PRESS RELEASE

15 May 2012

CAPITAL & COUNTIES PROPERTIES PLC
INTERIM MANAGEMENT STATEMENT
FOR THE PERIOD 1 JANUARY TO 15 MAY 2012

Highlights:

- Three new properties acquired in Covent Garden in March and tenant activity remains strong with several recent openings
- Progress continues on the Earls Court Masterplan with the Supplementary Planning Document for the ECOA adopted by both RBKC and LBHF in March
- Planning consent granted for the Seagrave Road development following the signing of the Section 106 agreement in March
- Draft terms published in relation to the possible sale of LBHF's land holdings in Earls Court will go to a full Cabinet meeting in the coming months for a decision
- New 5-year £70 million revolving credit facility agreed
- £102 million (Capco share) of sales from GCP completed at a 8.5 per cent premium to December 2011 valuation

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

"Capco has had an active start to the year maintaining momentum and continuing progress against its strategy of creative rejuvenation in Covent Garden, achieving planning milestones for the Earls Court Masterplan and Seagrave Road as well as recycling capital back into the business. The Queen's Diamond Jubilee celebrations and the Olympics will place a spotlight on London in 2012 and this should benefit the Group which is focused on landmark locations in the capital."

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 has seen an active start to the year with 10 new lettings in line with the repositioning and asset management strategy for the estate. Letting transactions, including new leases, renewals and reviews, in the first quarter of the year represented £2.7 million of rental value, at 4.6 per cent above December 2011 ERV and the estate is on track to achieve its ERV target of £50 million by the end of 2013. The EPRA adjusted occupancy rate for the estate is 97.4 per cent and footfall remains consistently strong at 44 million on a 12 month rolling basis.

April saw the opening of 7 for All Mankind on King Street which will be trading next to Jo Malone when it opens at the end of May. Casio opened a new concept store in the Market Building and the London Film Museum, a new cultural space for Westminster, opened in part of the former Flower Cellars building.

In recent months Covent Garden has become the destination for new restaurant signings in the West End. MEATmarket, a new cult burger concept opened in the Jubilee Hall Market in May and a strong pipeline of new restaurants is set to open ahead of the Olympic Games. Jamie Oliver will be opening Jamie's Union Jacks in the North Hall of the Market Building in July in part of the space previously occupied by Ponti's. Following Brasserie Bar Co's acquisition of the Chez Gerard Group, the new Brasserie Blanc restaurant is set to open on the East Terrace of the Market Building in mid May.

The Tuttons restaurant operating business was sold in February, and the new owner is currently undertaking a refurbishment of the unit on the corner of Russell Street and the east Piazza for a June re-opening. The highly anticipated Balthazar will be opening at the end of the year in the former Flower Cellars building and the restaurant has also completed a lease on the adjacent space in Russell Street to open a Balthazar Bakery.

Acquisitions comprised the purchase of three properties for £10.1 million on Bedford Street and Henrietta Street in March. The Odeon cinema on Shaftesbury Avenue was sold as part of this transaction.

The Henrietta, the first residential development undertaken by Capco in Covent Garden was launched in February. The sale of the penthouse was completed in April at £6.2 million, which reflects pricing in excess of £2,500 per square foot. Interest in the final three apartments is positive. The Russell, the second office to residential conversion in Covent Garden, is on track to be completed in early 2013. Following planning consent, work on One South Piazza to create a new anchor restaurant or retail space and residential apartments will begin on site at the end of this year.

ECOA Masterplan

Progress continues on the planning process for Sir Terry Farrell's Earls Court Masterplan to create 'Four Urban Villages and a 21st Century High Street' in the Earls Court and West Kensington Opportunity Area ("ECOA").

In March, following an ongoing public consultation, both the Royal Borough of Kensington & Chelsea and the London Borough of Hammersmith and Fulham ("LBHF") adopted their preferred option of the Supplementary Planning Document ("SPD"), which sets out a planning framework in support of comprehensive development of the Opportunity Area.

Progress has been made on discussions with LBHF in respect of its land within the Opportunity Area. Following a consultation undertaken by LBHF in March, the draft terms of the Conditional Land Sale Agreement ("CLSA") were published in April. Under the draft CLSA, Capco would be entitled to acquire the Council's 22 acres of land on a phased basis in the Opportunity Area for a total cash consideration of £105 million, plus reprovision (as part of a future development) of the 760 homes currently on the estates, which reflects the prevailing residential property pricing on that part of the Opportunity Area.

