ST. MODWEN

ANNUAL RESULTS PRESENTATION
YEAR TO 30 NOVEMBER 2010

AGENDA

- Highlights
- Financial Results
- Operational Review
- Outlook
- Summary

HIGHLIGHTS

- NAV per share increased 9% to 218p (2009 : 200p) – EPRA 234p (2009 : 219p)
- Profit before tax up to £37.5m (2009 : loss £119.4m)
- Property profits increased to £21.9m (2009 : £7.6m)
- Rent roll increased by 5% to £46m with voids reduced to 12% (2009 : 17%)
- Valuation gains of £23 million (2009 : loss £122 million)
- Strong pipeline of development opportunities / schemes
- Persimmon joint venture to develop 2,000 houses over 7 sites
- Dividends resumed

FINANCIAL RESULTS

RESULTS

	Full Year 2010	Full Year 2009
TRADING PROFIT	**£17.4m**	**£8.4m**
PROFIT / (LOSS) BEFORE TAX	**£37.5m**	**£(119.4)m**
Net Rental Income	£33.7m	£33.5m
Property Profits	£21.9m	£7.6m
Market yield movements	*£5.4m*	*£(149.1)m*
Added value	*£17.6m*	*£26.8m*
Property Valuations / NRV	£23.0m	**£(122.3)m**
NAV per share	218p	200p (+9%)
EPRA NAV per share	234p	219p (+7%)
Net Debt	£315m	£319m (-1%)
Gearing	72%	80%
Dividend per share	3p	-

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PROFIT AND LOSS

	Full Year 2010 £m Total		Full Year 2009 £m Total
Net Rental Income	33.7		33.5
Property Profits	21.9		7.6
Other Income	3.1		1.8
Deduct Overheads	(17.1)		(14.1)
Operating Profit	**41.6**	**+44%**	**28.8**
Deduct Interest	(24.2)		(20.4)
Trading Profit	**17.4**	**+107%**	8.4
Property Valuation Gains/(Losses)	23.0		(122.3)
Deduct Other Finance Charges	(2.2)		(6.3)
JV Tax (Charge)/Credit	(0.7)		0.8
Profit/ (Loss) Before Tax	37.5		(119.4)

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GROSS RENTAL INCOME

	Year to 30 November 2010 £m		Year to 30 November 2009 £m
At start of year	43.0		43.2
Acquisitions / (disposals)	0.8		(2.2)
	43.8		41.0
Less tenant vacations	(5.7)		(5.2)
Less tenant administrations	(0.2)		(0.6)
Add rent reviews	1.3		0.3
Add lettings	**6.5**		7.5
Closing rent roll	**45.7**	**(+6%)**	43.0
Void percentage	12%		17%

BALANCE SHEET

	Full Year 2010 £m		Full Year 2009 £m	
Property Assets	1,000		956	
Investments in JVs and Other Assets	57		49	
Debtors	53		52	
Pensions	-		-	
Gross Assets		1,110		1057
Debt	(315)		(319)	
Trade Payables etc.	(358)		(337)	
Gross Liabilities		(673)		(656)
Net Assets		437		401
Gearing (Debt divided by Net Assets)		72%		80%
NAV per share		218p		200p
EPRA NAV per share		234p		219p

