Half Yearly Report

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ST. MODWEN PROPERTIES PLC
("St. Modwen", the "Company" or the "Group")
Half Year Results for the six months to 31st May 2013

STRONG HALF YEAR RESULTS DEMONSTRATING CONTINUED GROWTH

St. Modwen Properties PLC (LSE: SMP), the UK's leading regeneration specialist, announces its half year results for the six months to 31st May 2013.

Financial Highlights

- 11% increase in profit before all tax to £38.8m (H1 2012: £34.9m)
- 5% increase in shareholders' equity NAV per share in the first six months to 263p (Nov 2012: 251p per share) and EPRA NAV up 4% to 282p per share (Nov 2012: 272p)
- Net valuation gain of £23m (H1 2012: £21m) including added value gains of £18m (H1 2012: £35m) and market driven valuation gains of £5m (H1 2012: £14m loss)
- Realised property profits of £16.1m (H1 2012: £16.6m)
- Net rental income of £18.2m (H1 2012: £18.3m)
- Successful equity placing in March 2013 raising gross proceeds of £49m
- Continued reduction in gearing to 55% (Nov 2012: 71%. Comparative adjusted for equity placing would be 57%)
- 10% increase in interim dividend to 1.33p per share (H1 2012: 1.21p)

Operational Highlights:

- Active development programme for 2013; construction of Swansea University's Science and Innovation Campus started in May
- Continue to work towards the submission of a planning application by the end of 2013 for the New Covent Garden Market redevelopment, with good progress achieved to date
- Indications of increased investment interest in secondary commercial property with the successful sale of £35m of mature commercial assets at or above book value during the first six months of the year
- Positive outlook for residential land activity, with good reservation rates already achieved and strong on-going demand at an increased number of sales outlets, an expanding pipeline of developments and greater demand for our land
- Proactive asset management continues to generate value

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

"To be announcing a strong set of half year results and further growth in the net asset value of the Company is positive and a testament to our clear strategy and robust business model. In addition, these results demonstrate the strength and continued growth of our residential and London and South East portfolios which underpin the market valuation gains that have been achieved in the period.

"All these factors, coupled with our active development pipeline and our ability to extract value from our properties through strong asset management, continue to provide an excellent platform from which we can deliver attractive returns and propose a 10 per cent increase in our dividend. We look forward to building on this excellent start to the year and to a successful outcome for 2013 as a whole."

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As the Group utilises a number of joint venture arrangements, additional disclosures are provided to give a better understanding of our business. These include information on the Group including its share of joint ventures together with non-statutory measures such as trading profit and profit before all tax. A full reconciliation of such measures is provided in Note 2 to the Condensed Financial Statements.

***A presentation for analysts and investors will be held at 9.30am today at the offices of FTI Consulting, Holborn Gate, 26 Southampton Buildings, London, WC2A 1PB. If you would like to attend, please contact Faye Walters at FTI* +44 (0)20 7269 7134 or faye.walters@fticonsulting.com**

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HALF YEAR REVIEW

We are pleased to report another strong set of half year results that underline the continued strength and resilience of the business. Our decision to focus on London and the South East and the residential markets has produced good returns and led to an increase in NAV per share of 5% to 263p (Nov 2012: 251p).

Encouragingly, we are experiencing some recovery in the commercial investment market, illustrated by an increased appetite to acquire our secondary commercial assets, with £35m achieved from sales at or above book value during the first half of this year.

Our asset management and planning capabilities continue to be extremely effective and have resulted in added value gains of £18m (H1 2012: £35m). This year's gains remain residential-led but reflect an overall improvement across the breadth of our portfolio (those achieved in H1 2012 were heavily weighted by two residential transactions achieved at our RAF Uxbridge and RAF Mill Hill sites).

Market driven valuation gains of £5m (H1 2012: £14m loss) comprise an increase of £12m on our residential portfolio, substantially offsetting a much-reduced decrease of £7m on our income producing and commercial land assets. Whilst we continue to benefit from market improvements in residential, we are also pleased to report an improvement in the market for our commercial assets, with reductions being more selectively applied than in the comparable period of the prior year.

Our income producing portfolio continues to serve us well, with rental income remaining consistently strong at £18.2m (H1 2012: £18.3m) and occupancy levels maintained at 88% (H1 2012: 88%).

Our development programme remains active; in May, works commenced on the first phase of Swansea University's £450m Science and Innovation Campus whilst, at New Covent Garden Market, we continue to work towards submitting a planning application by the end of 2013.

As predicted at the full year, ongoing challenges with the planning system have delayed site starts for both our joint venture with Persimmon and our own housebuilding brand, St. Modwen Homes. However, all our planned developments are now on site and combined with good reservation rates, we are well on track to deliver the targeted returns we set at the start of the year. At the same time, difficulties presented by the planning system can provide us with a competitive advantage over other companies who do not have the benefit of our extensive experience of tackling complex and challenging sites or our ability to navigate the planning system to secure the necessary planning permission for our longer-term developments.

This overall performance has given the Board the confidence to increase again the Company's interim dividend by 10% to 1.33p per share which will be paid on 3rd September 2013 to shareholders on the register at 9th August 2013.

PORTFOLIO

We split our £1.1bn property portfolio into the following categories of assets:

- Residential
- Commercial Land and Development
- Income Producing Properties

RESIDENTIAL - *continued momentum*

Our residential business is experiencing positive ongoing momentum with good sales rates, an expanding pipeline of developments and greater demand for our land. We maximise opportunities inherent in our residential land bank via three clear routes to market:

- **Residential Land Sales** - the development and sale of 'oven ready' predominantly brownfield sites with viable planning permissions in place
- **Persimmon Joint Venture** -maximising value through development
- **St. Modwen Homes** - in-house development under our own housebuilding brand to capture additional development profits

Residential Land Sales

We continue to secure viable residential-led planning permissions across our portfolio and the appetite from housebuilders eager to meet an increase in market demand for new homes is growing at an encouraging rate. In the period we had 39 acres committed for sale, all secured at prices above book value.

Whilst we are achieving higher prices for our land in London and the South East, it is pleasing to note that the regional housebuilding market is active where sales are also being achieved. Highlights include:

- **VSM Mill Hill** - contracts have been exchanged for the sale of a further 7 acres for £25.5m to Galliford Try
- **Rugby, Warwickshire** - we have exchanged contracts for the sale of 10 acres to Taylor Wimpey for £6.7m
- **Langford Mead, Taunton** -in June we completed the sale of 6 acres of land to Taylor Wimpey for £5.5m

Persimmon Joint Venture

We are now actively developing all eight sites within our joint venture with Persimmon, of which seven have been launched to the market and are achieving good sales rates.

