

WORKSPACE GROUP PLC INTERIM MANAGEMENT STATEMENT

Workspace Group PLC ("Workspace"), London's leading provider of space to new and growing companies, today announces its Interim Management Statement covering the period from 1 April 2013 to the date of this announcement, including the trading statistics for the quarter to 30 June 2013.

Highlights:

- Like-for-like cash rent roll of £45.2m, up 1.6% (£0.7m) in the quarter
- Like-for-like occupancy 90.4%, up 0.4% in the quarter
- Good momentum on completed refurbishments with rent roll up £0.5m in the quarter
- Refinancing of bank debt facilities successfully completed on 1 July 2013
- A further £8m of non-core property disposals

Commenting Jamie Hopkins, Chief Executive Officer said:

"The momentum of our like-for-like operations has continued with strong levels of demand from new and growing businesses in London delivering increases in both rent roll and occupancy."

Refurbishment and redevelopment activity is progressing well and we are particularly pleased with the good letting progress at completed refurbishments, with pricing levels ahead of our initial expectations.

Our focused asset management and clear understanding of customer requirements continues to deliver value for shareholders."

Trading Performance

Workspace has seen good levels of customer enquiries, viewings and lettings through the first quarter and into July 2013.

	Quarter Ended				
	June 2013	March 2013	Dec 2012	Sept 2012	June 2012
Average number per month					
Enquiries	1,033	1,107	964	1,026	1,050
Lettings	74	104	79	70	84

The like-for-like property portfolio has continued to deliver good rent roll growth of £0.7m (1.6%) in the quarter from a combination of occupancy and pricing improvement. Two thirds of our like-for-like properties now have occupancy levels at or above 90%. Prior quarter statistics have been restated for four non-core properties sold or being prepared for sale.

Like-for-Like properties	30 June 2013	31 March 2013	31 December 2012	30 September 2012
Number	64	64	64	64
Rent Roll	£45.2m	£44.5m	£42.8m	£42.1m
Occupancy	90.4%	90.0%	90.1%	89.1%
Rent per sq. ft.	£14.02	£13.89	£13.34	£13.24

There has also been strong growth in rent roll of £0.5m in the quarter to £2.7m at the four completed refurbishments at Whitechapel, Canalot Studios, Leyton Industrial Village and Chester House, Kennington Park, with good increases in occupancy and pricing levels ahead of our initial expectations.

Overall rent roll has increased by £0.4m in the quarter to £53.1m, comprising:

Total Rent Roll	£m
At 31 March 2013	52.7
Like-for-like growth	0.7
Completed refurbishments	0.5
Refurbishments and redevelopments underway	(0.2)
Disposals	(0.6)
At 30 June 2013	53.1

Refurbishment and Redevelopment Activity

The refurbishment projects underway are progressing to plan with the first phase of Westminster, SE11 completing in July 2013 and Exmouth House, EC1 completing in August 2013.

We achieved vacant possession on the first phase of the Bow, E3 redevelopment in April 2013 and expect to achieve vacant possession at Grand Union, W10 in August 2013. In May 2013 we obtained mixed use planning consents at Tower Bridge, SE16 and Faircharm, SE8 for a total of 948 residential units and 112,000 sq.ft of new commercial space.

Disposals

In June 2013, we sold Harlow Enterprise Centre and Ladbroke Hall, W10 for £6m, a surplus of £0.3m to their March 2013 valuations. In July 2013, we completed the sale of Sundial Court, Tolworth, for £2m in line with its March 2013 valuation.

Financing

On 11 June 2013 we announced a refinancing of the Group's bank facilities which completed on 1 July 2013. The Company has issued US \$100m (£64.5m) of dollar 10-year private placement notes, £84m of sterling 10-year notes and £9m of 7-year sterling floating rate notes. The US dollar notes have been fully hedged against sterling for 10 years. This was supplemented by a £45m floating rate 10-year facility (with 50% amortisation in year 9) provided by a UK institution and £150m of 5-year term (£50m) and revolver (£100m) facilities provided by HSBC, RBS and Santander.

All of the Company's debt facilities are unsecured with a weighted average maturity at 1 July 2013 of 7.5 years with no facilities maturing before June 2018.

We had £210m of interest rate hedges at 31 March 2013 with a mark to market liability of £11m. £95m of the interest rate hedging has been blended and extended out for 5 years at a fixed rate of 1.9% with the remaining £115m of hedging contracts cancelled, at a total cost of £9m.

On a pro-forma basis the overall weighted interest rate on the drawn facilities (including the amortisation of fees and the amended interest rate hedging) is 5.5%, comparable to the weighted rate including fees of the previous bank facilities. The weighted interest rate on our new facilities will reduce as we draw down on the revolver facilities.

There will be a one-off interest cost of £2m in the first half of the current financial year reflecting the write-off of unamortised fees associated with previous bank facilities.

BlackRock Workspace Property Trust

In April 2013, Cam Road, Stratford was sold for £7.6m, a £0.6m surplus to its book value at March 2013. We are looking to reinvest the proceeds in further property acquisitions.

Property Valuation

We have decided to move our independent property valuation to a bi-annual basis with the next valuation at 30 September 2013. We believe this gives the appropriate balance of frequency of update against the costs and management time involved.

Key Statistics

	June 2013	March 2013	Dec 2012	Sept 2012	March 2012
Workspace Group Portfolio					
Number of estates	84	86	90	90	92
Lettable floorspace (million sq.ft) †	4.6	4.7	4.8	4.8	5.0
Number of lettable units	4,543	4,626	4,607	4,639	4,668
Cash rent roll of occupied units	£53.1m	£52.7m	£51.0m	£50.5m	£50.2m
Average annual rent per sq.ft	£13.26	£12.98	£12.33	£12.30	£11.79
Overall occupancy	86.9%	87.0%	87.0%	84.6%	85.3%
Like-for-like lettable floor space (million sq.ft) †	3.6	3.6	3.6	3.6	3.6
Like-for-like net annual rent roll	£45.2m	£44.5m	£42.8m	£42.1m	£40.7m
Like-for-like average annual rent per sq.ft	£14.02	£13.89	£13.34	£13.24	£13.00
Like-for-like occupancy	90.4%	90.0%	90.1%	89.1%	87.9%

BlackRock Workspace Property Trust					
Number of estates	15	16	16	13	11
Lettable floorspace (million sq.ft) †	0.5	0.5	0.5	0.5	0.4
Cash rent roll of occupied units	£6.3m	£7.0m	£7.0m	£5.3m	£4.7m
Average annual rent per sq.ft	£13.96	£14.20	£14.47	£13.07	£11.82
Overall occupancy	88.0%	90.4%	88.4%	89.3%	89.8%

† Excludes storage space

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Notes to Editors

About Workspace Group PLC

- Workspace is a FTSE250 company and has been listed on the London Stock Exchange since 1993
- It has a strong 25 year track record in providing tailored business premises to new and growing companies in London
- It owns and manages some 100 properties in London providing 5.1 million square feet of space and is home to c. 4,000 businesses employing over 30,000 people
- For more information on Workspace, please visit: <http://www.workspace.co.uk>