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The Directors
N M Rothschild & Sons Limited
New Court
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London
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Private & Confidential

28 November 2017

Dear Sirs,

Valuation of the Freehold and Leasehold property interests in the Sutton Harbour Holdings Portfolio

Introduction

In accordance with our signed engagement letter with Sutton Harbour Holdings Plc (the "**Company**"), dated 23 November 2017, we, Jones Lang LaSalle Limited, Chartered Surveyors, have considered the Properties referred to in the attached schedule (the "**Schedule**"), in order to advise you of our opinion of the Market Value (as defined below) as at 30 September 2017, of the Freehold ("**F/H**") and Leasehold ("**LH**") interests in each of these properties (the "**Properties**" and each a "**Property**"), as appropriate.

The effective valuation date is 30 September 2017.

Purpose of valuation

We understand that this valuation report and schedule (together, the "**Summary Valuation Report**") are required to confirm the Market Value of certain real estate assets of the Company as at 30 September 2017. Furthermore this Summary Valuation Report will be included in the offer document (the "**Partial Offer Document**") to be published in connection with the recommended partial cash offer by FB Investors LLP to acquire up to 67,393,960 ordinary shares in the Company not already owned by it (the "**Partial Offer**"). We understand the number of shares to be purchased equates to up to 70% of the total.



We can confirm that we are a corporate member of The Royal Institution of Chartered Surveyors and that we have sufficient current local and national knowledge of the particular market and the skills and understanding necessary to undertake the valuation competently. We have prepared our Valuation as independent External Valuers as defined in the RICS Valuation - Professional Standards, January 2014 (revised April 2015), and are qualified for the purposes of the valuations. The valuation accords with the RICS Valuation - Professional Standards, January 2014 (revised April 2015) and the International Valuation Standards.

We confirm that there is no conflict of interest in undertaking this instruction.

Basis of valuation and assumptions

We set out below the basis and assumptions we have used in preparing our Valuation followed by a summary of the aggregate values of the Freehold and Leasehold interests in the Properties described in the attached Schedule.

We confirm that the value of the Properties has been assessed on the basis of Market Value in accordance with the appropriate sections of both the current Practice Statements (“**PS**”), and United Kingdom Practice Statements (“**UKPS**”) contained within the RICS Valuation - Professional Standards, January 2014 (revised April 2015) (the “**Red Book**”). This is an internationally accepted method of valuation in accordance with the International Valuation Standards (“**IVS**”).

The Definition of Market Value as defined in the IVS Framework paragraph 29 is: “The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Our valuation has also been undertaken in accordance with the relevant provisions of the City Code on Takeovers and Mergers and has been undertaken by us as External Valuers as defined in the RICS Valuation Standards. The Properties are held as investments and trading assets and we have therefore used the appropriate property investment and profits method valuation methodology to calculate the Market Values.

Material change

We hereby confirm that as at the date of this Summary Valuation Report:

- The Company has confirmed that there has not been any material changes since 30 September 2017, in any matter relating to any specific property covered by our Summary Valuation Report which in our opinion would have an adverse material effect on the value as at the date of this report; and



- in relation to market conditions and movements in the property markets in which the Properties covered by our Summary Valuation Report are located, we do not consider that the movement in respect of the Properties constitutes a material change in value since 30 September 2017.

Valuation approaches

We have utilised three valuation approaches.

The income capitalisation method is based on capitalising the net income stream at an appropriate yield. In establishing the net income stream we have reflected the current rent (gross rent) payable to lease expiry, at which point the valuer has assumed that each unit of occupation will be let at their opinion of Market Rent. The valuer has made allowances for voids and rent free periods where appropriate, as well as deducting non-recoverable costs where applicable.

The above involves an element of the comparable method and is used to select the appropriate market rent and yield, which are adjusted for the location of the building, specification, tenant credit quality, lease terms and lot size amongst other factors.

We have also adopted the profits method of valuation. This applies to the Marina at Sutton Harbour and Fisheries, the two car parks, and King Point Marina at Millbay.

The process is to arrive at a fair maintainable operating profit that a reasonably efficient operator would expect, based on EBITDA (earnings before interest, taxes other than business rates, depreciation and amortisation). This is then capitalised based on general and specific property criteria. We do not see any reason for any special assumptions, but we should point out that such market valuations are particularly sensitive to variations in trade, arising from competition or changes in external factors.



