

Investor presentation

Results to 30 September 2014

Strong start since listing in May

- Profile of the Urban&Civic business fully clear: defined by our projects, locking in balance sheet early optionality combined with consistent cash realisations
- September 2014 EPRA Net Asset Value of £351 million (250p per share), wholly ungeared 8.3% increase over adjusted proforma listing
- Alconbury valuation up 13% against listing and 59% over September 2013 pre consent figure demonstrates optionality but still only £15,400 per unserviced plot
- Higher and faster TH sales and Rugby outstandings contributed to period end cash balances of £163 million with corresponding financial capacity
- Waterbeach and Manchester represent important new additions and judicious optionality; 6,500 new homes only 10 minutes cycle from some of the most innovative jobs on the planet and 800,000 sq ft of residential, hotel and student accommodation for reworking in prime city centre
- Herne Bay cleared last week demonstrates combined group strengths
- Recommended dividend commencement of 1.5p per share to recognise strong start

Financial highlights

- £14.7m¹ revaluation uplift on strategic land since listing (net of additions)

| | Alconbury | | Rugby (100%)² | |
|-------------------|------------------|------------------------------|---------------------------------|------------------------------|
| | £m | £ per unserviced plot | £m | £ per unserviced plot |
| CBRE valuations: | | | | |
| 30 September 2014 | 119.0 | 15,400 | 60.0 | 11,500 |
| 31 December 2013 | 101.0 | 13,600 | 55.0 | 10,600 |

- Planning consent gained at Herne Bay foodstore development
- Considerable financial capacity to execute business plan
- Accelerated first dividend – 1.5 pence proposed

¹ £12.9m uplift on Alconbury (net of additions of £5.1m) plus £1.8m uplift on Rugby representing 50% of uplift (net of 50% additions of £0.7m)

² U&C share 50%

Results to September 2014

Reflecting 9 months U&C, 4 months Terrace Hill

| | £m | Comments |
|--------------------------|-------------|---|
| Trading profits | 4.0 | Mostly profits on forward funding of Sainsbury's foodstore at Middlesbrough |
| Net rental income | 1.2 | Mostly Alconbury (Current annualised net rental income £0.8m) |
| Other income | 0.7 | Mainly project management fees |
| Gross profit | 5.9 | |
| Transaction costs | (2.8) | £6.2m expensed to share premium, total expenses £9.0m (all one-off) |
| Goodwill write off | (0.5) | Arose on acquisition of Terrace Hill |
| Other admin expenses | (4.7) | Includes compensation payments and other non-recurring items |
| Property revaluation | 18.3 | Principally increases in value at Alconbury (£5.9m) and Rugby (£11.3m) |
| Net interest income | 2.9 | Includes £3.2m related to discount on loan settlements |
| Profit before tax | 19.1 | |
| Tax | (4.1) | |
| Profit after tax | 15.0 | |

Balance sheet at 30 September 2014

| £m | IFRS | EPRA adj. | EPRA NAV | Comments |
|----------------------------|---------------|-------------------|---------------|---|
| Property assets | 144.4 | 14.4 ¹ | 158.8 | Alconbury CBRE valuation of £119.0m |
| Investment in Rugby | 13.6 | – | 13.6 | Represents 50% share of CBRE valuation of £60.0m for 100% |
| Investment in Howick Place | 5.4 | – | 5.4 | Represents minority share of CBRE valuation of £171.6m for 100% |
| Deferred tax | 7.0 | 1.3 | 8.3 | Represents £41.5m of tax losses |
| Cash | 162.8 | – | 162.8 | |
| Other | 1.9 | – | 1.9 | Working capital + provisions |
| Total | 335.1 | 15.7 | 350.8 | |
| Per share | 238.5p | | 249.7p | |

¹ Alconbury EPRA adjustment £6.9m; Herne Bay £7.4m

Property analysis

| | £m | Comments |
|-------------------------------|--------------|---|
| Alconbury | 119.0 | CBRE valuation increased by £18.0m (since 31 December 2013) Spend during period £5.1m Changes in value £12.9m |
| Herne Bay | 11.1 | Includes EPRA adjustment of £7.4m |
| Feethams, Darlington | 3.4 | Leisure investment |
| Middlehaven | 3.8 | Fully let office building |
| Bridge Quay, Bristol | 3.5 | Office to residential conversion |
| Canningford House | 1.2 | Multi-let office building in Bristol |
| Scottish strategic land sites | 13.0 | Eight sites in Central Belt, all with residential planning consent |
| Other | 3.8 | |
| | 158.8 | |

Note: Alconbury is carried at £62.9m in investment properties and £49.2m in trading properties. £6.9m is carried as an EPRA adjustment. Rugby is an indirect investment and, therefore, not included here

Strategic land

- All held as investment assets until decision made to commence development of residential areas with a view to sale
 - Alconbury now split 53% investment, 47% trading
 - Rugby still treated 100% as investment
- Rugby – contract for purchase of our 50% interest not yet completed
 - No downside to U&C in not completing
 - No interest on purchase price
 - No handicap to pursuing our strategy of acquiring the optioned land and progressing first stage designs
 - No risk of non-completion
 - Accounting treatment reflects the interest in land and U&C's share of the difference between its share of the valuation uplift and the agreed cost of that share of £16.7m
- Waterbeach – U&C has entered into a development management agreement with the MoD. Further details are included later

