

# Presentation of half year results to 31 March 2018

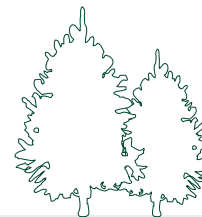
May 2018

Urban&Civic plc



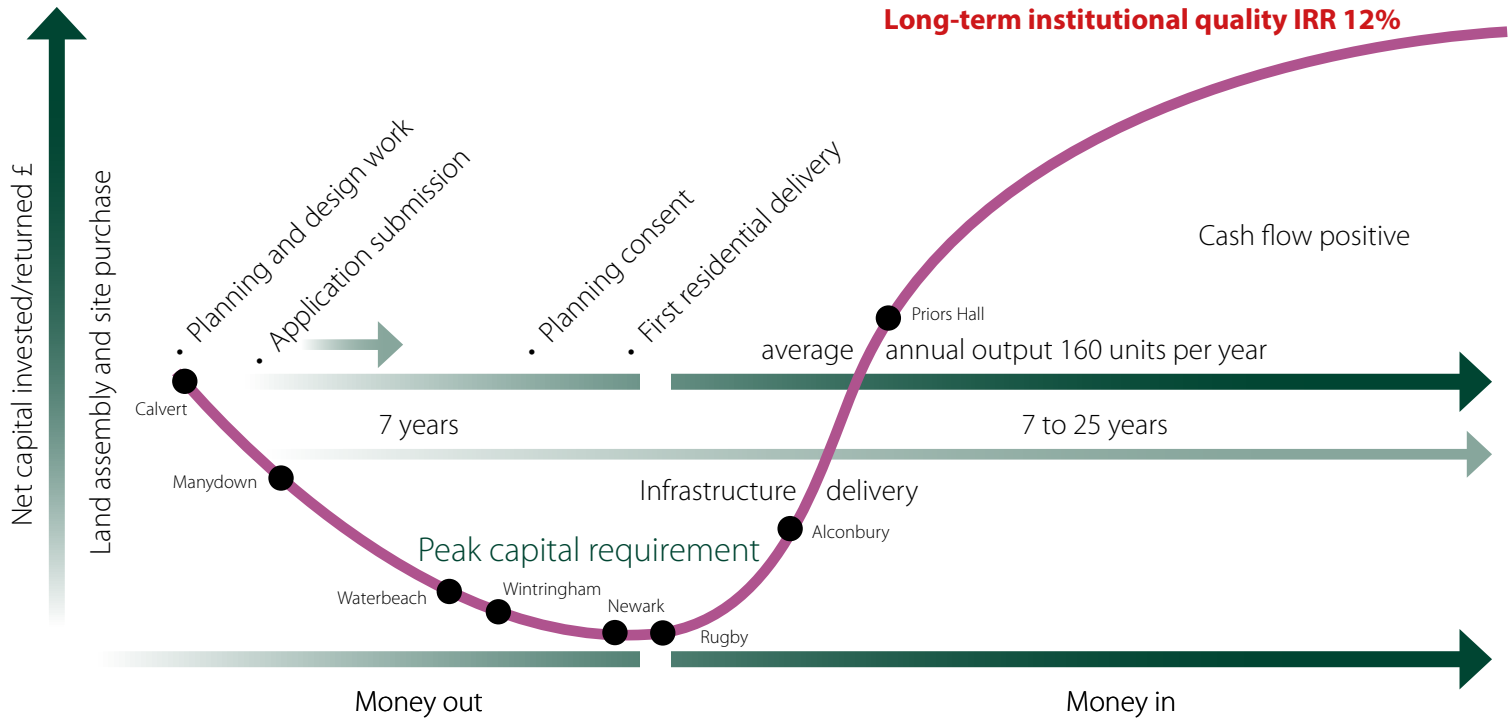
# Opening remarks

- **Defining six months for the Group:** sale of strong Stansted hotel asset for reinvestment in Priors Hall; selection at Manydown to open up new geography south and west of London; record speed for large residential consent at St Neots in Cambridgeshire
- EPRA NAV up 4.4 per cent to £458.8 million; EPRA NAV per share up 3.8 per cent to 316.0p
- 174 plot completions in the six months via 11 different housebuilders across three sites. Expect to exceed comfortably the 315 completions anticipated last December
- Large site discount represented a further £128 million at March 2018, equivalent to 88p per share against 68p per share at September 2017 (St Neots now included). Store of future reversionary value
- **Our Master Developer model is becoming the reference for developing large scale residential projects, especially where public sector involved**
- **Came to market four years ago with 1  $\frac{1}{2}$  strategic projects: now have eight**
- Wellcome Trust further addition to top grade institutional partners
- 13 + per cent of all existing consented plots contracted or under offer with 15 different housebuilders across five sites
- **Interim dividend approved at 1.3p per share; + 8 per cent over first half last year to reflect direction of travel**



# Transforming large site economics (revisited)

8 project chronology March 2018: accelerating across the hockey stick



# Progress by numbers: operating at strategic scale

Ownership	Total units	Plot completions at March 2018	Units remaining	Contracted	Under offer	Civic Living in delivery	Under licence, offer or in delivery	CBRE valuation <sup>5</sup>			
								March 2018 per plot valuation	September 2017 per plot valuation	Movement	
Alconbury Weald	100%	5,000	102	4,898	391	375	138	18.5%	£27,500	£26,600	3.4%
Radiostation Rugby	50%	5,952	10	5,942	606	251	—	14.6%	£19,300	£18,100	6.6%
Priors Hall	100%	4,320 <sup>1</sup>	115	4,205	549	42	—	14.1%	£7,700	£7,700	0.0%
Newark	82.2%	3,150	—	3,150	237	—	—	7.5%	£6,800	£6,500	4.6%
Wintringham <sup>2</sup>	33.3%	2,800	—	2,800	—	233	—	8.3%	£21,300	£14,000	52.1%
Consented		21,222	227	20,995	1,783	901	138	13.4%			
Waterbeach	DMA	6,500	—	6,500	—	—	—	0.0%			
Manydown <sup>3</sup>	25%	3,500	—	3,500	—	—	—	0.0%			
Allocated		10,000	—	10,000	—	—	—	0.0%			
Alconbury – Grange Farm <sup>4</sup>	100%	1,500	—	1,500	—	—	—	0.0%	£22,400	£18,700	19.8%
Calvert	Promotion and option	5,000	—	5,000	—	—	—	0.0%			
Strategic sites total		37,222	227	37,722	1,783	901	138	7.5%			