Valuation

On the basis outlined in this Summary Valuation Report, we are of the opinion that the aggregate of the individual Market Values, as at 30 September 2017, of the Freehold and Leasehold interests subject to and with the benefit of various occupational leases, as summarised in the attached Schedule, but subject to the Special Assumption stated in this report, is:

No	Address	Market Value 30/09/2017	Tenure
1	The Marina at Sutton Harbour and Tin Quay House, Plymouth	£11,750,000	Freehold
2	Plymouth Fisheries, Fish Quay, Plymouth	£5,700,000	Freehold
3	Century House, 130 Vauxhall Street, Plymouth, PL4 0EP	£300,000	Leasehold
4	North Quay House, Plymouth, PL4 0RA	£3,225,000	Freehold
5	Pinnacle Quay, Harbour Avenue, Plymouth, PL4 0BJ	£410,000	Freehold
6	East Quay House, North East Quay, Plymouth, PL4 0BJ	£650,000	Freehold
7	Jamaica House, 82-84 Vauxhall Street, Plymouth, PL4 0EX	£725,000	Freehold
8	Penrose House, Sutton Road, Plymouth, PL4 0JF	£425,000	Leasehold
9	The Stable, The Barbican, Little Vauxhall Quay, Plymouth, PL3 0DW	£950,000	Freehold
10	China House, Marrowbone Slip, Plymouth, PL1 0DX	£830,000	Freehold
11	St Catherine's Warehouse, Lockyers Quay, Plymouth, PL4 0DX	£135,000	Freehold
12	Fish Merchants Units, Bayly's Wharf, Plymouth, PL4 0LH	£1,500,000	Freehold
13	Barbican Market and Whitehouse Pier, Plymouth, PL1 2NA	£3,800,000	Freehold
14	Coxside Creek & Lockyer's Quay, Plymouth, PL4	£2,475,000	Freehold
15	Lambhay Hill Car Park, Plymouth, PL1 2NR	£2,200,000	Leasehold
16	Harbour Car Park, Lockyers Quay, Plymouth, PL4 0DX	£1,900,000	Freehold*
17	National Marine Aquarium, Ropewalk, Coxside, Plymouth, PL4 0LF	£2,200,000	Freehold
18	The Old Harbour Office/Guys Quay, Sutton Harbour, Plymouth, PL4 0LF	£465,000	Freehold
19	Lunar Rise (Moon Street), Exeter Street, Plymouth, PL4 0AJ	£1,000,000	Leasehold
20	The Mill Bay Marina Restaurant, King Point Marina, PL1 3EF	£395,000	Leasehold
21	King Point Marina, Millbay, PL1 3EF*	£2,900,000	Leasehold
TOTAL		£43,935,000	

*See Special Assumption below

Realisation costs

Our Valuation is exclusive of VAT and no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal of any Property.

In the event that the Properties were to be sold at the valuations contained in this Summary Valuation Report, any gains realised on such disposals over the book value for tax purposes would be subject to taxation in the applicable jurisdiction. In connection with the Partial Offer it is not contemplated that the liability to taxation as described above will crystallise.



Assumptions and sources of information

An assumption is stated in the Glossary to the Red Book to be a “supposition taken to be true” (“**assumption**”). Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a valuer as part of the valuation process. In undertaking our valuations, we have made a number of assumptions and have relied on certain sources of information. We believe that the assumptions we have made are reasonable, taking into account our knowledge of the Properties, and the contents of reports made available to us. However, in the event that any of these assumptions prove to be incorrect then our valuations should be reviewed. The assumptions we have made for the purposes of our valuations are referred to below.

We have made the following **Special Assumption** as agreed with the Company:

The Harbour Car Park is in effect freehold as it is held on an inter-company lease expiring on 31 December 2148 on an indexed rent based on £20,000. We have not been provided with a copy of this document and have been told there is no intention to charge rent on the operating subsidiary. We have been instructed to make the Special Assumption that the inter-company lease is to be disregarded in our valuation.

Inspections

We inspected the Properties contained within the Schedule between August 2016 – August 2017.

