PRESS RELEASE

8 November 2011

CAPITAL & COUNTIES PROPERTIES PLC
INTERIM MANAGEMENT STATEMENT
FOR THE PERIOD 1 JULY TO 8 NOVEMBER 2011

Highlights

- Covent Garden occupancy strong, with new openings of Rugby Ralph Lauren, Brora, Rabeanco and Oliver Sweeney; on track for 2013 ERV target of £50 million

- Continued progress on planning for Earls Court & West Kensington Opportunity Area ("ECOA") and Seagrave Road, with first stage of public consultation completed in September

- Olympia's new West Hall topped out in September, works to be completed by year-end

- £300 million debt refinancing completed for Covent Garden, extending debt maturity, providing further capital for acquisitions and allowing efficient use of cash balances

Ian Hawksworth, Chief Executive of Capital & Counties Properties PLC, commented:

"Capco's businesses have performed well during the period despite the difficult economic environment. The first public consultation period was completed for the Earls Court Opportunity Area and Seagrave Road. Covent Garden continues to make good progress, with letting activity above ERV and important new openings across the estate, whilst the new Covent Garden debt facility removes the refinancing risk. We remain confident that the continued implementation of our strategy will deliver superior returns across the business."

A conference call for analysts and investors is being held today at 8:30am UK time.

Enquiries

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Covent Garden

Covent Garden is now well established as a high quality retail destination in the West End, with new retailers and restaurants continuing to open on the estate in line with the active asset management and leasing strategy. As anticipated, September saw Rugby Ralph Lauren open its first and only store in Europe on King Street, as well as Brora and pop-up restaurant Canteen open in the Market Building. In October, Hong Kong-based leather handbag designer Rabeanco opened its first store in the UK setting a new record rent for Long Acre. Oliver Sweeney also opened its new boutique on King Street in November. Planning consent has been granted for the conversion of 37 King Street to retail use. Brand interest continues to be high across the estate.

Letting transactions representing £1.9 million of passing rent have been concluded since 30 June 2011 at an average of 0.9 per cent above June 2011 ERV, and the estate is on track to meet its 2013 ERV target of £50 million. Footfall on a rolling 12 month basis as at September 2011 was 44.8 million. The EPRA adjusted occupancy rate for the estate was 96.6 per cent as at 30 September 2011.

Under the Covent Garden Living brand the first luxury residential scheme, West Piazza Apartments at 34 Henrietta Street, is on track to be completed in December and will be brought to the market in the New Year. Planning approval for the residential conversion of Russell Chambers to create East Piazza Apartments was granted in August, and a planning application has been submitted for 1a Henrietta Street (which was acquired earlier this year) for a further residential conversion and new retail or F&B anchor on the south side of the Piazza.

The space for the new cultural concept from the London Film Museum will be completed and handed over in November, whilst the works continue in order to prepare for Caprice Holdings' new restaurant concept.

ECOA Masterplan

Following the submission of the outline planning applications for ECOA in June, the first stage of public consultation by the Royal Borough of Kensington & Chelsea ("RBKC") and London Borough of Hammersmith & Fulham ("LBHF") was completed in September. The scheme will provide 7,500 new homes and 12,000 new jobs and will benefit both London and the local communities. In addition to the new homes, Sir Terry Farrell's Masterplan includes offices, leisure, hotel and retail space, as well as a new school, library, an integrated health centre and 23.5 acres of public open space including the 5 acre 'Lost River Park'.

Following the adoption of the revised London Plan by the Mayor in July, LBHF adopted its Core Strategy in October which confirms ECOA as a strategic site for London and the Borough. We expect a second round of consultation on the Supplementary Planning Document to commence shortly on the authorities' preferred option, following the first consultation in April this year.

Discussions with Transport for London ("TfL") continue to progress in respect of the re-gearing of Capco's long leasehold interests at Earls Court, and the inclusion of the Lillie Bridge Depot land in a comprehensive regeneration of the ECOA.

Negotiations also continue to progress with LBHF under the terms of the Exclusivity Agreement signed in July, with regard to the inclusion of LBHF's land in a comprehensive regeneration of the ECOA. An application for judicial review of the Exclusivity Agreement was issued to LBHF in October by a resident of the West Kensington Estate. As an interested party, Capco has been notified and this enables Capco to submit representations and participate in the proceedings. The request for judicial review of the Exclusivity Agreement has no bearing on the planning applications for the ECOA or for Seagrave Road, and is not anticipated to delay the discussions with LBHF or TfL.

Seagrave Road

The first stage of public consultation by LBHF in respect of the planning application that was submitted in June was completed in September. This planning application is for the 7.5 acre site to deliver 808 new homes and a new London square.

The Group continues to assess its options on taking forward the development of the Seagrave Road site if and when planning consent is achieved, including participation in a potential joint venture.

