

Presentation of full year results to 30 September 2016

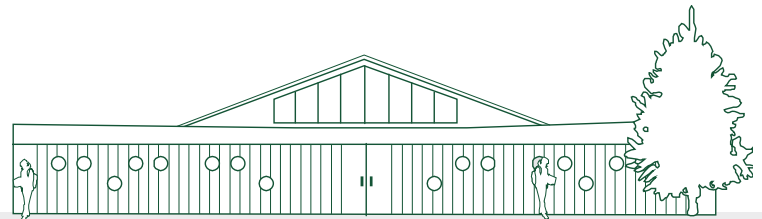
December 2016

Urban&Civic plc



Commentary

- Strong relative performance
- Urban&Civic was established as mid/late cycle counter cyclical London; eventual Brexit impact depends on one's view as to whether that cycle has changed fundamentally
- EPRA NAV per share up 5.1 per cent to 284.2p per share, or 23.0 per cent since May 2014 listing
- Pre-tax profits up, approaching 4x to £25.9 million
- Most of FY 2016 increase in both EPRA NAV and operating earnings arose in the second half – spanning June 2016 referendum vote
- 73 per cent of September 2016 Group balance sheet in consented residential plots
- Large site discount at Alconbury and Rugby pro rata now estimated to be around £91 million, or 60p per share, on the basis of CBRE valuation assumptions (March 2016: £80 million or 55p per share)
- Increased dividend to 1.8p per share, contributing to 10 per cent increase year on year reflecting tangible progress made



Delivering on our promises

- Pace of delivery accelerating
- 981 plots¹ now contracted with five housebuilders on our two most advanced strategic sites, with detailed discussions ongoing for 172 plots at Newark
- £78.1 million of disposals in year (commercial: £44.4 million and residential: £33.7 million)
- Over £100 million invested in projects since 30 September 2015
- HCA long term infrastructure loans totalling £92 million committed
- 30,000 plots either consented or being progressed across the Group
- Catesby/Urban&Civic achieves consents for 760 homes in the year plus 890 subsequent with record pipeline
- Alconbury – Hopkins best ever start: 19 exchanged or completed +19 further reservations since April 2016
- Morris and Redrow on site Q4 2016/Q1 2017
- 720,000 sq ft (28.2 acres) of commercial land sales
- Rugby – Crest Nicholson, Davidsons and Morris Homes all now contracted
- Commercial – completion of developments at Feethams, Darlington; Herne Bay, Kent; and Bridge Quay, Bristol
- Stansted hotel topped out in November 2016; forecast completion June 2017

¹ Hopkins Homes 128 plots contracted in prior year



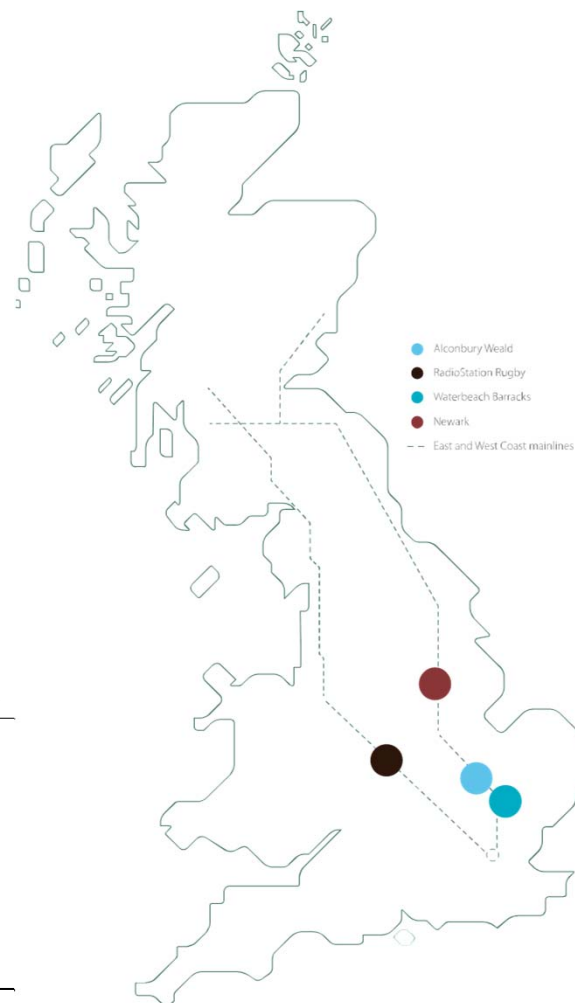
Strategic land sites

Consented unserviced plot values

	2016	2015	Increase / (decrease)	Plots
Alconbury Weald Make Grow	£24,500	£18,500	32.4%	5,000-6,500
RadioStation Rugby	£15,000	£12,900	16.3%	6,200
Newark	£7,900	£8,800	(10.2%)	3,150
Waterbeach Barracks	£5.5m	£1.5m	£4.0m	6,500