Information

We have made an assumption that the information which the Company and its professional advisers have supplied to us in respect of the Properties is both full and correct.

It follows that we have made an assumption that details of all matters likely to affect value within their collective knowledge such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions have been made available to us and that the information is up to date.

Title

We have relied on details of tenure provided to us previously by the Company. We have considered the available information in the valuation of the Properties.

Floor areas

We have been provided with floor areas by the Company and have assumed that these are gross or net and have been prepared in accordance with the RICS’ Code of Measuring Practice. As agreed, we have relied upon these floor areas for the purposes of this valuation exercise. We have taken some check measurements and where undertaken the floor areas provided were found to be accurate.



Plant and machinery

For the investment properties, landlords' fixtures such as lifts, air-conditioning and other normal service installations have been treated as an integral part of each Property and are included within our valuations. Plant and machinery, tenant's fixtures and specialist trade fittings have been excluded from our valuations.

For the marinas, fisheries and car parks all plant and machinery, specialist trade fittings, lifts and service installations are included within our valuations.

No specialist tests have been carried out on any of these service systems and for the purposes of our valuations, we have assumed that the majority are in good working order and in compliance with any relevant statute bye-law or regulation. Where we are aware that this is not the case our valuation approach factors in appropriate costs.

Environmental investigations and ground conditions

We were not instructed to carry out site surveys or environmental assessments nor have we investigated any historical records, to establish whether any land or premises are or have been, contaminated. Unless we have been provided with information to the contrary, we have assumed that the Properties are not, nor are likely to be, affected by land contamination and that there are no ground conditions which would affect the present or future use of the Properties.

We were not instructed to carry out structural surveys of the Properties but we have reflected any apparent wants of repair in our opinion of the value as appropriate. Properties have been valued on the basis of the Company's advice. Save where we have been specifically advised to the contrary, we have assumed that no deleterious materials have been used in the construction of any of the subject buildings.

Planning

We have relied on planning information provided to us by the Company and that available within the public domain. We understand that there are no adverse Town Planning, Highway or other schemes or proposals, which would materially impact our opinion of value. We have assumed that the Properties have been erected and are being occupied and used in accordance with all necessary consents and that there are no outstanding statutory notices that would materially impact our opinion of value. We have assumed that all buildings comply with all statutory and Local Authority requirements including building, fire and health and safety regulations.

Tenure and tenancies

We have not read copies of all the leases and have instead relied on the tenancy information provided to us by the Company for the purposes of our valuation. Where we have checked leases the information provided by the company was found to be correct.



We have not conducted credit enquires into the financial status of any of the tenants. However, in undertaking our valuations we have reflected our understanding of the market perception of the financial status of the tenants. We have also assumed that each tenant is capable of meeting its leasehold obligations and that there are no undisclosed breaches of covenant.

Responsibility

This Valuation and the Schedule are provided to the addressees as set out on the first page of this certificate in accordance with Rule 29 of the City Code on Takeovers and Mergers and solely for the purpose of the Partial Offer.

Neither the whole nor any part of this Summary Valuation Report nor any reference thereto may be included in any other published document, circular or statement, nor published in any way without our written approval of the form and context in which it is to appear. For the avoidance of doubt, such approval is required whether or not Jones Lang LaSalle Limited are referred to by name and whether or not the contents of our Summary Valuation Report are combined with other reports. Such approval shall not be unreasonably withheld. Notwithstanding the foregoing, the contents and data contained in this Summary Valuation Report may be cited and summarised elsewhere in this Partial Offer Document.

Notwithstanding any other provision contained within this Summary Valuation Report, this Summary Valuation Report may also be relied upon by the Company and may be disclosed in any litigation or regulatory enquiry or investigation or action in connection with the Partial Offer.

Jones Lang La Salle has given and not withdrawn its consent for the inclusion of this Summary Valuation Report in the Partial Offer Document.

Yours faithfully

A handwritten signature in blue ink, appearing to read "DB", written over a light blue circular stamp.

Daniel Bishop MRICS
Director
For and on behalf of
Jones Lang La Salle Limited

Yours faithfully,

A handwritten signature in black ink, appearing to read "Andrew Bowyer", written over a light blue circular stamp.

Andrew Bowyer MRICS
Director
For and on behalf of
Jones Lang La Salle Limited