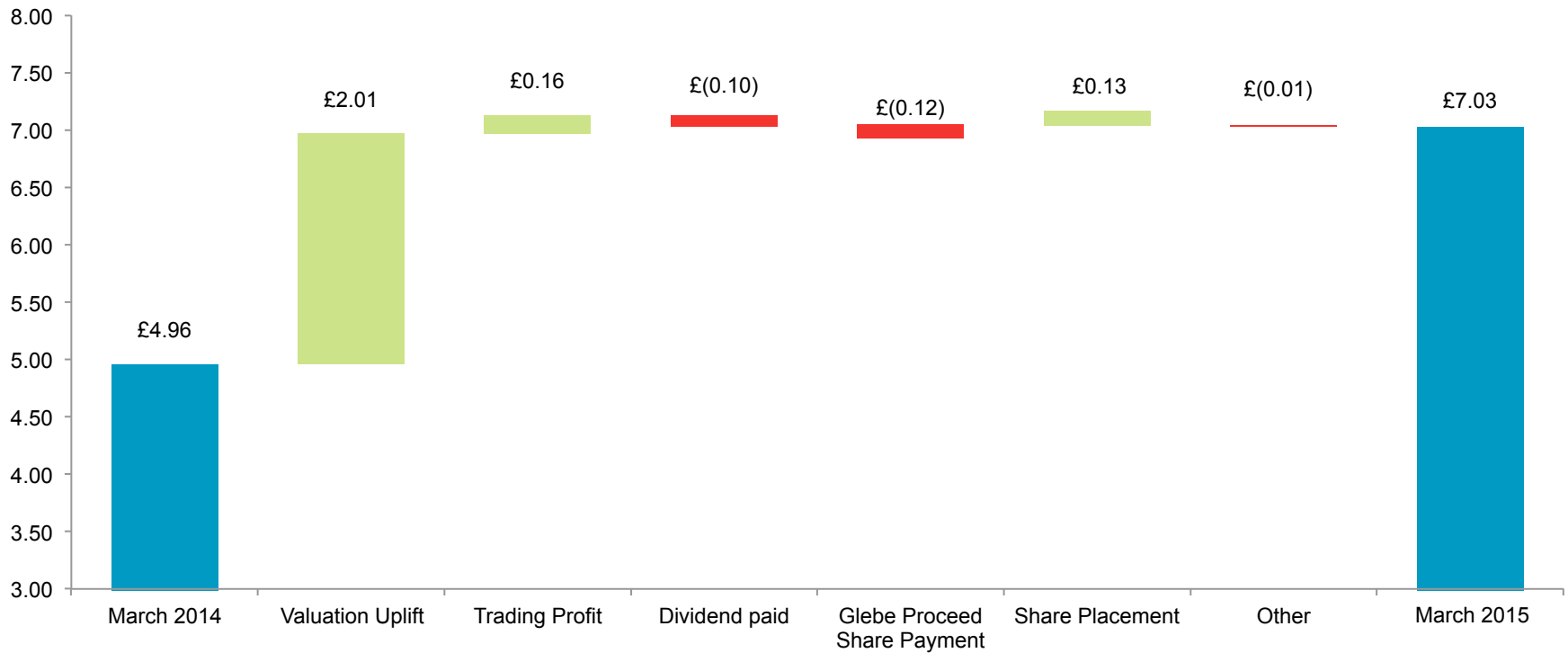
→ PERFORMANCE

REVALUATION UPLIFT

£m	Uplift 2015	Main movements
Like-for-Like	177	<ul style="list-style-type: none"> Pricing Yield: 59% (£105m) 41% (£72m)
Completed Projects	59	<ul style="list-style-type: none"> Metal Box Factory: £29m ScreenWorks: £15m The Pill Box: £6m
Redevelopments	50	<ul style="list-style-type: none"> Residential Consents: £26m Overage: £12m New Business Space: £12m
Refurbishments	28	<ul style="list-style-type: none"> Cargo Works: £9m Hatton Square Business Centre: £4m Westminster Business Square: £4m
Other	14	<ul style="list-style-type: none"> Industrial Disposal: £11m Acquisitions: £3m
Total	328	

PERFORMANCE

NET ASSET VALUE PER SHARE

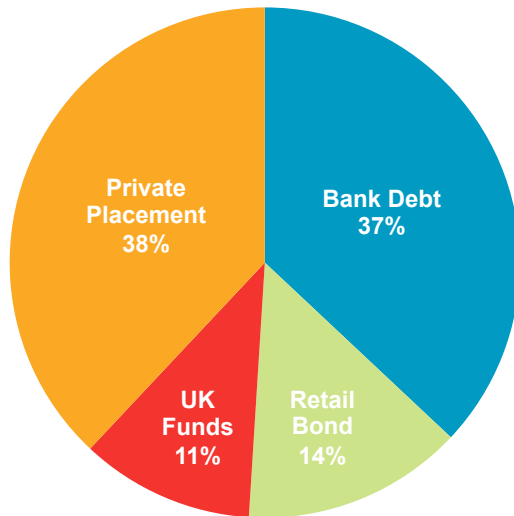


PERFORMANCE

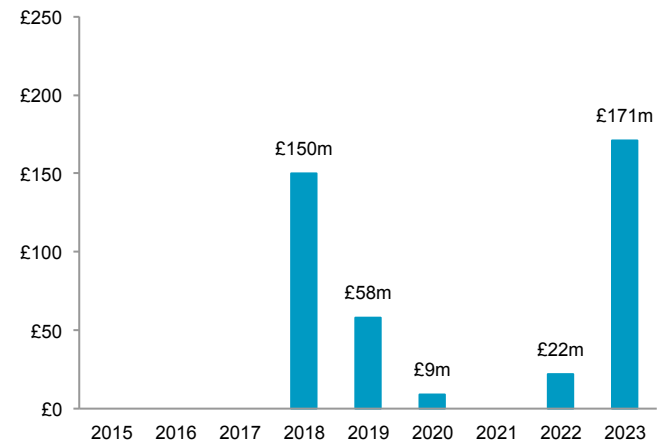
DEBT ANALYSIS

	March 2015	March 2014
Net Debt	£270m	£338m
Total Facilities (all unsecured)	£410m	£410m
Hedged/Fixed Rate Facilities	73%	73%
Average Period to Maturity	5.8 years	6.8 years

