

# A central London property investment company



# Business Overview

Following the successful demerger from Liberty International, Capital & Counties Properties PLC (Capco) is now one of the largest companies that specialises in Central London real estate.

Our assets, held directly or through joint ventures are valued at over £1.3bn. The company intends to realise value by unlocking the potential in its substantial holdings of prime London properties, which are concentrated into three signature estates.

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## Covent Garden London

This historic location is world-famous as a centre for shopping, dining and entertainment and is valued at £592m.

## Earls Court and Olympia

One of London's leading exhibition businesses, EC&O has property assets totalling £443m.

## Great Capital Partnership

A 50:50 joint venture with Great Portland Estates which includes properties in prime West End locations around Regent Street and Piccadilly, valued at £270m.

**Our strategy is to deliver superior, long-term returns for shareholders by creating a step change in the rental values of our holdings through innovative asset management and identifying future development opportunities.**

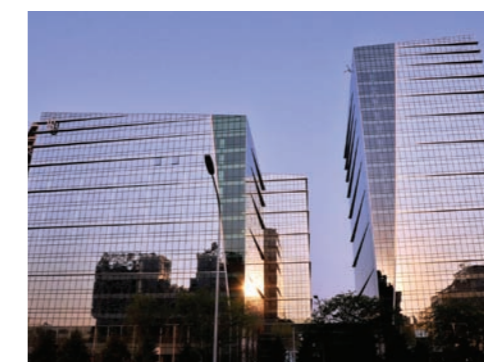


## China

Outside London Capco has invested in two real estate investment funds managed by Harvest Capital Partners. The funds invest in mixed use development and investment properties throughout China. The Group's investment in the funds is £52m and the current strategy is to work with Harvest Capital Partners to manage Capco's existing investments over the remaining life of the two funds until they expire in 2013 and 2015 respectively.

### The Fifth Square, Beijing

An international Grade A office development, fronting the second ring road east, close to Dangzhimen transport interchange



### Caiyun Lake, Chongqing

A residential development of villas and apartments situated beside a regional park.



All figures relate to period ending 30 June 2010. All figures represent Capco's share of value.

# Portfolio Analysis

## Covent Garden London



## Earls Court & Olympia



## Great Capital Partnership



Market value	£592 <sup>m</sup>	£340 <sup>m</sup> Exhibition £103 <sup>m</sup> Empress State Building	£270 <sup>m</sup>
Size (sq ft)	750,000 <sub>net</sub>	1,228,000 Exhibition – gross 469,000 Empress State Building – net	988,000 <sub>net</sub>
Ownership	100%	100% Exhibition 50% Empress State Building	50%
Properties	44	3	34
Occupancy	96.4%	n/a	97.3%
EBITDA 2010 H1	n/a	£13.2 <sup>m</sup>	n/a
Passing rent	£25.7 <sup>m</sup>	£6.6 <sup>m</sup> Empress State Building	£15.0 <sup>m</sup>
NRI 2010 H1	£12.9 <sup>m</sup>	£3.3 <sup>m</sup> Empress State Building	£6.8 <sup>m</sup>
Average rent psf	£41.8	£28.1 Empress State Building	£36.1
Debt (Post pre-payment)	£335 <sup>m</sup>	£133 <sup>m</sup> Exhibition £77 <sup>m</sup> Empress State Building	£113 <sup>m</sup>
Net assets	£257 <sup>m</sup>	£207 <sup>m</sup> Exhibition £26 <sup>m</sup> Empress State Building	£157 <sup>m</sup>
LTV	57%	39% Exhibition 75% Empress State Building	44%
Key stores / Shows / Tenants	<ul style="list-style-type: none"> <li>– Apple</li> <li>– Burberry</li> <li>– Kurt Geiger</li> <li>– Le Pain Quotidien</li> <li>– Ben Sherman</li> <li>– Whistles</li> <li>– Andronicas</li> </ul>	<ul style="list-style-type: none"> <li>– Ideal Home Show</li> <li>– London Book Fair</li> <li>– BETT (the world's largest educational technology event)</li> <li>– 100% Design</li> <li>– Metropolitan Police</li> </ul>	<ul style="list-style-type: none"> <li>– VNU Business Publications Limited</li> <li>– Standard Chartered Bank</li> <li>– Secretary of State for Communities &amp; Local Government</li> <li>– Acquascutum Limited</li> </ul>

All figures relate to period ending 30 June 2010. All figures represent Capco's share of value.