1 Priors Hall entry is pro rata to acquisition cost (1 unsold units at acquisition out of a total consent of 5,095).

2 CBRE valuation follows Resolution to Grant outline consent in March 2018.

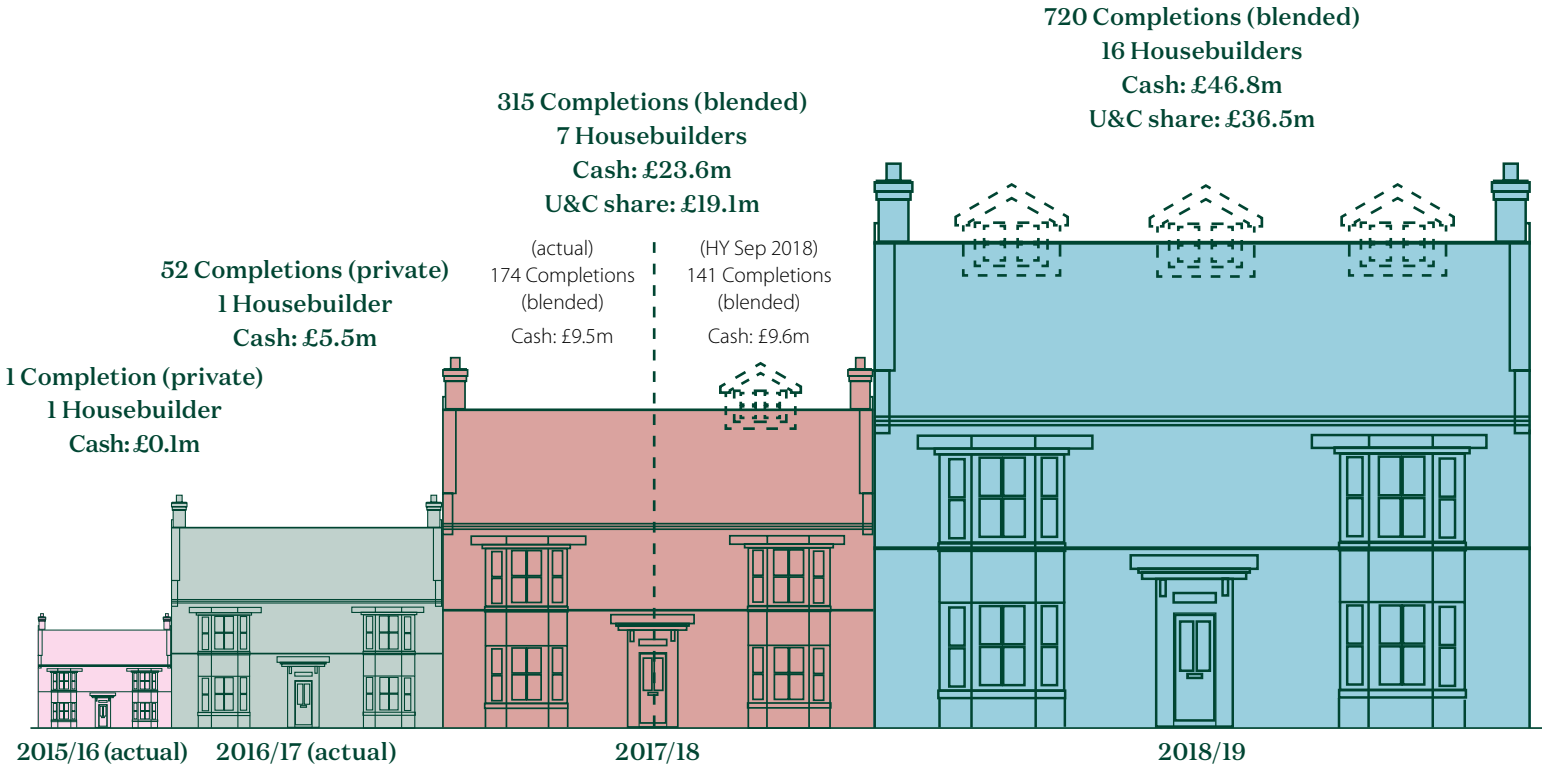
3 Selected by Basingstoke and Deane and Hampshire County Councils with Wellcome Trust; land allocated.

4 Minimum 1,500 unit allocation in emerging Local Plan.

5 CBRE valuation is per unserviced plot (blended)



# December 2017 projections revisited: adding extensions



# Financial highlights

	31 March 2018	31 March 2017	30 September 2017	12 month increase	6 month increase
EPRA NAV	£458.8m	£424.5m	£439.3m	8.1%	4.4%
EPRA NAV per share	316.0p	293.0p	304.4p	7.8%	3.8%
EPRA triple NAV per share	302.4p	282.8p	292.3p	6.9%	3.5%
Profit before tax	£10.1m	£4.2m	£7.9m	140.5%	27.8%
Dividend per share	1.3p	1.2p	3.2p	—	—
<b>Total Shareholder return</b>	<b>19.4%</b>	<b>6.6%</b>	<b>16.0%</b>	<b>12.8%</b>	<b>3.4%</b>
Look-through gearing– EPRA NAV basis	22.9%	11.8%	21.3%	11.1%	1.6%
Plot completions <sup>1</sup>	174	28	52	—	—

<sup>1</sup> Includes 115 post acquisition completions in respect of our Priors Hall site, 49 from Alconbury and ten at Rugby.

- Turnover +163% to £84.0m (£49m disposal proceeds from Stansted)
- Gross profit +51 per cent to £11.6m
- 81 per cent of property portfolio now in strategic sites (45 per cent in Alconbury)
- Property revaluations account for 18.8p of the EPRA NAV uplift
- Homes England borrowings now account for over 75 per cent of debt drawn

# Summarised income statement

£m	6 months to 31 March 2018	6 months to 31 March 2017	Comments
Revenue	84.0	31.9	Trading and residential property sales, rental and other property income
Gross profit	11.6	7.7	Profits on trading and residential property sales, rental and other property profits
Administrative expenses	(7.1)	(5.9)	Net of capitalised costs
IFRS valuation movements	5.6	3.0	Revaluation of investment properties
Other	0.0	(0.6)	Finance cost net of share of post tax profit from joint ventures
Profit before tax	10.1	4.2	
Tax	(1.2)	(0.2)	Current and deferred tax
Profit after tax	8.9	4.0	

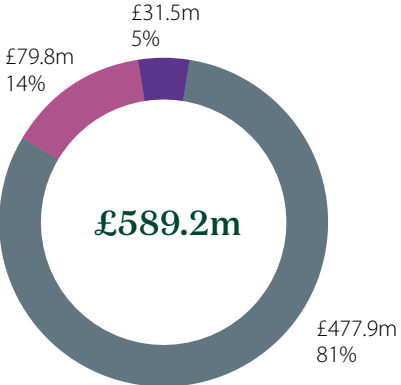
# Summarised balance sheet as at 31 March 2018

£m	31 March 2018	30 September 2017	Comments
Property interests	516.5	502.4	Investment , PPE and trading properties, plus overages and minimums (wholly owned or in JV)
Cash	14.7	12.2	
Borrowings	(104.3)	(93.9)	
Deferred tax liability	(2.6)	(1.5)	
Working capital	(44.1)	(47.3)	
<b>IFRS net assets</b>	<b>380.2</b>	<b>371.9</b>	
EPRA adjustments – property	72.7	61.8	Trading properties
EPRA adjustments – tax	5.9	5.6	
<b>EPRA net assets</b>	<b>458.8</b>	<b>439.3</b>	