Launched sites:

- Akron Gate, Wolverhampton (328 units); Glan Llyn, South Wales (307 units); Sunderland (212 units); Coed Darcy, South Wales (302 units); Longbridge East, Birmingham (229 units); St. Andrews Gate, Uxbridge (453 units); Vulcan Works, Newton-le-Willows (208 units)

Under construction:

- Long Marston, Warwickshire (284 units)

The joint venture is expected to deliver in excess of 2,000 homes across the UK by 2017.

St. Modwen Homes

Our own housebuilding brand continues to grow and is fast becoming an established operator in the market. Despite delayed site starts as a result of planning challenges, good sales rates are being achieved with reservation and exchange rates indicating that we are well on track to meet the targets we set at the start of 2013.

As announced in our half year results for 2012, we have now added six more sites into the St. Modwen Homes portfolio and are actively building across all of these, of which four have been launched to the market:

Launched sites:
Locking Parklands Phases I and II, Weston-super-Mare (250 units); Eddison Place, Rugby, Warwickshire (175 units); Park View Phases I and II, Longbridge, Birmingham (132 units); Littlecombe, Dursley, Gloucestershire (94 units)
Under construction:

- Ravenstone, Leicestershire (190 units); Gregory's Bank, Worcestershire (155 units)

In planning/ future sites:

- Cadley Hill, Swadlincote (180 units), Park View, Longbridge Phase III (82 units)

In summary, our overall sales position for both St. Modwen Homes and our joint venture with Persimmon in the 2013 financial year is as follows:

Sales Position for 2013 Financial Year (units) As at 31.5.13				Targeted completions FY 2013
	Reservations	**Exchanges**	**Completions**	
St. Modwen	53	52	19	167
Persimmon JV	85	83	53	248
TOTAL	**138**	**135**	**72**	**415**

COMMERCIAL LAND AND DEVELOPMENT - *active development pipeline*
Many of our development projects across the country are progressing well and our pipeline of future property development profits is increasingly secure. As a result, we remain confident in our ability to continue to deliver consistent development profits that will underpin the future growth of the Group. Commercial highlights include:

Great Homer Street, Liverpool -this major regenerationproject has planning consent for 200,000 sq ft of retail, including a 110,000 sq ft Sainsbury's store, 80,000 sq ft of industrial, 480 new homes and a new market. Following the CPO award at the end of 2012, a reserved matters planning application has now been submitted to approve the final detail of Phase I of the scheme which comprises the retail, the market and improvements to public realm. We anticipate starting on site with this first phase in 2014.

Wembley Central, London - lettings continue to be secured at this major town centre scheme and most recently include 16,000 sq ft pre-let to Argos and 1,300 sq ft pre-let to Costa which will trade alongside existing tenants TK Maxx, Iceland, Sportsdirect and a recently opened Tesco Metro store. They will join an 86 bedroom Travelodge within the final scheme phase which is due to open when the entire £90m project completes next summer.

Energy - aside from our traditional development and regeneration activities, we are pursuing a number of opportunities arising from the energy sector and pushing ahead with a 30 acre Solar Park at our Baglan Bay site in South Wales, one of the sites acquired in 2009 as part of the BP portfolio. The Park will comprise 25,000 photovoltaic panels and will have the potential to generate 5m KwH of electricity, enough to supply energy to more than 1,200 homes and which will yield £600,000 of income per annum.

Swansea University - We signed the development agreement to deliver the first phase of the University's £450m Science and Innovation Campus in March 2013. We started on site in May and expect to welcome the first students to the new academic buildings and student accommodation in September 2015.

New Covent Garden Market - Since signing the development agreement with the Covent Garden Market Authority in January 2013, we are now working towards the submission of a planning application towards the end of this calendar year, with a view to securing planning permission in 2015. No assets and liabilities are as yet included in the balance sheet and hence no revaluation uplift has yet been taken on this major strategic site held in joint venture with VINCI PLC.

Longbridge - The first phase of the £70m Town Centre is now complete and is due to open for trading in late summer 2013 with an 80,000 sq ft Sainsbury's foodstore, a 75 bedroom Premier Inn, a Beefeater Grill, 24 shops, restaurants, circa 35,000 sq ft of offices and the new £2m Austin Park. The opening of the Town Centre will bring investment at the former MG Rover site since it was acquired by St. Modwen in 2003 to £250m.

Elephant & Castle - We remain committed to the redevelopment of the shopping centre and to progress our plans with the London Borough of Southwark to establish how we can deliver a viable scheme that will offer long-term benefit to the regeneration of the Elephant and Castle area. In the meantime, we continue to enjoy a robust income from the existing centre which is 95% let and is included in our portfolio of income producing properties.

INCOME PRODUCING PROPERTIES - *consistent income stream*
Our proactive asset management capabilities continue to deliver a positive income stream that underpins the running costs of the business. Furthermore, our income producing portfolio remains resilient to the retail market where, since the start of the year, we have remained unaffected by high profile administrations. Our net rental income received remains steady at £18.2m (H1 2012: £18.3m) and void levels have been maintained at 12% (H1 2012: 12%).

Encouragingly and demonstrating the increasing liquidity in secondary commercial properties, we have already achieved gross sales of £35m, at or above book value, for mature commercial assets in the first six months of the year. Highlights include:

- Converteam, Rugby - sale of this industrial asset for £11.5m
- Hounslow - sale of this retail parade for £10.5m
- Phoenix Park, Stoke-on-Trent - sale of this retail park for £8.3m

On an annualised basis our like-for-like gross rental income has been maintained at £45.7m, notwithstanding our mature asset disposals accounting for a £2.5m reduction of rental income, thereby illustrating our ability to work our assets hard and extract maximum rental value.

Market pressure on yields is easing but still exists. However, our portfolio contains substantial development opportunities and we continue to work hard to realise these.

Portfolio Yield Analysis	**Equivalent**		**Net Initial**	
	May 2013	Nov 2012	May 2013	Nov 2012
Retail	9.0%	9.0%	7.6%	7.6%
Office	9.8%	9.4%	7.1%	7.0%
Industrial	9.2%	9.2%	7.9%	7.9%
Portfolio	**9.2%**	**9.2%**	**7.7%**	**7.7%**

FINANCE
Our business model is based on core rental and other income covering the running costs of the business (property outgoings, overheads and interest). This provides firm foundations upon which we can add value to the portfolio through planning gain and robust asset management activities and, in turn, maximise development profits.

As we use a number of joint venture arrangements, the statutory financial statement disclosures do not always provide a straightforward way of understanding our business. To enable a better understanding, we have also provided information including the Group's share of joint ventures and a full reconciliation is provided in Note 2 to the Condensed Financial Statements.

Financial Performance
We have produced another strong set of half year results, achieving an 11% increase in profit before all tax to £38.8m (H1 2012: £34.9m).

This sound performance has been underpinned by further advances in our residential business, a continued focus on London and the South East and signing the development agreement with Swansea University which is now unconditional and, as of this year, will provide returns of circa £10m per year over the course of the next three years.