Cash position

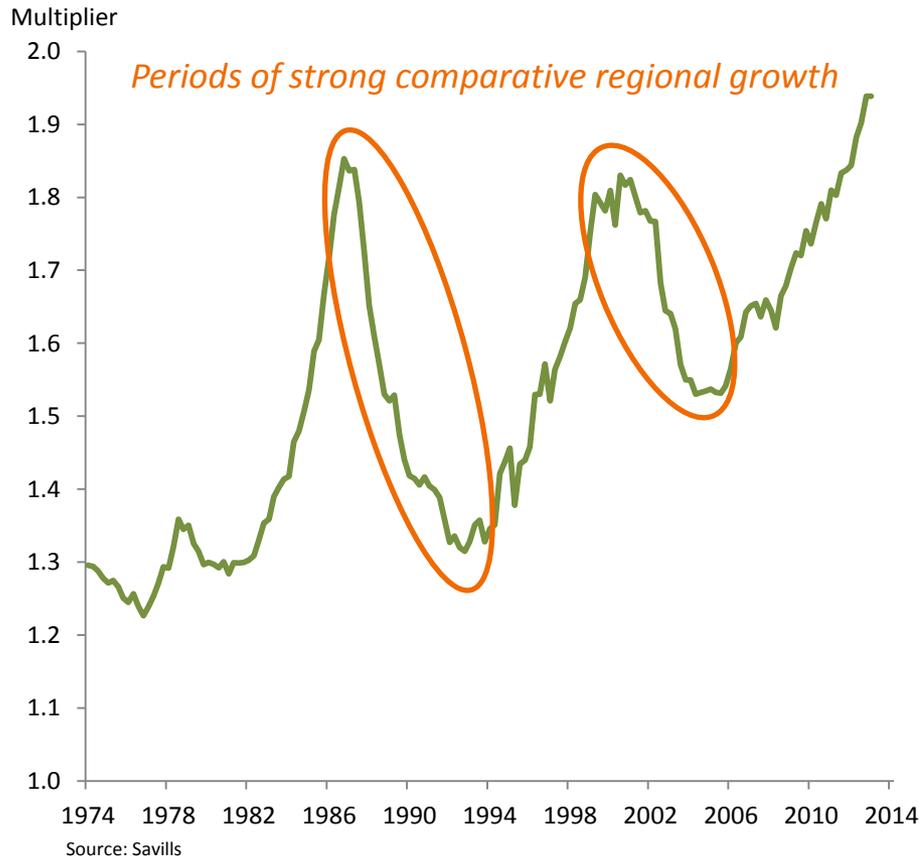
| | £m | Comments |
|--|--------------|--|
| Placing proceeds | 170.0 | Institutional placing of 76m shares at £2.25 per share, over-subscribed; £4.3m invested by Directors and staff; costs reflect transaction complexity |
| Employee share offer | 1.5 | |
| Transaction costs ¹ | (7.3) | |
| Receipts from Terrace Hill assets | 27.3 | Southampton £11.5m, Maidenhead £3.5m; Gateway £12.3m |
| Capital expenditure | (9.1) | Expenditure on projects (Alconbury £4.3m; Rugby £2.1m; Feethams £1.9m; Other £0.8m) |
| Debt repayment | (22.2) | All external debt repaid, £3.2m discounts received |
| Administrative expenses – cash outflow | (4.2) | |
| Other | 5.6 | Cash on acquisition of Terrace Hill and grants received |
| | 161.6 | |
| Opening cash | 1.2 | |
| Closing cash | 162.8 | |

- Considerable financial capacity to execute business plan
- Potential capex of £70m in the current year on current pipeline, ignoring new acquisitions

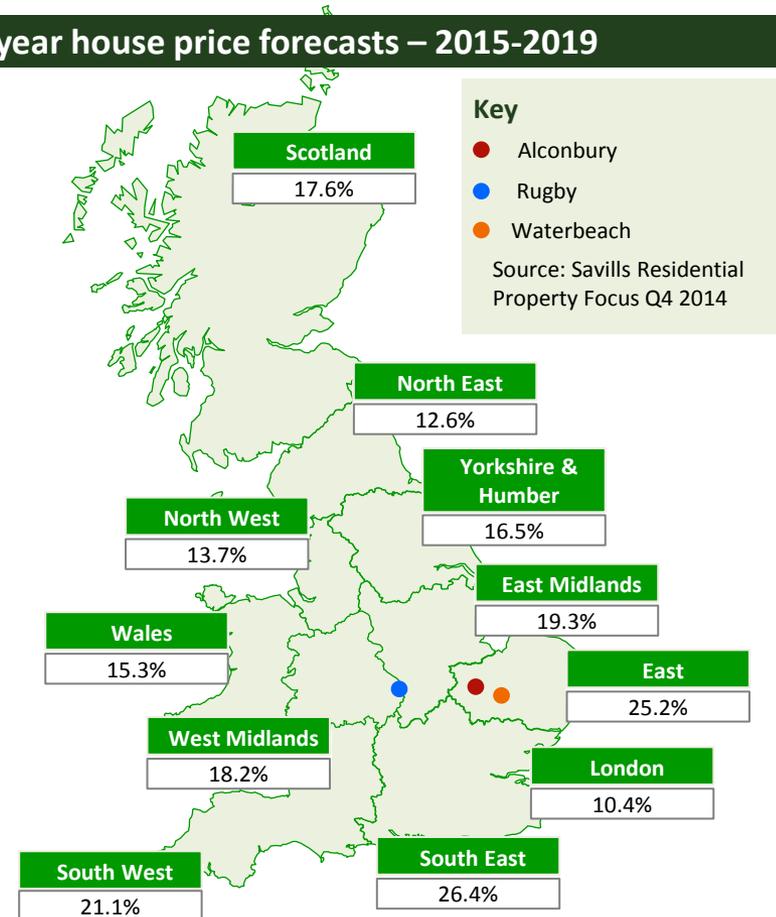
¹ Total transaction costs amount to £9.0m; £1.7m have been accrued

The regional UK market recovery has only just started

London house price as multiplier of UK house price



Five year house price forecasts – 2015-2019



- There have been very clear cycles of regional outperformance following periods of strong London growth
- Over the next 5 years the southern regions are forecast to offer superior house price growth performance¹

¹ Southern regions defined as West Midlands, East Midlands, South West, South East, East and London