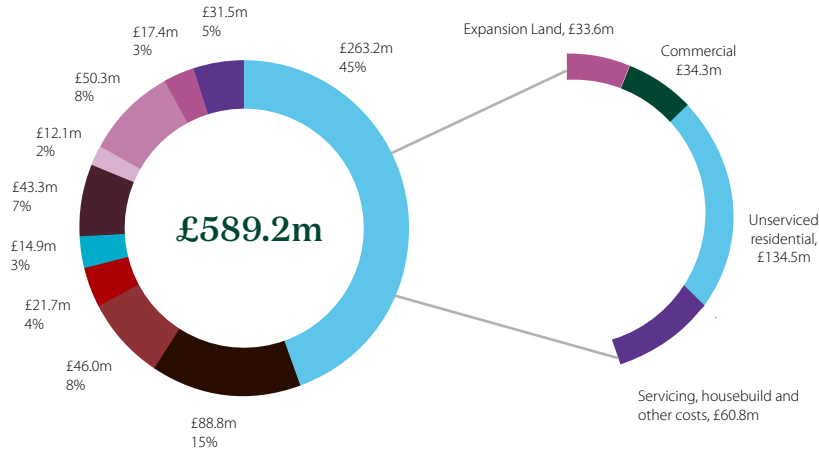


# Property analysis - March 2018 EPRA valuations

EPRA carrying values - by segment



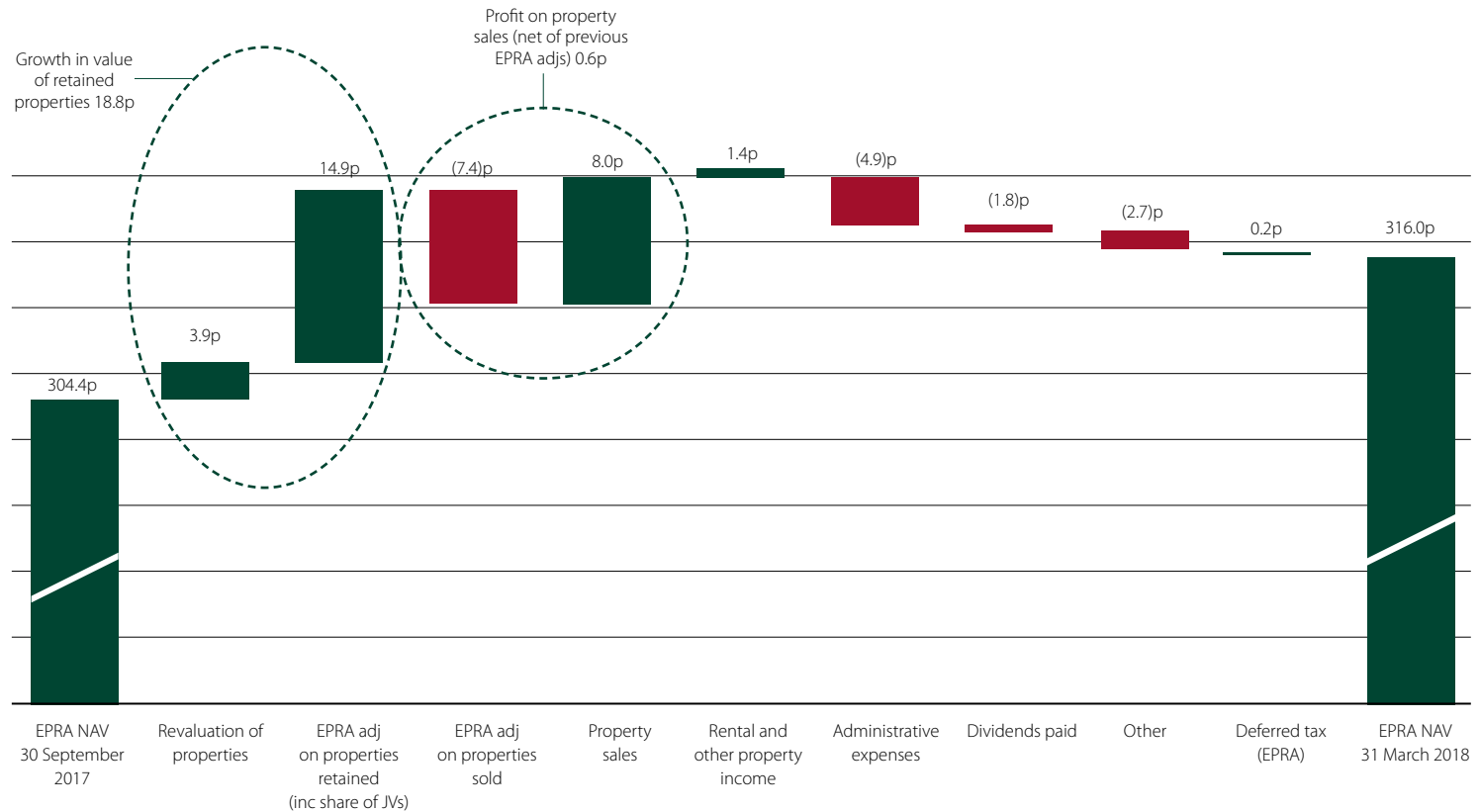
EPRA carrying values - by asset



- Strategic sites
- Commercial
- Catesby

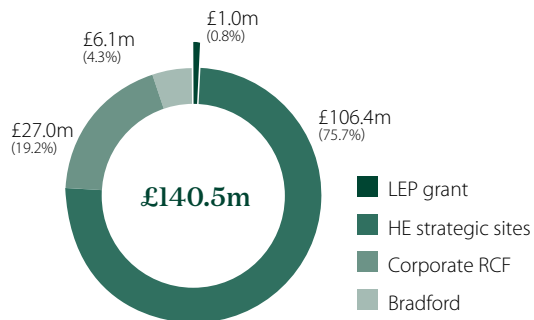
- Alconbury
- Rugby (50% interest)
- Newark (82.2% interest)
- Wintringham (33% interest)
- Waterbeach
- Priors Hall
- Commercial sold post year end
- Commercial work in progress
- Commercial completed
- Catesby

# Movements in EPRA NAV per share: +3.8per cent

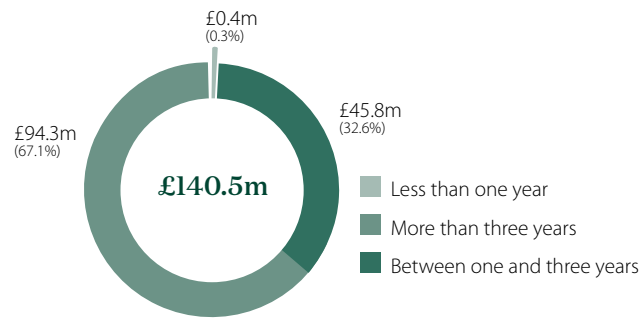


# Borrowings and loan maturity

## Borrowings – 31 March 2018



## Loan maturity analysis



## Gearing

	Commitments <sup>1</sup> £m	Drawn facilities <sup>2</sup> £m	Undrawn facilities £m	IFRS basis	Look-through IFRS basis	Look-through EPRA basis	All-in cost of borrowing	Maturity years
At 30 Sept 2017	172.0	121.6	50.4	22.0%	25.2%	21.3%	2.9%	5.3
Repayments and drawdowns	(30.0)	(9.7)	(20.3)					
New loans	46.2	28.6	17.6					
<b>At 31 March 2018</b>	<b>188.2</b>	<b>140.5</b>	<b>47.7</b>	<b>23.6%</b>	<b>27.7%</b>	<b>22.9%</b>	<b>3.1%</b>	<b>7.7</b>

<sup>1</sup> Facilities allow for roll up of interest - included within commitment total.

<sup>2</sup> Subsidiary borrowings £106.0m; joint venture borrowings £34.5m.

# Alconbury 2013





# 2018 Alconbury

- 391 plots contracted
- 375 plots under offer
- 138 plots in delivery
- 121 completions to date
- 50 reservations and exchanges



Civic Living





# 2018 Alconbury



## Enterprise zone

1 million sq.ft  
commercial  
constructed

2.3 million sq.ft  
remaining



**Rugby**  
2014



# 2018 Rugby

- 616 plots contracted
- 251 plots under offer
- 20 completions to date
- 42 reservations and exchanges



DAVIDSONS  
HOMES



MORRIS



Crest  
NICHOLSON

MORRIS





# Rugby

Davidsons Homes





# Newark 2016





# 2018 Newark

- 237 plots contracted
- 10 completions
- 21 reservations and exchanges

AVANT  
homes

Bellway





# Newark

Avant Homes





# 2018 Priors Hall

- 664 plots contracted
- 42 plots under offer
- 134 completions to date
- 95 reservations and exchanges