EC&O Venues

EC&O Venues continues to perform in line with our expectations. Olympia recently hosted the Speciality & Fine Food Fair attracting the highest visitor numbers in the show's twelve year history. In preparation for next year's Olympic Games, Earls Court hosted the trial tournament for Olympic Volleyball in July.

A milestone was reached in the Olympia redevelopment as the West Hall 'topped out' in traditional style on 9 September and works are due to be completed by the end of 2011.

TfL has announced its plans to proceed with the closing of the permanent District Line service to Olympia in December whilst enhancing other services to Olympia, including the Overground line. EC&O Venues has successfully agreed several mitigating measures with TfL, including improved wayfinding, signage, and weekend services to ensure continued access to the venue.

The Great Capital Partnership

The Great Capital Partnership is actively managing its portfolio and following a release of capital from mature assets earlier in the year, it continues to focus on its core assets on Regent Street and Piccadilly. Proceeds of £78 million (Capco share: £39 million) from disposals previously contracted were received during the period.

China

The realisation of the Group's investments in China continues with a number of contracted sales now completed. A further £15 million was received during the period, leaving only two assets within the fund (one of which is contracted for sale). The strategy to dispose of mature assets will continue and potential reinvestment options are being considered.

Refinancing

The Group is pleased to have agreed a new £300 million secured debt facility for Covent Garden, to refinance the existing £222 million loan facility that was due to mature in 2013. The new facility has been provided by BNP Paribas, HSBC Bank plc, Bayern LB, Lloyds Banking Group, Deutsche Pfandbriefbank and Santander, with BNP Paribas and HSBC Bank plc acting as Mandated Lead Arrangers. Key features of the new loan are:

- Extends the maturity on £300 million of the Group's debt until October 2016, with a further 2 year extension available at Capco's option subject to meeting certain financial covenants

- £150 million has been drawn initially. A further £90 million is available allowing Capco to use its cash balance more efficiently by paying down debt and redrawing when required
- In addition, £60 million of the facility is available to finance existing Covent Garden assets not currently secured, or to finance new acquisitions in the Covent Garden area
- The financial covenants include a loan-to-value covenant of 70 per cent and interest cover ratio of 130 per cent

The cost of debt on the new facilities will be circa 4 per cent on the drawn amount, with hedging in place using swaps and caps. Interest rate swaps relating to the previous facility have been closed out at a cost of £13.5 million.

In addition to the above, £10 million of the EC&O secured loan was prepaid in November, with related swap breakage costs of £0.1 million.

Financial position

As at 30 September 2011, pro forma adjusted for the Covent Garden refinancing and the EC&O loan repayment:

- Gross debt for the Group was £554 million (30 June 2011 £641 million), with net debt of £468 million (30 June 2011 £452 million)
- The Group's cash balances and available facilities were £242 million (30 June 2011 £196 million)
- Based on 30 June 2011 property values, the pro forma debt to assets ratio was 31 per cent (30 June 2011 30 per cent)
- The maturity profile of the Group's available debt facilities was 3.8 years (30 June 2011: 2.7 years)
- The average cost of debt was 5.7 per cent (30 June 2011: 5.9 per cent), with 95 per cent of the debt hedged into fixed interest rates.

As at 30 September 2011 Capco had capital commitments of £23 million.

South Africa listing

The South African Minister of Finance announced on 25 October that the National Treasury has proposed reclassifying all inward listed shares on the JSE (which includes Capco's secondary listing on the JSE) as 'domestic' shares for trading purposes. The reclassification would mean that South African institutional investors will have no limit on holdings in Capco if those shares are acquired on the JSE. Capco's South African register currently represents 21 per cent of the overall register.

We understand that the new dispensation will become effective once the Financial Surveillance Department of the South African Reserve Bank and the Financial Services Board have reached agreement on the reporting requirements.

Prior to the announcement of this proposal, Capco applied to the South African authorities for the extension of the two year exemption that was granted to institutional shareholders receiving Capco shares on demerger. The authorities have now approved a one year extension until May 2013. However, this extension may be unnecessary if the proposed reclassification comes into effect before then.

This press release includes statements that are forward-looking in nature. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Capital & Counties Properties PLC to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Any information contained in this press release on the price at which shares or other securities in Capital & Counties Properties PLC have been bought or sold in the past, or on the yield on such shares or other securities, should not be relied upon as a guide to future performance.

About Capital & Counties Properties PLC (Capco)

Capco is one of the largest investment and development property companies that specialises in central London real estate and is a constituent of the FTSE 250 Index. Capco holds 3.2 million square feet of assets valued at £1.5 billion (30 June 2011) in three landmark London estates: Covent Garden, which has assets valued at £780 million, including the historic Market Building; Earls Court & Olympia Group and 50 per cent of the Empress State building in Earls Court amounting to aggregate property assets of £488 million, and The Great Capital Partnership, a joint venture with Great Portland Estates, which holds prime West End properties of which Capco's share is £240 million. The company is listed on the London Stock Exchange and the JSE, Johannesburg.

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