FACILITIES BY TYPE



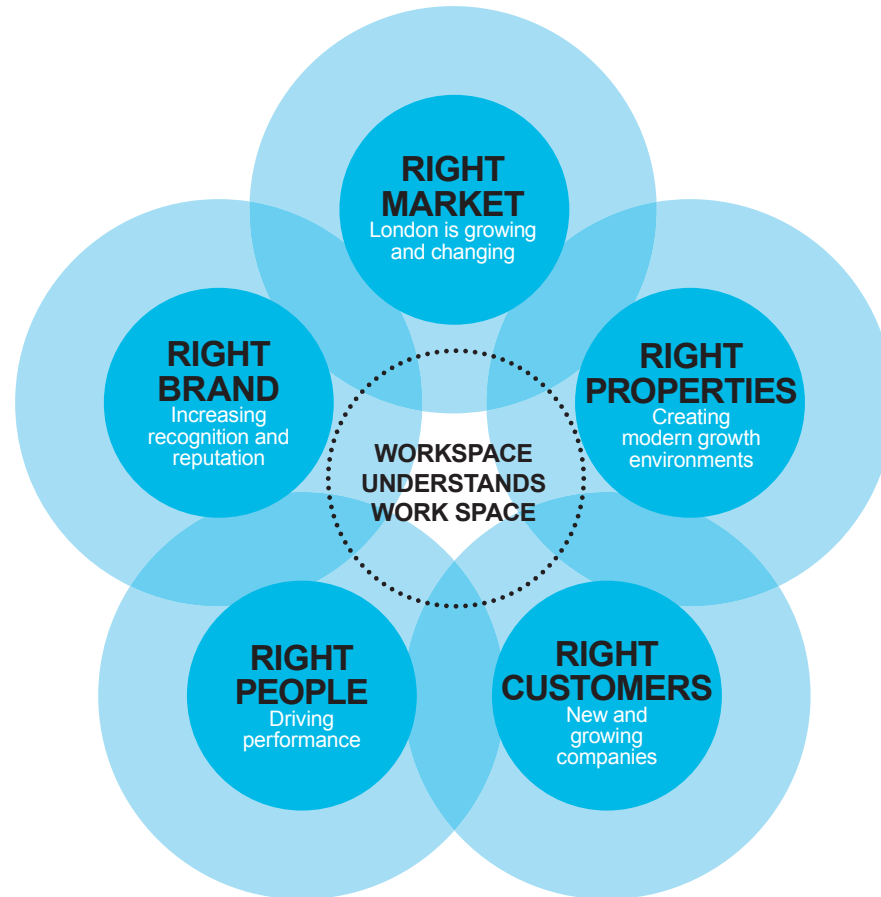
MATURITY PROFILE



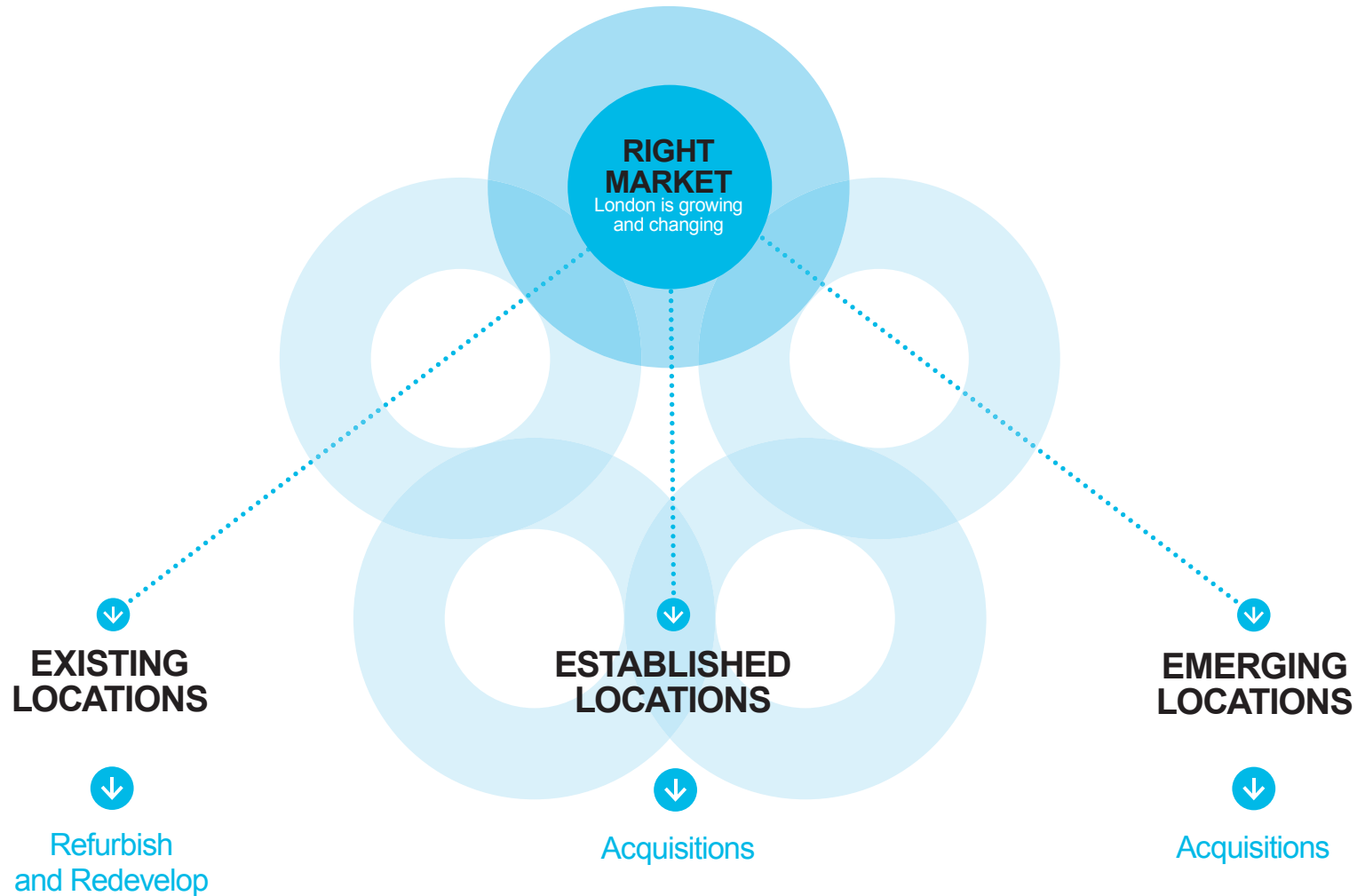


DIRECTION

THE RIGHT STRATEGY



→ **DIRECTION**
INVEST IN OUR MARKET



→ DIRECTION

INVEST IN EXISTING LOCATIONS

	THIS YEAR	UNDERWAY	PIPELINE
REFURBISHMENTS NEW AND UPGRADED SPACE	218,000 sq. ft.	372,000 sq. ft.	399,000 sq. ft.
	5 projects	8 projects	6 projects
	£32m cost	£105m cost	£77m cost + more to come
REDEVELOPMENTS BRAND NEW SPACE	114,000 sq. ft.	180,000 sq. ft.	114,000 sq. ft.
	2 projects	6 projects	4 projects + more to come