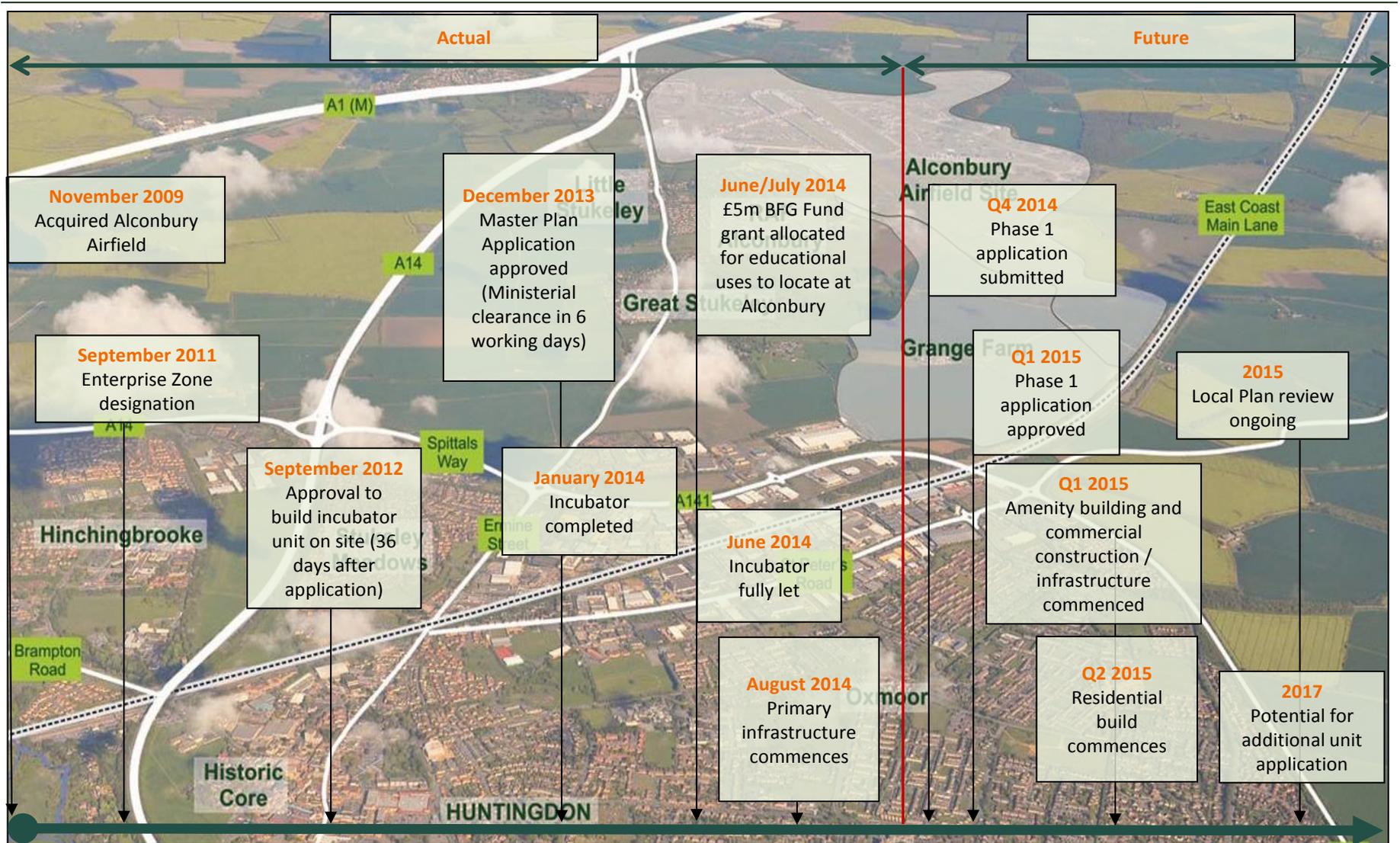
Alconbury Site Update – 2014

Highlights:

- Planning:
 - Outline planning consent granted
 - Key Phase 1 infrastructure application submitted
- Incubator:
 - 4 months from handover to fully let
 - Winner of a British Council for Offices Award, and Regional Winner of Best Commercial Building by the Local Authority Building Control
- Amenity building:
 - Design commenced with AHMM
- Funding:
 - Building Foundations for Growth funding of £5m secured for demolition and remediation, works underway
 - National grant funding for the Welding Institute and a Technical & Vocational Centre to locate on the Enterprise Zone agreed



Alconbury – Timeline



Key Phase 1 – development commenced Q4 2014

- 829 homes
- 1 primary school
- 80,000 sqft of employment
- Community and retail floorspace
- Sports facilities
- Parks and Open Spaces
- Construction works
 - January 2015 onwards
- Sale/development of serviced parcels
 - August 2015 onwards
- Residential occupations
 - December 2015



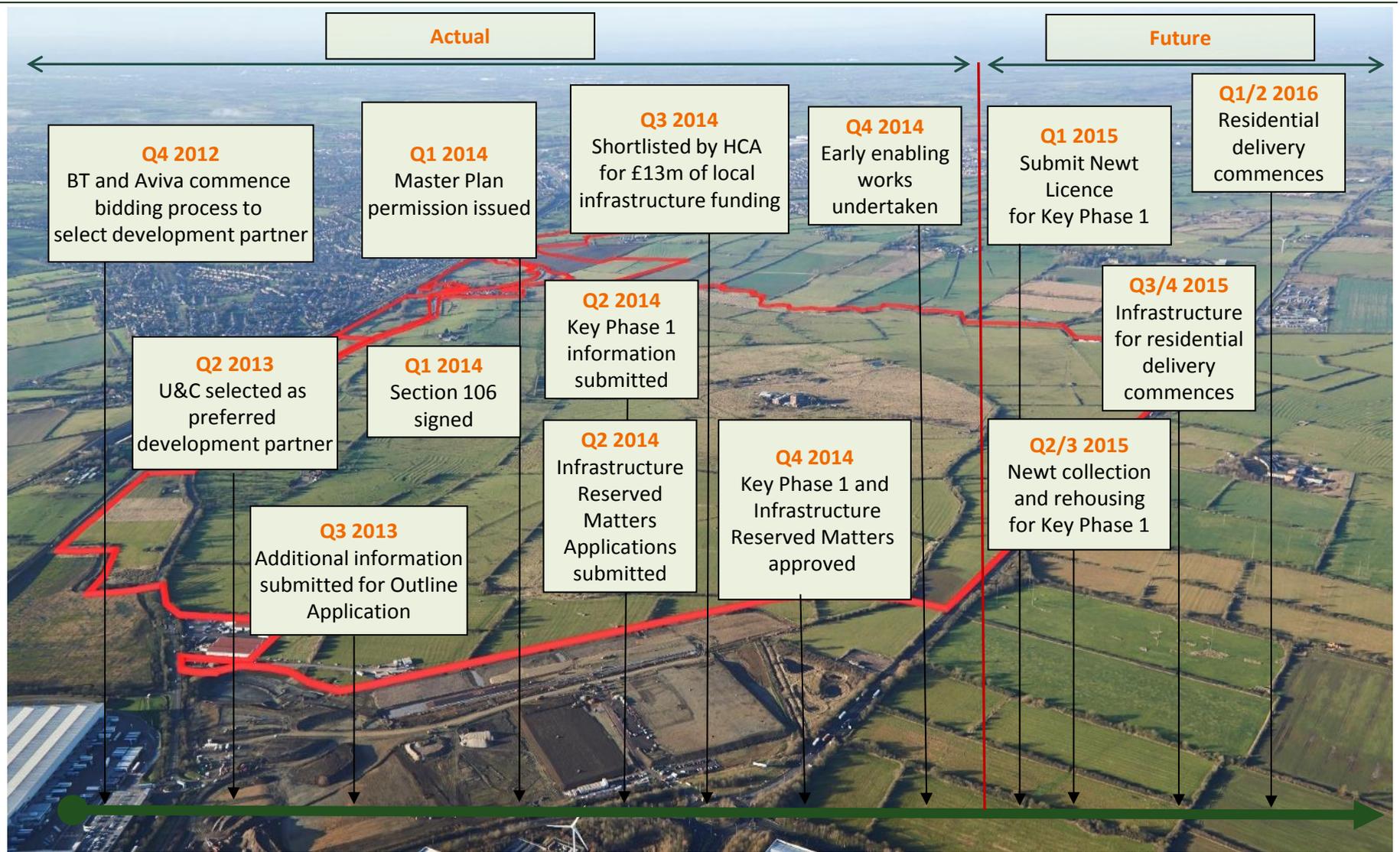
Rugby Urban Extension Update – 2014

Highlights:

- Planning:
 - Outline Planning consent granted
 - Key Phase 1 approved
 - Infrastructure reserved matters approved
 - Enabling works commenced
- Land Options:
 - c.56 acres of land purchased pursuant to option arrangements
 - Terms agreed for a further 21 acres
- Commercial Deal:
 - Not yet completed but ability of U&C to complete remains unaffected
 - Simplified agreements in advanced form
 - Completion expected Q1 2015

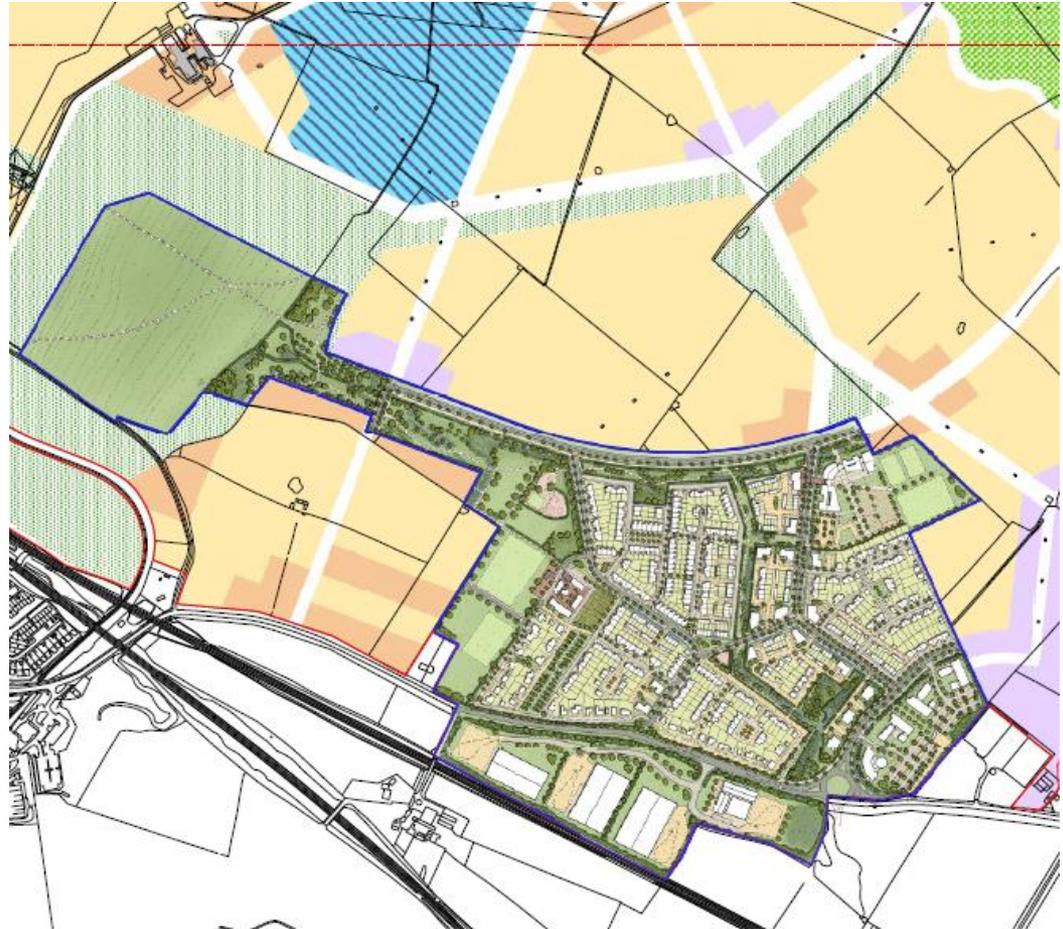


Rugby Urban Extension – Timeline



Key Phase 1 – development commenced Q4 2014

- 600 homes
- 1 primary school
- 8 hectares of employment
- Community and retail floorspace
- Sports facilities
- Parks and Open Spaces
- Construction works
 - November 2014 onwards
- Sale/development of serviced parcels
 - Q3 2015 onwards
- Residential occupations
 - Early 2016