Taylor  
Wimpey

Where quality lives  
David Wilson Homes



FRANCIS JACKSON HOMES

LarkfleetHomes





# Wintringham

2,800 units

Resolution to Grant in 20 weeks





# Waterbeach

6,500 units

Planning Performance Agreement for September Committee date

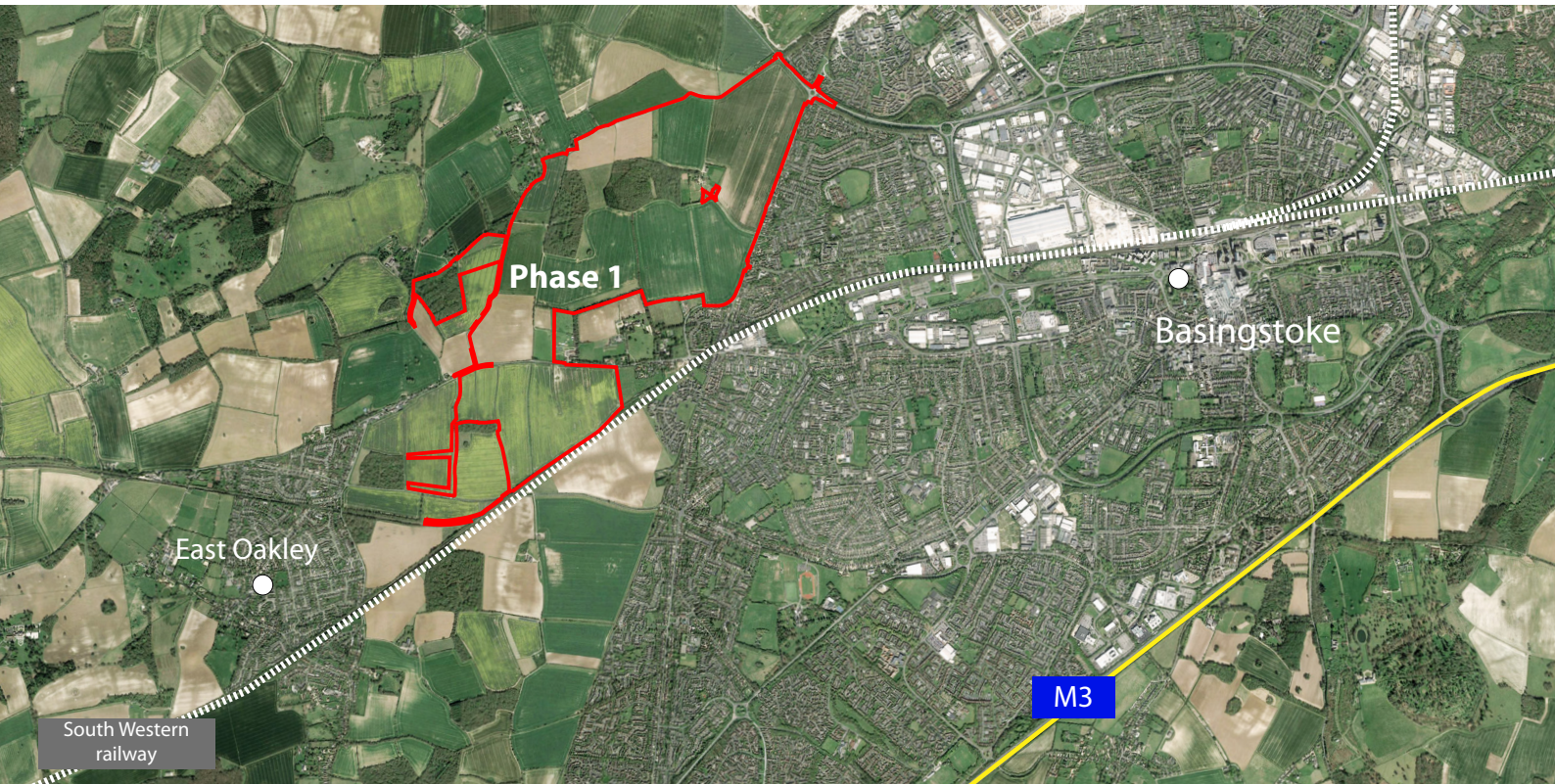




# Manydown

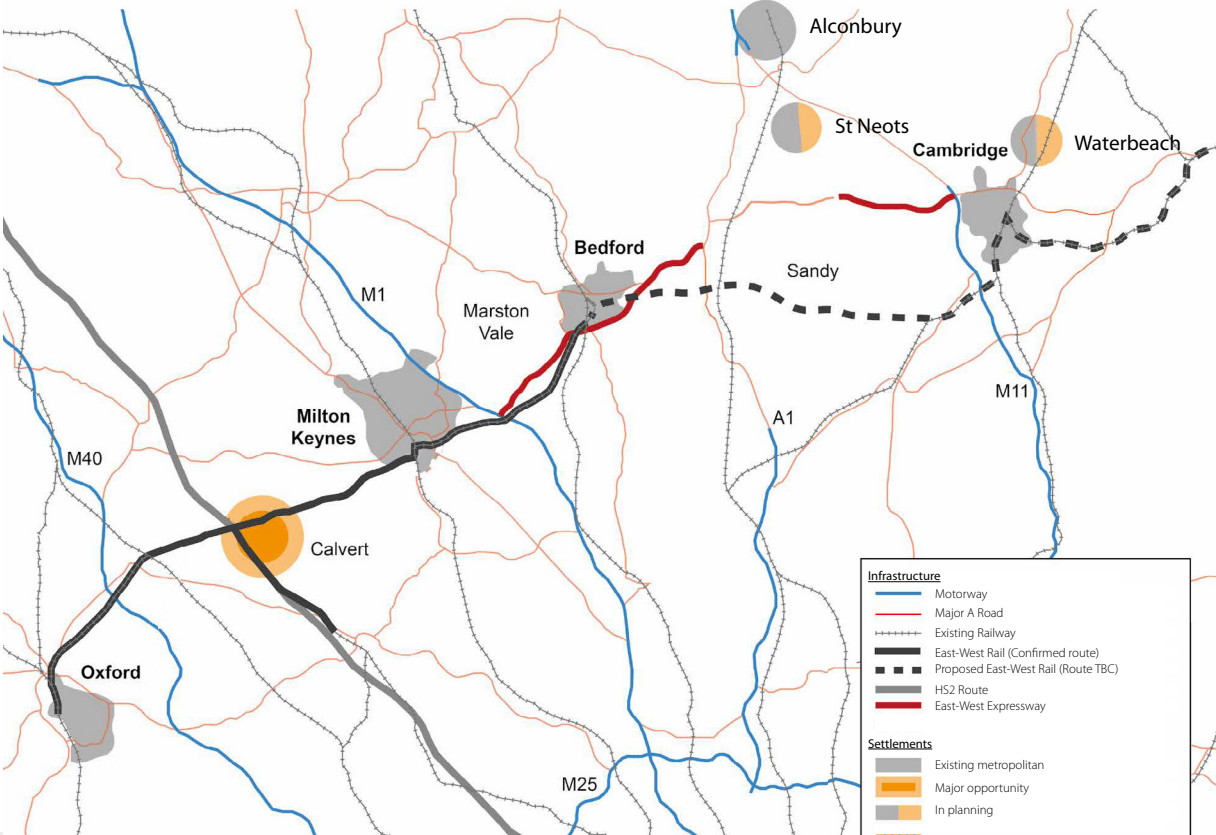
Outline application submitted for 3,500 units (phase 1)

Potential to increase to 8,000



# Urban&Civic populating the CaMkOx corridor

## Calvert





# Commercial, Catesby, Civic Living

## Commercial

- Stansted Hotel - sold October 2017 for £48.3m to Legal & General (additional £1.1m due subject to operational performance over next two years)
- Feethams - sold November 2017 for £21.8m
- Skelton - sold January 2018 for £7.4m
- Manchester New Square - JV arrangements with Greater Manchester Pension Fund completed April 2018 - at historic book plus £8.8m refund of preliminary monies spent



CGI - Manchester New Square

## Catesby

- £1.2m contribution to EPRA NAV (after write-offs of £1.7m and overheads of £1.2m)
- Current unrealised EPRA uplifts of 9.3m; on balance sheet value of £31.5m
- +10,500 plot pipeline, but appeals more commonplace



Europa Way

## Civic Living

- Apartment led self delivery to capture additional margin and absorption
- On site at Alconbury delivering 138 units
- First sales Autumn 2018



Parcel 4 - Alconbury

# Planning environment, forthcoming NPPF revisions and Master Developer model resilience

- Planning environment tougher for conventional sites: number of units allowed on appeal in the last 12 months is less than half 2015/March 2016
- Despite all impressions to the contrary, outline planning on sites above 100 units may have peaked for a while (certainly the trajectory has altered) broadly more challenging for Catesby and beneficial for Urban&Civic strategic projects
- Help to Buy Equity Loan (introduced April 13) is the equivalent of shared ownership outside London; 32 per cent of new sales since introduction. New house premium at 17 per cent vs long run average around 15 per cent
- Land market still relatively benign but evidently tightening in high demand areas  
Fastest sales increases for Urban&Civic are in lower value locations, Newark and Priors Hall
- NPPF revisions look set to broaden affordable rental categories. Large projects carry land price advantage for build to rent, once location is established
- Beginning to see references from major housebuilders regarding a move to more strategic sites
- **Annual minimums + wholesale carrying values mitigate Urban&Civic exposure to house price risk**
- Effectively five years forward sold on contracted parcels at our minimum receipts:  
2,684 (13 per cent + of consented) plots currently contracted or agreed with 19 housebuilder parties (15 different housebuilders)
- **Minimums are above current equivalent book value: on another measure, 10 per cent fall in house prices would still result in 2x existing book receipts**

