

Trading Update

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St. Modwen Properties PLC

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ST. MODWEN PROPERTIES PLC
("St. Modwen" or "the Company")

TRADING UPDATE
TWO MAJOR TRANSACTIONS CONCLUDE YEAR OF HIGH PERFORMANCE

St. Modwen Properties PLC (LSE: SMP), the UK's leading regeneration specialist, today provides a trading update for the financial year ended 30th November 2013.

Continuing the success reported at the half year, the Company expects its ongoing asset management and added value actions to be reflected positively in the full year valuations. Against the backdrop of an improving market and strengthening economy, initial indications point to positive market valuation movement for the year compared with 2012. None of St. Modwen's existing corporate or joint venture debt facilities require renewal before November 2014 and cashflows including debt performance is good. Outlook for profit before all tax for the year is therefore likely to be substantially ahead of previous management expectations.

Furthermore, the Company has also completed significant transactions on two of its major projects since its interim management statement issued on 1st October 2013, providing further evidence of the growing confidence in the commercial property market, and marking the end of a year of continued strong performance by St. Modwen:

Longbridge - 150,000 sq ft pre-let to Marks & Spencer ("M&S"):

As announced separately today, St. Modwen has signed a new 45 year lease on a 150,000 sq ft flagship M&S store, which will be one of the largest in the UK for the national retailer. The new store will anchor the second phase of the new Longbridge Town Centre for which St. Modwen will shortly submit a revised planning application.

This latest application also includes proposals for 45,000 sq ft of additional retail units plus a surface and multi-storey car park. Subject to planning, construction of the second phase will start on site in mid-2014, with the new M&S store anticipated to open for trading by Christmas 2015. St. Modwen completed the first phase of the Town Centre in August this year.

Elephant & Castle - £80m sale:

As announced on 2nd December 2013, Key Properties Investments ("KPI"), a 50/50 joint venture between St. Modwen and Salhia Real Estate Company K.S.C, has sold the 327,000 sq ft Elephant and Castle retail, leisure and office complex to Delancey and APG for £80m in cash. The sale price achieved, reflecting a yield of 4.25%, is significantly above the asset's current book value. The proceeds will be used to reduce KPI's debt.

Commercial Land and Development

In addition to the transactions completed at both Elephant & Castle and Longbridge, activity across our commercial portfolio has increased steadily throughout the year.

Specific project highlights include:

- **New Covent Garden Market:** we remain on course to achieve planning consent in 2014.
- **Bay Campus, Swansea University:** the first phase of works at the £450m Bay Campus for Swansea University are on schedule, with steelworks and superstructure advancing well and construction of the student

- accommodation now underway.
- **St Andrew's Park, RAF Uxbridge:** development of this major mixed-use new community is progressing well with infrastructure being advanced, the new primary school now under construction and Persimmon actively selling homes.

Residential

Demand for land is growing steadily across the country and we continue to secure disposals above book value, particularly in London and the South East.

Overall profits from residential development remain in line with expectations set out at the half year. We continue to see increasing customer interest and are achieving good sales rates both across our St. Modwen Homes sites and those developed in joint venture with Persimmon. Increasing consumer confidence and Government initiatives such as 'Help to Buy' are playing a pivotal role in boosting the regional market, whilst the London and South East market continues to perform strongly.

Income Producing Properties

Our income producing portfolio continues to provide us with a positive income stream to support the running costs of the business. We are now seeing signs of improving occupational demand for our cost effective space with properties re-letting readily when vacancies arise.

The continued success of this part of our business is directly attributable to our intensive asset management capabilities which, in turn, enable us to maintain and enhance occupancy and rental levels whilst minimising costs.

Bill Oliver, Chief Executive of St. Modwen, commented:

"Our robust, proven business model and our pragmatic, hands-on approach to development and asset management have enabled us to perform consistently well throughout the year and build on the strong results produced in 2012.

"The two major transactions completed at Longbridge and Elephant & Castle exemplify these qualities. The disposal price achieved at Elephant & Castle not only highlights the increasing investor appetite for the type of assets we own but also demonstrates the benefits of our ability to generate excellent returns as a result of our strong asset management capabilities. In addition, in welcoming Marks & Spencer to Longbridge, we have shown how long-term, transformational regeneration projects can encourage investment and serve as true catalysts for change, as well as creating value for our shareholders.

"This activity, together with the growing sense of optimism in the commercial and, in particular, the residential marketplace points to a positive outlook for St. Modwen, both in terms of profit and future net asset value growth."

-ENDS-

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