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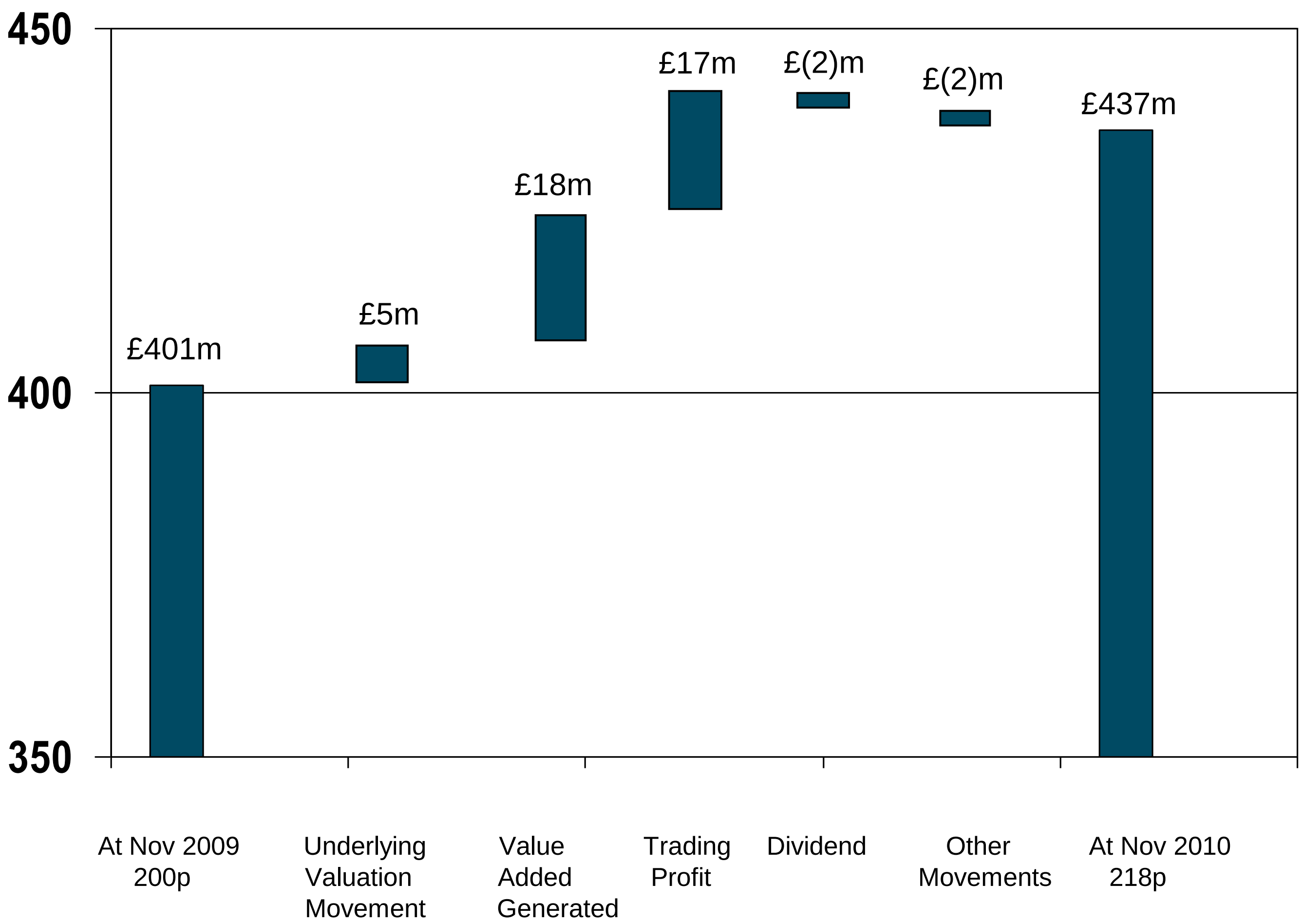
NAV MOVEMENTS

