

Presentation of full year results to 30 September 2015

December 2015

Highlights

- Powerful delivery machine with strong project base. Good actual and prospective growth across all business lines
- Hopkins Homes on site at Alconbury and Davidsons contracted at Rugby. CBRE values are beginning to increase more strongly and housing indicators are all positive in our chosen markets. Expected realisations now more than twice September 2015 valuation
- September 2015 EPRA NAV 272.1p per share (£389.9m); an increase of 9.0 per cent since 30 September 2014, or 17.8 per cent since Listing
- Total shareholder returns of 15.8 per cent in year to 30 September 2015 and 20.2 per cent since Listing
- In excess of £120 million invested in projects since 30 September 2014
- Catesby purchase in February 2015 for £34 million effectively £12 million for Newark in new shares and £22 million in cash. Reasonable presumption is that cash consideration will be fully returned by end of calendar year 2015
- Regional differentiation in land values, both strategic and consented local, are becoming more entrenched.

Delivery

- Strategic planning consents necessary but increasingly not sufficient condition to achieving full value uplift. Good Government understanding reflected in almost £50 million of agreed HCA “recoverable investment” into Urban&Civic projects
- Urban&Civic business model looks to monetise serviced plots on strategic sites, either under licence or through sale
- First five residential agreements (three at Alconbury; two at Rugby) covering 800+ plots all likely to be licences, not least because it enlarges constituency of target housebuilder market. First housebuilder agreement at Newark expected in first half of 2016. Not religious as to licences
- Catesby acquisition mixed good economics with current politics. Housebuilder realisations since acquisition all above February 2015 expectations
- Commercial site sales at Alconbury of £8.25 million in detailed heads. Bristol, Darlington and Herne Bay, £84 million of schemes complete spring 2016 on time and budget
- Balance sheet supports continued execution of business plan.

Financial highlights

| | 30 September 2015 | 30 September 2014 | Listing | 2015 increase | Increase from Listing |
|----------------------------------|------------------------------|----------------------|---------|------------------|--------------------------|
| EPRA Net assets | £389.9m | £350.8m | £323.8m | 11.1% | 20.4% |
| EPRA Net assets per share | 272.1p | 249.7p | 231.0p | 9.0% | 17.8% |
| EPRA Triple Net assets per share | 264.1p | 244.7p | 229.0p | 7.9% | 15.3% |
| Shareholder returns | 15.8% | - | - | 15.8% | 20.2% |

Summarised 12 month income and valuation movements

| £m | 30 September | 30 September | Comments on 2015 |
|--------------------------|-------------------|-------------------|---|
| | 2015 ¹ | 2014 ² | |
| Revenue | 55.5 | 23.2 | Principally revenue from completed Sainsbury's store (£30.8m), Catesby sales (£12.7m), rental income (£5.1m) |
| Gross profit | 3.6 | 5.9 | Includes £4.4m relating to property sales, £0.7m relating to the Sainsbury's store and £3.5m of Scottish land writedowns |
| Administrative expenses | (10.4) | (8.0) | Includes Catesby for seven months |
| IFRS valuation movements | 9.6 | 18.3 | Uplift in valuation of Alconbury of £2.5m, Rugby of £3.9m; £4.7m discount arising on acquisition of Catesby, and £0.9m writedown of Scottish joint venture; 2014 includes £11.3m uplift on Rugby on acquisition |
| EPRA valuation movement | 23.7 | 14.4 | |
| Other | 4.2 | 3.0 | Sale of Howick Place |
| | 30.7 | 33.6 | |

¹ Year to 30 September 2015 includes Catesby from 27 February 2015

² Period to 30 September 2014 reflects nine months of Urban&Civic only, four months of Terrace Hill