At the LBHF Cabinet meeting in April to discuss these draft terms, it was agreed that a decision to enter into an agreement would be made at a full Cabinet meeting in the coming months on the basis of the draft terms outlined, subject to no major new issues emerging between the Council and Capco. At this stage no transaction has been agreed.

Capco has been informed that the application for judicial review in respect of the Exclusivity Agreement signed in July 2011 has been withdrawn.

In March 2012, Capco agreed with LBHF to acquire any private residential units on the West Kensington or Gibbs Green estates in the unlikely event that LBHF is required to purchase these properties if an owner brings forward a valid claim under certain provisions of the Town and Country Planning Act 1990 which relate to Statutory Blight suffered as a result of the adoption of the SPD, up to a maximum of £50 million including certain other related costs. It is intended that costs incurred would be offset against the consideration relating to any future land purchase agreement in respect of the LBHF land. Capco can give notice to terminate the agreement if the CLSA is not entered into by the end of the exclusivity period in July 2012.

Discussions continue with Transport for London ("TfL") on the lease regear and regarding its land in the Opportunity Area.

Seagrave Road

Following the signing of the Section 106 agreement, formal planning consent for the Seagrave Road development was granted in March, which will create 808 high-quality new homes and a new garden square for west London. The conditional joint venture with the Kwok Family Interests is expected to complete in mid-2012 subject to satisfaction of the remaining conditions.

Certain small sites adjacent to the Seagrave Road car park site, including land owned by Network Rail and 1-5 Lillie Road, have been acquired. The acquisitions complement the wider land assembly strategy and enhance connectivity between the Seagrave Road car park and Lillie Road. Work is expected to start on site in 2013.

EC&O Venues

The venues business has performed in line with expectations for the year to date, with a reduction in business at Earls Court given the uncertainty over its future as a venue. Nevertheless, shows such as Top Drawer and the Ideal Home Show have performed well; the latter saw record visitor spend per head this year with a 25 per cent increase on the 2011 event. 92.2 per cent of 2012 budgeted licence fees are currently contracted. Earls Court is also an official Olympic Games venue hosting the volleyball tournament this summer.

Further improvement works are under way at Olympia Two and the conference centre as part of the ongoing strategy to enhance the Olympia venue and create more flexible space.

The Great Capital Partnership

The five properties sold to Great Portland Estates for £150 million, and the £47 million sale of Park Crescent East, completed in April. Together with the disposal of Old Court Place earlier in the year, these sales were completed at an 8.5 per cent premium to the December 2011 valuation and resulted in a cash receipt to Capco of £67 million net of debt paydown. The annualised rental income of the assets that have been sold was £3.9 million.

The remaining portfolio continues to perform well with EPRA adjusted occupancy of 92.3 per cent.

China

The Group continues to realise capital from its investments which is recycled into the core business. Cash proceeds of £8 million have been received during the year to date. The value of the remaining investments is £13 million (based on 31 December 2011 valuations).

Financial position

As at 30 April 2012, gross debt for the Group was £496 million (31 December 2011 £553 million) and net debt was £383 million (31 December 2011 £464 million). Based on 31 December 2011 property values, the pro forma debt to asset ratio was 25 per cent (31 December 2011 29 per cent).

A new 5-year £70 million revolving credit facility, secured on certain assets at Covent Garden, was agreed with BNP Paribas and HSBC Bank plc in April. The EC&O facility which had £89.5 million of debt outstanding was repaid out of cash and available facilities in May. As at 30 April, reflecting the new facility and pro forma adjusted for the EC&O facility repayment:

- Cash balances and available facilities were £248 million (31 December 2011 £245 million)
- The weighted average maturity of the Group's available debt facilities was 4.9 years (31 December 2011: 3.6 years)
- The average cost of drawn debt, excluding fees on undrawn amounts, was 5.1 per cent (31 December 2011: 5.8 per cent), with 100 per cent of the debt hedged to provide interest rate protection (31 December 2011: 95 per cent).

As at 31 March 2012 Capco had capital commitments of £22 million.

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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 3.3 million square feet of assets valued at £1.6 billion (31 December 2011) in three landmark London estates: Covent Garden, which has assets valued at £808 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 £574 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 £241 million. The company is listed on the London Stock Exchange and the JSE, Johannesburg.

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