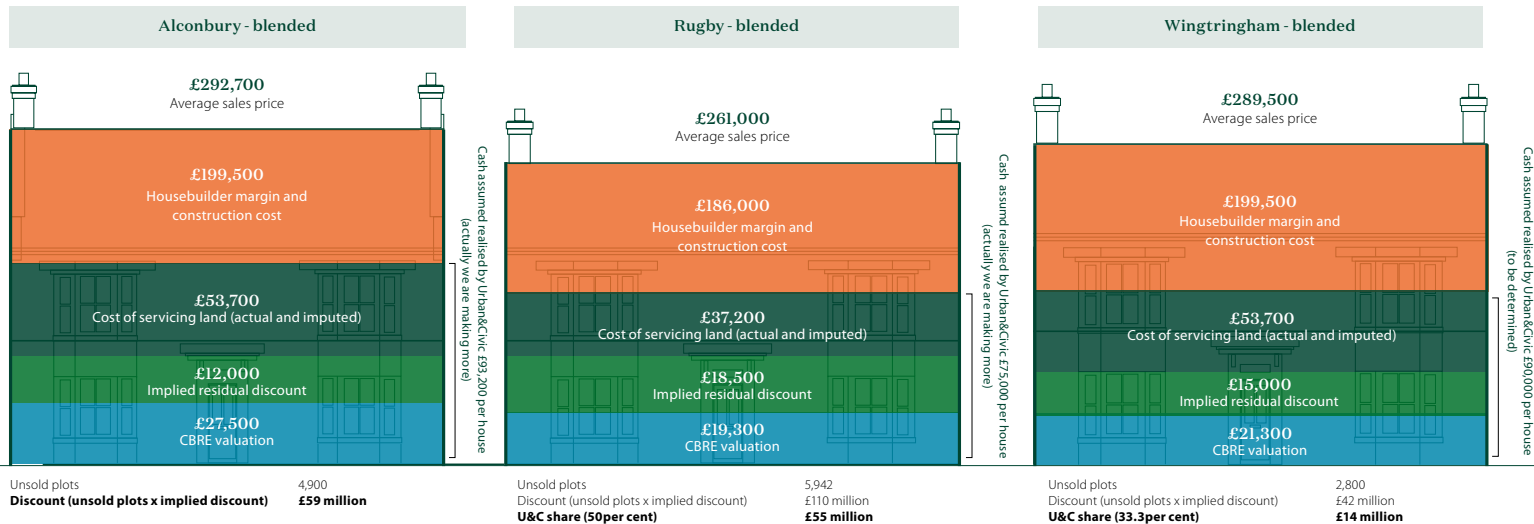


Outline planning consents on projects over 100 units outside London by year

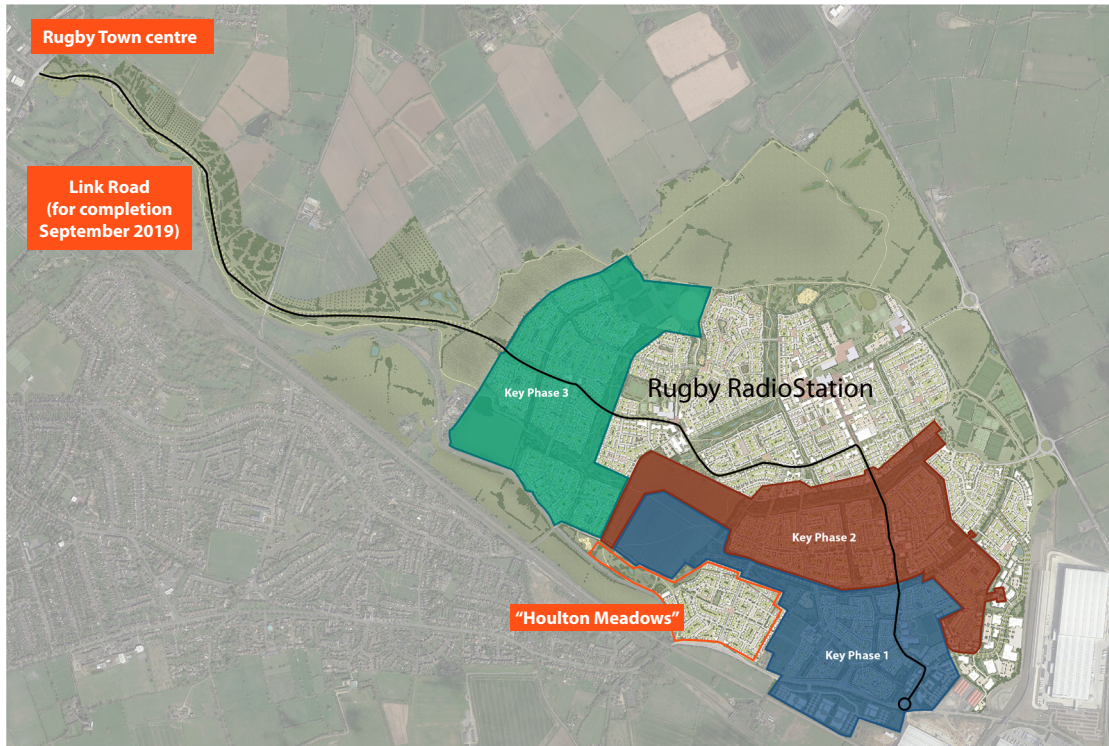


# Wholesale to retail: a store of reversionary value

Large site discount at 31 March 2018



# Houlton Meadows: 2018 evidence of large site discount

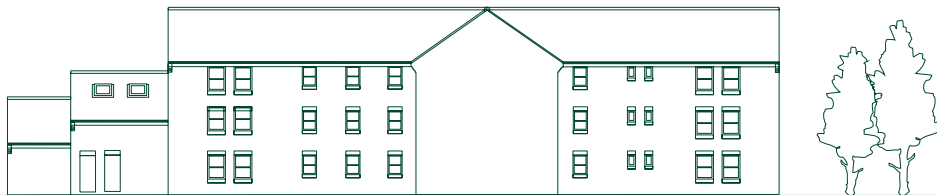


Adjoining land parcel (part of the original outline application at Rugby but outside Aviva JV ownership area) sold in January 2018 styled as Houlton Meadows to major UK housebuilder for £55,000 per unserviced plot.