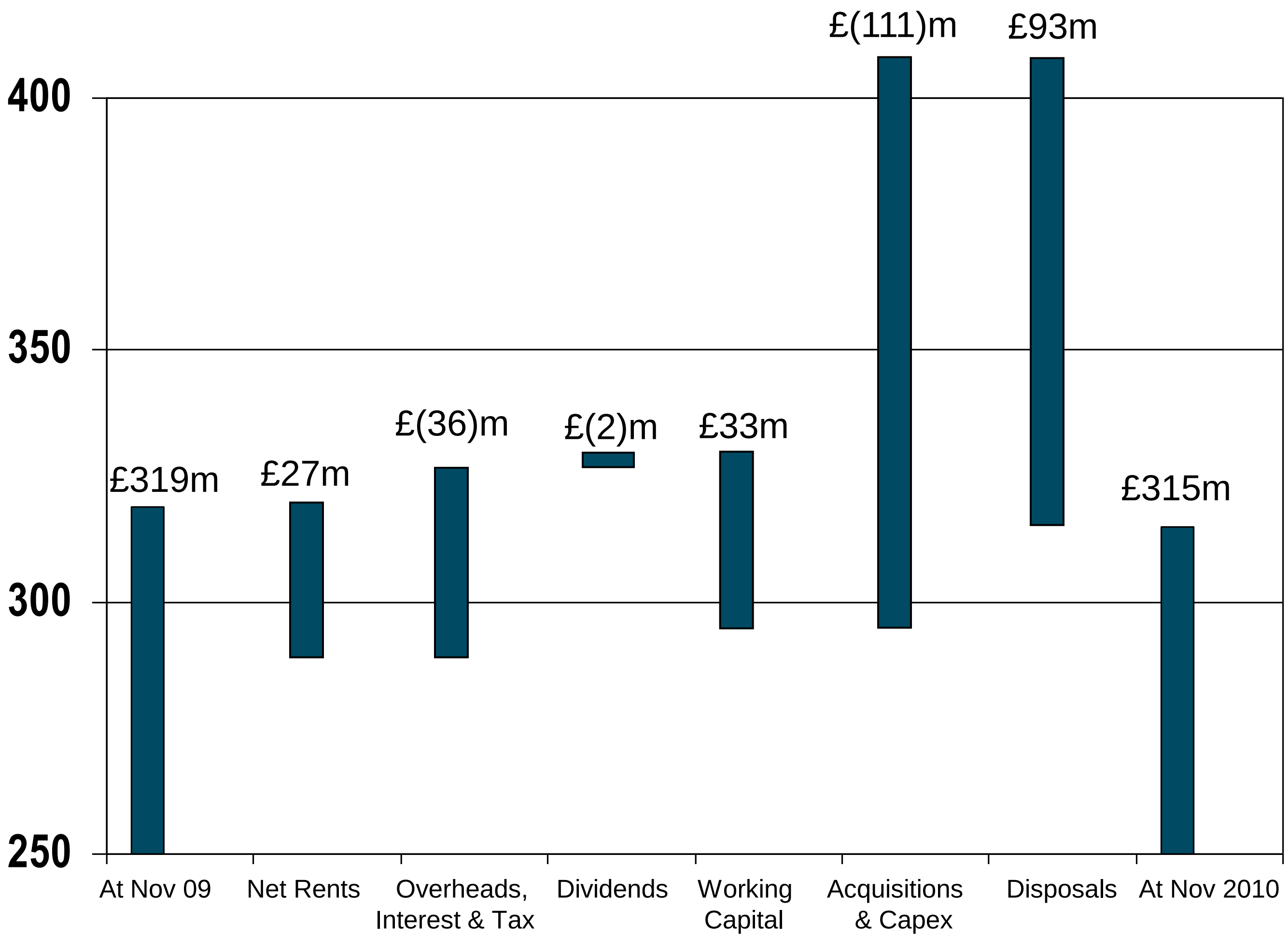


CASHFLOWS

	Year to 30 November 2010 £m		Year to 30 November 2009 £m	
Opening Debt (net of rights issue)		(319)*		(320)
Net Rent	27		26	
Overheads, Interest and Tax	(36)		(27)	
		(9)		(1)
Property Disposals	93		101	
Property Acquisitions	(31)		(33)	
Development Expenditure	(80)		(60)	
		(18)		8
Working Capital Movements		31		(6)
Closing Debt		(315)		(319)

*NOTE: Excludes non-recourse JVs

NET DEBT MOVEMENTS



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FINANCIAL RESOURCES - GROUP

	2010 £m	2009 £m
Net Debt	315	319
Committed Facilities	539	519
Average Maturity (years)	3.7	3.3
Weighted Average Interest Rate	5.8%	4.9%
Interest cover : Actual	1.8x	1.7x
Covenant	1.25x	1.25x
Gearing : Actual	72%	80%
Covenant	175%	175%
(actual incl. JVs (no covenant))	94%	106%
% debt hedged (excl. VSM)	98%	99%
Loan to Value	31%	33%