→ **DIRECTION**
INVEST IN EXISTING LOCATIONS



**GRAND UNION
STUDIOS**
LADBROKE
GROVE

Developer:
Taylor Wimpey

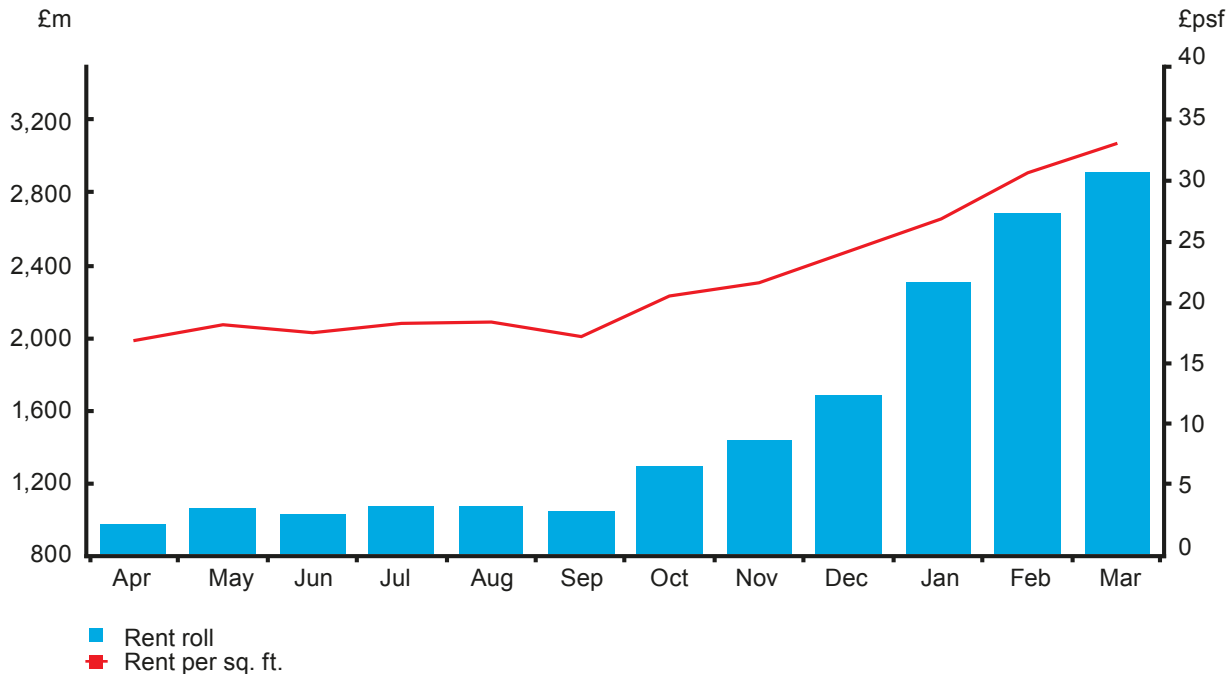
December 2015:
Completion due

60,000 sq. ft.
of new business space

→ DIRECTION

INVEST IN EXISTING LOCATIONS

METAL BOX FACTORY BANKSIDE



- 84% occupied at March 2015
- Valuation up 68% (£29m) to £72m

➔ **DIRECTION**
INVEST IN EXISTING LOCATIONS



**PLEASE SCAN THIS QR CODE TO SEE THE METAL BOX FACTORY:
WORKSPACE RESULTS 2015 VIDEO**



DIRECTION

INVEST IN ESTABLISHED LOCATIONS



**60 GRAY'S
INN ROAD
MIDTOWN**

November 2013:
Acquired

£26
Average rent per sq. ft.
when acquired

Common area + reception:
Upgraded December 2014

£56
Highest rent achieved per sq. ft.

+ £4m (21%)
Underlying valuation
increase in year



**160 FLEET
STREET
MIDTOWN**

November 2014:
Acquired

£54
Average rent per sq. ft.
when acquired

Common area + reception:
Upgrade commencing in
June 2015

£66
Highest rent achieved per sq. ft.



DIRECTION

INVEST IN ESTABLISHED LOCATIONS



**EASTON
STREET**
CLERKENWELL

→ DIRECTION

INVEST IN ESTABLISHED LOCATIONS

EASTON
STREET
CLERKENWELL



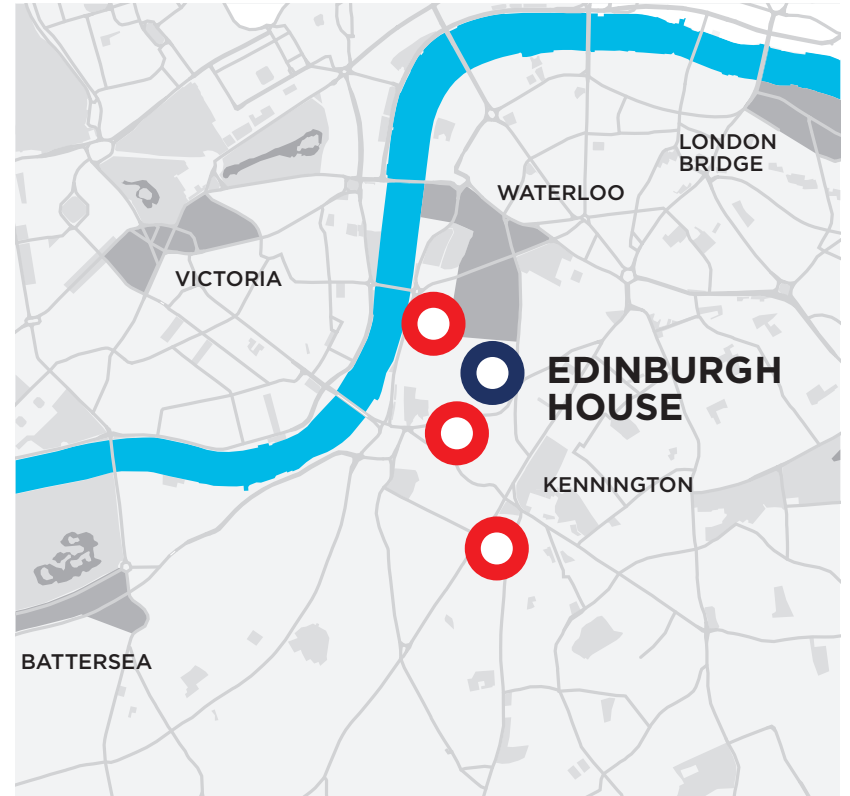
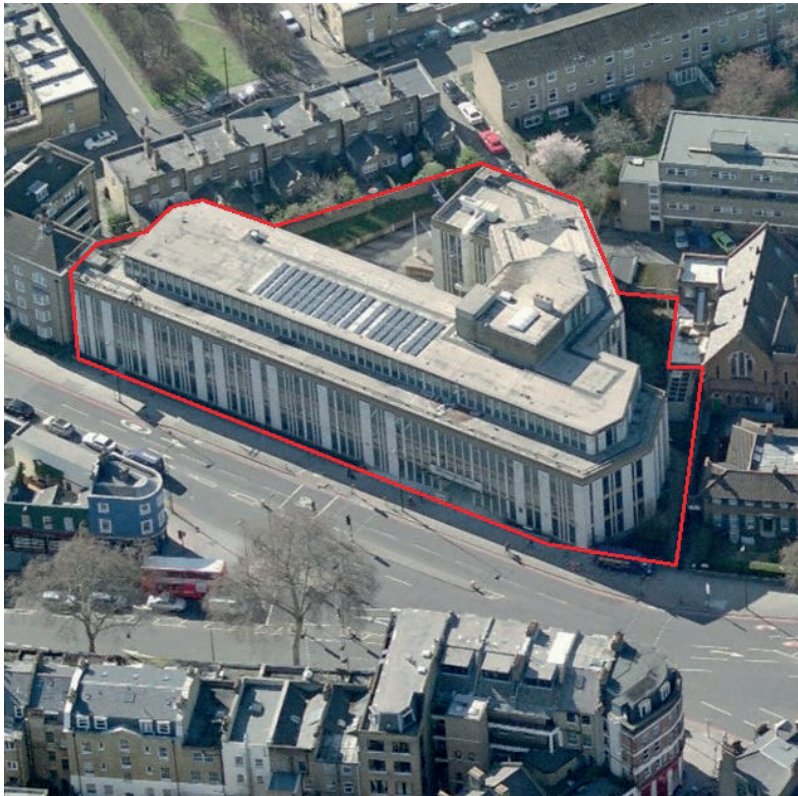
RATIONALE

