

St. Modwen Properties PLC

AGM Statement

At its Annual General Meeting today, Anthony Glossop, Chairman of St. Modwen Properties PLC said:

"In my statement within the 2005 Annual Report, I said that the current financial year had started well. I am pleased to be able to confirm that since I made that statement in February, the company has continued to make good progress.

We continue to secure the development sales required to meet our annual profit plan. The investment market continues to strengthen with good competition for all our pre-let industrial and office projects. Similarly the market for the "oven-ready" residential land product we offer remains strong.

We have had a particularly successful period in the marshalling of opportunities for future development. We have obtained planning consent for residential-led mixed use schemes at Guiseley (16 acres) and at Taunton (64 acres), the latter in conjunction with AXA.

The road closures required for KPI's Farnborough scheme have been approved, and agreements exchanged with a hotel and a cinema operator.

Development agreements have been signed with the London Borough of Newham for a mixed use scheme at Queen's Market, Upton Park, and with Knowsley Council for a 12 acre business park at Prescott.

In addition, through our Norton and Proffitt joint venture, work has started on the first phase of the Shannon's Mill development, Walsall.

We have also enjoyed a good period for acquisitions for "the hopper". The most significant has been our selection, with Vinci plc, as preferred developers for Project MoDEL (MoD Estate in London).

Project MoDEL will initially invest over £150 million in the re- development of RAF Northolt. Consolidation of the London estate will then lead to the release of over 250 acres of land for redevelopment, on six sites, including Eastcote, Mill Hill, Stanmore, Uxbridge and West Ruislip.

In addition we have been appointed preferred developer by Blackburn with Darwen Council for a 15 acre business park, and by Jaguar together with the City of Coventry for a 58 acre business park at Whitley.

Other smaller acquisitions have included eight former KwikSave properties, largely in the North West.

On a less positive note, it would appear that it is unlikely that we will be progressing anything at Silverstone, at least in the short term. It has become apparent that the British Racing Drivers' Club needs more time to reach a consensus on what is the correct way forward for that circuit.

It was also a disappointment that the Budget continued to propose the idea of a Planning Gain Supplement. As a major regeneration specialist, working in partnership with all tiers of government, and who strongly believe in the need for and integration of wider community benefits in major developments, we are not convinced that the proposals will be an improvement over the present arrangements or who will gain from them. We should like to see more dialogue with companies like ours on the practical implications before any proposals are implemented and we would hope that the benefits of reusing brownfield land would be fully recognised in the structure of the final proposals.

The progress announced in the Budget on the creation of REIT's, however, was welcome. As a development –led company, any step that widens the market for our products is beneficial. Whether there is anything more directly applicable to the company remains to be seen, as the final proposals emerge, and in particular the constraints on non-investment companies.

In the light of the progress already made, I continue to look forward with confidence to another year of progress for your company.”

21 April 2006

ENQUIRIES:

St. Modwen Properties PLC

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