Summarised balance sheet as at 30 September 2015

| £m | 30 September | 30 September | Comments on 2015 |
|---|--------------|--------------|---|
| | 2015 | 2014 | |
| Property interests | 305.3 | 166.8 | Alconbury £128.5m ¹ , Rugby £38.2m ² , Newark £23.1m, Manchester sites £24.9m, commercial assets under construction £44.1m, Bradford £11.9m, Catesby land promotion sites £8.3m |
| Net cash | 32.2 | 162.8 | Cash of £43.6m less HCA loan of £11.4m |
| Deferred tax (net) | 4.7 | 7.0 | Deferred tax asset of £8.7m less deferred tax liability of £4.0m |
| Working capital | 5.6 | (1.5) | Includes £0.7m fixed assets |
| IFRS net assets | 347.8 | 335.1 | |
| EPRA adjustments - property ³ | 38.1 | 14.4 | Alconbury £19.0m, Newark £2.4m, Herne Bay £7.5m, other commercial assets £4.5m, Catesby sites £4.7m |
| EPRA adjustment - deferred tax | 4.0 | 1.3 | |
| EPRA net assets | 389.9 | 350.8 | |

¹ Alconbury - CBRE valuation £147.5m-£128.5m reflected on balance sheet; £19.0m EPRA adjustment.

² Rugby - 50% of property valuation of £75.3m-£37.6m plus £0.6m working capital.

³ EPRA valuation movement in year £23.7m.

Property analysis

| £m | 30 September 2015 | Valuation movement ¹ | Expenditure | Acquisitions / disposals | 30 September 2014 |
|------------------------|----------------------|------------------------------------|-------------|-----------------------------|----------------------|
| Alconbury | 147.5 | 14.6 | 13.9 | - | 119.0 |
| Rugby (50% interest) | 38.2 | 3.9 | 5.6 | 15.1 | 13.6 |
| Waterbeach | 1.5 | - | 1.5 | - | - |
| Newark | 25.5 | 2.4 | 3.9 | 19.2 | - |
| Manchester sites | 25.5 | (0.2) | 1.8 | 23.9 | - |
| Herne Bay | 28.5 | - | 7.5 | 9.9 | 11.1 |
| Bridge Quay, Bristol | 12.3 | 3.0 | 5.8 | - | 3.5 |
| Bradford | 12.0 | - | 0.4 | 11.6 | - |
| Feethams, Darlington | 13.7 | (0.6) | 10.9 | - | 3.4 |
| Land promotion sites | 13.1 | 4.7 | 2.1 | 6.1 | 0.2 |
| Scottish land sites | 11.9 | (4.4) | 0.4 | - | 15.9 |
| Howick Place | - | - | - | (5.4) | 5.4 |
| Other | 13.7 | 0.7 | 1.9 | 2.0 | 9.1 |
| EPRA valuations | 343.4 | 24.1 | 55.7 | 82.4 | 181.2 |

Included in expenditure is £6.9m of capitalised overheads less £0.2m at Manchester and £0.6m at Darlington = £6.1m net.

¹ EPRA valuation movement £23.7m.

Funding in 2016

- Strategic land infrastructure spend
 - Terms agreed for £35.5 million loan from HCA at Rugby
 - Additional Government support at Newark under discussion (£11.2 million HCA loan already drawn)
- Development starting at Stansted and Manchester
 - Development bank finance of £18.0 million in place for Stansted and under negotiation for Manchester
- Development completing at Feethams and Herne Bay
 - Development bank finance of £19.3 million in place for Herne Bay and under negotiation for Feethams to be in place on completion
- Working Capital
 - £25.0 million revolving credit facility terms agreed
- Low gearing maintained but balance sheet capability to deliver upon business plan.

| | Alconbury | Rugby | Newark |
|----------|-----------|---------|--------|
| 2015 | £18,500 | £12,900 | £8,800 |
| 2014 | £15,400 | £11,500 | £7,700 |
| Increase | 20.1% | 12.2% | 14.3% |

U&C

Alconbury Weald

- Approval for 5,000 homes and c.3.1m sqft commercial
- Prospect of less than 15% affordable provision
- Enterprise Zone designation for 370 gross acres
- 55 minutes to London and under 1 mile from A1(M) and A14
- Total area 1,425 acres; 338 residential NDAs; 163 commercial NDAs



Alconbury Weald – Residential Key Phase 1A

- 879 homes
- 1 primary school
- Residential site works commenced January 2015
- Hopkins Homes contracted as first delivery partner and terms agreed with two further housebuilders
- Licences for minimum 486 units on site or under offer
- Residential sales start anticipated Q3 2016



