

PRESS RELEASE



22 OCTOBER 2020

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FOR IMMEDIATE RELEASE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

CAPITAL & COUNTIES PROPERTIES PLC (“CAPCO”)

ADDITIONAL INVESTMENT OF £65 MILLION IN SHAFTESBURY PLC

Further to the announcement earlier today by Shaftesbury PLC (“Shaftesbury”) of its intention to raise up to £307 million of gross proceeds through a firm placing, placing and open offer and an offer for subscription (the “Capital Raising”), Capco confirms it has committed to subscribe for £65 million of new Shaftesbury shares (the “Investment”), at the placing price of 400 pence, resulting in a shareholding in Shaftesbury following completion of the Capital Raising of over 25 per cent. Capco has also committed to vote in favour of the requisite resolutions at the General Meeting of Shaftesbury shareholders, due to be held on 17 November 2020.

The Board believes that the Investment is priced attractively in view of the long-term prospects and resilience of prime central London and is consistent with Capco’s strategy to invest in attractive opportunities on or near the Covent Garden estate.

Capco continues to actively manage its portfolio of assets with a focus on creating long-term value for shareholders as well as maintaining a strong balance sheet and significant liquidity to manage the business through current market uncertainty and to position it for long-term growth. Capco recently completed the sale of the Wellington block for £76.5 million (in line with the 30 June 2020 valuation) which is reflective of the continued demand for attractive prime central London assets. In addition, £105 million of deferred consideration from the Earls Court sale is due to be received in November 2020 with the balance of £15 million due in 2021.

Capco’s strong financial position allows the Investment to be funded from existing cash resources. On a pro forma basis¹ as at 30 June 2020, the Investment would result in net debt of approximately £690 million, with net debt to gross assets and LTV remaining stable at 25 per cent and 32 per cent respectively, and over £600 million of cash and undrawn committed facilities. Including Capco’s holding in Shaftesbury shares, Capco has access to over £1 billion of liquidity.

Throughout this period of COVID-19 uncertainty, Capco’s priority has been the health and safety of its people, customers and visitors. Covent Garden’s welcoming open air environment has enabled the majority of its retail and hospitality customers to reopen across the estate. Covent Garden and the West End have seen a gradual recovery in footfall with the return of domestic visitors and office workers; however following the recent increase in UK COVID-19 infections, the Government has introduced local restrictions and there remains a risk that further measures may be implemented across central London.

Against a backdrop of significant market uncertainty and challenging trading conditions, Capco is providing support to customers where appropriate. Bespoke solutions have been agreed which include rent deferrals, rent-free periods and other arrangements and for certain customers, rental agreements are linked to turnover for the second half of this year. There has been a continuation of trends in rental collection seen in the previous quarter into Q4, as set out in the Appendix.

Notwithstanding current disruption to business activity, Covent Garden continues to attract high quality brands and operators, including the recent introduction of Darjeeling Express and Vashi. Capco continues to

implement a number of marketing initiatives and is collaborating closely with existing occupiers and stakeholders to promote Covent Garden and the West End, encouraging a gradual return to previous levels of trade and footfall over time. The economic environment remains unpredictable however Capco is confident in the long-term prospects of the West End, in particular its landmark Covent Garden estate.

The Company has received financial advice on the Investment from Rothschild & Co and also from its corporate brokers, BofA Securities and UBS.

The person responsible for arranging the release of this announcement is Leigh McCaveny, Acting Company Secretary.

ENQUIRIES

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About Capital & Counties Properties PLC

Capital & Counties Properties PLC is one of the largest listed property investment companies in central London and is a constituent of the FTSE-250 Index. Capco's landmark estate at Covent Garden was valued at £2.2 billion (as at 30 June 2020) where its ownership comprises over 1.2 million square feet of lettable space. Capco owns a 26.3 per cent shareholding in Shaftesbury PLC. The Company is listed on the London Stock Exchange and the Johannesburg Stock Exchange. www.capitalandcounties.com

About Shaftesbury PLC

Shaftesbury is a Real Estate Investment Trust with a portfolio of real estate assets in London's West End. Focused on food, beverage, retail and leisure, its portfolio is clustered mainly in Carnaby, Seven Dials and Chinatown, but also includes substantial ownerships in East and West Covent Garden, Soho and Fitzrovia.

Extending to 15.2 acres, the portfolio, comprises 607 restaurants, cafés, pubs and shops, extending to 1.1 million sq. ft., 0.4 million sq. ft. of offices and 616 apartments. In addition, Shaftesbury holds a 50% interest in the Longmartin Joint Venture, which has a long leasehold interest, extending to 1.9 acres, in St Martin's Courtyard in Covent Garden.

For the financial year ended 30 September 2019, Shaftesbury reported net rental income of £98.0 million and profit before tax of £26.0 million. As at 31 March 2020, Shaftesbury reported a portfolio valuation, including its share of the Longmartin Joint Venture, of £3.7 billion and total assets of £3.8 billion.

APPENDIX

Quarterly rent collection summary

	Gross rents £m	Collected £m	Collected %	Alternative arrangements %	Outstanding %
Q1	16.2	15.9	98%	-	2%
Q2	16.9	7.5	44%	53%	3%
H1 2020	33.1	23.4	71%	27%	2%
Q3	17.9	6.3	35%	62%	3%
Q4	16.8	6.2	37%	58%	5%
H2 2020	34.7	12.5	36%	60%	4%

Collections as at 21 October 2020

NOTES TO THE ANNOUNCEMENT

1. Pro forma metrics take account of £88 million investment in Shaftesbury (the second tranche acquired on 13 August 2020 representing 5.31 per cent of Shaftesbury's shares), £105 million Earls Court deferred consideration expected in November 2020, £76.5 million proceeds received in October 2020 from the sale of the Wellington block and the £65 million Investment at the placing price of 400 pence.
2. Financial information included represents unaudited figures.

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. These forward-looking statements are made only as at the date of this announcement. Nothing in this announcement should be construed as a profit forecast. Except as required by applicable law, Capital & Counties Properties PLC undertakes no obligation to update the forward-looking statements, whether as a result of new information, future developments or otherwise.