Trading profit for the six months of £13.4m (H1 2012: £17.2m) is in line with management expectations set out at the start of 2013. With planning resolved and all sites scheduled to contribute to 2013 now active, we expect profits from residential development to increase in the second half of the year. Strong initial interest and the high volume of exchanges and reservations secured make us confident of achieving our target for completions for the full year.

Property Valuation Movements

There are two distinct parts to the property valuation movements: those movements resulting from activities that we undertake specifically to add value to our assets, and those resulting from changes in the overall property market. Jones Lang LaSalle provides this valuation split for us as part of the independent property valuations that they undertake every six months.

For the first six months of this year, in line with market movements, yields for our income producing portfolio have moved slightly outwards, reducing the value of our income producing properties by 1%. However, our residential portfolio has increased by 3% reflecting a net market driven gain of £5m, comparing favourably with the net loss in H1 2012 of £14m. Coupled with residential-led valuation gains arising from our own activities of £18m (H1 2012: £35m - heavily weighted by two residential transactions achieved at RAF Uxbridge and RAF Mill Hill), we have achieved overall valuation gains of £23m.

Financial Results
Profit before all tax has increased by 11% to £38.8m. This is particularly pleasing after the very strong result achieved in the first half of 2012 of £34.9m. Profit before all tax is also stated after movements in the market value of our interest rate derivatives (hedges and swaps). The valuations are based on the financial market's forward prediction curves for interest rates. These remained relatively constant during the reporting period, producing a credit of £3.6m which was broadly in line with payments made.
After allowing for the above and tax costs for both joint ventures and Group our profit after tax was £34.3m (H1 2012: £28.7m).

Balance Sheet
In the first half of the year we completed a successful equity placing, raising gross proceeds of £49m. The placing price per share, at 245p, was closely aligned with shareholders' equity net asset value per share of 251p at November 2012.

The funds from the placing were raised to exploit the potential of the development at the New Covent Garden Market site in Nine Elms, London without the need to increase the debt leverage on the Company's balance sheet and leaving the allocation of our existing resources to deliver our other major pipeline projects unaffected.

The assets and liabilities of the New Covent Garden Market contract will only be recognised on our balance sheet once detailed planning consent is received and the contract becomes fully unconditional. This is currently expected to be within our 2015 financial year.

Net Assets (NAV)
At the period end, the shareholders' equity value of assets was £578m or 263p per share, (Nov 2012: £503m or 251p per share). On an EPRA basis there was a similar increase with EPRA NAV per share increasing 4% to £621m or 282p per share (Nov 2012: £544m or 272p per share) including the impact of the shares issued in the equity placing.

Funding
Our ongoing cash management and the equity placing have created substantial headroom in our banking facilities, with over £150m of undrawn facilities in place.

Covenant compliance for both our corporate banking facilities and our retail bond continues to be met at all levels for both the Group and Key Property Investments and we have sufficient profits from contracted and residential on-site schemes to meet the covenant requirements for 2013 and 2014. Our banking relationships remain strong and we continue to operate with significant headroom on loan-to-value, net asset value and gearing and, even allowing for any possible market decline, expect these to be comfortably met. In addition, we hedge the majority of our interest rate risks as we aim to have predictable costs attached to our borrowing; following the equity placing, we are now 100% hedged against our corporate debt (Nov 2012: 93%).

Our net debt has reduced by £41m to £325m, principally as a result of the equity placing proceeds received in March 2013. In addition, we continue to progress selective asset disposals, with £35m achieved from the sale of a number of mature commercial assets in the first half of the year, whilst continuing to invest in our development assets in order to secure future returns.

Taking into account these transactions, equivalent gearing levels have significantly reduced to 55% (Nov 2012: 57%) while our see through loan-to-value ratio (including our share of joint venture properties and debts) has improved to

36% (Nov 2012: 41%). We continue to assess all options to increase the diversity of our funding sources to ensure that we are delivering best value for the business and our shareholders.

Principal Risks and Uncertainties

The key risks which could have a material impact on the Group's performance, together with the corresponding mitigating actions, are set out on pages 54 to 57 of the Annual Report for the year ended 30th November 2012, which is available at www.stmodwen.co.uk

These risks comprise: (1) uncertainty in the economic and market environment which increases the risk attached to property valuation and development returns; (2) risks attached to the availability of funding and the management of cash flow fluctuations; (3) management of construction and development; (4) regulatory and compliance risk; and (5) recruiting, maintaining and motivating highly skilled staff.

These risks are expected to continue to remain relevant for the second half of the financial year.

OUTLOOK

The wider economic challenges still exist and we cannot ignore these. However, we do foresee continued growth across our business and specifically in our London and South East and residential portfolios.

Further assisting this growth is our ability to add value to our portfolio via our robust asset management and planning skills while, on the back of this very strong first half, we will continue to identify and build a steady supply of future development opportunities.

Finally, not forgetting that New Covent Garden Market is not yet accounted for within our financial results, the securing of an improved planning consent can only lead to significant future improvement in the net asset value of the Group.

Bill Oliver **Michael Dunn**
Chief Executive **Group Finance Director**

1st July 2013

Group Income Statement

for the period to 31st May 2013

	Notes	**Unaudited 31st May 2013 £m**	Unaudited 31st May 2012 £m	Audited 30th Nov 2012 £m
Revenue	3	**63.8**	81.0	219.1
Net rental income	3	**14.3**	13.9	28.3
Development profits	3	**12.1**	15.0	22.4
Gains on disposals of investments/investment properties		**2.1**	0.9	1.4
Investment property revaluation gains/ (losses)		**16.7**	(1.8)	6.4
Goodwill written off on corporate acquisition of investment properties		**-**	-	(1.3)
Other net income	3	**1.3**	1.5	2.8
Profits of joint ventures and associates (post-tax)	4	**8.3**	19.2	22.6
Administrative expenses		**(9.2)**	(8.3)	(18.1)
Profit before interest and tax		**45.6**	40.4	64.5
Finance cost	5	**(12.1)**	(11.5)	(22.3)
Finance income	5	**4.2**	1.5	5.2
Profit before tax		**37.7**	30.4	47.4
Taxation	7 (iii)	**(3.4)**	(1.7)	(5.1)
Profit for the period		**34.3**	28.7	42.3
Attributable to:				
Owners of the Company		**32.9**	28.6	42.7
Non-controlling interests		**1.4**	0.1	(0.4)
		34.3	28.7	42.3
	Notes	**Pence**	Pence	Pence
Basic earnings per share	6	**15.6**	14.3	21.3
Diluted earnings per share	6	**15.4**	14.2	21.2