*memo March 2018 Urban&Civic carrying value £19,300 per plot*

# Conclusion

- **Clear direction of travel: 31 March 2018 EPRA NAV + large site discount = 404p per share. up over 8 per cent on 30 September 2017**
- Urban&Civic now has interests in more than 31,000 approved or allocated residential plots across seven strategic projects with good demographics outside the M25 within commuting distance of London; with a further 6,000+ plots in the kitchen
- Calvert a new addition. Identified as a potential new major settlement by the National Infrastructure Commission, reporting to the Department of Transport and the Ministry of Housing, Communities and Local Government
- **81 per cent of the property balance sheet invested in strategic projects: that number is not going down**
- Priors Hall trading ahead of acquisition forecasts; first external valuation in September 2018
- Priorities are for further multi-channel delivery on existing consented projects + bringing Waterbeach and Manydown on stream. Arguably the two strongest locations of all existing projects
- **The business model looks increasingly scalable**



# Appendices

# Site statistics

	Gross acres	NDA's - residential	NDA's - commercial	Homes	Employment (sq.m.)	Formal open spaces and sports pitches (hectares)	Schools	Other	Housebuilders	Connectivity
<b>Alconbury Weald</b>	1,063	338	163	5,000	290,000 m <sup>2</sup>	21	3 primary, 1 secondary	reserve site for railway station, 3,800 m <sup>2</sup> community facilities, 1,500 m <sup>2</sup> health centre; 1 district centre and 3 local centres, network of cycle paths	Hopkins Homes, Morris, Redrow, Civic Living	55 mins to London; under 1 mile from A1 (M) and A14
<b>AW Grange Farm</b>	362			1,500						
<b>RadioStation Rugby</b>	1,170	363	36	5,952	120,000 m <sup>2</sup>	24	3 primary, 1 secondary	new link road; 14 km of footpaths; 1 district centre and 3 local centres; 2,900 m <sup>2</sup> of community facilities; 8 GP surgery; network of cycle paths	Davidsons, Crest Nicholson, Morris Homes	50 mins to London; 35 mins to Birmingham; under 1 mile from M1, 4 miles from M6 and under 1 mile from Daventry International Rail Freight Terminal
<b>Newark</b>	694	172	110	3,150	186,000 m <sup>2</sup>	7	1 primary	new link road, 2,900 m <sup>2</sup> community facilities	Avant, Bellway	1 hour 30 mins to London; 30 mins to Nottingham; 1 mile from A46 and A1 (M)
<b>Priors Hall</b>	965	281	13	4,320	25,000 m <sup>2</sup>	26	3 primary, 1 secondary	District centre & 2 local centres, network of footpaths and cycleways country park	Barratt Homes & David Wilson Homes, Kier Homes, Taylor Wimpey, Francis Jackson Homes, Jelson Homes, Larkfleet Homes, Lodge Park	70 mins to London; 30 mins to M1
<b>Waterbeach Barracks</b>	716	375	13	6,500	27,000 m <sup>2</sup>	24	3 primary, 1 secondary	Park & ride; health centre		70 mins to London; 3 miles to Cambridge Science Park adjacent to A10
<b>Wintringham St Neots</b>	400			2,800	63,500 m <sup>2</sup>	10	2 primary	9 km of cycle ways		Under 50 mins to London; less than 3 miles to M1
<b>Calvert</b>	785			5,000						On the intersection of HS2 and Varsity line
<b>Manydown</b>	794	271	3	3,500	6,000 m <sup>2</sup>	25	2 primary, 1 secondary	1 health care centre, 2 community centres, sports hall, country park		45 mins to London

# Site progress plans - AW

<b>EZ: IKO</b> Completed: Q1 2018
<b>EZ: MMUK</b> Completed: Q2 2017
<b>EZ: John Adams Toys</b> Completion: Q2 2018
<b>Cambridgeshire County Council HQ</b> Completion: Q4 2020
<b>EZ: iMET</b> Completed: Q1 2018
<b>EZ: Incubator 2</b> On Site: Q3 2017 Completion: Q2 2018
<b>Cricket Pitch &amp; Watchtower Green</b> Completed: Q2 2017
<b>Senliz Park</b> Community park Completed Q2 2017

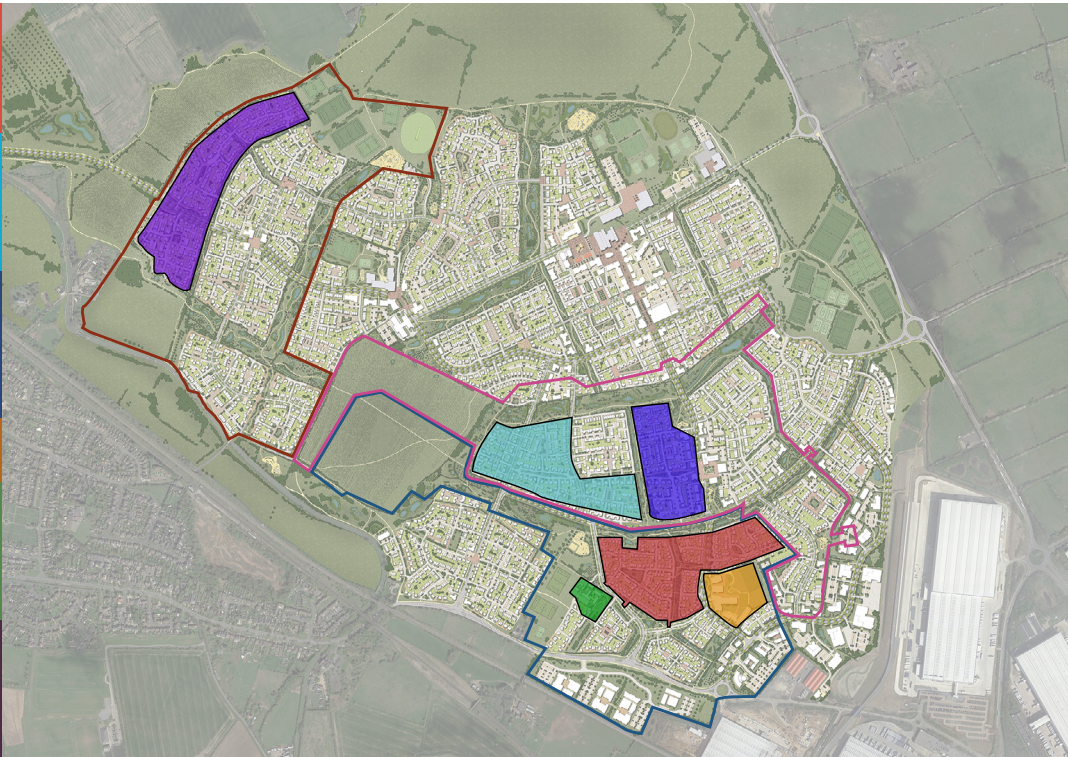


<ul style="list-style-type: none"> <li>Parcel 1 – Hopkins Homes</li> <li>128 units</li> <li>On site: Q1 2016</li> <li>First completion: Q3 2016</li> </ul>
<ul style="list-style-type: none"> <li>Parcel 2 – Morris Homes</li> <li>165 units</li> <li>13.3 acres</li> <li>On site: Q1 2017</li> <li>First completion: Q4 2017</li> </ul>
<ul style="list-style-type: none"> <li>Parcel 3 – Redrow Homes</li> <li>200 units</li> <li>18.3 acres</li> <li>On site Q1 2017</li> <li>First completion: Q4 2017</li> </ul>
<ul style="list-style-type: none"> <li>Parcel 4 – Civic Living</li> <li>C.138 Units</li> <li>8.3 acres</li> <li>On site Q4 2017</li> <li>1st completion: Q3 2018</li> </ul>
<ul style="list-style-type: none"> <li>Parcel 5</li> <li>C.189 units</li> <li>15.6 acres</li> <li>Under offer</li> </ul>
<ul style="list-style-type: none"> <li>Parcel 6</li> <li>C.186 units</li> <li>11.4 acres</li> <li>Under offer</li> </ul>



# Site progress plans - Rugby

<b>Parcel 1 – Davidsons Homes</b> <ul style="list-style-type: none"><li>• 250 units</li><li>• 18.5 acres</li><li>• On site: Q4 2016</li><li>• First completion: Q4 2017</li></ul>
<b>Parcel 2 – Morris Homes</b> <ul style="list-style-type: none"><li>• 180 units</li><li>• 15.0 acres</li><li>• On site: Q3 2017</li><li>• First completion: Q2 2018</li></ul>
<b>Parcel 3 – Crest Nicholson</b> <ul style="list-style-type: none"><li>• 186 units</li><li>• 11.8 acres</li><li>• On site Q3 2017</li><li>• First completion: Q2 2018</li></ul>
<b>St Gabriel's CofE Academy primary school</b>
<b>Dollmans Farm</b> <ul style="list-style-type: none"><li>• Visitors centre</li><li>• Tuning Fork Cafe</li><li>• Community building</li><li>• Project Office</li></ul>
<b>KP3-under offer</b> <ul style="list-style-type: none"><li>• 251 units</li><li>• 23.15 acres</li><li>• On site: Q4 2018</li><li>• First completion: Q2 2019</li></ul>



