REGENERATION OF NEW COVENT GARDEN MARKET

7th FEBRUARY 2013
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Agenda

1. Background
2. The development agreement
3. Operational Timings
4. Financial highlights
5. Summary
Nine Elms
Background

- NGCM is the UK’s largest wholesale fruit, vegetable and flower market
- CGMA is the freehold owner of circa 57 acres of land at Nine Elms
- Facilities outdated and under utilised
- March 2012 – VINCI St. Modwen (VSM) were selected as CGMA’s preferred development partner in a 50/50 joint venture
- January 2013 – development agreement signed
- CGMA secured a planning permission in 2012 for:
  - a 550,000 sq ft market
  - 2,300 homes
  - new commercial buildings, retail units, community facilities and open spaces
- Conditional contract, VSM will submit a new planning application
The Development Agreement

- The VSM contract with CGMA is conditional upon us securing a new planning permission for two elements:
  - VSM’s market design which will see the development of 550,000 modern market facilities
  - Redevelopment of 20 acres of surplus land for high quality residential-led mixed use regeneration scheme providing up to 2,800 homes and 115,000 sq ft of commercial accommodation and community facilities
- Unconditional date, winter 2014
- The 550,000 sq ft of new wholesale market facilities will be funded through the release of the 20 acres of surplus land
- 1st release of development land by Spring 2016 (10 acres)
Market Delivery

- Fixed price contract agreed with VCUK
- Operational keep open requirements
- Build programme advantages
- Complex delivery programme
A Central London Scheme
Developments Active in Nine Elms Today

Riverlight, St James
- 806 Homes (1st phase 392 units)
- 30,000 sq ft commercial
- Average sale price achieved £1,000+ sq ft

Embassy Gardens, Ballymore
- 1,800 Homes (first phase 606 units)
- 0.6m sq ft commercial
- Average sale price achieved £975+ sq ft

Battersea Power Station, SP Setia and Sime Darby
- 3,400 homes (first phase 864 units)
- 2.3m sq ft commercial
- Average sale price achieved £1,150+ sq ft
Comparative Values

- Paddington: £1350
- Marylebone: £1350
- £1500
- £1950
- £1175
- London: £1550
- £1450
- £1325
- Westminster: £1850
- £2800
- £750
- Nine Elms: £1250
- £1790
- £2750
- £1650
- £1175
Land Transactions in Nine Elms

AT THE HEART OF NINE ELMS, AN OPPORTUNITY TO PURCHASE A FREEHOLD DEVELOPMENT SITE OF 2.7 ACRES

- Residential-led mixed use development site for sale on behalf of Christie’s.
- Existing 100,000 ft² warehouses on 2.7 acres.
- Located at the epicentre of London’s most exciting regeneration zone – Nine Elms.
- Situated between the new US Embassy, linear park, Nine Elms Underground Station, fruit & veg market.
- Indicative scheme provides c. 400,000 ft² mixed-use residential
- Outstanding retail/AG3 opportunities to cater for increased footfall.
- Potential uses could include residential, PRS, student housing, hotel, offices, subject to planning.

Further information available at
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We are instructed to market the freehold interest in this prime mixed use redevelopment opportunity. We have pleasure in attaching the marketing details.

The salient points are as follows:
- Freehold Site - 0.28 ha (0.7 acres)
- Existing Self Storage facility
- Highly connected with excellent links via Vauxhall transport interchange (buses to Central London, Victoria Line Underground and South West Trains)
- Central to the Vauxhall Heart Quarter of the Vauxhall Nine Elms Battersea Regeneration Zone
- Planning policy support (VNEB OAPF; London Plan, LB Lambeth Core Strategy, LB Lambeth Vauxhall SPD) for the development of a cluster of high-quality mixed use tall buildings in Vauxhall
- Unconditional and conditional offers requested, subject to contract

For a copy of the brochure please click here.