Group Statement of Comprehensive Income

for the period to 31st May 2013

	Unaudited 31st May 2013 £m	Unaudited 31st May 2012 £m	Audited 30th Nov 2012 £m
Profit for the period	**34.3**	28.7	42.3
Items that will not be reclassified to profit and loss:			
Pension fund actuarial losses	**-**	(0.2)	(0.1)
Deferred tax thereon	**-**	-	-
Total comprehensive income for the period	**34.3**	28.5	42.2
Attributable to:			
Owners of the Company	**32.9**	28.4	42.6
Non-controlling interests	**1.4**	0.1	(0.4)
Total comprehensive income for the period	**34.3**	28.5	42.2

Group Balance Sheet

as at 31st May 2013

	Notes	Unaudited 31st May 2013 £m	Unaudited 31st May 2012 £m	Audited 30th Nov 2012 £m
Non-current assets				
Investment properties	7(i)	**781.9**	795.3	770.4
Operating property, plant and equipment		**6.7**	6.9	6.8
Investments in joint ventures and associates		**83.6**	72.0	75.2
Trade and other receivables		**15.0**	12.9	21.6
		887.2	887.1	874.0
Current assets				
Inventories		**194.8**	149.5	175.2
Trade and other receivables		**56.5**	55.1	46.5
Cash and cash equivalents		**8.9**	11.8	8.9
		260.2	216.4	230.6
Current liabilities				
Trade and other payables		**(157.6)**	(150.6)	(155.6)
Borrowings		**-**	(20.8)	(3.3)
Tax payables		**(3.4)**	(1.3)	(3.3)
		(161.0)	(172.7)	(162.2)
Non-current liabilities				
Trade and other payables		**(52.3)**	(61.6)	(48.6)
Borrowings		**(334.1)**	(361.0)	(371.6)
Deferred tax		**(9.2)**	(8.1)	(8.5)
		(395.6)	(430.7)	(428.7)
Net assets		**590.8**	500.1	513.7
Capital and reserves				
Share capital		**22.0**	20.0	20.0
Share premium account		**102.8**	102.8	102.8
Retained earnings		**405.2**	365.8	377.6
Share incentive reserve		**2.6**	-	2.4
Own shares		**(0.4)**	(0.5)	(0.5)
Other reserves		**46.2**	0.3	0.3
Equity attributable to owners of the Company		**578.4**	488.4	502.6
Non-controlling interest		**12.4**	11.7	11.1
Total equity		**590.8**	500.1	513.7

Group Statement of Changes in Equity

for the period to 31st May 2013

31st May 2013 (Unaudited)	Share capital £m	Share premium account £m	Retained earnings £m	Share incentive reserve £m	Own shares £m	Other reserve £m	Equity attributable to owners of the company £m	Non-controlling interests £m	Total £m
Profit for the period	-	-	32.9	-	-	-	32.9	1.4	34.3
Items that will not be reclassified to profit and loss:									
Pension fund actuarial gains	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	32.9	-	-	-	32.9	1.4	34.3
Share-based payments	-	-	-	0.2	-	-	0.2	-	0.2

Dividends paid	**-**	**-**	**(5.3)**	**-**	**-**	**-**	**(5.3)**	**(0.1)**	**(5.4)**
Net disposal of own shares	**-**	**-**	**-**	**-**	**0.1**	**-**	**0.1**	**-**	**0.1**
Equity placing	**2.0**	**-**	**-**	**-**	**-**	**45.9**	**47.9**	**-**	**47.9**
Equity at 30th November 2012	**20.0**	**102.8**	**377.6**	**2.4**	**(0.5)**	**0.3**	**502.6**	**11.1**	**513.7**
Equity at 31st May 2013	**22.0**	**102.8**	**405.2**	**2.6**	**(0.4)**	**46.2**	**578.4**	**12.4**	**590.8**

31st May 2012 (Unaudited)	Share capital £m	Share premium account £m	Retained earnings £m	Share incentive reserve £m	Own shares £m	Other reserve £m	Equity attributable to owners of the company £m	Non-controlling interests £m	Total £m
Profit for the period	-	-	28.6	-	-	-	28.6	0.1	28.7
Items that will not be reclassified to profit and loss:									
Pension fund actuarial losses	-	-	(0.2)	-	-	-	(0.2)	-	(0.2)
Total comprehensive income for the period	-	-	28.4	-	-	-	28.4	0.1	28.5
Dividends paid	-	-	(4.4)	-	-	-	(4.4)	-	(4.4)
Equity at 30th November 2011	20.0	102.8	341.8	-	(0.5)	0.3	464.4	11.6	476.0
Equity at 31st May 2012	20.0	102.8	365.8	-	(0.5)	0.3	488.4	11.7	500.1

30th November 2012 (Audited)	Share capital £m	Share premium account £m	Retained earnings £m	Share incentive reserve £m	Own shares £m	Other reserve £m	Equity attributable to owners of the company £m	Non-controlling interests £m	Total £m
Profit for the period	-	-	42.7	-	-	-	42.7	(0.4)	42.3
Items that will not be reclassified to profit and loss:									
Pension fund actuarial losses	-	-	(0.1)	-	-	-	(0.1)	-	(0.1)
Total comprehensive income for the period	-	-	42.6	-	-	-	42.6	(0.4)	42.2
Transfer share based payments provision to share incentive reserve	-	-	-	2.1	-	-	2.1	-	2.1
Share-based payment charge	-	-	-	0.3	-	-	0.3	-	0.3
Dividends paid	-	-	(6.8)	-	-	-	(6.8)	(0.1)	(6.9)
Equity at 30th November 2011	20.0	102.8	341.8	-	(0.5)	0.3	464.4	11.6	476.0
Equity at 30th November 2012	20.0	102.8	377.6	2.4	(0.5)	0.3	502.6	11.1	513.7

On 1st March 2013 the Group completed a 'cash box' placing of 20,016,057 ordinary shares of 10p each at £2.45 per share. Net proceeds were £47.9m after share issue costs of which the £2.0m nominal value of the shares was credited to share capital and the balance to other reserves.

Group Cash Flow Statement

for the period to 31st May 2013

	Unaudited 31st May 2013 £m	Unaudited 31st May 2012 £m	Audited 30th Nov 2012 £m
Operating activities			
Profit before interest and tax	**45.6**	40.4	64.5
Gains on investment property disposals	**(2.1)**	(0.9)	(1.4)
Share of profits of joint ventures and associates (post-tax)	**(8.3)**	(19.2)	(22.6)
Investment property revaluation (gains)/losses	**(16.7)**	1.8	(6.4)
Goodwill written off on corporate acquisition of investment properties	**-**	-	1.3
Depreciation	**0.2**	0.2	0.5
Impairment losses on inventories	**1.0**	0.5	3.8
Decrease in inventories	**3.6**	58.8	55.7
Increase in trade and other receivables	**(14.4)**	(6.5)	(4.0)
Decrease in trade and other payables	**(2.0)**	(45.7)	(51.0)
Share options and share awards	**0.3**	0.4	0.3
Tax paid	**(2.6)**	(1.2)	(2.2)
Net cash inflow from operating activities	**4.6**	28.6	38.5
Investing activities			
Investment property disposals	**32.4**	6.7	29.5
Investment property additions	**(28.1)**	(20.2)	(37.4)
Acquisition of subsidiary undertaking	**-**	-	-
Property, plant and equipment additions	**(0.1)**	-	(0.3)
Cash and cash equivalents acquired with subsidiary undertakings	**-**	0.4	0.4
Interest received	**0.7**	-	3.1
Net cash inflow/(outflow) from investing activities	**4.9**	(13.1)	(4.7)
Financing activities			
Dividends paid	**(5.3)**	(4.4)	(6.8)
Dividends paid to non-controlling interests	**(0.1)**	-	(0.1)
Interest paid	**(11.2)**	(8.8)	(20.6)