- Core Clerkenwell location → Increasing demand
- Good strategic fit → Cluster of offices
- Short term leaseback → Refurbish for growth
- Seller owns next door → Build relationship
- Additional value → 3rd floor extension

FINANCIALS

- £16.6m
- £794 per sq. ft. capital value
- £10 per sq. ft. 2-year leaseback
- 1.2% net initial yield
- 8 to 9% reversionary yield

➔ **DIRECTION**
INVEST IN EMERGING LOCATIONS



**EDINBURGH
HOUSE**
KENNINGTON

→ DIRECTION

INVEST IN EMERGING LOCATIONS

EDINBURGH
HOUSE
KENNINGTON



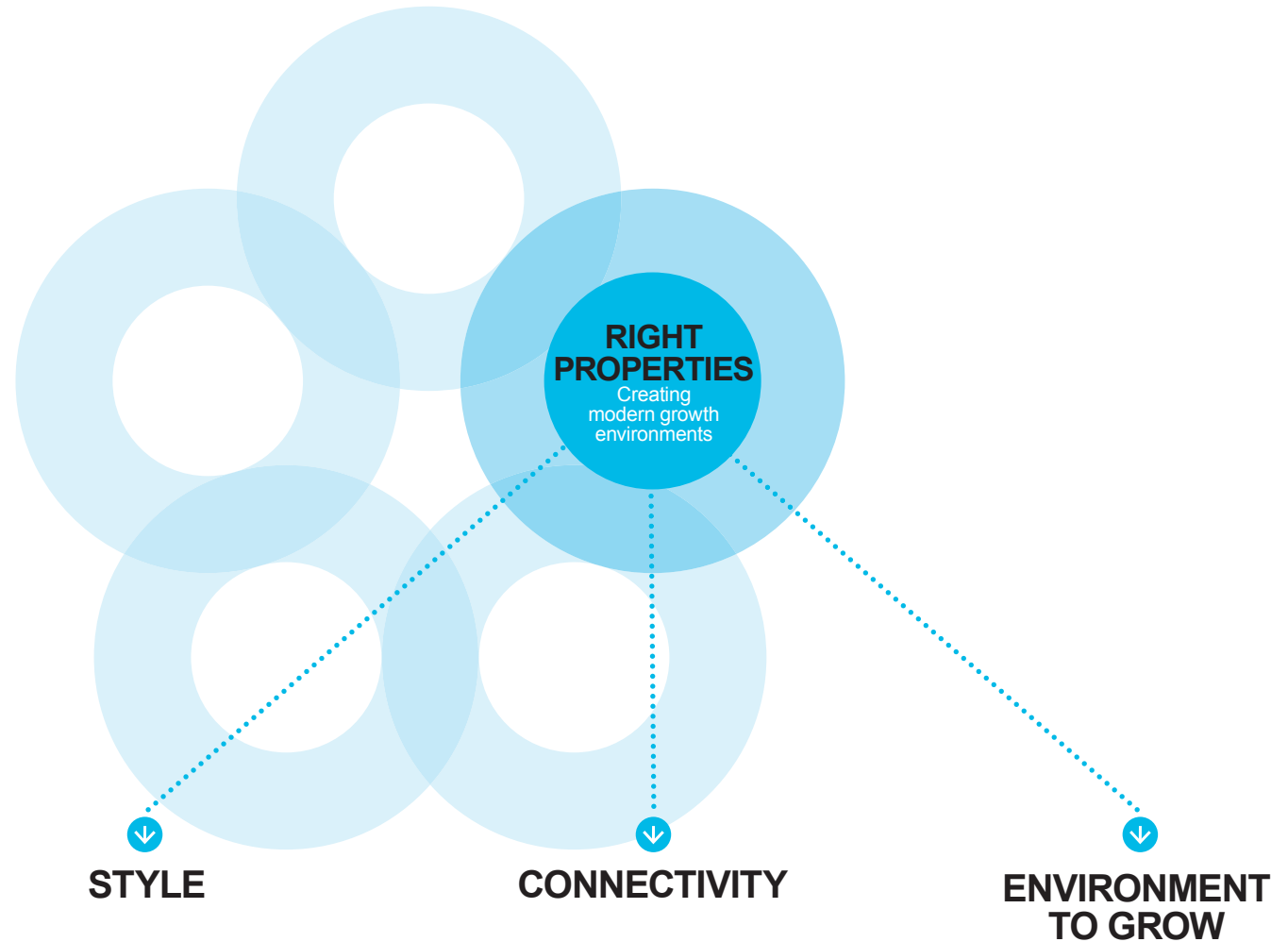
RATIONALE

- Off market deal → Opportunistic
- Good strategic fit → Cluster efficiencies
- Let until 2030 → Early surrender
- Metropolitan Police occupy → Well known
- Large prominent property → Leverage brand

FINANCIALS

- £25.3m
- £370 per sq. ft. capital value
- £22 per sq. ft.
- 5.2% net initial yield
- £40 per sq. ft. estimated