UK quoted housebuilder land-bank

	Period	Plots	Average sales price	Cost per plot
Barratt	FY - 30 June 16	71,351	£259,700	£51,300
Bovis	HY - 30 June 16	19,477	£254,500	£50,700
Persimmon	HY - 30 June 16	93,519	£205,762	£31,100
Bellway	FY - 30 June 16	34,979	£252,793	£55,200
Redrow	FY - 30 June 16	26,000	£288,600	£69,000
Taylor Wimpey	HY - 30 June 16	77,805	£238,000	£41,130



Financial highlights

	30 September 2016	30 September 2015	2016 increase	2016 % increase	Increase from May 2014 Listing
Profit before tax	£25.9m	£7.0m	£18.9m	270%	n/a
EPRA NAV	£409.8m	£389.9m	£19.9m	5.1%	26.6%
EPRA NAV per share	284.2p	270.4p	13.8p	5.1%	23.0%
EPRA triple NAV per share	275.4p	262.4p	13.0p	5.0%	20.3%

- Turnover + 71.5%
(2016: £95.2m 2015: £55.5m)
- £78m disposal proceeds
- £101m of acquisition and development expenditure
- £119m of new facilities
- Total committed HCA facilities of £91.8m
- 9.4 per cent net gearing

Summarised 12 month income and valuation movements

£m	Year to 30 September 2016	Year to 30 September 2015	Comments on 2016
Revenue	95.2	55.5	Trading property sales of £77.6m (including £38.2m Herne Bay); rental and other property income of £17.6m ¹
Gross profit	18.1	3.6	Profits on trading property sales of £18.8m (including £5.0m land promotion sites; £7.1m Herne Bay; £5.6m Bridge Quay), rental and other property profits of £6.4m ² , write downs of trading properties of £7.1m
Administrative expenses	(12.3)	(10.4)	Net of capitalised costs of £7.1m, includes Catesby for the full year
IFRS valuation movements	20.1	9.6	Alconbury £13.2m, Rugby £6.5m, £0.4m on both Bradford and Feethams
Other	0.0	4.2	Prior year sale of Howick Place
Profit before tax	25.9	7.0	
Tax	(5.1)	—	Deferred tax movement
Profit after tax	20.8	7.0	

¹ Comprises £8.2m hotel income; £8.2m rental and other property income; £0.8m project management income; £0.4m property sales (Alconbury)

² Comprises £3.8m rental and other property profits; £1.8m hotel profits; £0.7m other profits; £0.1m property profits (Alconbury)

Summarised balance sheet as at 30 September 2016

£m	30 September 2016	30 September 2015	Comments on 2016
Property interests ¹	369.6	305.3	100% owned £318.5m, JVs £51.1m
Cash	15.1	43.6	
Borrowings	(49.6)	(11.4)	HCA loans £11.8m, Herne Bay £16.1m, Feethams £14.4m, Bradford £6.6m, grant £1m (before accounting adjustments)
Deferred tax (liability)/asset	(0.3)	4.7	Deferred tax asset of £5.2m less deferred tax liability of £5.5m
Working capital	31.5	5.6	Includes £38.2m of net sale proceeds due on completion of Herne Bay
IFRS net assets	366.3	347.8	
EPRA adjustments – property	38.0	38.1	Includes Alconbury £31.7m ² , Catesby £7.2m, Stansted £(1.9)m and Manchester sites £0.4m
EPRA adjustment – deferred tax	5.5	4.0	Add back deferred tax liability
EPRA net assets	409.8	389.9	

¹ Comprises Alconbury £169.5m; Rugby £47.9m³; Newark £36.3m; Manchester sites £28.2m; Feethams £22.2m; Stansted £18.6m; Catesby £15.3m; Bradford £12.8m; Other £18.8m

² Alconbury - EPRA carrying value £201.2 - £169.5m on balance sheet, £31.7m EPRA adjustment

³ Rugby - CBRE valuation £105.6m: 50% interest reflected at £52.8m less £5.0m debt and working capital