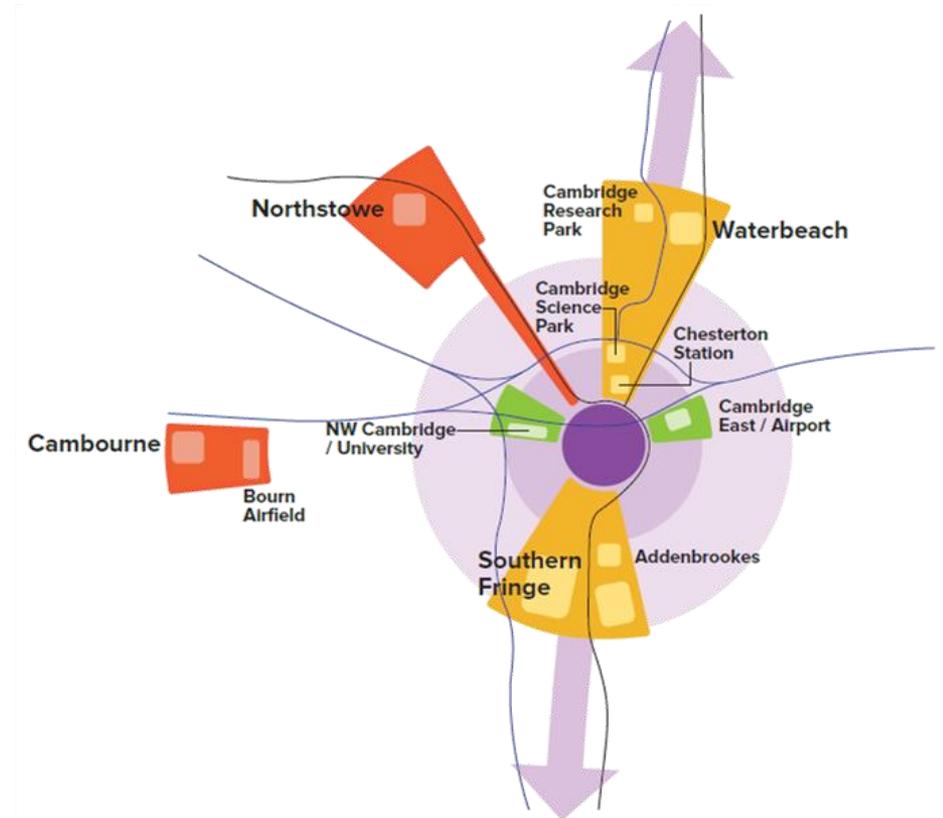
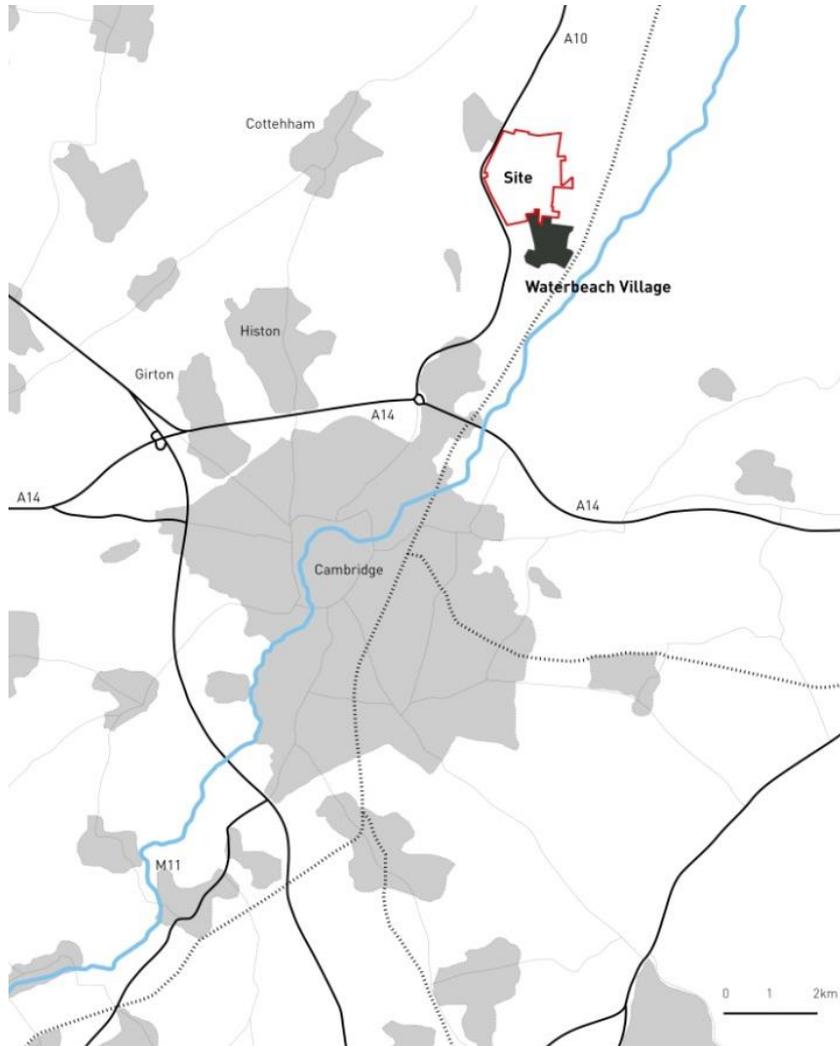
Waterbeach – Update – 2014

Highlights:

- Commercial Deal:
 - U&C selected by DIO following highly competitive OJEU process
 - Development management agreement signed with DIO
 - U&C now taking forward promotion and development of Waterbeach on behalf of DIO
 - U&C have profit share entitlement and right to draw down sufficient land to build 35% of units on its own account
- Planning:
 - Local Plan examination in public commenced
 - Active discussions with South Cambridgeshire District Council and Cambridge County Council ongoing
 - Strong relationships established with Waterbeach Parish Council and other local stakeholders
 - Master planning ongoing
- Property Management:
 - Estate surveys underway
 - Site manager appointed
 - Temporary use enquires under consideration

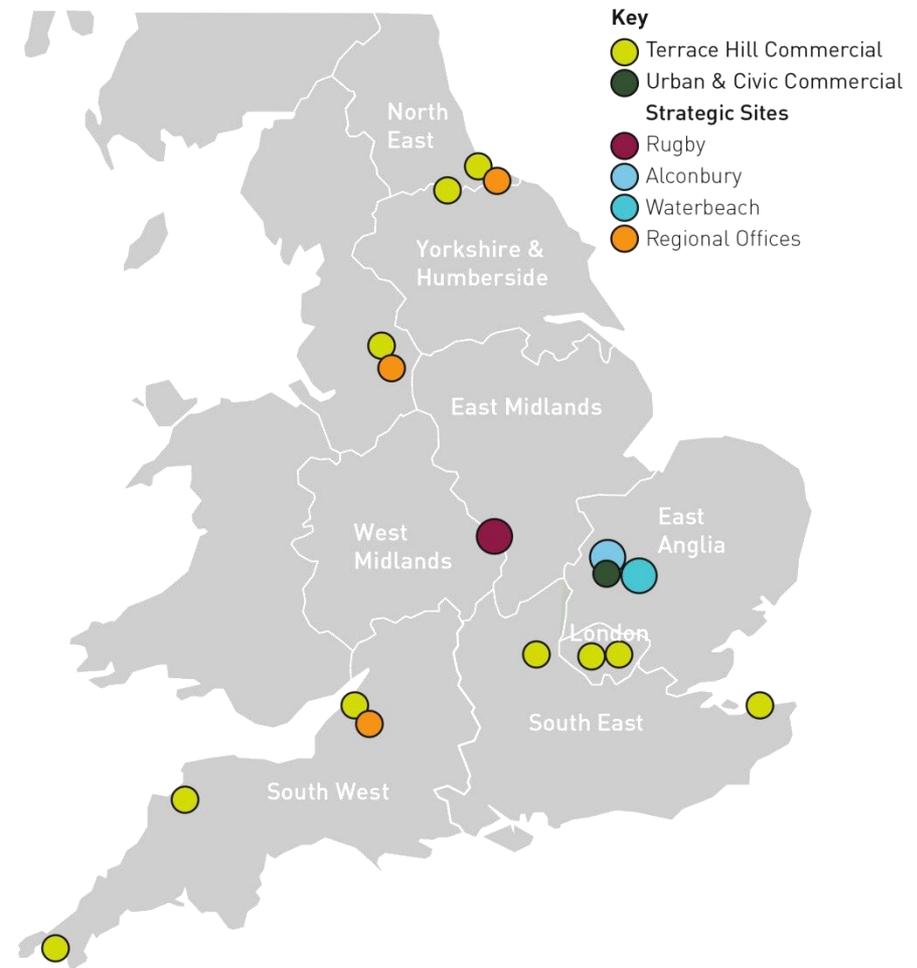


Waterbeach – Brownfield designation courtesy of the Royal Engineers



Commercial property – introduction

- The Group's commercial development arm, trading under the Terrace Hill brand has made good progress on a number of projects during the period with a focus on:
 - Crystallising value from the foodstore schemes
 - Progressing the town centre leisure schemes
 - Securing more student accommodation schemes
 - Crystallising value from the London development programme
 - Adding value to the strategic land opportunities