Alconbury Weald - Ermine Street Church Academy

- New phased 3 form entry primary school in the heart of Key Phase 1A
- Administration awarded to the Diocese of Ely Multi-academy Trust
- First phase (2 form entry across each year - 420 places) to be completed and open by September 2016



Alconbury Weald – Commercial



- A The Club
- B The Incubator
- C The Mid-Tech Campus
- D Key Phase 2 'The Hub'
- E HCV Perimeter Access Road
- F Commercial unit (Under Negotiation) 360,000 sqft
- G Commercial Unit (Under Offer) 330,000 sqft (includes mezzanine)

Please note that the layout is indicative and for information only.

RadioStation Rugby

- 50:50 joint venture with Aviva
- Approval for 6,200 homes and c.1.3m sqft commercial
- Prospect of less than 15% affordable provision
- 50 minutes to London, 35 minutes to Birmingham, under 1 mile from M1, 4 miles from M6 and under 1 mile from Daventry International Rail Freight Terminal
- Total area: 1,170 acres; 385 residential NDAs; 36 commercial NDAs



RadioStation Rugby - Key Phase 1A Masterplan

- 600 homes
- 1 primary school
- 20 acres of employment
- Community and retail floor space
- Sports facilities
- Parks and open spaces
- Davidsons contracted on 250 homes
- Terms agreed for a further 180 homes
- Residential sales anticipated Q3 2016
- £35.5 million of HCA funding approval



Newark



- c.82% interest in site
- Approval for up to 3,150 homes and 2m sqft of storage and distribution
- Current masterplan provides for 2,600 units
- 1 hour and 30 minutes to London, 30 minutes to Nottingham and under 1 mile from the A46 and A1 (M)
- Total area 718 acres; 172.5 residential NDAs; 110 commercial NDAs

Newark

- Clear logic for greenfield release. Southern Link Road establishes new town boundary
- Infrastructure works commenced May 2015 funded by an HCA loan of £11.2 million
- Further government/LEP support expected for second stage infrastructure works
- Residential works anticipated to commence Q2 2016

Key Phase 1

- 850 homes
- 1 primary school
- Community and retail floorspace
- Parks and open spaces gifted to community
- Discussions commenced with housebuilders



Waterbeach

- Development Management Agreement with MOD; U&C to earn percentage retention on realised land uplifts after full cost recovery
- Emerging local plan (South Cambs) proposes 8,000-9,000 dwellings on Waterbeach and additional land to the north and east
- Local Plan process currently suspended
- Opportunity to build new 'for sale' residential units and PRS on own account
- Potential to create significant residential rental portfolio
- 5 miles north of Cambridge, 3 miles from Cambridge Science Parks, cycling distance from north Cambridge and existing Waterbeach railway station
- Total area: 716 acres



Waterbeach



- Open days in October began public consultation in earnest
- Lakeside setting to be created from existing significant water feature
- Outline application aiming for end 2016
- Early residential completions anticipated from 2018

Catesby

- Land trading business principally through promotion agreements, with short to medium term (1 – 5 years) residential potential. Opportune purchase with an eye on politics, as well as economics. Search area is Southern Midlands to the South Coast of England, usually in authorities without a five year residential land supply and/or up to date Local Plan
- Promotion agreements - landowner pays Catesby a percentage of sale proceeds on achieving a planning consent, plus return of costs; competitive advantage over housebuilders as sales are all open market
- Typical capital investment £350,000-£750,000 per deal and cash multiple returns on average 4x outlay
- Annualised pre tax profits of £6.2 million for 12 months to 31 December 2013; £7 million to 31 December 2014 and expected underlying £9.7 million for 12 months to 31 December 2015
- Catesby evidently benefiting from being seen as part of a planning expert business. Business has 15 sites under contract, eight more with offers accepted and 10 under consideration. Pipeline growing and intention is for team enlargement to facilitate incremental delivery.