An online Data Room has been set up and if you require a login/password, or if you wish to arrange a viewing, please do not hesitate to contact Vincent Taylor, Rob Nelson or John Fosbraey.
Battersea Power Station

• £400m
• SP Setia and Sime Darby
• 38 acres
• Significant infrastructure requirement

One Nine Elms

• £90m
• 1.9 acres
• JV partner sought
## Recent London Land Transactions

<table>
<thead>
<tr>
<th>Site</th>
<th>Area (acres)</th>
<th>Value</th>
<th>£ per acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>212 New Kings Road</td>
<td>0.47</td>
<td>£10m</td>
<td>£21.25m</td>
</tr>
<tr>
<td>Great Minster East, SW1</td>
<td>0.57</td>
<td>£45m</td>
<td>£78.8m</td>
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<tr>
<td>Wenlock Basin, Islington</td>
<td>1.7</td>
<td>£25m</td>
<td>£15m</td>
</tr>
<tr>
<td>Tideway Industrial Estate</td>
<td>5</td>
<td>£50m</td>
<td>£10m</td>
</tr>
<tr>
<td>Erlang House, SE1</td>
<td>1.12</td>
<td>£40m</td>
<td>£35m</td>
</tr>
<tr>
<td>Carlton Court, Putney</td>
<td>0.32</td>
<td>£10.03m</td>
<td>£32m</td>
</tr>
<tr>
<td>St Dunstans House, EC4</td>
<td>0.56</td>
<td>£32m</td>
<td>£57m</td>
</tr>
<tr>
<td>Hamilton Grove, NW1</td>
<td>1.14</td>
<td>£23m</td>
<td>£20.17m</td>
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<tr>
<td>215 Warwick Road</td>
<td>1.4</td>
<td>£50m</td>
<td>£35.7m</td>
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<tr>
<td>Greenwich Reach</td>
<td>6</td>
<td>£112m</td>
<td>£18.6m</td>
</tr>
<tr>
<td>Eastbury House, Albert Embankment</td>
<td>0.3</td>
<td>£11.3m</td>
<td>£33.3m</td>
</tr>
<tr>
<td>One Blackfriars, SE1</td>
<td>1.22</td>
<td>£85m</td>
<td>£69.67m</td>
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### Operational Timings

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Indicative date</th>
</tr>
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<tbody>
<tr>
<td>VSM planning application</td>
<td>Winter 2013</td>
</tr>
<tr>
<td>Planning consent/ unconditional date</td>
<td>Winter 2014</td>
</tr>
<tr>
<td>Commence market construction</td>
<td>January 2015</td>
</tr>
<tr>
<td>Anticipated vacant possession date of first development site, Northern site (approx 10 acres)</td>
<td>Spring 2016</td>
</tr>
<tr>
<td>Complete market construction and vacant possession of remaining acres of surplus land</td>
<td>Winter 2020</td>
</tr>
<tr>
<td>Development of the ‘Entrance’ and ‘Apex’ sites</td>
<td>2020 +</td>
</tr>
</tbody>
</table>

*A long term project*
Financial Highlights

• The VSM Market – total cost of between £150m - £200m, funded through the release of 20 acres of surplus land

• Surplus land – estimated gross development value of £2bn (average sales values of £900 per sq ft), assumes a policy-compliant affordable housing commitment of 15%

• No inflation used in the bid

• The CIL contribution will cover commitments to the Northern Line Extension and broader Nine Elms infrastructure £60m as part of the cost of residential delivery. It is not a land cost.

• Development of residential units would generate a profit on cost of between 20% - 25% over a number of years, subject to funding method adopted

Our commitment
Summary

• Committed to build the market and in return will receive 20 acres of land with planning permission which will generate value uplift in 2014/15 and on sale

• Surplus land exit options;
  - sell land in phases for others to develop, or…
  - seek joint venture partner to build out. The % of equity retained by VSM would depend on cashflow and terms of deal, or…
  - a combination of both

• Capex commitment:
  - Planning/ design cost - £5m in 2013
  - Construction of market - £30m pa from 2015
  - Sale of land/ refinancing from 2015

Opportunities to extract maximum value from the Northern site