Net borrowings drawn	**35.7**	12.0	98.8
Repayment of borrowings	**(76.5)**	(8.3)	(101.4)
Receipt of funds from equity placing	**47.9**	-	-
Net cash outflow from financing activities	**(9.5)**	(9.5)	(30.1)
Increase in cash and cash equivalents	**-**	6.0	3.7
Cash and cash equivalents at start of period	**8.9**	5.2	5.2
Cash and cash equivalents at end of period	**8.9**	11.2	8.9
Cash	**8.9**	11.8	8.9
Bank overdrafts	**-**	(0.6)	-
Cash and cash equivalents at end of period	**8.9**	11.2	8.9

Notes to the Condensed Financial Statements

1. ACCOUNTING POLICIES

The annual financial statements of St. Modwen Properties PLC are prepared in accordance with IFRSs as issued by the International Accounting Standards Board, as adopted by the European Union ('EU') and applied in accordance with the provisions of the Companies Act 2006. The condensed set of financial statements included in this half year report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the EU.

The same accounting policies and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest annual audited financial statements. The following standards have been adopted in the period but have had no material impact on the Group's condensed financial statements:

Amendments to IAS 12 Deferred Tax: Recovery of Underlying Assets

Amendments to IAS 1 Presentation of items of other comprehensive income

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Half Year Review. The directors have considered these factors and reviewed the financial position of the Group, including its joint ventures and associates.

The review included an assessment of future funding requirements based on cash flow forecasts extending to 30th November 2014, valuation projections and the ability of the Group to meet covenants on existing borrowing facilities. The directors were satisfied that the forecasts and projections were based on realistic assumptions and that the sensitivities applied in reviewing downside scenarios were appropriate.

As described in the Half Year Review, there are no corporate or joint venture facilities that require renewal before November 2014.

Based on their assessment, the directors are of the opinion that the Group has adequate committed resources to fund its operations for the foreseeable future and so determine that it remains appropriate for the Condensed Financial Statements to be prepared on a going concern basis.

2. NON-STATUTORY INFORMATION

(a) Trading profit and profit before all tax

The non-statutory measure of trading profit and profit before all tax, which include the Group's share of joint ventures and associates, have been calculated as set out below:

	Six months to 31st May 2013		
	Group £m	Joint Ventures and Associates £m	Total £m
Net rental income	**14.3**	**3.9**	**18.2**
(1)Development profit	**13.1**	**0.4**	**13.5**
Gains on disposal of investments/ investment properties	**2.1**	**0.5**	**2.6**
Other income	**1.3**	**-**	**1.3**
Administrative expenses	**(9.2)**	**(0.1)**	**(9.3)**
(2)Finance costs	**(10.5)**	**(3.1)**	**(13.6)**
(3)Finance income	**0.7**	**-**	**0.7**
Trading profit	**11.8**	**1.6**	**13.4**
(1)Investment property revaluation gains	**15.7**	**7.2**	**22.9**
(2)Other finance costs	**(1.6)**	**(0.1)**	**(1.7)**
(3)Other finance income	**3.5**	**0.7**	**4.2**
Profit before all tax	**29.4**	**9.4**	**38.8**

Taxation	**(3.4)**	**(1.1)**	**(4.5)**
Profit for the year	**26.0**	**8.3**	**34.3**

	Six months to 31st May 2012		
	Group £m	Joint Ventures and Associates £m	Total £m
Net rental income	13.9	4.4	18.3
(1)Development profit	15.5	0.1	15.6
Gains on disposal of investments/ investment properties	0.9	0.1	1.0
Other income	1.5	-	1.5
Administrative expenses	(8.3)	(0.2)	(8.5)
(2)Finance costs	(8.3)	(2.4)	(10.7)
(3)Finance income	-	-	-
Trading profit	15.2	2.0	17.2
(1)Investment property revaluation (losses)/gains	(2.3)	23.2	20.9
(2)Other finance costs	(3.2)	(1.5)	(4.7)
(3)Other finance income	1.5	-	1.5
Profit before all tax	11.2	23.7	34.9
Taxation	(1.7)	(4.5)	(6.2)
Profit for the year	9.5	19.2	28.7

	Year to 30th November 2012		
	Group £m	Joint Ventures and Associates £m	Total £m
Net rental income	28.3	7.9	36.2
(1)Development profit	26.2	1.2	27.4
Gains on disposal of investments/ investment properties	1.4	0.2	1.6
Other income	2.8	-	2.8
Administrative expenses	(18.1)	(0.5)	(18.6)
(2)Finance costs	(18.8)	(6.2)	(25.0)
(3)Finance income	1.1	-	1.1
Trading profit	22.9	2.6	25.5
(1)Investment property revaluation gains	1.3	26.7	28.0
(2)Other finance costs	(3.5)	(1.3)	(4.8)
(3)Other finance income	4.1	-	4.1
Profit before all tax	24.8	28.0	52.8
Taxation	(5.1)	(5.4)	(10.5)
Profit for the year	19.7	22.6	42.3

(1) Stated before the deduction of net realisable valuation provisions of: Group £1.0m (period to 31st May 2012: £0.5m, year ended 30th November 2012: £3.8m); Joint ventures and associates £nil (period to 31st May 2012: £0.1m, year ended 30th November 2012: £0.1m). These items are reclassified to investment property revaluations, together with goodwill written off on the corporate acquisition of investment properties.

(2) Stated before mark-to-market of derivatives and other non-cash items of: Group £1.6m (period to 31st May 2012: £3.2m, year ended 30th November 2012: £3.5m); Joint ventures and associates £0.1m (period to 31st May 2012: £1.5m, year ended 30th November 2012: £1.3m). These items are reclassified to other finance costs.

(3) Stated before mark-to-market of derivatives, loan settlement fees and other non-cash items of: Group £3.5m (period to 31st May 2012: £1.5m, year ended 30th November 2012: £4.1m); Joint ventures and associates £0.7m (period to 31st May 2012: £nil, year ended 30th November 2012: £nil). These items are reclassified to other finance income.