→ DIRECTION OUR PROPERTIES





DIRECTION OUR PROPERTIES



**CARGO
WORKS
SOUTHWARK**

60,000 sq. ft.
Size

£39
Average rent per sq. ft.
at March 2015

April 2015:
Works completed

£85
Highest rent per sq. ft.
achieved so far



**WESTBOURNE
STUDIOS
LADBROKE
GROVE**

56,000 sq. ft.
Size

£39
Average rent per sq. ft.
at March 2015

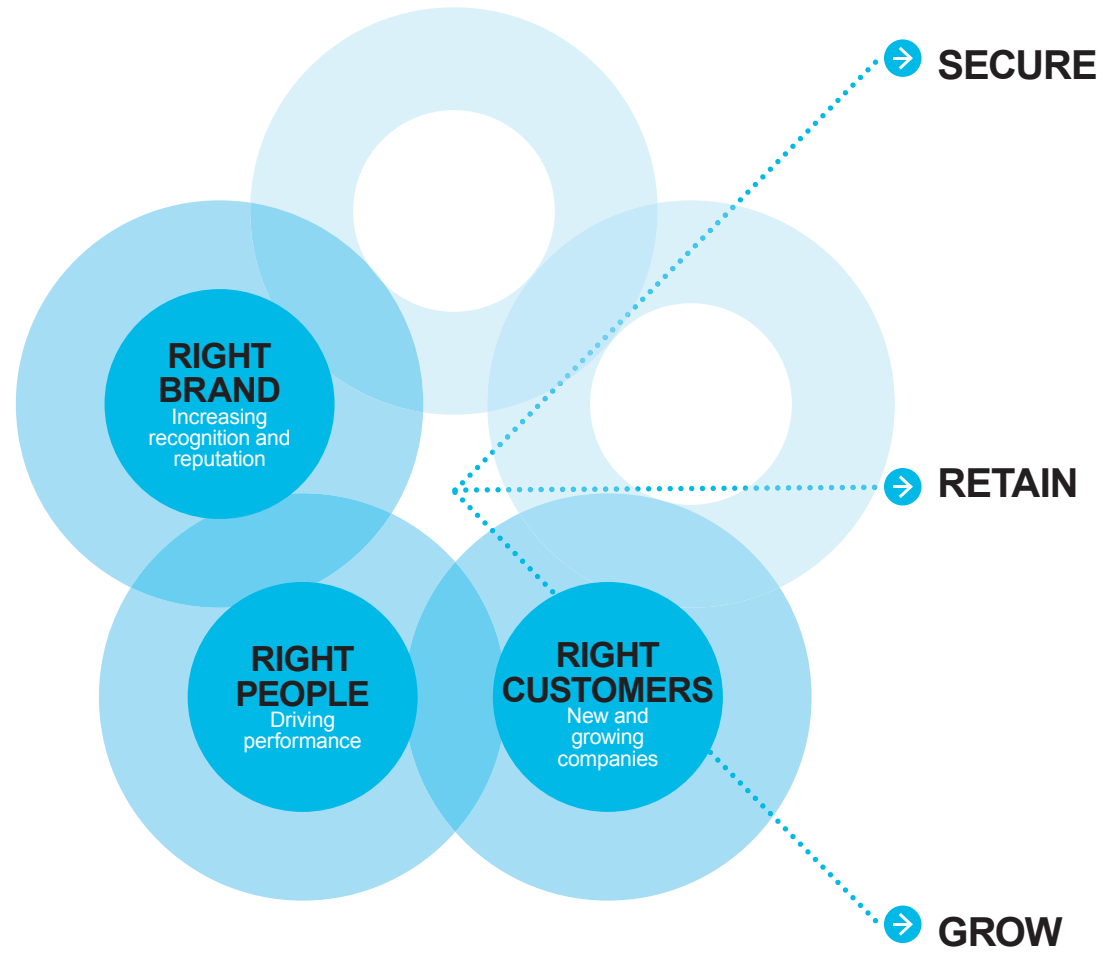
March 2015:
Upgrade works commenced

➔ **DIRECTION**
OUR PROPERTIES

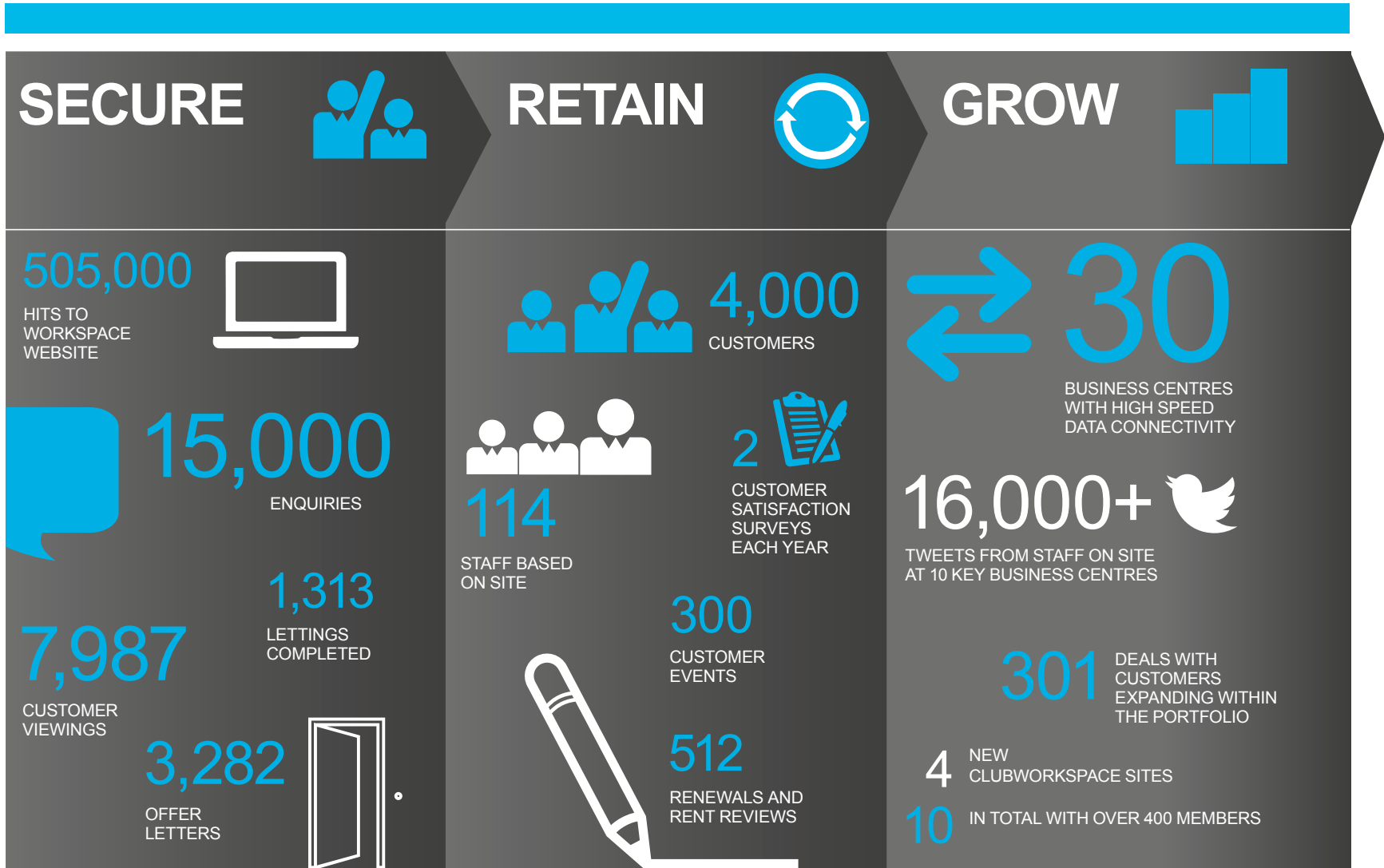


**PLEASE SCAN THIS QR CODE TO SEE THE WESTBOURNE STUDIOS:
WORKSPACE RESULTS 2015 VIDEO**

→ DIRECTION OUR PERFORMANCE

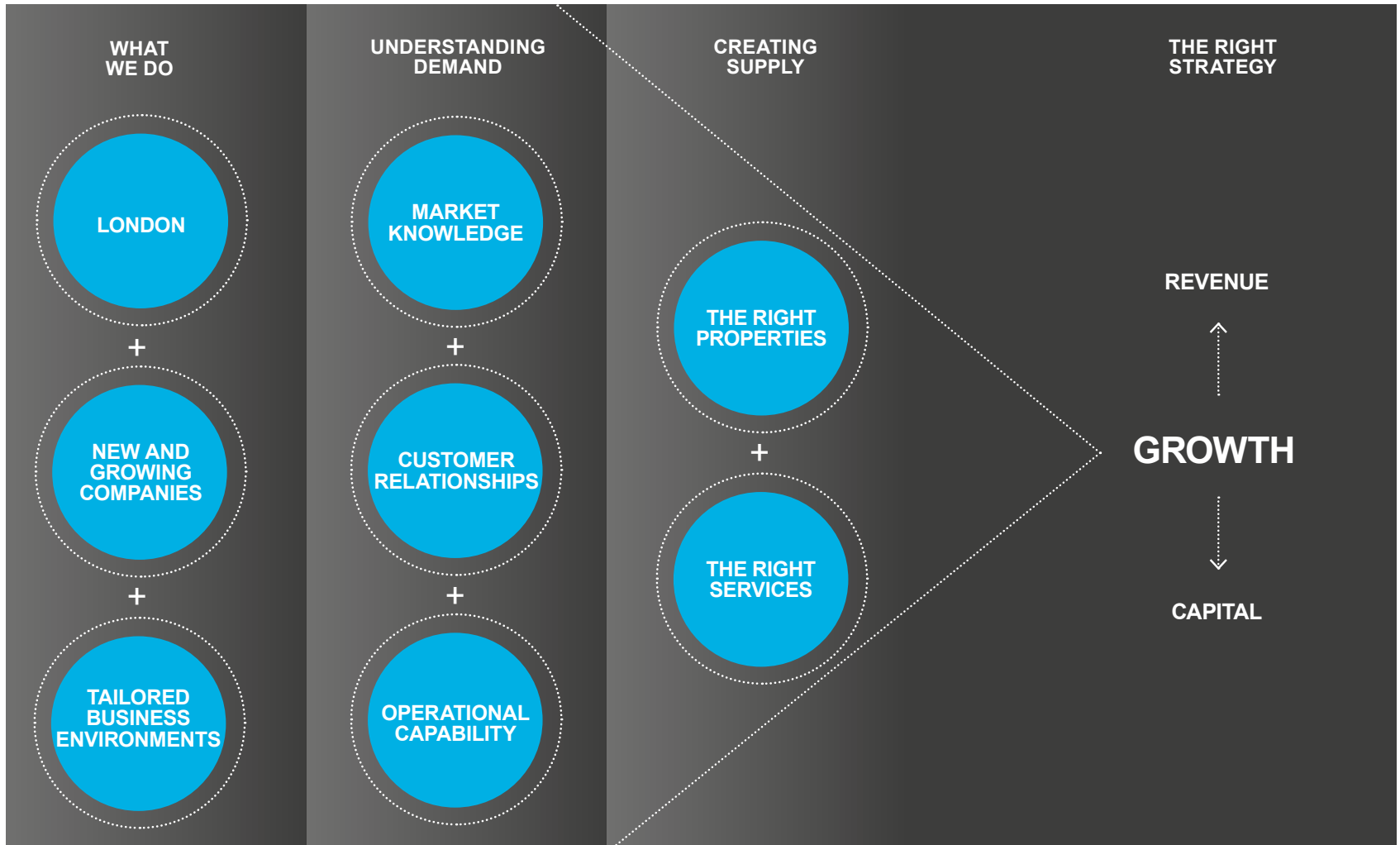


→ DIRECTION OUR PERFORMANCE



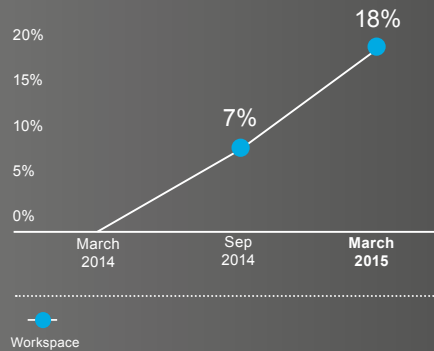
→ DIRECTION

HOW WE MAKE MONEY



RENTAL GROWTH (lfl)

