26 March 2018

CAPITAL & COUNTIES PROPERTIES PLC (“Capco”)

Capco announces sale of the Empress State Building for £250 million

Capital & Counties Properties PLC (“Capco”) today announces that it has exchanged and completed on the sale of the Empress State Building (“ESB”) for total cash consideration of £250 million.

ESB has been sold to The Mayor’s Office for Policing and Crime ("MOPAC"); the long-term occupier of the building under a lease due to expire in June 2019. ESB is a 451,000 square foot (NIA), 31 storey, office building located in Earls Court. The consented Earls Court Masterplan is one of the most important mixed-use development opportunities in central London and is based on retention of ESB’s current structure.

The disposal enables Capco to realise significant cash proceeds which will be used for general corporate purposes including investment in Capco’s central London estates as well as to take advantage of opportunities as they arise.

The disposal has resulted in a reduction in Capco’s pro forma LTV as at 31 December 2017 from 21 per cent to 15 per cent.

Ian Hawksworth, Chief Executive of Capco, commented:

“We are pleased to announce the sale of the Empress State Building in line with our strategy of realising value at Earls Court over time. The sale enables Capco, as a strategic long-term investor in London, to support The Mayor’s Office for Policing and Crime in achieving its objectives and to continue our strong working relationship with the GLA.”

Description and principal terms of the disposal

The disposal has been effected by way of a sale of the entire issued share capital of Empress Holdings Limited and its subsidiaries ("Empress Holdings Group") which holds the freehold interest in ESB, which was independently valued at £220.0 million at 31 December 2017. Empress Holdings Group generated net rental income of £16.6 million for the year ended 31 December 2017.

The transaction is expected to result in net cash proceeds of approximately £248.5 million. The terms of the disposal provide for Capco to be able to retain certain adjacent land interests in exchange for fulfilling specified conditions in the future. In the event these conditions are met a further £10 million will be paid to Capco.

-ENDS-
Notes to Editors

About Capital & Counties Properties PLC (Capco):

Capital & Counties Properties PLC 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’s landmark London estates at Covent Garden and Earls Court were valued at £3.5 billion as at 31 December 2017 (Group share). The company is listed on the London Stock Exchange and the Johannesburg Stock Exchange.

www.capitalandcounties.com