Gateway and Herne Bay

Gateway, Middlesbrough

- **Description:** 16.80 acre site on outskirts of Middlesbrough with detailed planning consent for a Sainsbury's foodstore of 125,000 sq ft, plus a KFC drive-thru, Marston's public house and a drive-thru Costa
- **Lease terms:** Agreement for Lease with Sainsbury's for 25 years with RPI linked rental uplifts throughout the term, initial rent of £19.50 psf (£2,437,500 p.a)
KFC A f L at £25psf (£75,000 p.a)
Freehold site sales to Marston and Costa
- **GDV:** £53.0m – forward funded at a yield of 4.75%
- **Programme:** Construction started September 2014, completion August 2015
- **Financial:** £3.1m profit included in 2014 financial statements, balance to be recognised in 2015



Herne Bay, Kent

- **Description:** Site on edge of Herne Bay adjacent to A299, pre-let to Sainsbury's for a 99,653 sq ft store for 25 years with RPI linked rental uplifts
- **Planning:** Detailed planning consent granted October 2014 subject to completing s.106 Agreement
- **Programme:** Start on site Q2 2015
- **Financial:** £7.4m EPRA uplift included in 2014 financial statements, Accounting profit expected to be recognised in 2015
IFRS asset value £3.6m



Feethams and Burnley

Feethams Leisure Development, Darlington

- **Description:** A town centre leisure development anchored by a multi-screen cinema alongside a Premier Inn and a number of food and beverage outlets
- **Tenant line-up:** Vue Cinemas, Premier Inn (Whitbread), Nandos, Greene King, Chinese Buffet, Purple Pig (Gourmet Burgers), Bella Pasta, Excel Parking and Costa
The total annual rent will be c. £1.4m p.a. and average lease term is 15 years +
- **Planning:** Detailed planning consent has been granted
- **GDV:** £23.0m
- **Programme:** Construction started 15 September 2014, with completion programmed for March 2016
- **Financial:** Completed development will be retained as investment
IFRS asset value £3.4m



Pioneer Leisure Site, Burnley

- **Description:** Town centre leisure development to be anchored by a multi-screen cinema accompanied by restaurants and bars
- **Planning:** Pre-planning consultation
- **GDV:** £15.0m
- **Programme:** Start anticipated Q4 2015
- **Financial:** Completed development will be retained as investment
IFRS asset value minimal

Bridge Quay, Conduit Street and Howick Place

Bridge Quay, Bristol

- Description: Conversion of a vacant 70's office building into 59 high quality 1 & 2 bedroom private apartments over-looking the Floating Harbour in the City Centre
- Planning: Detailed planning consent granted
- GDV: £14.0m
- Programme: Start on site January 2015
- Financial: Sales will be recognised as they complete
IFRS asset value £3.25m



Conduit Street, London Mayfair

- Description: Retail and office development of 30,671 sq ft on corner of Conduit Street and Savile Row
Retail pre-let to DSQUARED2
- GDV: N/A – U&C interest – in the form of development management fees and performance related carried interest
- Programme: Completion Feb 2015
- Financial: Performance fee expected to be received in 2015



Howick Place, London Victoria

- Description: A freehold 172,561 sq ft office & residential scheme developed in JV with Doughty Hanson (U&C share 6.0%)
- Tenant line-up: Giorgio Armani, Dong Energy, Edelman, Informa
Total passing rent £9,468,722 p.a.
- Programme: Investment on market for sale at a quoting price of £205m
- Financial: IFRS asset value £5.4m
Expecting to realise in 2015



Manchester

- Exchanged contracts on two prime city centre sites for £22.4 million
- Deansgate
 - Currently occupied by 203 bed Marriott hotel, basement car park and vacant office
 - Strategy to redevelop into mixed residential (c.600 units), hotel, car park and food and beverage scheme over period 2018 – 2021
 - Estimated GDV £225.0m; uninfrastructure plot cost per residential unit £18,000
- Princess Street
 - Currently vacant site with previously constructed but unused 298 space basement car park
 - Strategy to redevelop into mixed residential, student accommodation, hotel, car park and food and beverage scheme over period 2017 – 2019
 - Estimated GDV £75.0m; part infrastructure plot cost per residential unit £15,000
- Optionality
 - Total GDV £300.0m compared with an acquisition cost of £22.4m
 - Additional profit from development of part or whole
 - Institutional funding readily available

Manchester site locations



Manchester site locations (cont'd)