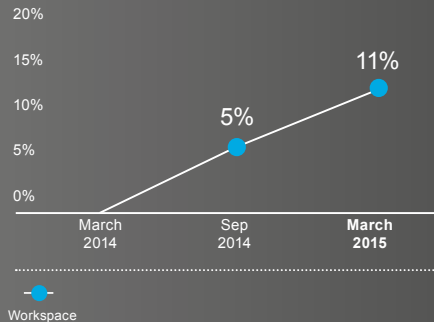
BUSINESS CENTRES



£21.98
rent psf

£24.13
ERV psf

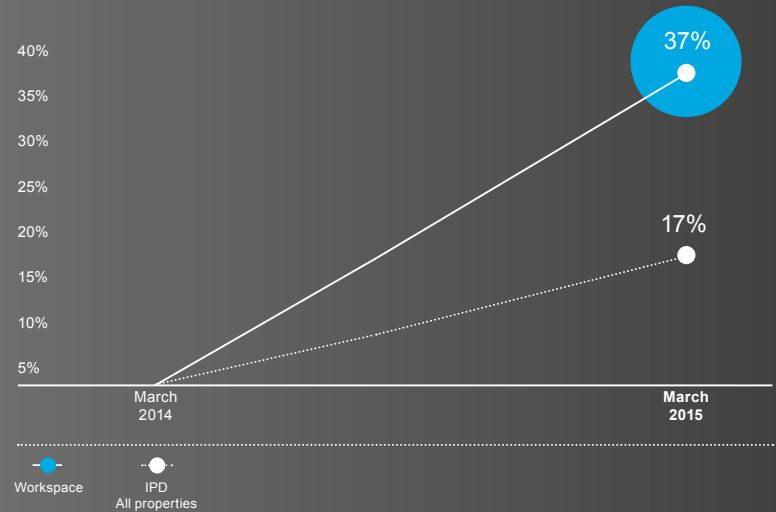
INDUSTRIAL ESTATES



£8.01
rent psf

£8.19
ERV psf

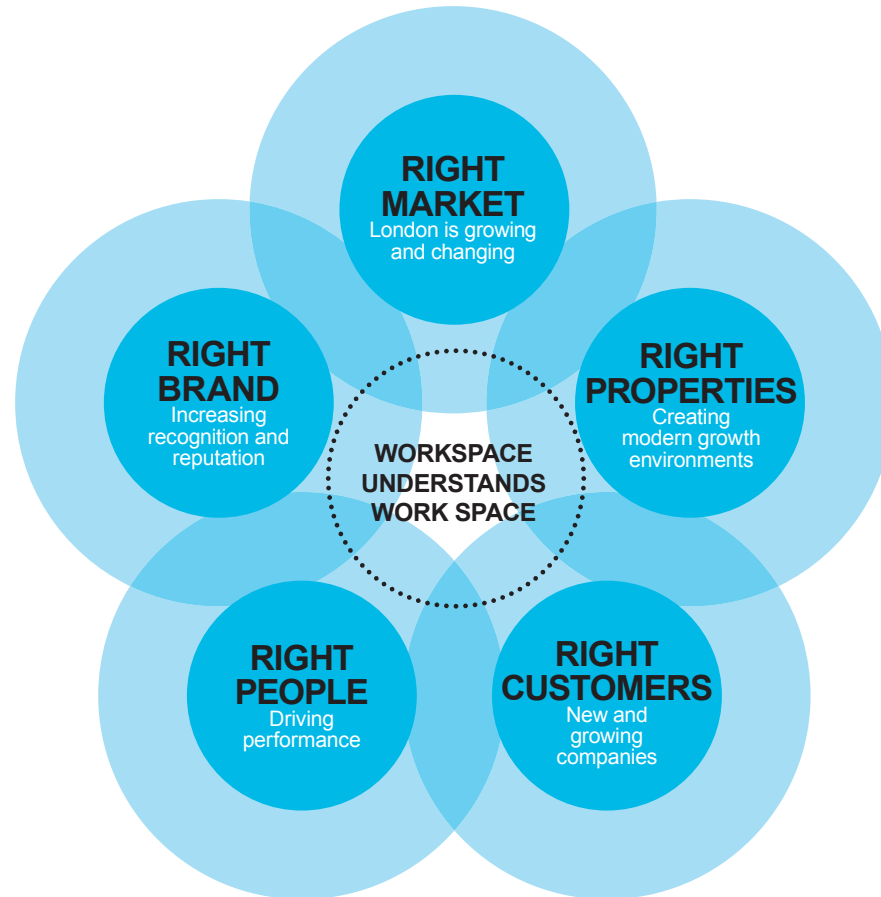
TOTAL PROPERTY RETURN



5.4%
net initial
yield (lfl)

6.5%
equivalent
yield (lfl)

£280
capital value
psf (lfl)



QUESTIONS



WORKSPACE®

SUPPLEMENTARY INFORMATION



WORKSPACE®

→ APPENDIX 1

REDEVELOPMENT PROJECTS

At March 2015	Development partner	Valuation	March 2015 Rent Roll	Expected completion	Residential units no.	Commercial space returned			Other proceeds		
						Area	Estimated ERV	Estimated Rent*	Cash received	Cash to come	Overage to come **
Completed											
ScreenWorks	Taylor Wimpey	£37m	£1.9m	May 2014	72	61,867	£36	£2.0m	£5m	-	£1m
The Light Bulb	Mount Anvil	£28m	£0.2m	Mar 2015	209	52,127	£23	£1.1m	-	-	£12m
		£65m	£2.1m		281	113,994		£3.1m	£5m	-	£13m
Underway											
Grand Union Studios	Taylor Wimpey	£20m	-	Dec 2015	145	60,000	£22	£1.2m	£5m	£1m	£1m
Bow Enterprise Park (phase 1)	Peabody	£7m	-	Dec 2015	267	10,000	£12	£0.1m	£11m	-	£4m
The Faircharm	L&Q	£7m	-	Jun 2016	148	52,000	£20	£0.9m	£10m	-	n/a
Poplar Business Park (phase 1)	Telford Homes	£2m	-	Apr 2017	170	8,000	£12	£0.1m	£16m	-	£0m
Bow Enterprise Park (phase 2)	Peabody	£12m	-	May 2017	160	3,000	£10	£0.0m	-	£11m	n/a
The Biscuit Factory (part)	Grosvenor	£36m	£0.3m	Jun 2017	800	47,000	£20	£0.8m	£32m	£19m	£0m
		£84m	£0.3m		1,690	180,000		£3.1m	£74m	£31m	£5m
With Planning											
Bow Enterprise Park (phase 3)					130	38,000					
Poplar Business Park (phase 2/3)					222	58,000					
The Light Bulb (phase 2)					77	18,000					
Arches Business Centre					110	-					
		£52m	£1.3m		539	114,000					
At Planning Stage											
Marshgate					207						
Rainbow Industrial Estate					224						
Highway Business Park					130						
Lombard House					96						
		£66m	£1.5m		657						
At Design Stage #											
Chocolate Factory (part)					300						
Stratford Office Village					110						
					410						

* Expected Rent at 90% occupancy

** Overage as valued by CBRE as at March 2015

In like-for-like category

→ APPENDIX 2

REFURBISHMENT PROJECTS

At March 2015	Valuation	Actual/ Estimated cost	Cost to Complete	Estimated Completion	Unaffected area	Upgraded area	New space	Estimated ERV (Average)	Estimated Rent at 90% occupancy *	March 2015 Rent Roll *
Completed										
Leyton Industrial Village (phase 1)	£14m	£3m	-	Apr 2013	84,131	-	26,600	£15	£0.8m	£0.8m
Pill Box	£23m	£9m	-	Feb 2014	-	-	50,409	£33	£1.5m	£1.3m
Leyton Industrial Village (phase 2)	£4m	£2m	-	May 2014	-	-	21,293	£14	£0.3m	£0.3m
Bounds Green Industrial Estate	£15m	£2m	-	Dec 2014	110,670	-	13,891	£12	£1.0m	£0.8m
Metal Box Factory	£72m	£16m	-	Jan 2015	-	81,028	25,148	£48	£4.6m	£2.9m
	£128m	£32m			194,801	81,028	137,341		£8.2m	£6.1m
Underway										
Cargo Works	£47m	£3m	£1m	Apr 2015	11,532	60,238	-	£44	£2.8m	£2.5m
Westminster Business Square	£26m	£17m	£9m	Dec 2015	46,532	6,137	49,464	£31	£2.3m	£1.0m
Linton House	£19m	£9m	£6m	Dec 2015	-	30,000	16,000	£40	£1.7m	£0.6m
Barley Mow Centre	£31m	£8m	£7m	Sep 2016	58,961	-	21,000	£36	£2.3m	£1.6m
Hatton Square Business Centre	£20m	£24m	£21m	Mar 2017	-	-	60,600	£46	£2.5m	£0.0m
Holywell Centre **	£9m	£19m	£19m	2017	-	-	55,000	£45	£2.3m	£0.5m
Greville Street **	£9m	£8m	£8m	2017	-	-	23,000	£50	£1.2m	£0.5m
Cremer Business Centre**	£10m	£17m	£17m	2018	-	-	51,000	£37	£1.8m	£0.8m
	£171m	£105m	£88m		117,025	96,375	276,064		£16.9m	£7.5m
At Design Stage #										
Southbank House	£33m	£4m	£4m		63,137	9,000	-			£1.8m
Leroy House	£15m	£14m	£14m		-	35,000	38,000			£1.0m
Mare Street Studios	£9m	£17m	£17m		-	38,000	20,000			£0.5m
Pall Mall Deposit	£18m	£10m	£10m		-	49,000	12,000			£0.9m
Havelock Terrace	£16m	£20m	£20m		-	59,000	40,000			£0.9m
Riverside	£16m	£12m	£12m		-	99,000	-			£1.2m
	£107m	£77m	£77m		63,137	289,000	110,000			£6.3m

