

Trading Statement

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St. Modwen Properties PLC

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

TRADING UPDATE FOR THE PERIOD TO 31 MAY 2013 **ST. MODWEN SEES CONTINUING STRONG PERFORMANCE ACROSS THE BUSINESS**

St. Modwen Properties PLC (LSE: SMP), the UK's leading regeneration specialist, today provides a trading update for the six months to 31 May 2013. The Company can confirm that the business has continued to perform strongly since the interim management statement issued on 9 April 2013, with profits and cashflows remaining consistent with management expectations.

Notwithstanding a challenging marketplace, initial indications point to positive market valuations for the first half of the year compared with H1 2012. We also expect our ongoing asset management and added value actions to be reflected well in the half year valuations.

Management outlook for our profit before all tax is therefore expected to be in line with H1 2012.

Residential

We remain successful in our ability to secure residential-led planning gains across our land bank, whilst sales values for our residential land continue to rise and are being secured above book value.

As predicted in the 2012 full year results announcement, continued challenges with the planning regime have delayed a number of site starts during the first six months of this year for both St. Modwen Homes and the Persimmon Joint Venture. Despite this, improved sales rates continue to be achieved and our expected residential profits remain on track for both the half and full year.

Commercial Land and Development

We continue to progress many development projects across the country. Highlights for our major projects include:

- **Swansea University** - At the start of May, we commenced works to the first phase of Swansea University's £450m Science and Innovation Campus.
- **New Covent Garden Market** - We continue to work towards the submission of a planning application at the end of this year for the redevelopment of New Covent Garden Market, with planning consent targeted at the end of 2014.
- **Longbridge** - The first phase of the £70m Town Centre, one of the UK's most significant current regeneration schemes, is now complete and is due to be open for trading in the late Summer with an 80,000 sqft Sainsbury's foodstore, a 75 bedroom Premier Inn, Beefeater Grill, 24 shops, restaurants and circa 35,000 sqft of offices.
- **Elephant & Castle** - We remain committed to the redevelopment of the shopping centre and are keen to progress our plans with the London Borough of Southwark and establish how we can deliver a viable scheme that will offer long-term benefit to the regeneration of the Elephant and Castle area.

Income Producing Portfolio

Our income producing portfolio continues to provide us with solid cash income to support the running costs of the business. Its success is directly attributable to our intensive asset management capabilities which, in turn, enable us to maintain occupancy and rental levels whilst also minimising costs.

Finance

During the first six months, we successfully raised gross proceeds of £49m through a share placing. As previously stated, the funds raised will be used 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.

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, comments:

"Following a continued good performance of the business over the last six months, we are now looking forward to announcing a positive set of half year results.

"Our strategic focus remains on the residential sector and in London and the South East; but we are also experiencing some positive movement across the country, including improved appetite for commercial investment opportunities and greater momentum in the regional housing market.

"This is helping us to increase our net asset value and drive growth for the Group and we look forward to building on this success."

-ENDS-

ENQUIRIES:**St. Modwen Properties PLC**

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