New developments

Herne Bay

- Now under construction, completion expected April 2016
- £19 million bank facility in place to fund construction costs
- Rent £2.2 million rpi increases collared and capped at 2% and 4% to Sainsbury's



Stansted

- 357 bed hotel on airport now under construction, completion expected summer 2017
- Ready expansion up to 520 rooms
- £18 million bank facility in place
- Expected EBITDA of £3.5 million within three years of opening



Bridge Quay, Bristol

- Office conversion to 59 high quality 1 & 2 bedroom apartments
- Completion expected April 2016
- All units now exchanged or reserved
- Best units exceeded £600 per sqft
- Profit expected over £5 million, £3.0 million in EPRA uplift at 30 September 2015



Manchester

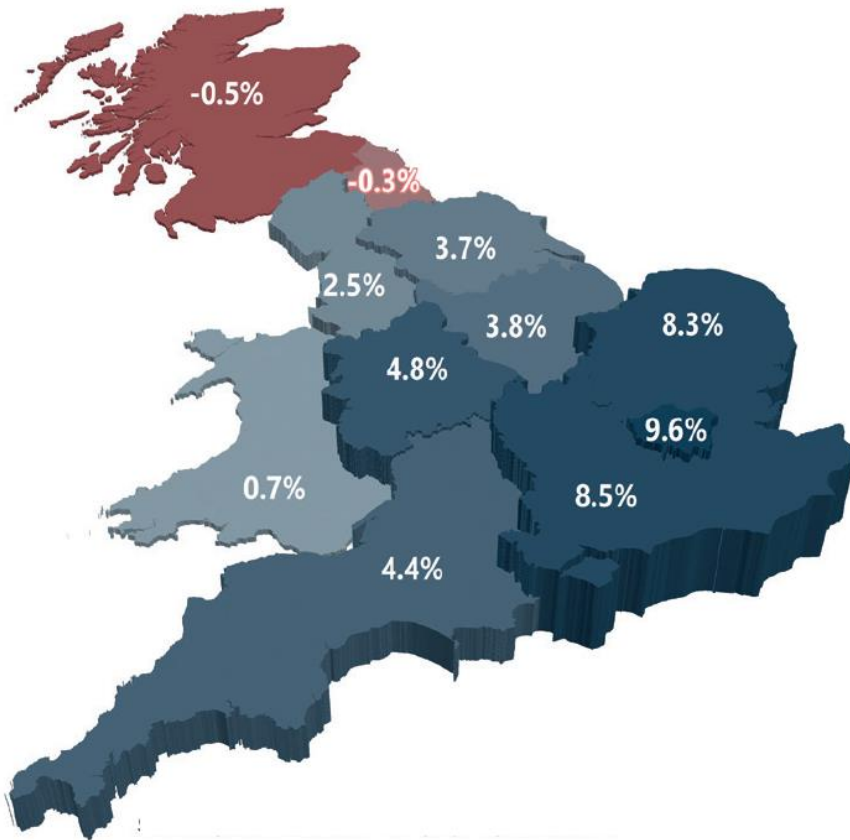
- Two prime city centre sites at Deansgate and Princess Street
- Planning application for two residential and one hotel building at Princess Street submitted October 2015
- Expect to start construction at Princess Street in summer 2016
- Existing hotel on Deansgate trading well and contributing c.£1 million of net income per annum
- International design competition for Deansgate redevelopment. Expected to be a residential-led redevelopment executed in 2017-2021