Deansgate



Princess Street



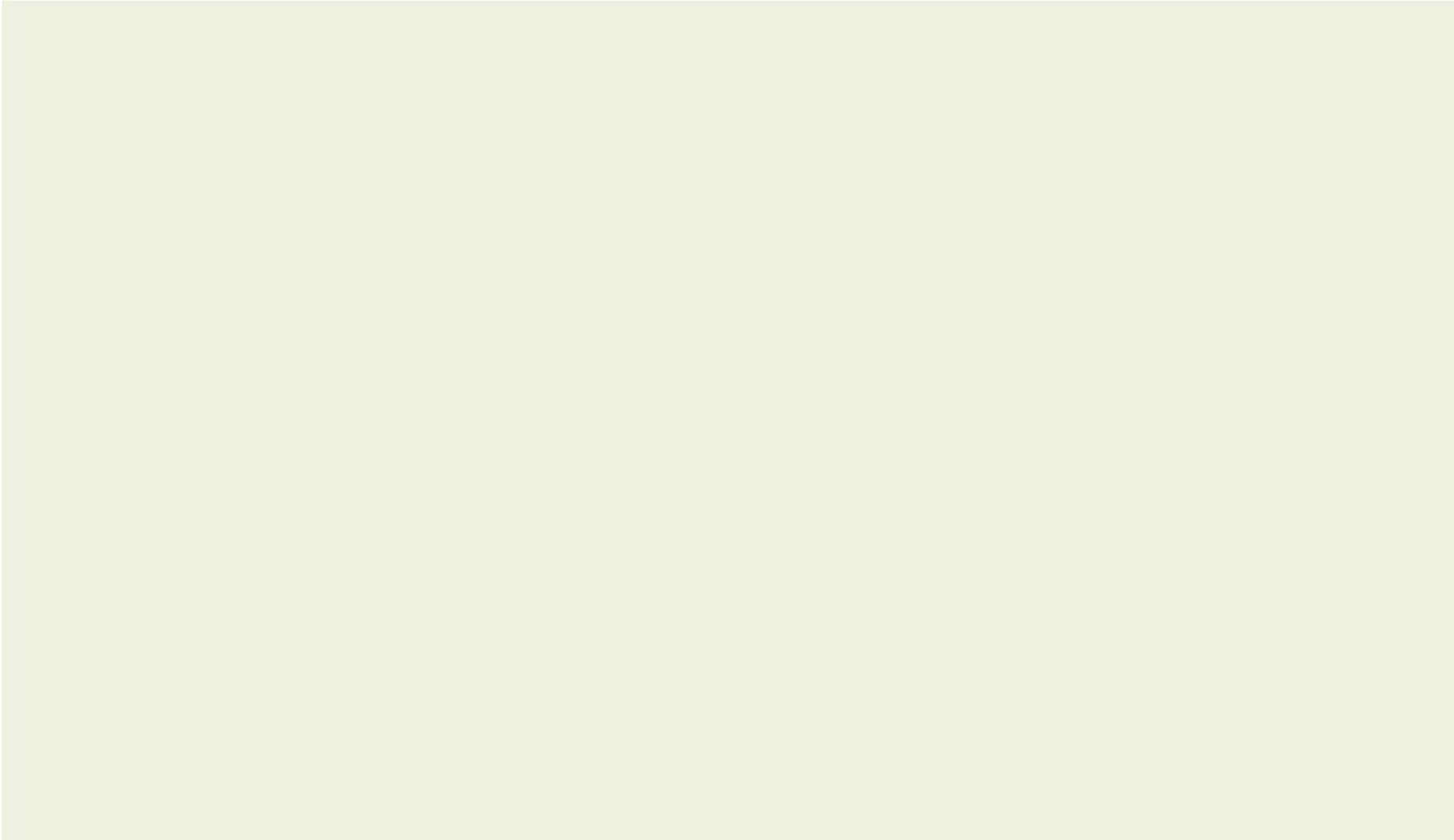
Milestones – 2015

| Property | Milestone |
|-----------------------------|--|
| Alconbury | <ul style="list-style-type: none"> • Phase I Application approved • Amenity building and commercial construction commenced • Residential build commenced |
| Rugby | <ul style="list-style-type: none"> • Newt relocation completed • Infrastructure for Residential delivery commenced • Early Residential approvals obtained • Sale of serviced parcels |
| Waterbeach | <ul style="list-style-type: none"> • Local Plan designation advanced • Master planning materially advanced • Temporary uses and income achieved |
| Gateway, Teesside | <ul style="list-style-type: none"> • Delivery of completed store H2 2015 |
| Feethams, Darlington | <ul style="list-style-type: none"> • Continue construction with expected completion H1 2016 |
| Herne Bay | <ul style="list-style-type: none"> • Start construction H1 2015 |
| Howick Place | <ul style="list-style-type: none"> • Complete sale H1 2015 |
| Conduit Street | <ul style="list-style-type: none"> • Complete construction H1 2015 |