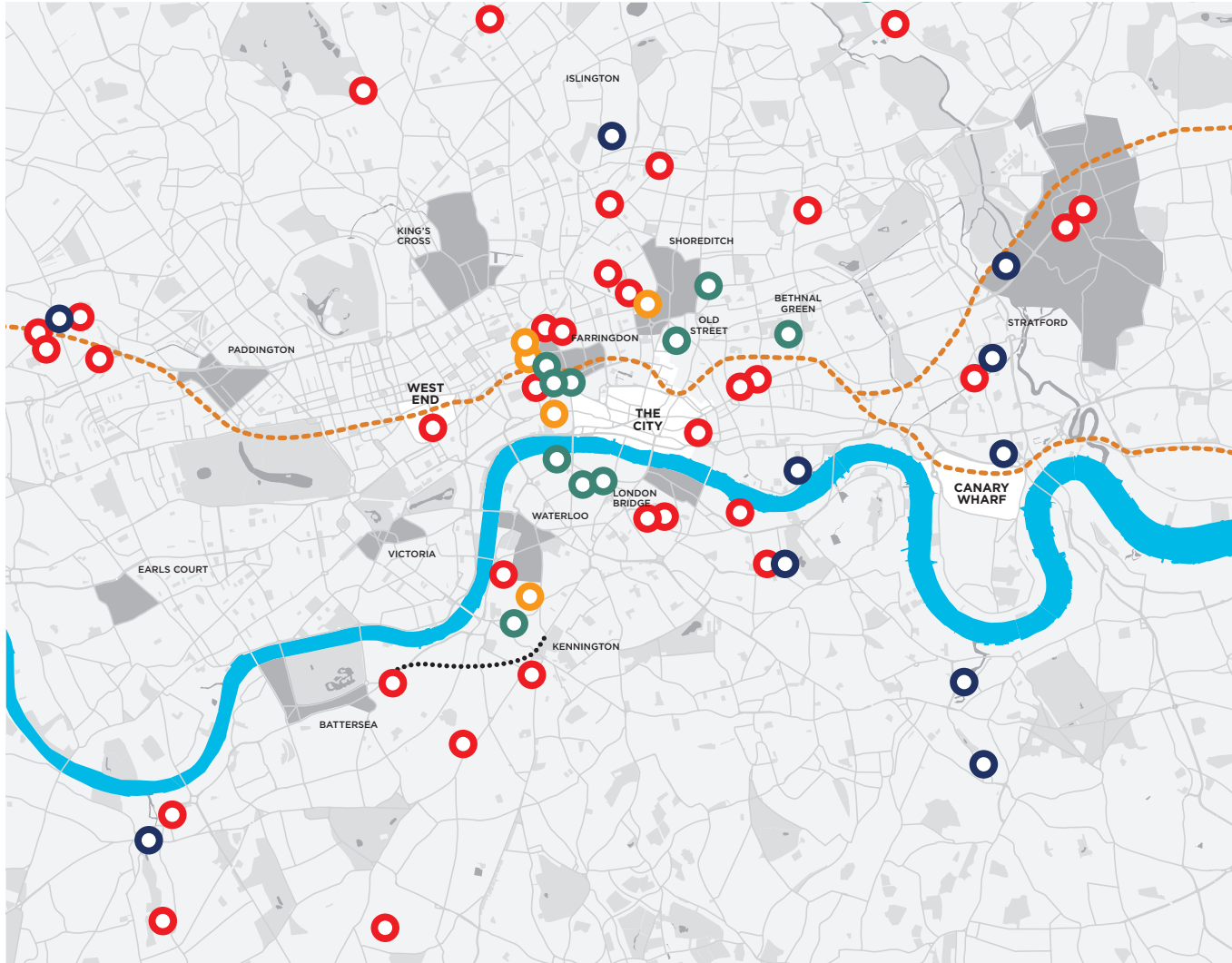
* Includes rent for unaffected areas at March 2015 rental levels

** Planning application submitted

In like-for-like category

→ APPENDIX 3

WORKSPACE PORTFOLIO

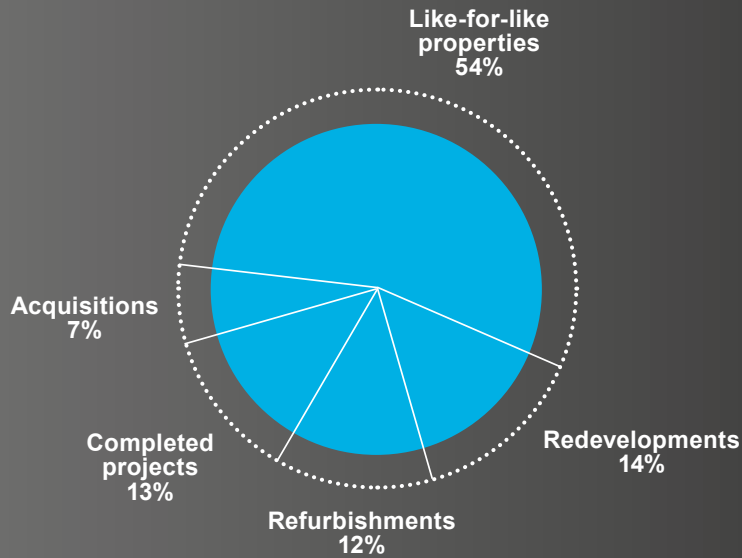


- Workspace property
- Acquisitions
- Redevelopments
- Refurbishments
- Crossrail
- Northern Line Extension

PORTFOLIO BREAKDOWN

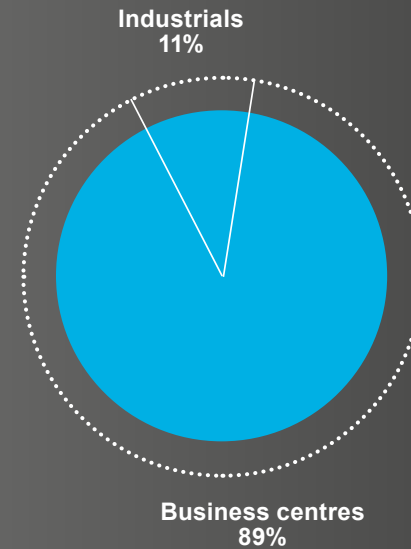
PORTFOLIO VALUE

As at 31 March 2015



RENT ROLL (IfI)

As at 31 March 2015



The information in this document may include forward-looking statements, which are based on current expectations and projections about future events. These forward-looking statements reflect the directors' beliefs and expectations and are subject to risks, uncertainties and assumptions about the Company, including, amongst other things, the development of its business, trends in its operating industry, returns on investment and future capital expenditure and acquisitions, that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the document. As a result, you are cautioned not to place reliance on such forward looking statements as a prediction of actual results or otherwise. The information and opinions contained in this document are provided as at the date of this document and are subject to change without notice. No one undertakes to publicly update or revise any such forward-looking statements.

This presentation should also be read in the light of the Company's full preliminary results announcement for the year ended 31 March 2015 including the principal risks and uncertainties identified therein. No statement in this document is or is intended to be a profit forecast or profit estimate or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company.