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FINANCIAL SUMMARY

- Increased rental income
- Strong trading profits
- Active portfolio management generating value in difficult market conditions
- Net assets increased by 9%
- Debt reduced, maturity dates extended, with ample headroom to continue to transact
- Dividends resumed
- Platform for growth

OPERATIONAL REVIEW

HIGHLIGHTS

- Occupancy levels increased
- Valuations increased: £23m (3%), market movement £5m, added value £18m
- Strong and increasing pipeline of opportunities
- Planning consents being obtained
- 15 properties acquired giving a developable land bank of over 5,700 acres
- Over 50 disposals in the year, realising over £125m* with a profit of £21.9m (2009 : 79 transactions, £101m proceeds, £7.6m profit)
- Persimmon joint venture actively progressing

*NOTE: £125m including our share of JVs (£107m Group, £18m JVs)

BUSINESS MODEL

- The UK's leading regeneration specialist, operating through a network of seven regional offices
- Operating in many sectors of the property market: retail, residential, commercial, public sector, heritage and leisure
- Hopper (land bank) of more than 5,700 developable acres
- Outstanding track record during 20 years of adding value by marshalling schemes through the planning process, remediating contaminated land and active asset management and development

BUSINESS MODEL

- **The Hopper:** future development opportunities, principally acquired in their raw, un-remediated state
- **Marshalling:** navigating a wide range of projects through the complex and lengthy planning and development processes. The Group has particular expertise in site assembly, assessing and managing remediation risk, and undertaking public consultation
- **Delivery:** once marshalled, schemes are built-out in response to market conditions, with a mixture of pre-let and speculative buildings forming the Group's annual construction programme. Assets are sold once no further significant value can be added, and the capital is then recycled into new schemes
- **Recurring income:** core rental and other income cover the running costs of the Group so that even when development profits are reduced, the Group is still able to satisfy its commitments. Income-producing developments can be retained if market conditions are not suitable for attractively priced disposals

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BUSINESS PLAN

- Securing development opportunities to generate profit
- Continued sales of standing stock, or the retention of completed developments for income when let
- Marshalling of sites to add value to land bank
- Emphasis on maintaining rent roll
- Expansion of hopper
- Development programme – no speculative schemes, development for 2010-2011 based on pre-let, pre-sold opportunities and increased level of design & build enquiries
- Demand for residential land improving – capitalising on joint venture opportunities

PORTFOLIO – VALUATION MOVEMENT ANALYSIS

Property portfolio (including Group share of JVs)

(£m)	Nov '09	Market value movements	Added Value	Portfolio Movements	Nov '10
Residential land (38%)	339	8	8	45	**400**
Commercial land (12%)	155	(9)	(1)	(15)	**130**
Income producing (50%)					
Retail	197	9	5	(17)	**194**
Offices	63	(1)	1	(3)	**60**
Industrial	253	4	5	9	**271**
	1,007	**11**	**18**	**19**	**1,055**

- For the income property portfolio the combined impact of market value and added value movements produces a 4.5% value increase in the year.

NOTE: Portfolio movements includes sales; capital expenditure; transfers and NRV provisions of £6m against WIP. Market value movements excludes NRV movements.

RESIDENTIAL LAND

Residential Land Bank at November 2010

	Nov 10		Nov 09	
	Acres	**Units**	**Acres**	**Units**
With planning recognition				
- Allocated in local plan or similar	309	6,550	231	6,134
- Resolution to grant	39	806	323	5,230
- Outline permission	794	12,239	517	7,887
- Detailed permission	68	1,129	32	833
	1,210	20,724	1,103	20,084
No planning recognition	340	4,081	440	4,956
TOTAL RESIDENTIAL LAND	**1,550**	**24,805**	**1,543**	**25,040**

