

Pre-close Trading Update

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St. Modwen Properties PLC

30 May 2012

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St. Modwen Properties PLC
("St. Modwen" or "the Company")
Pre-close Trading Update for the Period to 31 May 2012

RESIDENTIAL PORTFOLIO DRIVES STRONG PROGRESS IN THE FIRST HALF

St. Modwen Properties PLC (LSE: SMP), the UK's leading regeneration specialist, today provides a pre-close trading update for the six months to 31 May 2012. The Company is pleased to announce that the business has continued to perform strongly since the interim management statement issued on 4 April 2012. Our profits and cashflows remain consistent with our expectations.

Our residential portfolio continues to perform very well and, looking further forward, we are particularly pleased to have been selected, in joint venture with VINCI PLC, for the major £2bn regeneration of New Covent Garden Market in Nine Elms, London. Residential land values, particularly in the South East where half our residential land by value is located, have continued to move forward. This trend has more than offset the outward market yield movement in our income producing properties in recent months.

Consequently, our 2012 half year profits are broadly expected to be comparable with the very strong results produced in the first half of 2011.

Strong Residential Progress Continues

Residential house sales and ongoing demand for land continue to be strong. Our current planning applications are proceeding well and our active land transactions continue to reach price levels ahead of our previous valuations.

The recent land transactions on our developments at Uxbridge and Mill Hill, as announced in April, provide strong evidence that working innovatively and in partnership with the public sector can bring about opportunities to create value in residential land. The sale of the first two phases of land at Mill Hill via our Inglis consortium, totalling 11 acres, are under offer subject to contract for a total consideration of £38m, demonstrating the value inherent in the land bank.

We continue to make good progress in growing our income from house sales through both our Persimmon joint venture and through St. Modwen Homes. In total we had 80 house sale completions in the first half of the year and at 29 May 2012 have a further 159 homes now reserved for sale of which 85 have exchanged contracts.

Commercial Land and Development

Our ongoing projects are all progressing well, with contracts signed and construction underway on:

- An 85,000 sq ft foodstore pre-sold to Sainsbury's at Longbridge, Birmingham

- A new 135,000 sq ft office and production facility for Siemens at Lincoln, with contracts for the sale of the investment now exchanged
- An 85,000 sq ft foodstore pre-sold to Tesco at Hednesford, Cannock
- A 20,000 sq ft office facility for Viridor at Firepool, Taunton, with contracts now exchanged for the sale of the investment.

Our pipeline of property development profits is now secure for 2012 and is expected to deliver profits ahead of 2011. We are now focused on delivering consistent development profits that will ensure the future growth of the Group in 2013 and beyond.

Resilient Rental Income

Our robust income producing portfolio continues to support our income streams, even in the face of a marketplace which continues to challenge investment valuations. This comes as a direct result of our ability to intensively manage our assets and, in turn, maintain occupancy levels and minimise our costs.

This asset management activity continues to provide us with solid cash income to support the running costs of the business.

Financing

As announced on 3 April 2012, we have completed the £135m refinancing of our KPI joint venture. The five year facility extends until March 2017.

The acquisition of the land at Uxbridge has been principally financed by a new £60m, five year debt facility provided by HSBC. The pre-existing VSM debt facilities of £36m have been extended until 2017.

None of St. Modwen's existing corporate or joint venture debt facilities require renewal before November 2014. Our cash flows and debt levels remain in line with our expectations and we continue to monitor these closely.

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

"St. Modwen has continued to perform strongly in the first six months of the year and we look forward to reporting a positive set of results at the half year. Our strategic focus on the residential sector is underpinning our forward momentum, particularly in London and the South East. This was demonstrated clearly in the period by our selection for the £2bn regeneration of New Covent Garden Market and the significant land transactions at Mill Hill and Uxbridge which have confirmed the considerable potential of our residential portfolio.

"Our robust business model and active asset management capabilities continue to provide us with confidence that we will continue to drive the growth of the Group in 2012 and beyond."

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Notes to Editors

St. Modwen Properties PLC

St. Modwen is the UK's leading regeneration specialist, operating across the full spectrum of the property industry through a network of seven regional offices and a Birmingham based head office. The company is wholly focussed upon regeneration with expertise in town centre regeneration, partnering with industry, brownfield land renewal, Innovation Centres and education projects.

This information is provided by RNS
 The company news service from the London Stock Exchange

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