# Great Capital Partnership

## Prime West End properties

### Key Facts

- 34 properties
- 10 freehold/24 long leasehold
- 988,000 sq ft
- Prime West End locations
- 97% occupancy
- Value £270m
- Net rental income £6.8m - in H1

In 2007 we entered into a seven year joint venture with Great Portland Estates with the aim of broadening both companies' exposure to the central London property market. Together we have invested in office and retail properties in prime locations around Regent Street and Piccadilly. Through development and strategic asset management we have secured title enhancement and increased estimated rental values.

Great Capital Partnership has formed a strong business relationship with the Crown Estate, buying and selling property and completing two major property swaps to release further value.



26-40 Kensington High Street

Regent Arcade House



Walmar House



### Great Capital Partnership asset location plan



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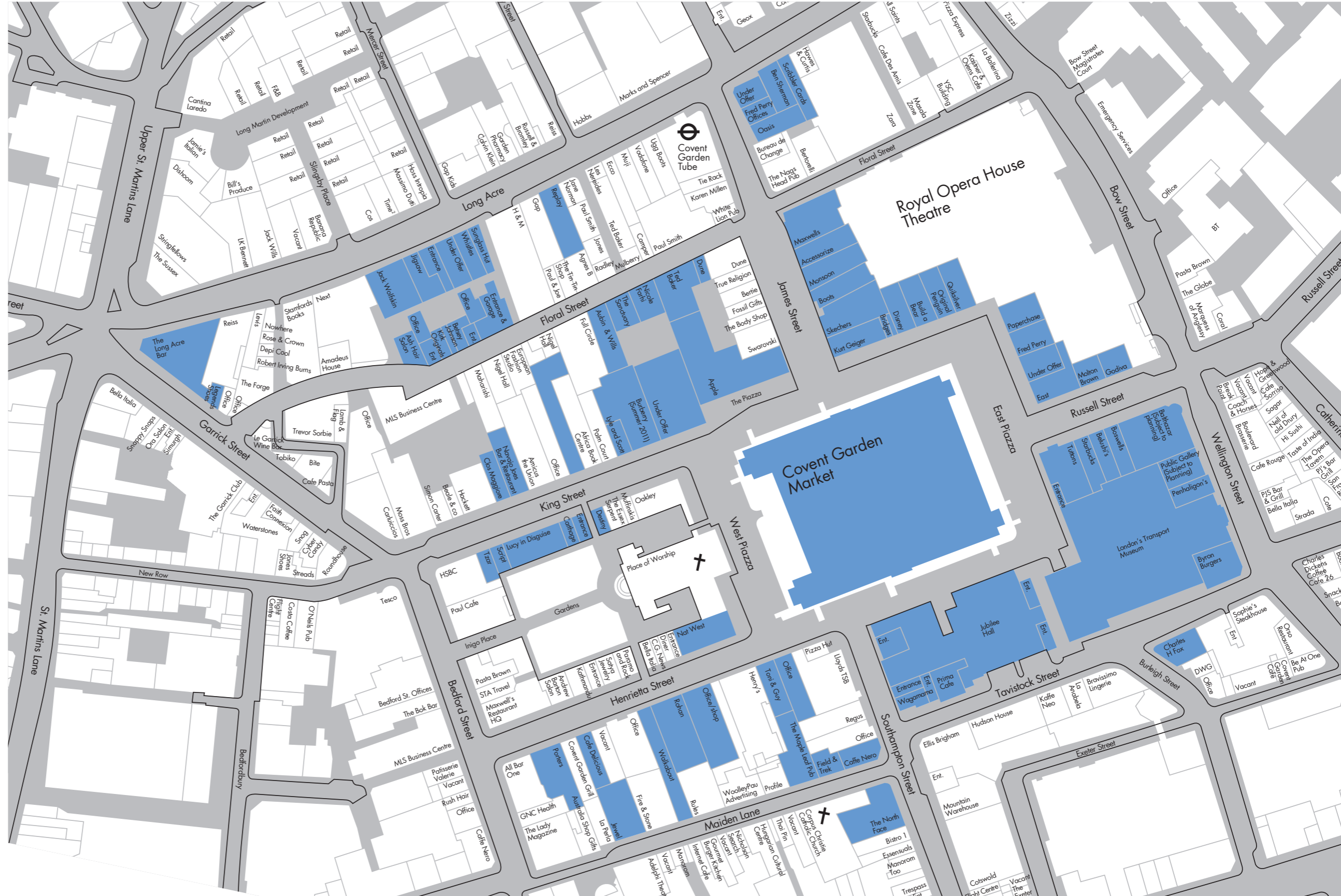
# Covent Garden

