

PRESS RELEASE



2 MAY 2014

CAPITAL & COUNTIES PROPERTIES PLC (“CAPCO”)

INTERIM MANAGEMENT STATEMENT FOR THE PERIOD 1 JANUARY TO 2 MAY 2014

Ian Hawksworth, Chief Executive of Capco, commented: *“We have had a positive start to the year as we create and grow value across our London estates. Covent Garden thrives as a world-class destination, with strong leasing momentum and a number of acquisitions. The re-imagination of Earls Court is moving forward following detailed planning consents and the establishment of the joint venture with TfL. Lillie Square was launched successfully with over 200 units reserved or exchanged, following strong demand for this premium residential development.”*

Value growth through transformation at Covent Garden

- Leasing transactions completed at 3.6 per cent above December 2013 ERV
- 4 new retail and restaurant lettings including Orlebar Brown and Michelin-starred restaurant, Lima
- £46 million of acquisitions on the estate year-to-date
- ERV target of £75 million by December 2016

Value creation through achievement of key milestones at Earls Court

- Joint Venture with TfL established (Capco share 63 per cent)
- Detailed planning consent granted for Earls Court Village and a change of use to residential for the Empress State Building

Successful launch of Lillie Square

- 204 of 237 flats in Phase 1 reserved or exchanged in the five weeks since launch in March

Transition of Venues business to Olympia London well progressed

- Over 80 per cent of Earls Court’s 2014 shows contracted to move to Olympia London for 2015, including Ideal Home Show and The London Book Fair

Solid financial position

- LTV of 17 per cent and liquidity of £425 million as at 31 March 2014
- £665 million unsecured revolving credit facility completed for Covent Garden in March
- Weighted average cost of debt of 3.0 per cent as at 31 March 2014

Enquiries

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Covent Garden

Covent Garden is one of the most exciting retail destinations in London and continues to re-define global luxury for the capital. Demand for space from brands is strong across the estate, and occupancy of 98 per cent as at 31 March 2014. Footfall remains robust with 45 million customer visits.

Leasing transactions including new leases, renewals and rent reviews representing £3.6 million of rental income were completed at 3.6 per cent above December 2013 ERV.

Retail, food & dining

Beachwear brand Orlebar Brown has opened a new store on Floral Street as part of the new 'Floral Street Goes Pop' initiative to introduce pop-up brands to the street ahead of the Kings Court and Carriage Hall developments.

lululemon athletica opened its UK flagship store on Long Acre and Moleskine is also due to open shortly on King Street.

Lima, a Michelin-starred restaurant presenting Peruvian cuisine in a contemporary style, has completed terms to open on Garrick Street.

Caprice Holdings has commenced fit-out of One South Piazza for its new flagship restaurant. The team behind The Ivy, one of the most famous and successful restaurants in Covent Garden, will develop the unit which will offer all-day dining from breakfast until after theatre.

Residential

The final apartment in The Russell has exchanged. The average sales price for the entire development, which comprised five apartments, was in excess of £2,400 per square foot.

The residential conversions for seven apartments at The Southampton and nine apartments at The Beecham are on track for delivery later this year.

Acquisitions

It has been an active period for acquisitions. 7 Garrick Street, 23-24 Henrietta Street and 22-23 James Street have been acquired for a total of £46 million.

Developments

Preliminary work for the Kings Court and Carriage Hall developments has commenced with construction expected to start in autumn 2014.

Earls Court Masterplan

Earls Court is a unique opportunity for urban re-imagination located in central London where Kensington, Chelsea and Fulham meet.

Planning

Detailed planning consent has been granted for Earls Court Village which represents the majority of the EC1 & EC2 area. The detailed proposals for this part of the Masterplan cover an area of 16 acres and provide for 2.4 million square feet of residential-led, mixed-use space. This will include over 1,200 new homes, over 3 acres of publicly accessible park and the first phase of the new High Street.

Resolution to grant detailed planning consent was received for the Empress State Building for a conversion from commercial to residential. The consent provides for the creation of 340 new homes, as well as improvements to the facade of the existing building. The building will now be integrated into the Earls Court Masterplan, adding 580,000 square feet of residential floor space to the overall Masterplan area.

Land assembly

Earls Court Partnership Limited, the Joint Venture with Transport for London ("TfL"), was established in March which will enable the development of EC1 & EC2 in line with the Earls Court Masterplan. Capco is appointed exclusive Business and Development Manager and will lead the venture.

Whilst all judicial review challenges to date have been successfully defended, the risk of further judicial review applications cannot be discounted.

Lillie Square

The first phase of Lillie Square comprising 237 units was successfully launched in March 2014 with the opening of the sales office on Lillie Road.

Demand has been strong in the five weeks since launch. 204 of the 213 units initially released are reserved or exchanged totalling over £200 million of sales, with pricing on individual units achieving up to £1,885 per square foot.

The initial launch was focused on standard units, with premium units to be released shortly. Overall, the average sales price for phase 1 is expected to be between £1,400 - £1,500 per square foot.

Construction of phase 1 is on track to start in summer this year and a £130 million debt facility (Capco share 50 per cent) to fund these costs is expected to be signed shortly.

Capco notes the on-going legal situation in Hong Kong regarding charges against certain members of the Kwok family which have not affected the joint venture.

Venues

The Venues business has had a positive start to the year, with the transition of activities to Olympia London very well progressed. The Venues team has now secured over 80 per cent of Earls Court's 2014 exhibitions (by licence fee) to move to Olympia London in 2015, including major shows such as The London Book Fair and the Ideal Home Show.

The Earls Court venue is currently taking bookings until December 2014.

Financial

The Group's financial position remains strong with a loan to value of 17 per cent (based on 31 December 2013 property values) and liquidity of £425 million.

	31 March 2014	31 December 2013
Gross debt	£437m	£374m
Cash balance	£60m	£45m
Net debt	£377m	£329m
Liquidity (cash and available facilities)	£425m	£287m
Property loan-to-value	17%	15%
Weighted average debt maturity	4.7 years	4.3 years
Weighted average cost of debt	3.0%	4.4%
Proportion of gross debt with interest rate protection	81%	100%

All figures quoted above are adjusted to include Capco's share of joint venture interests.

As at 31 March 2014, Capco had capital commitments of £88 million.

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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):

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 3.6 million square feet of assets valued at £2.3 billion (as at 31 December 2013) in two landmark London estates: Covent Garden, which has assets valued at £1.2 billion including the historic Market Building, and Earls Court Properties including the Empress State Building with aggregate property assets of £934 million. The company is listed on the London Stock Exchange and the Johannesburg Stock Exchange.