

Capital & Counties Properties PLC

(Incorporated and registered in the United Kingdom and Wales with registration Number 07145041 and registered in South Africa as an external company with Registration Number 2010/003387/10)

JSE code: CCO

ISIN: GB00B62G9D36

12 August 2020

CAPITAL & COUNTIES PROPERTIES PLC ("CAPCO")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

Confident in the long-term prospects for prime central London, in particular the West End

Ian Hawksworth, Chief Executive of Capco, commented:

"Covent Garden is a major central London destination offering a pedestrianised open air environment. Our strong financial position has enabled us to take early action to support our customers through this extraordinary period and take advantage of market opportunities.

Capco is focused on making sure our customers reopen successfully and are provided the setting which offers the best opportunity to gradually build back towards previous levels of trade. The majority of our retail and hospitality customers have reopened with encouraging early indicators.

There remain many challenges and an unpredictable economic environment however Capco is confident in the long-term prospects of the West End and the value of its unique investments."

Key financials

- Equity attributable to owners of the Parent of £2.0 billion (Dec 2019: £2.5 billion)
- EPRA NTA declined by 18 per cent to 241 pence per share (Dec 2019: 293 pence per share)
- Total property value of £2.3 billion, a decrease of 16.3 per cent (like-for-like) (Dec 2019: £2.8 billion)
- The Directors have deferred the dividend decision until the end of the year (Jun 2019: 0.5 pence per share)

Covent Garden, a landmark globally-recognised estate

- Covent Garden total property value of £2.2 billion, a decrease of 17 per cent (like-for-like) since 31 December 2019

- Net rental income down 41 per cent to £18 million against June 2019
- ERV decreased by 12 per cent (like-for-like) to £96 million (Dec 2019: £108 million)
- Capco has provided support to retail and hospitality customers experiencing cash flow pressures, with rental agreements being adjusted on a case-by-case basis to include deferrals and turnover-linked arrangements where appropriate
- Strong leasing pipeline before the impact of COVID-19; 22 new leases and renewals were agreed during the period
- Continuing to attract high quality brands including Vashi and Neuhaus
- As a pedestrianised open air environment, Covent Garden is well-positioned as lock down measures are eased and consumers return to central London
- Additional streets around the Piazza have been pedestrianised, allowing for greater freedom of movement and increased al fresco dining across the estate
- As a responsible, long-term owner of the estate, Capco has been working closely with local communities and continues to provide assistance to charity partners in the West End

Acquisition of 26.3% stake in Shaftesbury PLC

- Unique opportunity to acquire a significant stake in an exceptional mixed-use real estate portfolio
- Represents an attractive investment and entry point at an implied value of £1,200 per square foot relative to current valuation of £1,800 per square foot
- Consistent with Capco's strategy to invest in complementary opportunities on or near Covent Garden

Strong liquidity and balance sheet position

- Group loan to value ratio of 32 per cent (Dec 2019: 16 per cent)
- Group net debt to gross assets of 26 per cent (Dec 2019: 15 per cent), taking into account the value of the investment in Shaftesbury shares, as at 30 June 2020
- Group undrawn facilities and cash of £616 million (Dec 2019: £895 million)
- Group net debt of £721 million (31 December 2019: £442 million)
- Capital commitments of £93 million (includes £88 million in respect of second tranche of Shaftesbury shares) (Dec 2019: £14 million)
- Weighted average debt maturity of 4.4 years (Dec 2019: 4.9 years)
- Weighted average cost of debt of 2.6 per cent (Dec 2019: 3.0 per cent)
- £90 million of deferred consideration from the Earls Court sale received in March 2020, with a further £105 million expected to be received later this year and £15 million due in 2021
- There is significant headroom against the LTV covenant position, and interest cover covenant waivers in respect of the current financial year have been agreed to address interruption to near-term income

Lillie Square

- The Lillie Square property valuation declined by 5 per cent (like-for-like) to £138 million (Dec 2019: £177 million)
- Completion of Phase 2 continues to progress with 66 units handed over in the first half of this year, representing £81 million of cash proceeds (£40 million Capco share)
- A further 120 units remain in Phase 2, of which 93 have been pre-sold representing approximately £120 million of further proceeds (£60 million Capco share)

FINANCIAL HIGHLIGHTS

	30 June 2020	31 December 2019
Equity attributable to owners of the Parent	£2,021m	£2,478m
Equity attributable to owners of the Parent per share	237.5p	290.0p
-17.5% Total return for six months ended 30 June 2020 (full year 2019: -9.6%)		
EPRA net tangible assets value ¹	£2,052m	£2,506m
EPRA net tangible assets value per share ¹	240.5p	292.9p
Dividend per share	-	1.5p
-15.3% Total property return for six months ended 30 June 2020 (full year 2019: -5.4%)		
Property market value ²	£2,305m	£2,774m
Net rental income from continuing operations ³	£18.2m	£61.2m
Loss for the period attributable to owners of the Parent	(£440.7)m	£253.6m
Headline loss per share	(1.0)p	(2.2)p
Basic loss per share ¹	(51.7)p	(29.7)p
Underlying earnings per share⁴	0.3p	1.1p

1. From continuing and discontinued operations. Refer to note 11 "Earnings per share and Net Assets Per Share" on page 41 of the full announcement.

2. On a Group share basis. Refer to Property Data on page 56 of the full announcement for the Group's percentage ownership of property.

3. On a Group share basis. Refer to note 2 "Segmental Reporting" on page 32 of the full announcement.

4. From continuing and discontinued operations. Refer to Consolidated Underlying Profit Statement on page 58 of the full announcement.

SHORT FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the Directors. It is only a summary of the information contained in the full announcement and does not contain full or complete details. Any investment decision should be based on the full announcement accessible from 12 August 2020 via the JSE link at <https://senspdf.jse.co.za/documents/2020/jse/isse/CCO/HY20Result.pdf> and also available on the Company's website at www.capitalandcounties.com. Copies of the full announcement may also be requested by contacting the Company (feedback@capitalandcounties.com or telephone +44 (0)20 3214 9170).

DIVIDENDS

Given current market conditions and the significant uncertainties due to COVID-19, the Board has taken the decision to not declare an interim dividend. It is intended that the Company will recommence dividend payments as soon as it is considered appropriate, maintaining the target of a progressive dividend policy in line with growth in underlying earnings.

Enquiries:

Capital & Counties Properties PLC:

Ian Hawksworth	Chief Executive	+44 (0)20 3214 9188
Situl Jobanputra	Chief Financial Officer	+44 (0)20 3214 9183
Sarah Corbett	Head of Commercial Finance and Investor Relations	+44 (0)20 3214 9165

Media enquiries:

UK: Hudson Sandler	Michael Sandler	+44 (0)20 7796 4133
SA: Instinctif	Frederic Cornet	+27 (0)11 447 3030

JSE Sponsor:

Merrill Lynch South Africa (Pty) Limited

A presentation to analysts and investors will take place today at 08:30am (UK time) through a webcast on the Group's website www.capitalandcounties.com followed by an invited analyst Q&A.