(b) Property valuations

Property valuations, including the Group's share of joint ventures and associates, have been calculated as set out below:

	Six months to 31st May 2013		
	Group £m	**Joint Ventures and Associates £m**	**Total £m**
Property revaluation gains	**16.7**	**7.2**	**23.9**
Net realisable value provisions	**(1.0)**	**-**	**(1.0)**
Property valuation gains	**15.7**	**7.2**	**22.9**
Added value	**11.6**	**5.9**	**17.5**
Market movements	**4.1**	**1.3**	**5.4**
Property valuation gains	**15.7**	**7.2**	**22.9**

	Six months to 31st May 2012		
	Group £m	Joint Ventures and Associates £m	Total £m
Property revaluation (losses)/gains	(1.8)	23.3	21.5
Net realisable value provisions	(0.5)	(0.1)	(0.6)

Property valuation (losses)/gains	(2.3)	23.2	20.9
Added value	8.9	25.6	34.5
Market movements	(11.2)	(2.4)	(13.6)
Property valuation (losses)/gains	(2.3)	23.2	20.9

	Year to 30th November 2012		
	Group £m	Joint Ventures and Associates £m	Total £m
Property revaluation gains	5.1	26.8	31.9
Net realisable value provisions	(3.8)	(0.1)	(3.9)
Property valuation gains	1.3	26.7	28.0
Added value	19.8	27.8	47.6
Market movements	(18.5)	(1.1)	(19.6)
Property valuation gains	1.3	26.7	28.0

The split of property valuation gains between added value and market movements is based on an analysis of total property valuation movements provided by our external valuers Jones Lang LaSalle LLP, Chartered Surveyors.

(c) Property portfolio

The property portfolio, including the Group's share of joint ventures and associates, is derived from the balance sheet as detailed below:

	31st May 2013		
	Group £m	**Joint Ventures and Associates £m**	**Total £m**
Investment properties	**781.9**	**173.3**	**955.2**
Less assets held under finance leases	**(3.9)**	**(1.2)**	**(5.1)**
Add back lease incentives (recorded in receivable)	**5.2**	**1.5**	**6.7**
Inventories	**194.8**	**6.1**	**200.9**
(1) Less pre-sold properties under construction	**(20.4)**	**-**	**(20.4)**
Property portfolio	**957.6**	**179.7**	**1,137.3**

	31st May 2012		
	Group £m	Joint Ventures and Associates £m	Total £m
Investment properties	795.3	181.0	976.3
Less assets held under finance leases	(3.9)	(1.2)	(5.1)
Add back lease incentives (recorded in receivable)	3.9	2.4	6.3
Inventories	149.5	7.7	157.2
(1) Less pre-sold properties under construction	(34.4)	-	(34.4)
Property portfolio	910.4	189.9	1,100.3

	30th November 2012		
	Group £m	Joint Ventures and Associates £m	Total £m
Investment properties	770.4	174.9	945.3
Less assets held under finance leases	(3.9)	(1.2)	(5.1)
Add back lease incentives (recorded in receivable)	4.5	1.6	6.1
Inventories	175.2	7.5	182.7
(1) Less pre-sold properties under construction	(30.8)	-	(30.8)
Property portfolio	915.4	182.8	1,098.2

(1) Represents deductions for 'barter' properties, principally RAF Northolt as part of the Project MoDEL arrangements between VSM Estates Limited and the Ministry of Defence.

The Group's property portfolio, including share of joint ventures and associates can be split by category as detailed below:

	31st May 2013 £m	31st May 2012 £m	30th Nov 2012 £m
Retail	**231.4**	227.7	240.2
Offices	**57.4**	66.1	60.7
Industrial	**256.1**	264.2	260.6
Income producing	**544.9**	558.0	561.5
Residential land	**452.7**	406.1	397.4
Commercial land	**139.7**	136.2	139.3
Property portfolio	**1,137.3**	1,100.3	1,098.2

(d) Movement in net debt

Movement in net debt as discussed in the Half Year Review is calculated as set out below:

	Six months to 31st May 2013 £m	Six months to 31st May 2012 £m	Year to 30th Nov 2012 £m
Movement in cash and cash equivalents	**-**	6.0	3.7
Borrowings drawn	**(35.7)**	(12.0)	(98.8)
Repayment of borrowings	**76.5**	8.3	101.4
Receipt of funds from equity placing	**(47.9)**	-	-
Joint venture debt repaid between 30th November 2011 and acquisition as a subsidiary undertakings on 31st May 2012	**-**	1.6	1.6
(Increase)/decrease in equivalent net debt	**(7.1)**	3.9	7.9
Receipt of funds from equity placing	**47.9**	-	-
Joint venture debt at 30th November 2011 consolidated from 31st May 2012	**-**	(26.8)	(26.8)
Decrease/(increase) in net debt	**40.8**	(22.9)	(18.9)

Included in the increase in net debt for the period to 31st May 2012 and year ended 30th November 2012 is £24.8m as a result of the Group obtaining control of and consolidating, both Sowcrest Limited and Holaw 462 Limited as subsidiary undertakings. Prior to 31st May 2012 both entities were accounted for as joint ventures with net debt of £26.8m as at 30th November 2011.

(e) Trading cash flow

	Six months to 31st May 2013			
	Operating activities £m	**Investing activities £m**	**Financing activities £m**	**Total £m**
Net rent and other income	**15.6**	**-**	**-**	**15.6**
Property disposals	**37.8**	**32.4**	**-**	**70.2**
Property acquisitions	**(17.7)**	**-**	**-**	**(17.7)**
Capital expenditure	**(17.8)**	**(28.2)**	**-**	**(46.0)**
Working capital and other movements	**(2.0)**	**-**	**-**	**(2.0)**
Overheads and interest	**(8.7)**	**0.7**	**(11.2)**	**(19.2)**
Taxation	**(2.6)**	**-**	**-**	**(2.6)**
Trading cash flow	**4.6**	**4.9**	**(11.2)**	**(1.7)**
Receipt of funds from equity placing	**-**	**-**	**47.9**	**47.9**
Net borrowings	**-**	**-**	**(40.8)**	**(40.8)**
Net dividends	**-**	**-**	**(5.4)**	**(5.4)**
Movement in cash and cash equivalents	**4.6**	**4.9**	**(9.5)**	**-**

	Six months to 31st May 2012			
	Operating activities £m	Investing activities £m	Financing activities £m	Total £m
Net rent and other income	15.4	-	-	15.4
Property disposals	57.1	6.7	-	63.8
Property acquisitions	(1.5)	(3.2)	-	(4.7)
Capital expenditure	(19.4)	(17.0)	-	(36.4)
Working capital and other movements	(14.1)	-	-	(14.1)
Overheads and interest	(7.7)	-	(8.8)	(16.5)
Taxation	(1.2)	-	-	(1.2)
Trading cash flow	28.6	(13.5)	(8.8)	6.3
Net borrowings	-	0.4	30.5	30.9
Joint venture debt at 30th November 2011 now consolidated	-	-	(26.8)	(26.8)
Net dividends	-	-	(4.4)	(4.4)
Movement in cash and cash equivalents	28.6	(13.1)	(9.5)	6.0