## Creating an inspirational world-class destination

### Key Facts

- 750,000 sq ft of mixed use space
- 44 buildings
- 300 individual units
- 96.4% occupancy
- Portfolio value £592m
- Net rental income £12.9m - in H1
- 46 million visitors a year

Covent Garden ownership map



Covent Garden is located at the heart of London's West End and is a world famous historic location which attracts over 46 million visitors a year. Since acquisition in 2006, we have been engaged in a process of repositioning by renewing/reviewing 127 tenancy agreements and introducing 79 new tenants to the area.

The estate generated £12.9m of net rental income in 2010 H1.

### Our strategy

Our strategy for Covent Garden is to increase rental values and income by enhancing the tenant mix. We are securing lettings for flagship stores, revitalising the restaurant and bar offering and extending trading hours.

By introducing shorter, turnover based leases, we are creating a closer relationship with our tenants and building the foundations for a dynamic and exciting district which is a destination for Londoners and high quality visitors to the capital.

Programmed development includes combining units to create larger, more attractive retail spaces, change building uses, improving circulation and pedestrian flows and extending our ownership footprint into neighbouring properties.

We have allocated £75m to deliver this strategy.

# Earls Court & Olympia

myearls court.com

## A leading exhibitions business and a major London land management Opportunity Area

Key:

- Capital & Counties
- Transport for London
- London Borough of Hammersmith & Fulham
- Empress State Building

### Key Facts

- Earls Court & Olympia**
- Earls Court is a leading exhibition and events business
  - An official Olympic site and home of the Brit Awards
  - EBITDA £13.2m
  - 100% ownership of the Earls Court & Olympia business
  - Value £340m

- Empress State Building**
- 50% stake in Empress State Building
  - 469,000 sq ft office building located next to the South West corner of Earls Court
  - 31 storeys
  - Let to Metropolitan Police until 2019
  - Value of interest £103m
  - Net rental income £3.3m - in H1

Earls Court & Olympia is an established, market leading exhibition, conference and events company. Capco owns 100% of EC&O which is the gateway to a 70-acre site located within the boroughs of Kensington & Chelsea and Hammersmith & Fulham. This site has been designated by the Mayor in the draft London Plan as the Earls Court and West Kensington Opportunity Area and presents a strategic, long-term redevelopment prospect.

**Our strategy**  
Our strategy is to realise the potential land management opportunity at Earls Court while maximising exhibition income by combining activities at Olympia. Olympia will benefit from an enhancement programme to secure its position as a premier events destination for London.

**Land management opportunity**  
The Earls Court Opportunity Area is suitable for a comprehensive mixed use redevelopment and has been recognised by the Greater London Authority and the two London boroughs as a significant development site. A collaboration agreement has been signed with the adjacent landowners and our master planning process, which is led by Terry Farrell & Partners, has had the involvement of the Commission for Architecture and the Built Environment.

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Earls Court ownership map



Olympia ownership map