NOTE: Includes 100% of JVs

RESIDENTIAL LAND

- Book carrying cost £400m; 1,550 acres
- ~20,000 consented plots, of which >3,700 in London and South East.
- Persimmon joint venture over 2,000 homes (120 acres, 7 sites):
  - Access to skills / buying power of large, quality partner
  - Underpins current land values
  - Accelerates cash realisation from long-term hopper assets
  - Expected end value >£300m
  - Our share of additional profit ~£30m over 5 years
  - May be extended into additional sites / JVs
- Progress on MoDEL
  - Bentley Priory sold
  - Uxbridge planning approved (1/2011)
  - Mill Hill planning imminent (3/2011)
- Sale in 2010 of 29 acres, for £40.5m:
  - Confirms gradual re-emergence of a functioning market
  - Underpins current land values

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RESIDENTIAL LAND

Future development profits:

Persimmon JV

- First house sales Q4 2011
- Estimate 300 / 400 homes per annum
- Cash in-flow from Q2 2011 from land proceeds

St. Modwen Homes

- Started on site at Longbridge and Weston-super-Mare
- First house sales Q4 2011
- Targeting production to increase to 250 homes per annum by 2014

MoDEL

- Uplift from planning expected 2011 at Uxbridge and Mill Hill
- Disposals / development from 2012

Planning milestones 2011:

- Uxbridge – 1,300 units with outline planning January 2011
- Mill Hill – 1,100 units with outline planning March 2011
- Goodyear – Persimmon JV 300 units with detailed planning April 2011
- Llanwern – Persimmon JV 300 units with detailed planning May 2011
- Coed Darcy – Persimmon JV 300 units with detailed planning May 2011
- Pye Green – 650 units allocated for residential H2
- Barton, Burton on Trent – mixed use allocation 125 acres H2

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COMMERCIAL LAND

Connah's Quay

In progress:

Book Value - £130m; 2,794 acres

- Large acreages at very low values; restriction on use is occupier demand, not value
- Number of large pre-sold construction projects underway, completing 2010/11:
    - Foodstores – Connah's Quay (52,000 sq ft Morrisons)
    - Public sector – Longbridge (250,000 sq ft) and Warwickshire (150,000 sq ft) colleges, and Manchester City Council offices in Wythenshawe (48,000 sq ft)
    - Other – waste treatment and recycling facility at Avonmouth (300,000 sq ft)
- Remediation work continues at former BP sites
    - Risks now fully assessed, contracts placed
    - Steady stream of profits during 2010 and 2011
    - Once remediated, land carried at negligible value until alternative use identified and marshalled (e.g. Crayford and Baglan)
    - Sale of Crayford for £5.5m
- Renewable energy opportunities

Bournville College, Longbridge

New Earth Solutions, Avonmouth

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INCOME PRODUCING PORTFOLIO

- Book Value £525m; (51% of portfolio)
- Rent roll of £45.7m, and growing
- High level of churn, but reducing vacancies:
  - 228 new lettings / renewals to 30 Nov 2010
  - Securing £7.7m of annual rent over 1,250,000 sq ft of space
  - Incentives 6.9% of total rent secured
  - Voids now 12% (equivalent to rent of £6.8m) (2009: 17%)
- Affordable rents on flexible leases
- Diversified rent roll (1,650 tenants); largest tenants are sound covenants; top 10 tenants comprise 19% of rent roll
- Rental income also diversified by sector: Industrial 55%; Retail 35%; Offices 10%
- Average lease length of 5.1 years

Wythenshawe

ETP Portfolio

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INCOME PRODUCING PORTFOLIO

- Investment properties at high yields and low affordable rents
- High proportion in value-add category. Large element of value underpinned by land, not held for investment but for redevelopment i.e. very different historic and future characteristics from IPD

Income producing properties as at Nov 2010 (including Group share of JVs)

	Equivalent		Net Initial		Typical rent/sq ft
	Nov 10	Nov 09	Nov 10	Nov 09	
Retail	8.6%	9.9%	7.4%	8.4%	£20 - £45 (Zone A)
Offices	9.0%	8.7%	7.1%	5.7%	£10 – £20
Industrial	9.2%	9.4%	7.4%	8.4%	£1 - £5
Portfolio	**9.0%**	**9.5%**	**7.4%**	**8.0%**	