Conservative financing

- Gearing (net):
 - IFRS NAV basis (net debt/net assets) – 9.4 per cent
 - EPRA NAV basis – 8.4 per cent
 - Post receipt of Herne Bay disposal proceeds – nil
- Committed HCA infrastructure loans total £91.8 million (including £45.1 million in documentation)
- HCA loans permit roll up of interest, recycling of proceeds and repayment only out of realised proceed distributions
- Committed, but undrawn facilities of £114.8¹ million, including:
 - £71.8 million of HCA infrastructure loans
 - £25.0 million revolving credit facility
 - £18.0 million development facility at Stansted
- Weighted average costs of borrowing on debt drawn is 3.0 per cent (all-in)



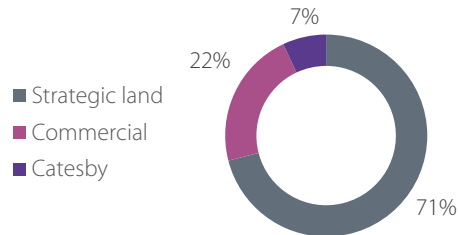
¹ Including £26.7m of Rugby joint venture facilities

Movements EPRA NAV

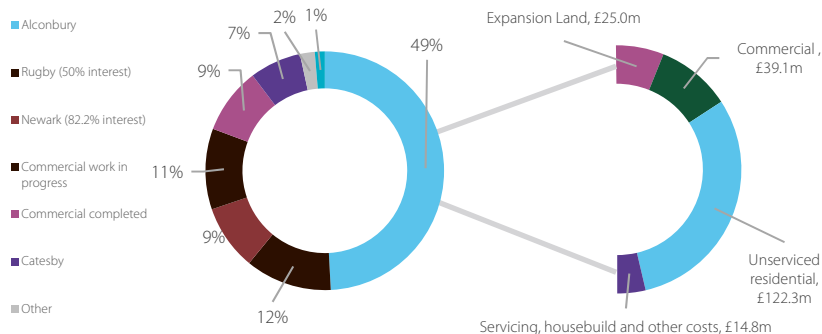


September 2016 EPRA valuations

By Segment



By Property



EPRA value
£m % of total

By Segment

Strategic land	290.7	71%
Commercial	87.8	22%
Catesby	29.1	7%
	407.6	100%

By Property

Alconbury	201.2	49%
Rugby (50% interest)	47.9	12%
Newark (82.2% interest)	36.1	9%
Commercial work in progress	45.3	11%
Commercial completed	35.0	9%
Catesby	29.1	7%
Other	7.5	2%
Waterbeach	5.5	1%
	407.6	100%

Strategic Land – Summary units under licence or development

	Total consented units	Contracted	Terms agreed	U&C	Total	% Under licence or development
Alconbury Weald	5,000	493	—	137	630	12.6
Rugby	6,200	616	—	100	716	11.5
Newark	3,150	—	172	80	252	8.0
	14,350	1,109	172	317	1,598	11.1

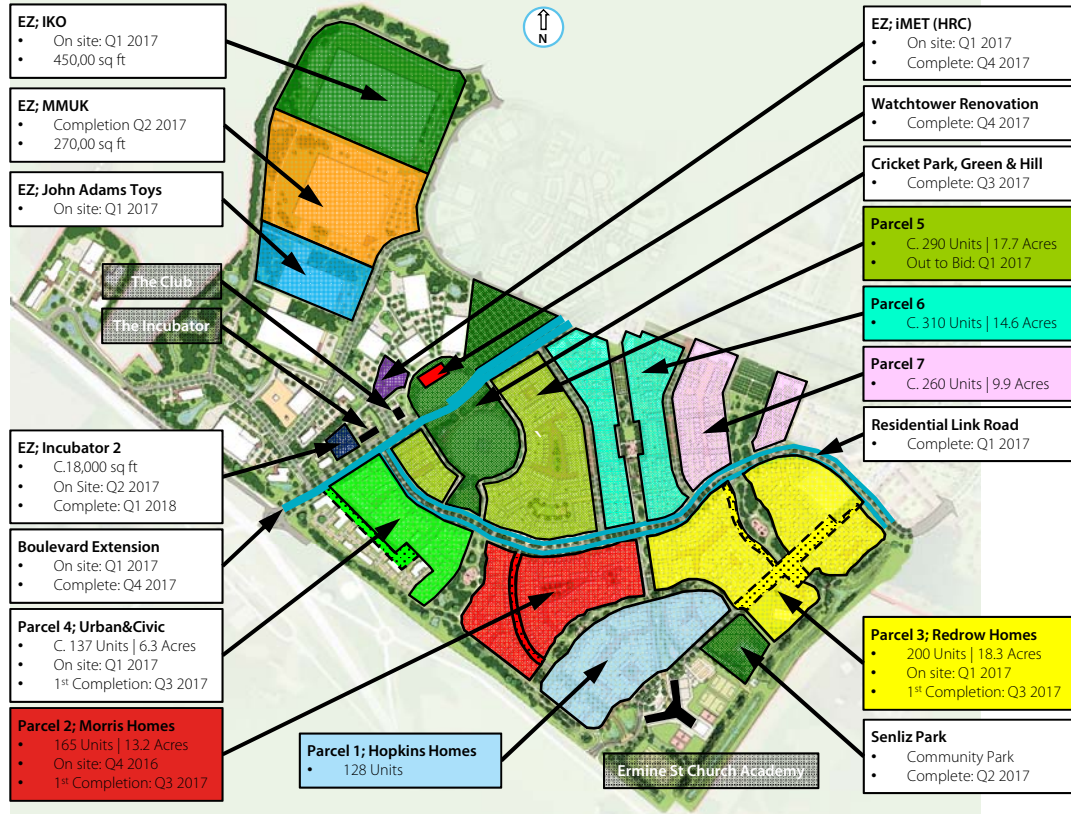
- First Alconbury Civic Living housing to commence Q1 2017
- Annualised aggregate minimum payments exceed £10 million