# Site progress plans - Priors Hall





# Site progress plans - Newark

## Parcel 1 – Avant Homes

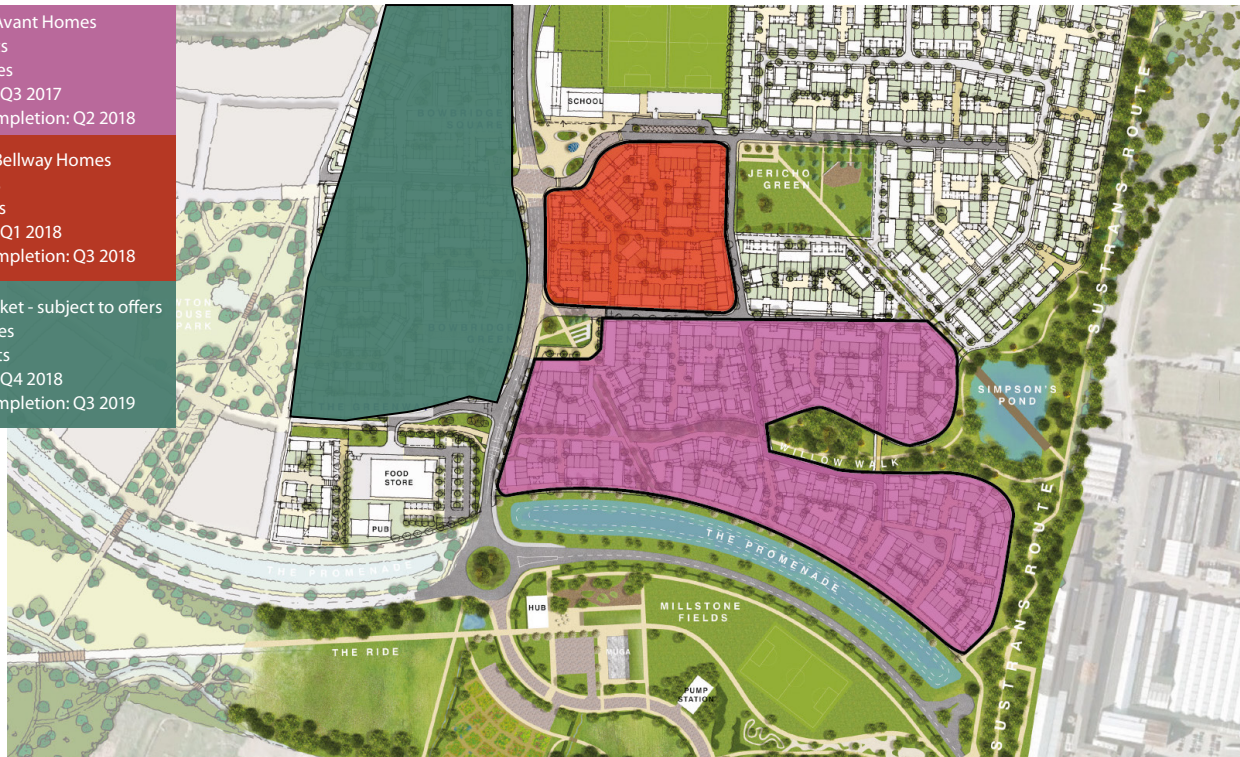
- 173 units
- 16.1 acres
- On site: Q3 2017
- First completion: Q2 2018

## Parcel 2 – Bellway Homes

- 64 units
- 4.2 acres
- On site: Q1 2018
- First completion: Q3 2018

## Out to market - subject to offers

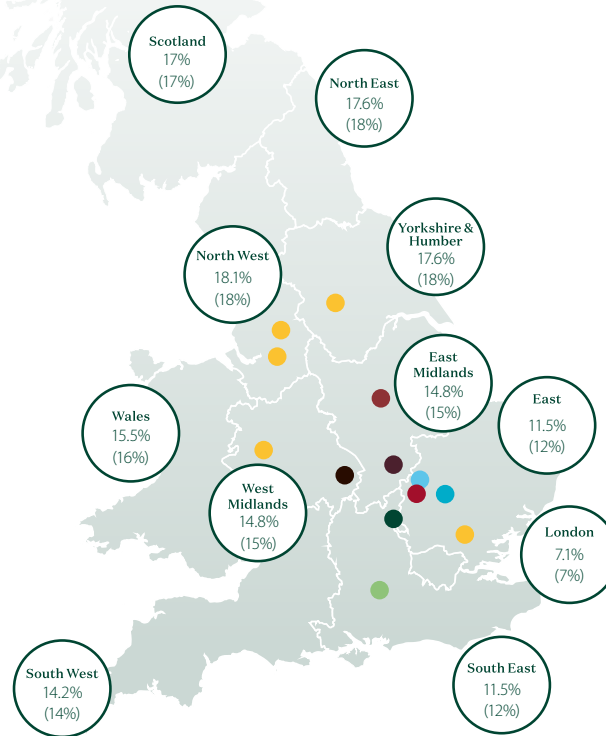
- 13.2 acres
- 200 units
- On site: Q4 2018
- First completion: Q3 2019



# Outlook: Savills forecasts broadly unchanged since Autumn

## Five-year change to end of 2022

- Alconbury
- Rugby
- Waterbeach
- Newark
- Wintringham
- Priors Hall
- Manydown
- Calvert
- Significant commercial assets





# UK quoted housebuilder land bank

	Period	Plots	Average sales price	Cost per plot	land % AP
<b>Barratt</b>	HY – 31 Dec 17	88,946	£281,000	£48,700	18.3%
<b>Bovis</b>	FY – 31 Dec 17	17,096	£293,000	£53,000	18.0%
<b>Persimmon</b>	FY – 31 Dec 17	98,445	£213,321	£27,474	16.1%
<b>Bellway</b>	HY – 31 Jan 18	40,238	£275,945	£62,000	Not stated
<b>Redrow</b>	HY – 31 Dec 17	27,600	£330,000	£73,000	20%
<b>Taylor Wimpey</b>	FY – 31 Dec 17	74,849	£264,400	£32,359	14.8%

Source: Company reports

# Summarised income statement

£m	6 months to 31 March 2018	6 months to 31 March 2017	Comments
Revenue	84.0	31.9	Trading and residential property sales of £75.3m (including £8.5m Hopkins Homes sales, £7.8m housebuilder minimums, £1.0m housebuilder overages, £48.5m of Stansted disposal proceeds, Skelton sale proceeds of £7.4m and £2.1m of Catesby sales); rental and other property income of £8.7m <sup>1</sup> .
Gross profit	11.6	7.7	Profits on trading and residential property sales of £11.3m (including commercial property sales of £8.9m). Also included are rental and other property profits of £0.2m, hotel profits of £0.9m and other profits of £0.9m, less write offs £1.7m.
Administrative expenses	(7.1)	(5.9)	Net of capitalised costs of £2.8m
IFRS valuation movements	5.6	3.0	Alconbury £4.9m and Bradford £0.7m
Other	0.0	(0.6)	Net finance costs of £1.1m, net of £0.7m share of post tax profit from joint ventures and other of £0.4m
Profit before tax	10.1	4.2	
Tax	(1.2)	(0.2)	Deferred tax movement
Profit after tax	8.9	4.0	

<sup>1</sup> Comprises £4.3m hotel income; £3.6m of rental and other property income and £0.8m project management income.