Outlook

Regional variations

Annual house price growth by region, Sept 2015



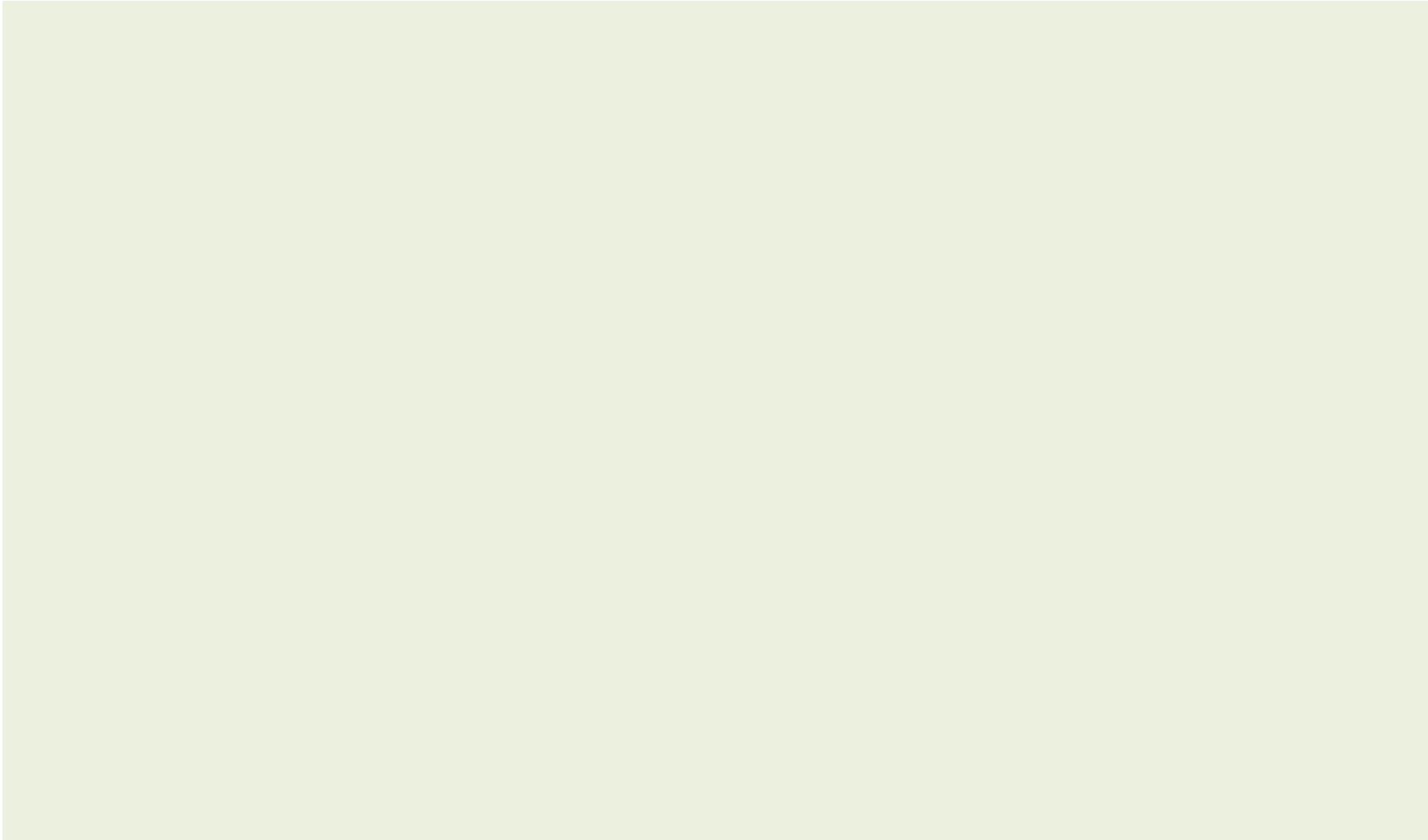
Source: Knight Frank Research / Land Registry

- Knight Frank report emphasises the importance of regional variations. Manchester is a prime example of a strongly performing local economy
- Keep in mind UK population growth running 400,000+ per annum (0.7% annual increase), significantly higher than other major European economies
- Population growth combined with concentration of jobs and people
- Signs are for correspondingly strong absorption across all Urban&Civic strategic sites with full assumed housebuilder margin
- Maintaining Government carrots
- Recent Autumn Statement consolidated entry level affordability and brownfield emphasis; strategic funding helps accelerate new infrastructure provision as well as housing.

Conclusion

- Alconbury, Rugby and Waterbeach promise to be three of the most substantial additions to UK national housing stock with £7 billion GDV of aggregated project value underpinning stable predictable long-dated income
- Government infrastructure funding of nearly £50 million made available at Rugby and Newark to support acceleration of large scale sites
- Initiatives to support housebuilding on brownfield land and first-time buyers ought also to benefit Catesby
- Over 800 units subject to contract via deal structure enabling capture of market growth
- Recommended final dividend of 1.65p up 10 per cent on 2014 final, in line with progressive policy and increase in EPRA NAV
- Investing Listing proceeds in line with expectations including acquisition of strong assets in Manchester and at Stansted airport
- Absolute focus on quality to protect future asset value growth
- Next 18 month period pivotal; signs are all very good.