Alconbury Weald Make|Grow

- Approval for 5,000 homes and c.3.1m sq ft commercial
- Prospect of less than 15% affordable provision
- Further 1500 homes under draft local plan
- 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 – Enterprise Zone and Phase I Residential





**Alconbury
Weald
Make|Grow**

May 2015



**Alconbury
Weald
Make|Grow**

November 2016

Alconbury
Weald
Make|Grow

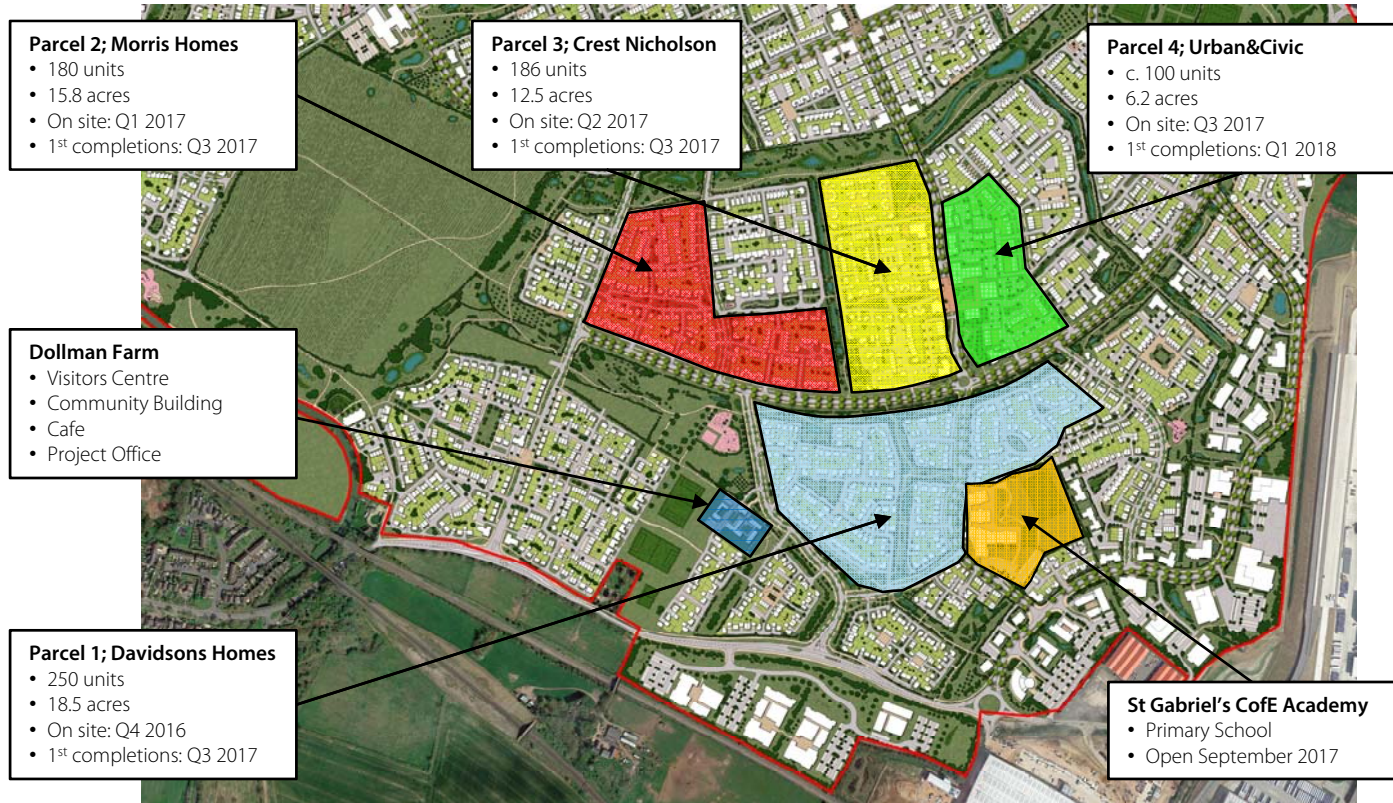


RadioStation Rugby

- 50:50 joint venture with Aviva
