



Press Release

21 September 2015

Telford Homes Plc

("Telford Homes" or the "Group")

Acquisition of the regeneration business of United House Developments for £23 million

Telford Homes Plc (AIM:TEF), the London focused residential property developer is delighted to announce that it has acquired the regeneration business of United House Developments ("UHD") on a debt free basis from United House Group Holdings Limited ("UHGH"). The consideration for the acquisition was £22.97 million and this has been entirely funded from the Group's existing cash resources.

The regeneration business of UHD consists of a group of companies that have various interests in four significant development opportunities in North and East London. These development opportunities are City North adjacent to Finsbury Park station, the refurbishment of the Balfron Tower in Poplar, two phases of development at Gallions Quarter near Royal Albert Dock and the regeneration of Chrisp Street Market in Poplar. One employee is transferring from UHGH to Telford Homes with no other central costs, assets or liabilities being acquired. The developments are all at various stages in the planning process but they have the combined potential to add some £500 million to the Group's existing £1 billion development pipeline.

City North is a mixed use development comprising 355 apartments and 109,000 square feet of retail, leisure and office space in a joint venture with the Business Design Centre in Islington. The scheme includes two 23 storey towers linked by a 12 storey terrace building. The site has full planning permission and incorporates plans to improve the facilities at the adjacent Finsbury Park station. Telford Homes will immediately work with the Business Design Centre to ensure that construction can commence in 2016 with completion expected in 2020. The gross development value of City North is in excess of £200 million and the joint venture is therefore expected to add over £100 million to the Group's development pipeline.

Balfro Tower is an iconic 26 storey grade II listed building in Poplar. The project involves the refurbishment of 146 existing homes in a joint venture with Londonewcastle and the owners, Poplar HARCA. The development is subject to receipt of planning permission, and the joint venture has been working with architects Studio Egret West and interior designers Abe Rogers to produce a proposal sympathetic to the heritage of the tower. Allowing for this process, the refurbishment should commence early in 2016 and be completed by 2018. Telford Homes owns a 25 per cent interest in the scheme which is expected to add over £15 million of revenue to the development pipeline.

Gallions Quarter is a multi-phase development adjacent to Gallions Reach DLR station near Royal Albert Dock. The development is controlled by Notting Hill Housing Group (“NHHG”) and Telford Homes is acquiring a 50 per cent interest in two of the phases to be developed in partnership with NHHG. NHHG and Telford Homes have already established a strong partnership on many other developments. The first of these phases has a detailed planning consent for 292 new homes subject to signing a section 106 agreement and the other phase has outline consent for a further 254 homes. The area around the Royal Docks is experiencing significant regeneration and substantial commercial investment and will benefit from the new Crossrail station at Custom House, due to open in 2018.

The process through which UHGH is acquiring a legal interest in Gallions Quarter has not yet been completed. The final steps are expected to be concluded shortly and accordingly a proportion of the total acquisition consideration has been deferred and becomes payable on securing the legal interest in the development. Should this condition not be satisfied then the Group will issue a further announcement adjusting the total consideration accordingly and confirming that it is not proceeding with the purchase of the relevant interest in the Gallions Quarter development. Assuming the condition is satisfied the two phases will add over £75 million to the Group’s development pipeline. The first phase is expected to commence in 2016 and be completed by 2020 with the remaining phase commencing at that point.

The regeneration of **Chrisp Street** market is a major development opportunity in partnership with Poplar HARCA. Telford Homes has a longstanding relationship with Poplar HARCA and will now work together with them to further their vision of transforming the area around the existing market square into a new commercial and leisure destination. The development is

expected to include several hundred new homes in a location that has recently been announced as one of the Greater London Authority's new Housing Zones. The proposals require substantial consultation with local residents, commercial occupiers, the London Borough of Tower Hamlets and other interested parties. The ultimate acquisition of the development from Poplar HARCA is subject to achieving all necessary consents. The aim is to commence development in 2017 with phased completions anticipated over a seven year construction programme. Poplar HARCA are expected to retain a small interest in the development which has the potential to add over £300 million to the Group's longer term development pipeline.

This acquisition is an excellent fit with the existing business of Telford Homes. All of the developments are in the Group's core area and therefore represent an exciting opportunity to substantially increase the Group's development pipeline in one transaction. For a limited initial investment Telford Homes now has an enhanced longer term strategic pipeline stretching over the next eight years. The Board of Telford Homes looks forward to working with both new and established partners to develop these significant opportunities.

Jon Di-Stefano, Chief Executive of Telford Homes, commented: "Telford Homes is one of the most respected developers in London and we are targeting significant growth over the next ten years. The acquisition of the regeneration business of United House Developments represents an excellent opportunity to make a substantial addition to our development pipeline including longer term strategic opportunities. The four exciting developments being acquired are in locations where housing demand remains strong and we look forward to working with the various partners already involved in the schemes. I would like to thank Rick de Blaby and everyone at United House for their assistance during the last two months and I wish them all the best in the future."

Rick de Blaby, Chief Executive of United House Developments commented: "This transaction completes a wholesale restructuring of the United House Group which started last summer, when we demerged our construction business. United House Group is now in a debt free position and liberated to develop out the balance of our portfolio, whose end value exceeds £150m, and return to our core expertise of delivering bespoke, niche London residential developments upon which we have earned a widely respected reputation. The regeneration schemes which we have nurtured and the relationships we have with our joint venture partners are hugely important and valuable to us, and given the scale of the investment they need going

forward, I am confident that in Telford Homes and Jon's team we have passed them into the best possible hands."

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For further information:

Telford Homes Plc

Jon Di-Stefano, Chief Executive

Tel: +44 (0) 1992 809 800

Katie Rogers, Financial Director

www.telfordhomes.london

Shore Capital – Nomad and Joint Broker

Pascal Keane / Patrick Castle

Tel: +44 (0) 20 7408 4090

Peel Hunt LLP – Joint Broker

Hugh Preston / Charles Batten

Tel: +44 (0) 20 7418 8900

Media enquiries:

Abchurch

Quincy Allan / Alex Shaw

Tel: +44 (0) 20 7398 7710

quincy.allan@abchurch-group.com

www.abchurch-group.com

For further information, please see www.telfordhomes.london