	Year to 30th November 2012			
	Operating activities £m	Investing activities £m	Financing activities £m	Total £m
Net rent and other income	31.1	-	-	31.1
Property disposals	97.5	29.5	1.6	128.6
Property acquisitions	(10.7)	(6.5)	-	(17.2)
Capital expenditure	(73.3)	(31.2)	-	(104.5)
Working capital and other movements	13.4	0.4	-	13.8
Overheads and interest	(17.3)	3.1	(20.6)	(34.8)
Taxation	(2.2)	-	-	(2.2)
Trading cash flow	38.5	4.7	(19.0)	14.8
Net borrowings	-	-	22.6	22.6
Joint venture debt at 30th November 2011 now consolidated	-	-	(26.8)	(26.8)
Net dividends	-	-	(6.9)	(6.9)

Movement in cash and cash equivalents	38.5	(4.7)	(30.1)	3.7

(f) Group Balance Sheet

VSM Estates (Holdings) Limited and its subsidiary undertakings ('VSM') are party to a series of contracts with the Ministry of Defence known as Project MoDEL. The property assets of VSM are subject to purchase on deferred terms and, to increase disclosure of the impact of these arrangements, the following additional split of the Group Balance Sheet showing the proportion attributable to VSM has been provided below:

	31st May 2013		
	Group £m	**VSM £m**	**Total £m**
Investment property	**703.7**	**78.2**	**781.9**
Other non-current assets	**96.3**	**9.0**	**105.3**
Inventories	**178.3**	**16.5**	**194.8**
Cash and cash equivalents	**5.4**	**3.5**	**8.9**
Other current assets	**34.9**	**21.6**	**56.5**
Total assets	**1,018.6**	**128.8**	**1,147.4**
Current liabilities	**(135.3)**	**(25.7)**	**(161.0)**
Borrowings	**(313.7)**	**(20.4)**	**(334.1)**
Other non-current liabilities	**(9.4)**	**(52.1)**	**(61.5)**
Total liabilities	**(458.4)**	**(98.2)**	**(556.6)**
Net assets	**560.2**	**30.6**	**590.8**
Equity attributable to owners of the Company	**555.5**	**22.9**	**578.4**
Non-controlling interests	**4.7**	**7.7**	**12.4**
Total equity	**560.2**	**30.6**	**590.8**

	31st May 2012		
	Group £m	VSM £m	Total £m
Investment property	708.1	87.2	795.3
Other non-current assets	84.9	6.9	91.8
Inventories	116.5	33.0	149.5
Cash and cash equivalents	2.9	8.9	11.8
Other current assets	37.6	17.5	55.1
Total assets	950.0	153.5	1,103.5
Current liabilities	(118.5)	(33.4)	(151.9)
Borrowings	(345.5)	(36.3)	(381.8)
Other non-current liabilities	(11.1)	(58.6)	(69.7)
Total liabilities	(475.1)	(128.3)	(603.4)
Net assets	474.9	25.2	500.1
Equity attributable to owners of the Company	469.5	18.9	488.4
Non-controlling interests	5.4	6.3	11.7
Total equity	474.9	25.2	500.1

	30th November 2012		
	Group £m	VSM £m	Total £m
Investment property	703.6	66.8	770.4
Other non-current assets	88.0	15.6	103.6
Inventories	148.3	26.9	175.2
Cash and cash equivalents	5.0	3.9	8.9
Other current assets	26.9	19.6	46.5
Total assets	971.8	132.8	1,104.6
Current liabilities	(125.0)	(33.9)	(158.9)
Borrowings	(344.5)	(30.4)	(374.9)
Other non-current liabilities	(12.4)	(44.7)	(57.1)
Total liabilities	(481.9)	(109.0)	(590.9)
Net assets	489.9	23.8	513.7
Equity attributable to owners of the Company	485.3	17.3	502.6
Non-controlling interests	4.6	6.5	11.1
Total equity	489.9	23.8	513.7

(g) Net assets per share

Net assets per share are calculated as set out below:

	31st May 2013	31st May 2012	30th Nov 2012
Total equity (£m)	**590.8**	500.1	513.7
Less: Non-controlling interests	**(12.4)**	(11.7)	(11.1)
Equity attributable to owners of the Company	**578.4**	488.4	502.6

Deferred tax on capital allowances and revaluations	**21.6**	20.2	18.7
Mark-to-market of interest rate swaps	**16.3**	20.1	19.1
Fair value of inventories	**4.4**	-	3.9
Diluted EPRA net assets	**620.7**	528.7	544.3
Shares in issue (number)	**220,376,988**	200,360,931	200,360,931
Total equity net assets per share (pence)	**268.1p**	249.6p	256.4p
Percentage increase	**5%**		
Equity attributable to owners of the Company net assets per share (pence)	**262.5p**	243.8p	250.8p
Percentage increase	**5%**		
Diluted EPRA net assets per share (pence)	**281.7p**	263.9p	271.7p
Percentage increase	**4%**		

(h) Gearing and LTV

The following table shows the calculation of:
Gearing, being the ratio of net debt to total equity; and
Loan-to-Value ('LTV'), being the ratio of net debt to the property portfolio (representing amounts that could be used as security for that debt).

In addition 'equivalent' net debt and associated metrics are discussed in the Half Year Review. These figures assume that the equity placing was in place at each of the comparable reporting dates. Adjustments to derive these figures are also detailed below:

		31st May 2013	
	Group £m	**Joint Ventures and Associates £m**	**Total £m**
Property portfolio (Note 2c)	**957.6**	**179.7**	**1,137.3**
Total equity	**590.8**	**-**	**590.8**
Net debt	**325.2**	**81.4**	**406.6**
Gearing	**55%**		**69%**
LTV	**34%**		**36%**

		31st May 2012	
	Group £m	Joint Ventures and Associates £m	Total £m
Property portfolio (Note 2c)	910.4	189.9	1,100.3
Total equity	500.1	-	500.1
Adjustment assuming equity placed at 31st May 2012	47.9	-	47.9
Comparable equity	548.0	-	548.0
Net debt	370.0	94.2	464.2
Adjustment assuming equity placed at 31st May 2012	(47.9)	-	(47.9)
Comparable debt	322.1	94.2	416.3
Gearing	74%		93%
LTV	41%		42%
Equivalent gearing	59%		76%
Equivalent LTV	35%		38%