- Approval for 6,200 homes and c.1.3m sq ft 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 – Site Progress



May 2015

RadioStation Rugby

November 2016



RadioStation Rugby



RadioStation Rugby



Newark

- c.82% interest in site
- Approval for up to 3,150 homes and 2m sq ft of storage and distribution
- 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 – Phase I Residential (Site Progress)

Parcel 3; Urban&Civic

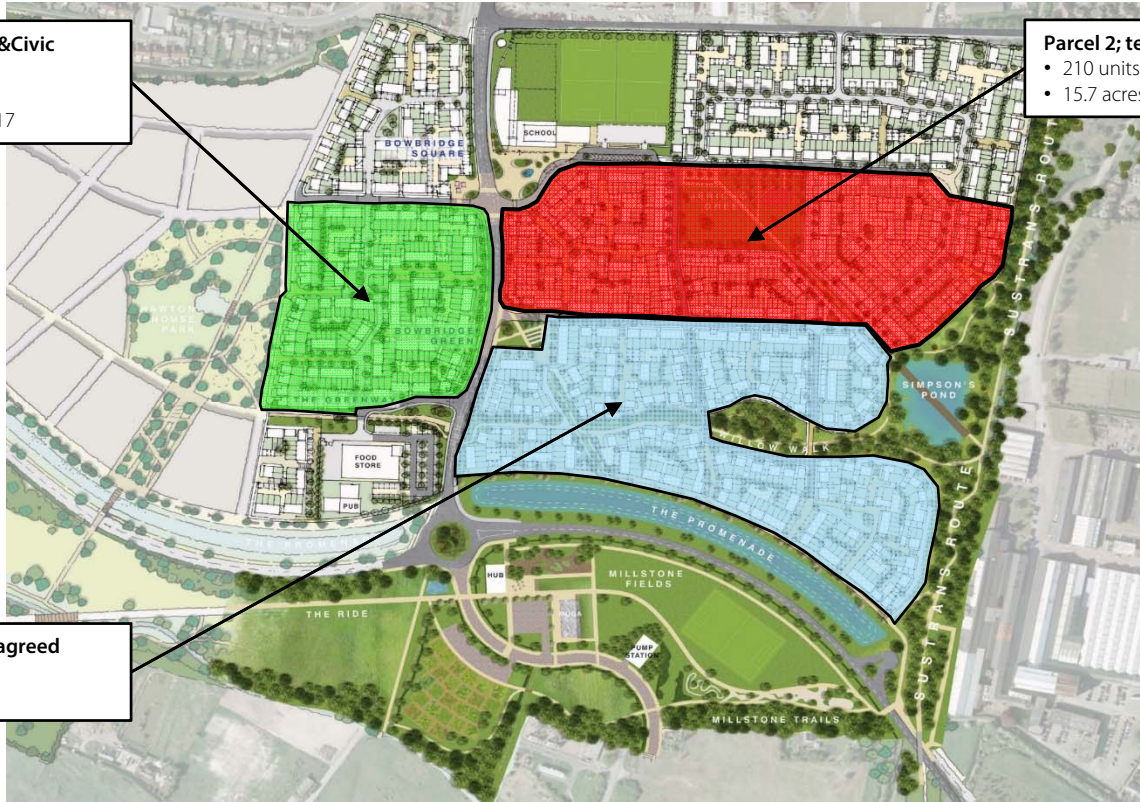
- c. 80 Units
- 8.8 acres
- On site: Q4 2017