# Summarised balance sheet as at 31 March 2018

£m	31 March 2018	30 September 2017	Comments
Property interests <sup>1</sup>	516.5	502.4	100% owned £419.3m, through JVs £96.4m
Cash	14.7	12.2	
Borrowings	(104.3)	(93.9)	HE <sup>6</sup> loans £71.9m (Alconbury £31.2m, Newark £12.1m, Priors Hall £28.6m), Bradford £6.1m, RCF £27.0m, grant £1m (before accounting adjustments)
Deferred tax liability	(2.6)	(1.5)	Deferred tax asset of £3.3m less deferred tax liability of £5.9m
Working capital	(44.1)	(47.3)	Includes outstanding consideration in respect of Wintringham JV acquisition £9.1m
<b>IFRS net assets</b>	<b>380.2</b>	<b>371.9</b>	
EPRA adjustments – property <sup>5</sup>	72.7	61.8	Alconbury £39.4m <sup>2</sup> , Rugby £9.1m <sup>3</sup> , Newark £(0.5)m, Catesby sites £9.3m, Wintringham £7.7m, Manchester sites £6.5m, other £1.2m
EPRA adjustments – tax	5.9	5.6	Add back deferred tax liability
<b>EPRA net assets</b>	<b>458.8</b>	<b>439.3</b>	

1 Alconbury £223.8m<sup>2</sup>, Rugby £79.7m<sup>3</sup>, Newark £46.5m, Priors Hall £42.5m, Wintringham £14.0m<sup>4</sup>, Waterbeach £14.9m, Manchester sites £40.2m, Bradford £17.4m, Catesby sites £22.2m, Scottish land sites £4.8m, others £9.7m.

2 Alconbury - EPRA carrying value £263.2m - £223.8m on balance sheet, £39.4m EPRA adjustment.

3 Rugby - EPRA carrying value £88.8m - £79.7m on balance sheet, £9.1m EPRA adjustment. CBRE valuation £177.6m. 50per cent interest reflected.

4 Wintringham - EPRA carrying value £21.7m - £14.0m on balance sheet, £7.7m EPRA adjustment. CBRE valuation £65.0m. 33per cent interest reflected.

5 Includes revaluation of Alconbury and Rugby variable consideration classified as a financial asset.

6 HE- Homes England formerly known as Homes and Communities Agency.

# Property analysis - EPRA valuation movement

£m	At 31 March 2018	Valuation movement	Expenditure	Acquisitions/ disposals/trade receivables	At 30 September 2017
Alconbury	246.9	7.0	18.4	(5.9)	227.4
Alconbury minimums and overages	16.3	—	—	(0.9)	17.2
Alconbury total	263.2	7.0	18.4	(6.8)	244.6
Rugby (50%)	77.9	2.3	6.7	(0.6)	69.5
Rugby minimums (50%)	10.9	—	—	0.4	10.5
Rugby total (50%)	88.8	2.3	6.7	(0.2)	80.0
Newark (82.2%)	38.7	1.6	2.3	(8.8)	43.6
Newark minimums (82.2%)	7.3	—	—	7.3	—
Newark total (82.2%)	46.0	1.6	2.3	(1.5)	43.6
Priors Hall	36.9	—	0.4	36.5	—
Priors Hall overages	6.4	—	—	6.4	—
Priors Hall total	43.3	—	0.4	42.9	—
Wintringham (33.3% interest)	21.7	7.7	0.1	—	13.9
Waterbeach	14.9	—	5.6	—	9.3
Manchester New Square	24.2	1.8	4.7	(0.2)	17.9
Manchester Deansgate	22.5	2.3	0.1	—	20.1
Bradford	17.4	0.7	0.8	—	15.9
Stansted	—	—	—	(48.3)	48.3
Feethams, Darlington	—	—	—	(21.6)	21.6
Skelton	—	—	—	(7.4)	7.4
Catesby	31.5	4.2	3.1	(3.4)	27.6
Scottish land sites	4.8	—	—	—	4.8
Other	10.9	(0.3)	2.0	—	9.2
EPRA valuations	589.2	27.3	44.2	(46.5)	564.2 <sup>1</sup>



# Valuation movement recognised in accounts

£m	Movement in period	Comments
Investment property	5.6	Alconbury up £4.9m, Bradford up £0.7m
IFRS total	5.6	
EPRA adjustments on sites sold	(10.8)	See property analysis – EPRA adjustments
EPRA adjustments on sites retained	21.7	See property analysis – EPRA adjustments
EPRA total	10.9	
<b>Total valuation adjustments</b>	<b>16.5</b>	

# Property analysis - EPRA adjustments

£m	At 31 March 2018	Movement in period	At 30 September 2017
Stansted	—	(8.7)	8.7
Skelton	—	(1.1)	1.1
Catesby sites	—	(1.0)	1.0
Sites sold	—	(10.8)	10.8
Alconbury	39.4	2.1	37.3
Rugby	9.1	2.3	6.8
Newark	(0.5)	1.6	(2.1)
Wintringham	7.7	7.7	—
Manchester sites	6.5	4.1	2.4
Catesby sites	9.3	4.2	5.1
Other	1.2	(0.3)	1.5
Sites retained	72.7	21.7	51.0
<b>Total EPRA adjustments</b>	<b>72.7</b>	<b>10.9</b>	<b>61.8</b>

# Administrative expenses

£m	6 months to 31 March 2018	6 months to 31 March 2017
Personnel costs	5.6	4.5
Share-based payment charge	1.8	1.6
Accommodation costs	1.0	0.6
Professional fees	0.6	0.9
Other	0.9	0.7
Gross administrative expenses	9.9	8.3
Capitalised to investment properties	(0.0)	(0.5)
Capitalised to trading properties	(2.8)	(1.9)
Capitalised administrative expenses	(2.8)	(2.4)
<b>Net administration expenses</b>	<b>7.1</b>	<b>5.9</b>



# Bank and other borrowings

At 31 March 2018	Commitment £m	Drawn £m	Undrawn £m
<b>In place:</b>			
Priors Hall – 15 year infrastructure loan	46.6	28.6	18.0
Alconbury – ten year infrastructure loan	45.7	31.2	14.5
Rugby – ten year infrastructure loan	36.7	34.5	2.2
Newark – six year infrastructure loan	12.1	12.1	—
<b>HE loans<sup>1</sup></b>			
Bradford – non-recourse five year investment loan – 2.2% margin <sup>2</sup>	6.1	6.1	—
Corporate – three year revolving credit facility – 2.75% – 2.5% margin <sup>2</sup>	40.0	27.0	13.0
Newark – LEP grant	1.0	1.0	—
	188.2	140.5	47.7
<b>Summary</b>			
Joint venture borrowings (Rugby)	36.7	34.5	2.2
Subsidiary borrowings (gross of £1.7m of loan arrangement costs)	151.5	106.0	45.5
	188.2	140.5	47.7
<b>Post-period end</b>			
Manchester New Square (joint venture) – two year nine month development loan (senior) from Housing Investment Fund – 3.23% margin	51.0	—	51.0
Manchester New Square (joint venture) – two year nine month development loan (mezzanine) from Greater Manchester Pension Fund – 7.5% all-in	24.6	—	24.6
Alconbury – ten year construction loan from Huntingdon DC – 2.5% margin	2.0	—	2.0
	77.6	—	77.6

<sup>1</sup> Facilities allow for roll up of interest - included within commitment total.

<sup>2</sup> Loan due within three years.

# Valuation assumptions - strategic sites

Significant inputs	March 2018		New for 2018		September 2017		
	Alconbury	Rugby	Newark	Wintringham	Alconbury	Rugby	Newark
House price – private (£p.sq.ft)	295	274	205	300	290	270	205
House price – affordable (£p.sq.ft)	200	170	125	200	200	170	125
Expected annual house price inflation (%)	3.00	3.00	3.00	3.00	3.25	3.25	3.00
Expected annual cost price inflation (%)	2.00	2.25	2.25	2.25	2.00-2.25	2.00-2.25	2.00-2.25
Land price (£ per NDA)	1,450,000	1,245,000	670,000	1,350,000	1,350,000	1,200,000	665,000
Risk adjusted discount rate (%)	6.00-9.60	6.00-9.70	6.50-10.25	6.75-10.00	6.00-9.75	6.00-9.85	7.00-10.50
Unserviced plot value (£p.sq.ft)	27,500	19,300	6,800	21,300	26,600	18,100	6,500

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