Longbridge Town Centre

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OUTLOOK – DEVELOPMENT PIPELINE (2011-2014)

- Development pipeline (2011-2014)
  - Only developments with land owned or controlled by St. Modwen are included:

	No.	Gross Development value £m
• Developments in progress on site	5	50
• Developments exchanged or in legals	7	120-200
• Developments in sole negotiation with end user	12	230-350
	24	400-600

- Future planning (2011)
  - Longbridge – Town centre (May 2011)
  - Skelmersdale – 100,000 sq ft Offices (H2)
  - Swansea – University campus (H1)
  - Baglan – Solar farm (H1)

DEVELOPMENT PIPELINE EXAMPLES

In progress on site:

- Wythenshawe – Manchester city council offices; further 40,000 sq ft retail phase
- Edmonton – Travel Lodge hotel and 20,000 sq ft retail redevelopment
- Woodingdean – Reflex Nutrition 35,000 sq ft
- Widnes – ice rink; cinema; bowling alley; restaurants

Exchanged or in legals:

- Longbridge – Foodstore 85,000 sq ft
- Hednesford – Tesco 85,000 sq ft plus 40,000 sq ft retail scheme
- Skelmersdale – 100,000 sq ft office
- Taunton – 50,000 sq ft office development
- Lincoln – 130,000 sq ft manufacturing facility for Siemens
- Great Homer Street, Liverpool – 80,000 sq ft foodstore and further 50,000 sq ft retail

End user identified / planning being progressed

- Longbridge – retail scheme 80,000 sq ft; hotel 75 beds
- Skelmersdale – 70,000 sq ft foodstore
- Avonmouth – Nisbetts 125,000 sq ft
- Quedgeley – Design and build 300,000 sq ft distribution warehouse
- Swansea – Swansea University campus
- Elephant & Castle – Major refurbishment and extension
- Birchley – Casino
- Stoke – 30,000 sq ft office for Bet365; 185,000 sq ft manufacturing facility for Converteam
- Baglan Bay, Neath – 5 MW Solar farm

THE HOPPER

	1999	2009	2010
Total acres	**3,239**	**9,468**	**9,760**
Developable			
- Retail and leisure	105	433	368
- Employment	702	2,735	2,927
- Residential	652	1,564	1,550
- Unspecified	-	872	891
	1,459	**5,604**	**5,736**

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THE HOPPER - 2010 ACQUISITIONS

	Acres	
Stafford	5	Cost £2m. Future residential site adjoining existing site
Hednesford	3	Cost £5m. Part of site assembly for foodstore development
Clevedon, Bristol	20	Cost £1.4m. Mixed use 20-acre business park development
ETP Portfolio	38	Cost £21.4m. 11 income-producing employment sites (£2.2m rent)
Worcester	11	Cost £0.5m. Future employment or residential site adjoining existing site
Copthorne, Crawley	60	Option cost £0.1m. Future employment site
	137	
Branston, Burton	238	Development agreement. Future employment and residential
TOTAL	**375**	

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THE YEAR AHEAD

- No speculative developments
- Increasing number of design and build / pre-let opportunities
- Emphasis on maintaining and growing rent roll
- Continued value enhancing planning gain and development
- Demand for residential land increasing plus returns from Persimmon JV
- Continued expansion of hopper:
  - Via options and development agreements
  - Selective acquisitions at high yields
  - Increased number of opportunities being identified

SUMMARY

- Strong financial base
  - Recurring secondary income
  - Solid balance sheet, gearing reduced and debt maturities extended
  - Dividend recommenced
- Opportunities to prosper in a weak market
  - Value creation from marshalling of land bank
  - Residential land bank – latent value
- Development pipeline
  - Increasing number of schemes identified and commenced
  - Good flow of acquisition opportunities
- Confident of the year ahead
  - Expectations for market valuation movements neutral
  - Development transaction volumes already up on 2010
  - Continued NAV growth