Parcel 2; terms agreed

- 210 units
- 15.7 acres

Parcel 1; terms agreed

- 172 Units
- 16.1 acres



April 2015

Newark

November 2016



Newark

Civic Living

- Strategic sites only
- Additional margin capture
- Direct contract: low incremental Urban&Civic manpower additions
- Utilise our extensive site knowledge
- Add further variety to the mix
- Increase absorption rates
- Initially look to do 50-80 units per annum per owned site



Commercial – Delivered during 2016

Herne Bay

- Tenant handover April 2016
- Sale unconditionally exchanged at £38.2million in September 2016. Now completed
- Realised proceeds 12% above March 2016 valuation



Herne Bay – June 2016

Bridge Quay

- Practical completion May 2016 – all 59 units now sold
- Best units exceeded £600 per sq ft establishing a new record price for Bristol
- Development profits exceeded £6 million



Bridge Quay – June 2016

Feethams

- Practical completion April 2016
- 100,000 sq ft leisure scheme anchored by 80 bed Premier Inn and nine screen Vue cinema
- ERV £1.5 million: September 2016 valuation £22.7 million

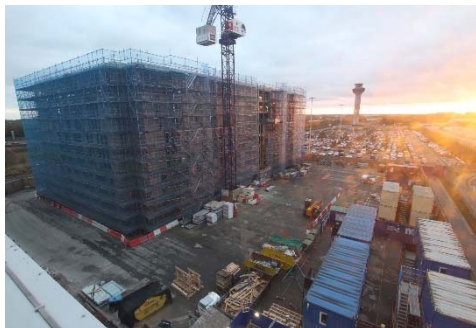


Feethams – June 2016

Commercial – Work in progress

Stansted Hotel

- 357 bed hotel adjoining airport terminal now topped out, completion expected June 2017
- Expansion capacity up to 520 rooms
- Expected EBITDA of £3.5 million within three years of opening



Stansted – October 2016

Princess Street, Manchester

- Revised planning application for three residential blocks totalling 351 units
- Terms agreed with equity funding partner
- Expect to start construction at Princess Street first half 2017



CGI - Princess Street, Manchester

Deansgate Hotel, Manchester

- Existing hotel on Deansgate now contributing >£1.5 million of net income per annum
- International design competition for Deansgate redevelopment
- Hotel/residential/retail 450,000 sq ft



Deansgate, Manchester

November 2016 - CGI



Waterbeach Barracks

- 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
- 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



Catesby

- Land trading business principally through promotion agreements, with short to medium term (1 – 5 years) residential potential
- 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
- Competitive advantage over housebuilders as sales are all open market
- Pre-tax contribution of £2.2 million (after overheads of £3.0 million) augmented by £7.2 million of new EPRA uplifts reflecting 760 plots consented during FY 2016
- Larger site pitches are now often joint Urban&Civic and Catesby: 390+500 additional units consented since year end demonstrable results of combined working
- Strongest ever pipeline with 9,500 plots contracted or in solicitors hands

