

28 November 2016

CAPITAL & COUNTIES PROPERTIES PLC (“Capco”)

TRADING UPDATE

Capco today publishes a trading update for the period 1 July 2016 to 28 November 2016.

Ian Hawksworth, Chief Executive of Capco, commented:

“Our leasing activity at Covent Garden over the period has been positive and the estate remains on course to achieve its ERV target of £100 million by December 2017. Whilst 2016 has been characterised by uncertainty in the London market, we have continued to introduce excellent brands, set new rental tones and seen the successful transformation of the Royal Opera House Arcade. We have also expanded our estate further on Southampton Street, a key access point to the Piazza.

At Earls Court, we continue to de-risk our land holdings and have completed the first phase of demolition of the former Earls Court Exhibition Centres to ground level. Construction of Phase 1 at Lillie Square nears completion and we are on track to welcome our first residents in the coming weeks.

Capco is in a strong financial position with a conservative LTV of 20 per cent and over £500 million in cash and available facilities.”

Covent Garden:

Driving rental growth through creative asset management, strategic investment and placemaking

- 2016 to date has set a new record for leasing activity with 84 leases transacted representing £11.2 million of income
- Over the period, the leasing market has continued to be very active with new leases and renewals representing £2.0 million of income signed at levels ahead of 30 June 2016 ERV. A number of further transactions are under offer and the estate remains on track to achieve its ERV target of £100 million by December 2017
- British brand Hotel Chocolat is the latest new signing to the Market Building and sets a new Zone A rental level of £650 per square foot
- Henrietta Street continues to strengthen its retail offer following the new signing of luxury men’s shoe brand Cheaney and award-winning British hair stylist, Kevin Luchmun, who will open shortly
- Mulberry and The Watch Gallery stores have opened following the successful transformation of the Royal Opera House Arcade with a luxury accessories and gifting focus
- Continued expansion of Capco’s footprint on the estate following the acquisition of Tower House, 10 Southampton Street for £67.5 million (excluding purchaser’s costs)
- Construction of Kings Court & Carriage Hall progressing well and on track for completion in 2017

Earls Court Properties:

Driving value creation through planning, land assembly, land enablement and selective development

- The first phase of demolition of the former Earls Court Exhibition Centres to ground level has completed on schedule. Demolition to basement level will commence shortly, further de-risking the site and enabling the land for future development. This final phase of demolition is expected to take 12 months at a cost of circa £40 million
- Construction of Phase 1 of Lillie Square nears completion and the business is preparing to welcome its first residents in the coming weeks. Sales of Phase 2 apartments continue with 50 apartments now reserved or exchanged and enquiry levels remain positive. Pricing continues to be at a premium to Phase 1 and the recent sales are in line with previously achieved prices in Phase 2.

Venues:

- Olympia London continues to see good demand and recent shows include The Spirit of Christmas Fair and The Luxury Travel Fair

Strong financial position

- Conservative loan-to-value of 20 per cent and liquidity of £528 million (pro forma adjusted¹) as at 30 September 2016
- £175 million US private placement of 10 and 12 year senior unsecured notes at a weighted average fixed rate coupon of 2.3 per cent, providing strong financial flexibility to the Group

All figures quoted above are adjusted to include Capco's share of joint ventures and its 63 per cent interest in Earls Court Partnership Limited.

¹ Pro forma adjusted for proceeds from £175 million US private placement and acquisition of Tower House, 10 Southampton Street £67.5 million

Enquiries

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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 holds assets valued at £3.6 billion (as at 30 June 2016) in two landmark London estates: Covent Garden, which has assets valued at £2.1 billion including the historic Market Building, and Earls Court Properties including the Empress State Building together with the Venues business amounting to aggregate property assets of £1.5 billion. The company is listed on the London Stock Exchange and the Johannesburg Stock Exchange.

www.capitalandcounties.com