APPENDICES

RESULTS HIGHLIGHTS 2010 – PROFIT AND LOSS RESULTS – HALF YEAR SPLIT

	2010 £m			2009 £m		
	H1	**H2**	**Total**	**H1**	**H2**	**Total**
Net Rental Income	17.4	16.3	33.7	17.1	16.4	33.5
Property Profits	10.1	11.8	21.9	3.1	4.5	7.6
Other Income	1.6	1.5	3.1	1.1	0.7	1.8
Deduct Overheads	(8.2)	(8.9)	(17.1)	(5.7)	(8.4)	(14.1)
Operating Profit	**20.9**	**20.7**	**41.6**	**15.6**	**13.2**	**28.8**
Deduct Interest	**(12.6)**	**(11.6)**	**(24.2)**	(17.2)	(11.6)	(20.4)
Trading Profit	**8.3**	**9.1**	**17.4**	(6.8)	(1.6)	8.4
Property Valuation Gains/(Losses)	20.1	2.9	23.0	(97.6)	(24.7)	(122.3)
Deduct Other Finance Charges	(1.3)	(0.9)	(2.2)	(8.3)	2.0	(6.3)
JV Tax (Charge)/Credit	(0.4)	(0.3)	(0.7)	0.8	-	0.8
Profit/ (Loss) Before Tax	26.7	10.8	37.5	(98.3)	(21.1)	(119.4)

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PROFIT AND LOSS

	Full Year 2010 £m Company	Full Year 2010 £m JV's	Full Year 2010 £m Total	Full Year 2009 £m Company	Full Year 2009 £m JV's	Full Year 2009 £m Total
Net Rental Income	26.4	7.3	33.7	26.1	7.4	33.5
Property Profits	21.1	0.8	21.9	7.1	0.5	7.6
Other Income	3.1	-	3.1	1.8	-	1.8
Deduct Overheads	(16.8)	(0.3)	(17.1)	(13.9)	(0.2)	(14.1)
Operating Profit	**33.8**	**7.8**	**41.6** (44%)	**21.1**	**7.7**	**28.8**
Deduct Interest	**(19.4)**	**(4.8)**	**(24.2)**	(17.2)	(3.2)	(20.4)
Trading Profit	**14.4**	**3.0**	**17.4** (107%)	3.9	4.5	8.4
Property Valuation Profit / (Loss)	17.1	5.9	23.0	(95.9)	(26.4)	(122.3)
Deduct Other Finance Charges	(1.4)	(0.8)	(2.2)	(4.5)	(1.8)	(6.3)
JV Tax (Charge)/Credit	-	(0.7)	(0.7)	-	0.8	0.8
Profit/ (Loss) Before Tax	30.1	7.4	37.5	(96.5)	(22.9)	(119.4)

CURRENT BANKING FACILITIES (£m)

BANK	GROUP	VSM	JVs	EXPIRY
Lloyds / HBOS	70			Nov 12
	70			Aug 13
		8		Mar 14
			80	Sep 12
RBS	95			Nov 15
			80	Sep 12
Barclays	19			Apr 12
	65			Sep 15
		25		Mar 14
Bank of Ireland	50			Nov 14
			40	Sep 12
HSBC	75			Dec 15
Santander	30			Jan 16
Fortis			38	Jun 12
Others		32	6	From Mar 14
Total Facilities	**474**	**65**	**244**	
Net Debt Nov 10	**£265m**	**£50m**	**£189m**	
% Hedged	***98%***	***22%***	***77%***	

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INCOME PRODUCING PIPELINE - Top 10 tenants

Alstom Power Limited	5.9
Nanjing Automobile Corporation (UK) Ltd.	1.5
Converteam UK Limited	1.1
Siemens Industrial Turbomachinery Ltd.	1.0
Areva T&D (UK) Limited	0.7
Blue Diamond (UK) Limited	0.7
Paragon Automotive Services Limited	0.6
Cranfield University	0.6
Corus UK Limited	0.6
Peacock's Stores Limited	0.5

Gross annual rent before minority interest or joint venture accounting

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