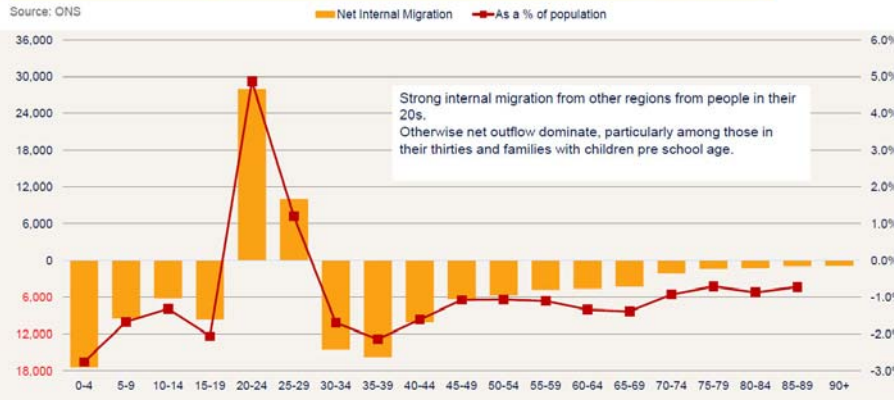
Conclusion

- Urban&Civic established as market leader in large site delivery: approaching £100 million in HCA facilities demonstrable recognition
- London affordability motivates move to well connected super suburban locations. Office for National Statistics estimate 283,000 departures in year to June 2015, equivalent to 3.2 per cent of London's population
- Quality of our placemaking is evident through strong house price growth at Alconbury
- Major housebuilder concentration on absolute retail strengths of construction and delivery provides a clear space for Urban&Civic. Capital lite serviced plots and planning expert Catesby are now firmly established constituents of residential supply chain
- Cash generation will continue to accelerate through both licence arrangements and own account construction, supplemented by commercial development most often forward funded or in joint venture
- Guaranteed contracted minimums of £10 million per annum over an average of next 5 years, with actual receipts likely to be better than 2x current EPRA September 2016 plot figures enables further investment into wholesale provision
- Expect maintained low financial gearing. UK government likely to be much the largest lender to Urban&Civic for the foreseeable future
- Targeting 40,000 in strategic units (currently 20,000+ including Waterbeach) and Catesby pipeline of 10,000+ (currently 9,500)

Appendices

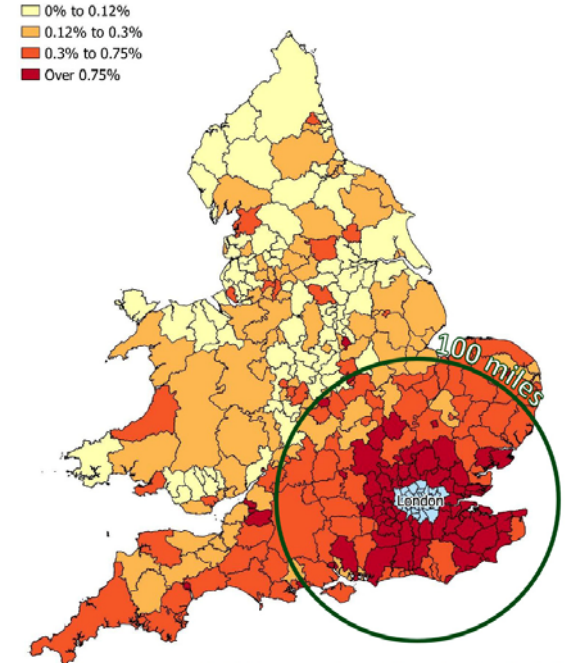
Proportion of population moving from London

Net Internal Migration – London to Rest of Country



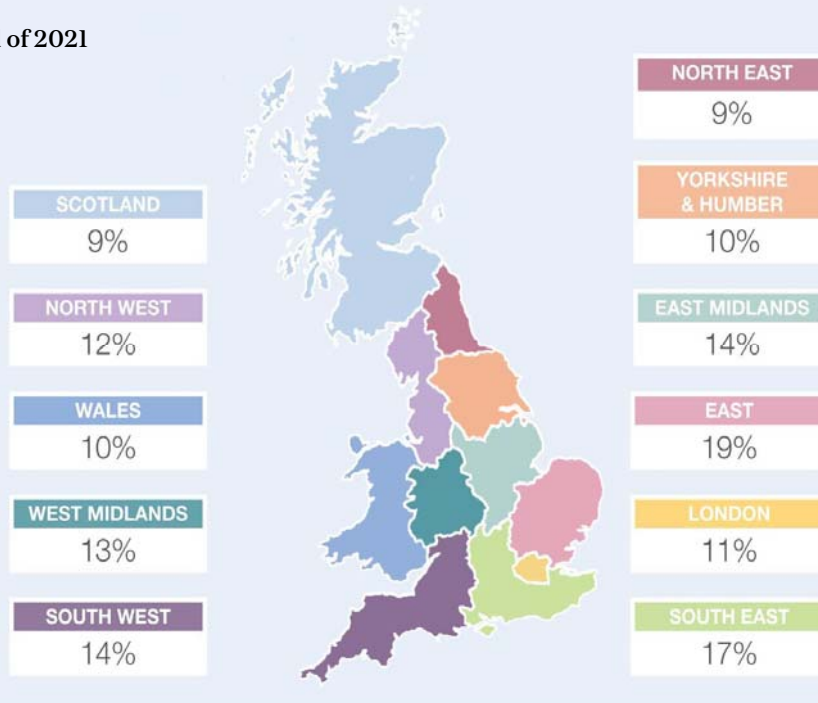
Source: Savills, Internal Migration and UK Housing

Proportion of population moving from London



Outlook: UK housing market; expect regional out performance to continue

Five-year change to end of 2021



Source: Savills World Research, UK Residential, N.B. These forecasts apply to average prices in the second hand market. New Build values may not move at the same rate.

