

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**RESILIENT PERFORMANCE SUPPORTS PROSPECTS FOR CONTINUED GROWTH IN NET ASSET VALUE**

St. Modwen Properties PLC (LSE: SMP), the UK's leading regeneration specialist, today provides a trading update for the financial year ended 30th November 2016.

Overview

St. Modwen's diversified portfolio and business has continued to perform well over the past few months, demonstrating resilience in the face of broader market uncertainties. Taking account of all activities across the Group, the Board expects performance for the second half of the financial year to be broadly in line with that reported for the first half.

New Covent Garden Market

We have previously indicated that during 2016 we would be bringing the 10-acre Nine Elms Square site to market. Formal marketing commenced late summer and, whilst we are still at an early stage and there can be no guarantee that any transaction will take place, we can confirm that we have received firm levels of interest from a number of parties and the Board has been encouraged by the progress to date. We will provide a further update as appropriate in due course.

Resilience in our regional commercial portfolio

We have continued to experience robust regional occupier demand across the UK for both new and existing commercial space. With this as a backdrop, we have continued to pursue investment and development opportunities that we believe exhibit excellent value creation potential, while also realising value from more mature assets:

- We have invested over £45m in new acquisitions, most recently acquiring a 10.5 acre logistics depot in Barming, Kent for £6.2m and reflecting a 7.54% net initial yield.
- We have made good progress with our commercial development programme, both in terms of construction progress and letting activity. Over the last 12 months, we have completed and sold or leased approximately 750,000 sq ft of commercial space and our pipeline remains well stocked with new opportunities.
- We have sold the 50 acre Heartlands Park site in Birmingham to the Secretary of State for Transport for the HS2 project and for a consideration of £25m.

Continued residential growth

Residential activity continues to be a key growth area for the Group, both through its housebuilding subsidiary, St.

Modwen Homes, and the sale of 'oven-ready' development sites to third party house builders. The UK housing market has remained resilient throughout the second half of 2016, supporting the Group's progress.

Since July 2016, St. Modwen Homes has commenced work on three new sites and is now active on a total of 18 sites, with sales volumes and profits anticipated to be higher in the second half of the year compared to the first half.

In response to ongoing demand from third party housebuilders we have continued to agree and complete sales of residential land for prices at or above book value.

Mark Allan, Chief Executive, said:

"Having formally taken up the role of Chief Executive on 1st December 2016 I am pleased to report that, since the publication of its half year results, the Company has continued to trade well, demonstrating excellent resilience in an unsettled environment.

"St. Modwen's business is focused on creating genuine value from its deep and diverse portfolio of development and investment opportunities. Everything I have seen in my first few weeks in the business suggests that it is well placed to continue doing so."

The Company intends to announce its annual results on 7th February 2017.

-ENDS-

ENQUIRIES:

St. Modwen Properties PLC

Mark Allan, Chief Executive

Rob Hudson, Group Finance Director

Charlotte McCarthy, Head of PR and Communications

Tel: 0121 222 9400

www.stmodwen.co.uk

FTI Consulting

Dido Laurimore/ Tom Gough/ Ellie Sweeney

Tel: 020 3727 1000

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