



PRESS RELEASE

26 March 2020

CAPITAL & COUNTIES PROPERTIES PLC (“Capco” or “the Company”)

COVID-19 update

Given the rapidly evolving situation around COVID-19 and current market conditions, Capco continues to assess the impact on its business, respond to the latest guidelines issued by relevant authorities and adapt its activities accordingly. The priority during this period of uncertainty is the health and safety of our people, customers and visitors.

The majority of retail and F&B units on the Covent Garden estate are closed temporarily and whilst Government-related support measures will be helpful for many occupiers, Capco expects disruption to income during the course of this year. As a long term investor in London, Capco will work to assist its customers with bespoke solutions on a case by case basis through this unprecedented period.

This will involve moving from quarterly rental payments in advance to alternative arrangements and the deferral of rental payments in certain cases, particularly for smaller and independent operators in order to ease short-term cash flow issues and to reopen successfully once the current restrictions are lifted. It is too early at this stage to assess the full impact on rental income and property valuations.

Capco has a strong balance sheet with access to substantial liquidity and significant headroom against debt covenants (both loan to value and interest cover). Total Group cash is currently approximately £250 million with a further £120 million to be received from the Earls Court sale and in addition, Capco has access to over £700 million of committed undrawn facilities. Further details are set out in the appendix to this announcement.

The Company is focused on conserving cash during this period of highly uncertain market conditions. As part of this, the Board has decided to temporarily suspend the share buyback programme.

The Company will continue to monitor the COVID-19 situation closely and provide further updates as appropriate.

-ENDS-

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About Capital & Counties Properties PLC (“Capco”)

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 £2.6 billion (as at 31 December 2019) where its ownership comprises over 1.2 million square feet of lettable space. The Company is listed on the London Stock Exchange and the Johannesburg Stock Exchange. www.capitalandcounties.com

Appendix

As at 31 December 2019, Group net debt was £442 million (including £170 million of cash) representing a Group loan to value ratio of 16 per cent.

Following the recent receipt of £90 million of deferred consideration from the Earls Court sale and the deployment of £12 million towards the share buyback programme, total Group cash is currently approximately £250 million.

In addition, a further £105 million of deferred consideration is expected to be received later this year with the balance of £15 million due in 2021. Capco has access to substantial committed undrawn facilities, in particular the Covent Garden revolving credit facility of £705 million.

Debt covenants:

	Maturity	Loan outstanding ¹	LTV covenant	Interest cover covenant
Covent Garden				
Revolving credit facility	2022	-	60%	120%
US private placement series 1	2024 – 2026	£150m	60%	120%
US private placement series 2	2026 – 2028	£175m	60%	120%
US private placement series 3	2024 – 2037	£225m	60%	120%
Lillie Square (50% share)	2021	£55m	75%	-
Total		£605m		

1. The loan values are the nominal values at 31 December 2019 shown on a Group share basis. The balance sheet value of the loans includes any unamortised fees.

For the year ended 31 December 2019, interest cover for the purposes of the Covent Garden revolving credit facility and private placement notes was 2.9 times, compared with a covenant level of 1.2 times.