Property Analysis

£m	30 September 2016	Valuation movement	Expenditure	Acquisitions / disposals	30 September 2015
Alconbury	201.2	25.9	28.1	(0.3)	147.5
Rugby (50% interest)	47.9	6.7	3.0	-	38.2
Waterbeach	5.5	-	4.0	-	1.5
Newark (82.2% interest)	36.1	(2.5)	13.1	-	25.5
Manchester sites	28.6	(0.5)	3.6	-	25.5
Herne Bay	-	(7.5) ¹	9.6	(30.6)	28.5
Bridge Quay, Bristol	0.4	(3.0) ¹	4.0	(12.9)	12.3
Bradford	12.8	0.4	0.4	-	12.0
Stansted	16.7	(3.1)	10.9	7.4	1.5
Feethams, Darlington	22.2	0.4	8.1	-	13.7
Catesby	22.6	7.1	8.2	(0.2)	7.5
Catesby sites sold	-	(4.7) ¹	-	(0.9)	5.6
Scottish land sites	6.5	(5.5)	0.1	-	11.9
Other	7.1	(1.0)	0.6	(4.7)	12.2
EPRA valuations	407.6	12.7²	93.7	(42.2)	343.4

¹ £15.2 million of previously recognised EPRA adjustments released on disposal

² Of the £12.7 million valuation movement, £12.8 million is taken through the income statement, with a further (£0.1) million of EPRA adjustments (see page 36)

Valuation movement recognised in accounts

	£m	
Investment property	14.0	Alconbury £13.2m; Bradford £0.4m; Feethams £0.4m
Trading property (included in direct costs)	(7.1)	Scottish land £5.1m; Stansted £1.2m; Hudson Quay £0.4m; other £0.4m
Fixed asset impairment (included in direct costs)	(0.2)	Manchester hotel and Club building Alconbury
Joint ventures and associates	6.1	Rugby up £6.5m; Achadonn down £0.4m ¹
IFRS Total	12.8	
EPRA adjustments on sites sold	(15.2)	See property analysis – EPRA adjustments on page 37
EPRA adjustments on sites retained	15.1	See property analysis – EPRA adjustments on page 37
EPRA total	(0.1)	
Total valuation adjustments	12.7	

¹ JV which holds Scottish land interests

Property analysis – EPRA adjustments

£m	At 30 September 2016	Movement in year	At 30 September 2015
Bridge Quay, Bristol	—	(3.0)	3.0
Herne Bay	—	(7.5)	7.5
Catesby sites	—	(4.7)	4.7
Sites sold	—	(15.2)	15.2
Alconbury	31.7	12.7	19.0
Newark	(0.2)	(2.6)	2.4
Manchester sites	0.4	(0.2)	0.6
Stansted	(1.9)	(1.9)	—
Catesby sites	7.2	7.2	—
Other	0.8	(0.1)	0.9
Sites retained	38.0	15.1	22.9
Total EPRA adjustments	38.0	(0.1)	38.1

Administrative expenses

£m	Year ended 30 September 2016	Year ended 30 September 2016
Personnel costs	12.6	10.1
Share-based payments charge	2.4	1.8
Accommodation costs	1.3	1.6
Professional fees	1.7	1.9
Catesby acquisition costs	—	0.9
Other	1.4	1.1
Capitalised to investment properties	(1.5)	(1.6)
Capitalised to trading properties	(4.4)	(5.3)
Expensed through direct costs	(1.2)	(0.1)
Net administration expenses	12.3	10.4

Bank and other borrowings

At 30 September 2016	Commitment £m	Drawn £m	Undrawn £m
In place:			
Newark - six year infrastructure loan from HCA	11.2	11.8	—
Bradford - non-recourse five year investment loan - 2.2% margin	6.6	6.6	—
Herne Bay - five year development and investment loan - 2.5% margin ²	19.3	16.1	—
Stansted - five year development and investment loan at margins of 2.6% and 1.5% respectively	18.0	—	18.0
Rugby - ten year infrastructure loan from HCA	35.5	8.8	26.7
Feethams - non-recourse five year investment loan - 2.1% margin	14.4	14.4	—
Corporate - three year revolving credit facility - 2.75% - 2.5% margin	25.0	—	25.0
Newark - LEP grant	—	1.0	—
	130.0	58.7	69.7
In documentation:			
Alconbury - ten year infrastructure loan from HCA	45.1	—	45.1
	175.1	58.7	114.8
Summary:			
Joint venture borrowings (Rugby)		8.8	26.7
Subsidiary borrowings (gross of £0.3m of loan arrangement costs)		49.9	88.1
		58.7	114.8

¹ Facility allows roll up of interest

² Repaid post year end on completion of sale; excluded from undrawn facilities

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