		30th November 2012	
	Group £m	Joint Ventures and Associates £m	Total £m
Property portfolio (Note 2c)	915.4	182.8	1,098.2
Total equity	513.7	-	513.7
Adjustment assuming equity placed at 31st May 2012	47.9	-	47.9
Comparable equity	561.6	-	561.6
Net debt	366.0	82.5	448.5
Adjustment assuming equity placed at 31st May 2012	(47.9)	-	(47.9)
Comparable debt	318.1	82.5	400.6
Gearing	71%		87%
LTV	40%		41%
Equivalent gearing	57%		71%
Equivalent LTV	35%		36%

3. REVENUE AND GROSS PROFIT

	Six months to 31st May 2013			Six months to 31st May 2012			Year to 30th Nov 2012		
	Revenue £m	**Costs £m**	**Total £m**	Revenue £m	Costs £m	Total £m	Revenue £m	Costs £m	Total £m
Rental income	**18.0**	**(3.7)**	**14.3**	18.3	(4.4)	13.9	39.3	(11.0)	28.3
Development	**43.1**	**(31.0)**	**12.1**	60.0	(45.0)	15.0	174.1	(151.7)	22.4
Other	**2.7**	**(1.4)**	**1.3**	2.7	(1.2)	1.5	5.7	(2.9)	2.8

Total	**63.8**	**(36.1)**	**27.7**	81.0	(50.6)	30.4	219.1	(165.6)	53.5

The Group operates exclusively in the UK and all of its revenues derive from its portfolio of properties which the Group manages as one business. Therefore, the Condensed Financial Statements represent the results and financial position of the Group's sole business segment.

4. JOINT VENTURES AND ASSOCIATES

	Six months to 31st May 2013			Six months to 31st May 2012			Year to 30th Nov 2012		
	Revenue £m	**Costs £m**	**Total £m**	Revenue £m	Costs £m	Total £m	Revenue £m	Costs £m	Total £m
Rental income	**5.1**	**(1.2)**	**3.9**	5.7	(1.3)	4.4	10.8	(2.9)	7.9
Development	**2.5**	**(2.1)**	**0.4**	1.1	(1.1)	-	9.1	(8.0)	1.1
	7.6	**(3.3)**	**4.3**	6.8	(2.4)	4.4	19.9	(10.9)	9.0
Gains on investment property disposals			**0.5**			0.1			0.2
Investment property revaluation gains			**7.2**			23.3			26.8
Administrative expenses			**(0.1)**			(0.2)			(0.5)
Profit before interest and tax			**11.9**			27.6			35.5
Finance cost			**(3.2)**			(3.9)			(7.5)
Finance income			**0.7**			-			-
Profit before tax			**9.4**			23.7			28.0
Taxation			**(1.1)**			(4.5)			(5.4)
Profit for the period			**8.3**			19.2			22.6

5. NET FINANCE COST

	Six months to 31st May 2013 £m	Six months to 31st May 2012 £m	Year to 30th Nov 2012 £m
Interest payable on borrowings	**10.4**	8.2	18.6
Amortisation of loan arrangement fees	**0.6**	0.5	1.2
Amortisation of discount on deferred payment arrangements	**0.4**	0.6	1.1
Head rents treated as finance leases	**0.1**	0.1	0.2
Movement in fair value of interest rate derivatives	**-**	0.8	-
Interest on pension scheme liabilities	**0.6**	1.3	1.2
Total finance cost	**12.1**	11.5	22.3
Interest receivable on cash deposits	**0.7**	-	1.1
Credit in respect of loan settlement fees	**-**	-	2.0
Credit in respect of discount on deferred receivables	**-**	-	0.2
Movement in fair value of interest rate derivatives	**2.9**	-	0.6
Expected return on pension scheme assets	**0.6**	1.5	1.3
Total finance income	**4.2**	1.5	5.2
Net finance cost	**7.9**	10.0	17.1

6. EARNINGS PER SHARE

	31st May 2013 Number of Shares	31st May 2012 Number of Shares	30th Nov 2012 Number of Shares
Weighted number of shares in issue	**210,297,585**	200,145,177	200,145,177
Weighted number of diluted shares	**3,138,977**	1,255,402	1,534,599
	213,436,562	201,400,579	201,679,776

	31st May 2013 £m	31st May 2012 £m	30th Nov 2012 £m
Earnings (basic and diluted)	**32.9**	28.6	42.7

	31st May 2013 pence	31st May 2012 pence	30th Nov 2012 pence
Basic earnings per share	**15.6**	14.3	21.3
Diluted earnings per share	**15.4**	14.2	21.2

Shares held by the Company's Employee Benefit Trust are excluded from the above calculations.

As the Group is principally a development business EPRA earnings per share on a basic and diluted basis are not provided. These calculations exclude development profits and would not provide a meaningful measure of the performance of the Group.

7. OTHER INFORMATION

(i) Investment properties were valued at 31st May 2013, 31st May 2012 and 30th November 2012 by Jones Lang LaSalle LLP, Chartered Surveyors. All valuations were in accordance with the Appraisal and Valuation manual of the Royal Institution of Chartered Surveyors, on the basis of market value. Jones Lang LaSalle LLP are professionally qualified independent external valuers and have recent experience in the relevant location and category of the properties being valued.

(ii) The information for the year ended 30th November 2012 does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' reported on those accounts and their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Sections 498(2) or (3) of the Companies Act 2006.

(iii) The effective tax rate for the current period (excluding the effect of prior period adjustments) is 17.5%. The tax charge booked in the period is disproportionately low mainly as a result of deferred tax not being applicable to a proportion of revaluation gains. The net effective tax rate used is a charge of 11.6% after allowing for credit adjustments to tax from previous years. For the full year tax is expected to remain below the standard rate of tax.

(iv) The proposed dividend of 1.33p (six months to 31st May 2012: 1.21p) per share was approved by the Board on 1st July 2013 and will amount to £2.9m (six months to 31st May 2012: £2.4m).

(v) Principal risks and uncertainties are discussed in the Half Year Review. All results are derived from continuing activities, which the directors do not consider to be seasonal.

(vi) There has been no material change to transactions with related parties or terms defined in the glossary since the year end.

Directors' Responsibility Statement

We confirm that to the best of our knowledge:

(a) the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU;

(b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board

Bill Oliver	**Michael Dunn**
Chief Executive	Group Finance Director

1st July 2013

Independent Review Report to St. Modwen Properties PLC

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31st May 2013 which comprises the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and related notes 1 to 7. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting,' as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31st May 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP

Chartered Accountants and Statutory Auditor

Birmingham, United Kingdom

1st July 2013

Forward Looking Statements

This Half Year Report has been prepared for the members of St. Modwen Properties PLC and should not be relied upon by any other party or for any other purpose.

The Half Year Report contains certain forward looking statements which, by their nature, involve risk and uncertainty because they relate to future events and circumstances. Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward looking statements. Any forward looking statements made by or on behalf of the Company are made in good faith based on the information available at the time the statement is made; no representation or warranty is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared. The Company does not undertake to update forward looking statements to reflect any changes in its expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.