Appendix



Valuation movement recognised in accounts

| | £m | |
|-----------------------------|-------|--|
| Investment property | 1.9 | Alconbury (up £2.5m) and Feethams (down £0.6m) |
| Trading property | (4.4) | Scottish land sites and Middlesbrough office |
| Fixed asset impairment | (0.5) | Manchester hotel fixed asset depreciation |
| JVs and associates | 3.4 | Rugby, Scottish land associate and other |
| | | |
| Total | 0.4 | |
| EPRA adjustments | 23.7 | |
| Total valuation adjustments | 24.1 | |

Property analysis – EPRA adjustments

| £m | 30 September 2015 | Movement in year | 30 September 2014 |
|----------------------|----------------------|---------------------|----------------------|
| Alconbury | 19.0 | 12.1 | 6.9 |
| Newark | 2.4 | 2.4 | - |
| Manchester sites | 0.6 | 0.6 | - |
| Herne Bay | 7.5 | - | 7.5 |
| Bridge Quay, Bristol | 3.0 | 3.0 | - |
| Land promotion sites | 4.7 | 4.7 | - |
| Other | 0.9 | 0.9 | - |
| | 38.1 | 23.7 | 14.4 |

Administrative expenses

£m

| | | |
|--------------------------------------|------|--------------|
| Personnel costs | 10.1 | |
| Share-based payment charge | 1.8 | |
| Accommodation costs | 1.6 | |
| Professional fees | 1.9 | |
| Catesby acquisition costs | 0.9 | |
| Other | 1.1 | |
| | | 17.4 |
| Capitalised to investment properties | 1.6 | |
| Capitalised to trading properties | 5.3 | |
| Expensed through direct costs | 0.1 | |
| | | (7.0) |
| Net administration expenses | | 10.4 |

Bank and other borrowings

£m

At 30 September 2015:

| | |
|---|------|
| Homes & Communities Agency loan re: Newark infrastructure | 11.4 |
|---|------|

Post 30 September 2015:

| | |
|--|-----|
| Bradford - non-recourse five year loan at margin of 2.2% | 7.0 |
|--|-----|

| | |
|---|------|
| Herne Bay - five year development and investment loan at development margin of 2.5% falling to 1.9% on occupation | 19.3 |
|---|------|

| | |
|--|------|
| Stansted – five year development and investment loan at development margin 2.6% falling to 1.5% when hotel is open | 18.0 |
|--|------|

| | |
|---|------|
| Rugby - £35.5 million loan from the HCA under negotiation to fund an acceleration in infrastructure spend | 35.5 |
|---|------|

| | |
|---|------|
| Corporate - £25 million three year revolving credit facility credit approved and now in documentation | 25.0 |
|---|------|

Housebuilder land-bank stats

UK quoted housebuilder comparison

| | Date | Period | Plots | Average sales price | Cost per plot as quoted in current land-bank |
|------------------|--------------------|-----------|--------------|---------------------|--|
| Barratt | 30-Jun-15 | Full Year | 70,523 | £235,000 | £52,500 |
| Bovis | 30-Jun-15 | Half Year | 19,081 | £222,300 | £48,600 |
| Persimmon | 30-Jun-15 | Half Year | 92,404 | £194,423 | £31,899 |
| Redrow | 30-Jun-15 | Full Year | 18,216 | £269,800 | £68,000 |
| Taylor Wimpey | 28-Jun-15 | Half Year | 77,372 | £225,000 | £31,536 |
| Alconbury | 30-Sep-15 | | 5,000 | | £18,500 |
| | <i>30-Sep-14</i> | | | | <i>£15,400</i> |
| Rugby | 30-Sep-15 | | 6,200 | | £12,900 |
| | <i>30-Sep-14</i> | | | | <i>£11,500</i> |
| Newark | 30-Sep-15 | | 2,600 | | £8,800 |
| | <i>Acquisition</i> | | | | <i>£7,700</i> |

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