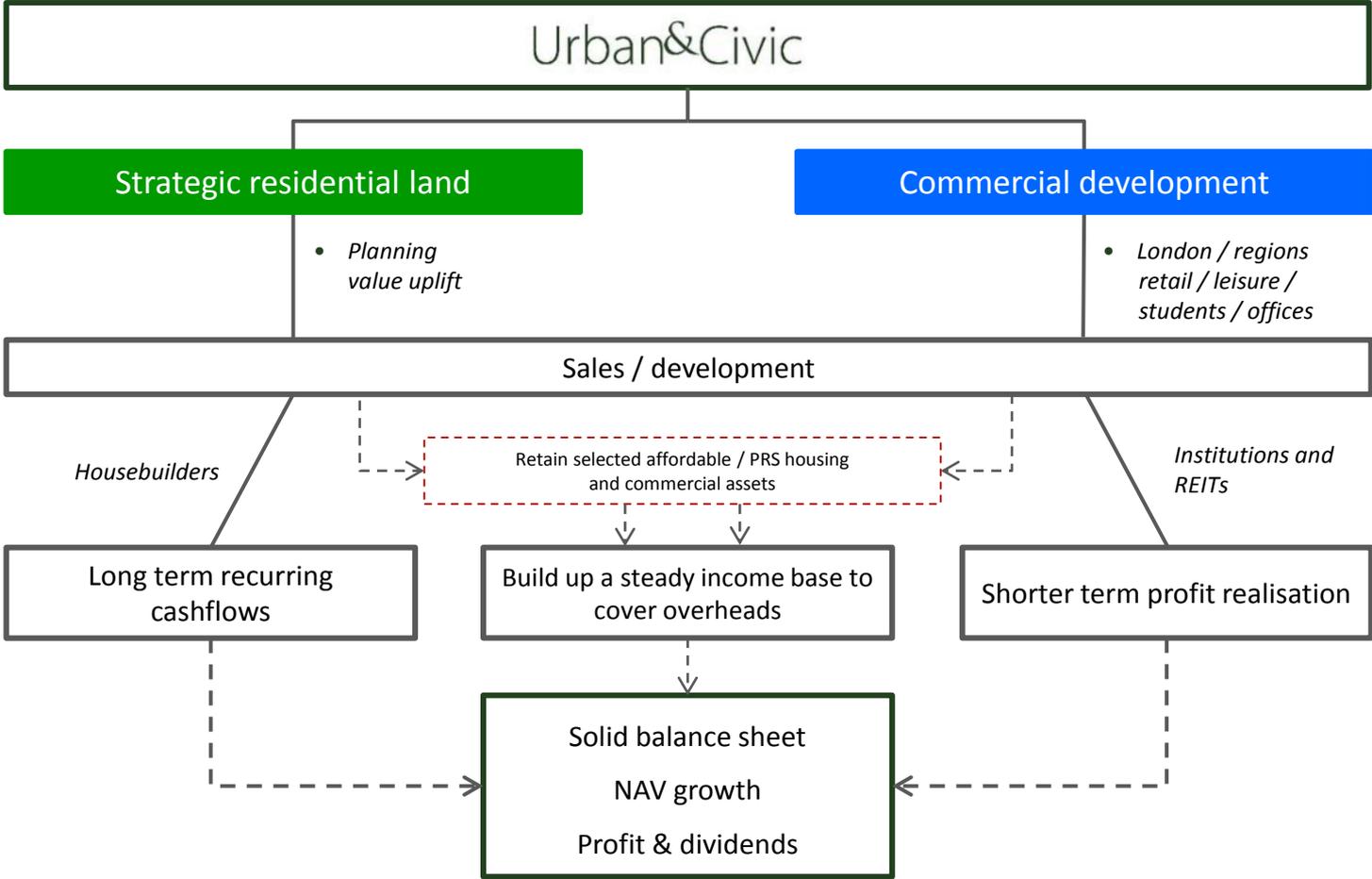
Summary

- Operationally strong figures and balance sheet profile demonstrate Urban&Civic intent
- Three decade industry experience in working through cycles teaches the importance of delivery and balance
- Seamless combination with TH has helped accelerate progress on all fronts
- Alconbury, Rugby and now Waterbeach promise to be 3 of the most substantial additions to national housing stock and GDV of over £4 billion underpins stable predictable long dated income. TH commercial pipeline provides shorter cycle profits
- Cambridge and Manchester are highly popular amongst fund managers at the moment; our judgment is that both local economies still have some way to go. Judicious optionality comes from combined entry costs for existing initial exposure limited to approximately £23 million
- Infrastructure investment in strategic sites now stepping up but group retains considerable financial capacity to execute business plan
- These are the cycles and markets that we enjoy

Appendix



Urban & Civic plc business plan



... Capture the upside in the UK property market

The transaction

The transaction – 1

- Under IFRS, treated as a reverse acquisition
- Terrace Hill the acquiree → All assets & liabilities fair valued

| | Book value £m | Fair value adjustment £m | Fair value £m | Comments |
|--------------------------------------|------------------|--------------------------------|------------------|--|
| Property assets | 53.7 | (1.6) | 52.1 | All assets subjected to detailed review with support from CBRE on values |
| Deferred tax | 4.4 | 6.7 | 11.1 | Substantial tax losses had not previously been recognised |
| Provisional / contingent liabilities | (3.0) | 1.1 | (1.9) | Fair value of a current, contingent tax liability |
| Other | (9.2) | 4.5 | (4.7) | Mainly increased profit on Southampton project and reinstatement of a receivable |
| Fair value of assets | 45.9 | 10.7 | 56.6 | |

The transaction (cont'd)

The transaction – 2

- Fair value of the consideration

| | <u>£m</u> |
|---|---------------|
| – Terrace Hill shares in issue at closing price on 21 May 2014 | 56.6 |
| – Fair value of extant options | 0.5 |
| | <u>57.1</u> |
| Less: Fair value of Terrace Hill assets on 21 May 2014 (see previous slide) | <u>(56.6)</u> |
| Goodwill | <u>0.5</u> |
- Given merged operations going forward, the Board took decision not to recognise this separate intangible asset and to impair this fully

Housebuilder land-bank statistics

UK quoted housebuilder comparison

| | Date | Period | Plots | Average sales price | Cost per plot as quoted in current land-bank |
|------------------|-----------|-----------|--------------|---------------------|--|
| Barratt | 30-Jun-14 | Full Year | 66,570 | £219,900 | £46,400 |
| Bovis | 31-Dec-13 | Full Year | 14,638 | £195,100 | £48,900 |
| Persimmon | 31-Dec-13 | Full Year | 74,407 | £181,161 | £29,703 |
| Redrow | 30-Jun-14 | Full Year | 16,724 | £239,500 | £63,000 |
| Taylor Wimpey | 31-Dec-13 | Full Year | 70,628 | £191,000 | £38,800 |
| Alconbury | | | 5,000 | £264,000 | £15,400 |
| Rugby | | | 6,200 | £253,000 | £11,500 |

Source: Company filings, CBRE valuation of Alconbury and Rugby

Strategic residential land: Alconbury



- Outline planning permission granted
- Approval for 5,000 homes, with the opportunity of less than 15% designated affordable plus c.3.1m sq ft commercial
- Infrastructure works commenced Q4 2014
- Enterprise zone designation of 370 acres for up to 8,000 jobs
- Expansion opportunity on owned land for a further 1,500-2,000 dwellings
- 55 mins from Huntingdon to London by train, direct Busway to Cambridge and under 1 mile from the A1(M) and A14
- Cost per plot as per CBRE valuation: £15,400

| Key statistics | Alconbury |
|---|-------------|
| Consented / allocated houses | 5,000 |
| Commercial space | 3.1m sq ft |
| Total area | 1,432 acres |
| Residential and commercial developable area | 501 acres |
| Community and heritage areas | 60 acres |
| Open spaces | 719 acres |
| Other | 152 acres |

... The largest designated brownfield site in the South of England

Strategic residential land: Rugby



- Agreement to purchase 50% of the Rugby site
- Outline planning permission granted
- Approval for 6,200 homes, with the opportunity of less than 15% designated affordable
- Enabling works commenced Q4 2014
- 76 acres of employment space with potential for in excess of 4,000 jobs
- 50 mins to London and 35 mins to Birmingham by train, 1 mile from the M1, 4 miles from the M6 and under 1 mile from the Daventry International Rail Freight Terminal
- Cost per plot as per CBRE valuation: £11,500

| Key statistics | Rugby |
|---|-------------|
| Consented / allocated houses | 6,200 |
| Commercial space | 1.3m sq ft |
| Total area | 1,170 acres |
| Residential and commercial developable area | 421 acres |
| Community and heritage areas | 49 acres |
| Open spaces | 420 acres |
| Other | 280 acres |

... In excess of 50% of local plan designated residential development

Strategic residential land: Waterbeach



- Development Management Agreement with DIO signed September 2014
- Strategic Site designation with emerging South Cambridgeshire Local Plan includes neighbouring land for up to 9,500 units
- Expected first delivery: 2017
- 4 miles north east of Cambridge, adjacent to Waterbeach Village and Cambridge Research Park, 2 miles from Cambridge Science Park and Cambridge Business Park



| Key statistics | Waterbeach |
|---|-------------|
| Housing capacity | 6,500 |
| Total area | 716 acres |
| Residential and commercial developable area | c.340 acres |

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