

CAPITAL & REGIONAL PLC

(Incorporated in the United Kingdom)

(UK company number 01399411)

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("Capital & Regional" or "the Company")



**CAPITAL &
REGIONAL**

UPDATE ON TRADING AND RENT RECEIPTS

Capital & Regional today provides an update on trading and rent collections following the 29 September quarter date and October monthly collection cycles.

Lawrence Hutchings, CEO of Capital & Regional said: *"The in-town location of our centres, together with our focused strategy of serving the essential needs of our local communities, means they are benefitting from the increased number of people working from home and are performing well on a relative basis, with 98% of stores now trading and September footfall outperforming the national index by 11%. Furthermore, feedback from our retailers indicates that average transaction values are registering higher than the comparable period last year, with shopper visits being purpose driven. Rent collection is now in excess of 50% for the September quarter which is ahead of both our previous two COVID quarters at the equivalent stage and above the national retail average. We have also progressed several key initiatives aligned to our strategy including unconditionality of the Lidl deal at Luton, further increasing our exposure to the grocery market, and the lodging of a joint planning application with our preferred residential partner for the Walthamstow project bringing us a step closer to realisation of a capital receipt for this project."*

Operations

- 98% of our stores, comprising 614 stores, are open and trading across the Group's seven shopping centres.
- September footfall was 76.1% of the prior year equivalent. Car park usage was similar, at approximately 78% of the prior year equivalent.
- Of the quarterly rent due on or since the 29 September 2020, we have received, or expect to imminently receive, 51%. This compares to less than 40% collected at the equivalent point in the previous quarter.
- This means we have collected approximately 56% of all rents that have fallen due from the 25 March 2020 to the date of this announcement, including rents payable on both a quarterly and monthly basis.
- We are in active discussions with our retailer customers concerning the outstanding arrears and have been providing support, particularly in relation to our smaller, independent occupiers. At the same time, we continue to take a robust stance with larger, profitable and well capitalised national and international retail businesses.
- At Wood Green we have agreed terms with Travelodge, following its CVA, which ensure the hotel remains under the Travelodge name and provide us with income certainty.
- We have also agreed terms with M&S at Luton which provide us with both vacant possession and the funds required to convert the space in order to complete our transaction with Lidl, which is now planning to open in Summer 2021. This will enhance the non-discretionary offer of this centre and, with further space under active negotiation with supermarket operators across the portfolio, is in line with the Group's community centre strategy.
- At Walthamstow, in collaboration with our preferred residential partner, we have now submitted revised detailed planning applications for a conversion of the existing consent to build to rent residential accommodation. The new proposals incorporate 538 residential units, 47,000 sq ft of commercial space and facilitate the provision of a new London Underground station entrance to the Victoria Line.

Liquidity

- As at close of business on 30 September 2020, the Group had total cash on balance sheet of over £81 million, which is equivalent to more than one year's gross revenue. Of this approximately £60 million is held centrally without any restriction. The earliest maturity on any of the Group's property loan facilities is February 2023.

- We have signed waivers for all income covenants for the remainder of 2020. Discussions are ongoing with the respective lenders over agreements on longer term covenant relaxation.

Our overriding priority remains the health, safety and protection of our colleagues, guests and customers and throughout the pandemic we have been implementing the latest official government guidelines and advice across our portfolio.

15 October 2020

JSE sponsor



Notes to editors:

About Capital & Regional plc

Capital & Regional is a UK focused retail property REIT specialising in shopping centres that dominate their catchment, serving the non-discretionary and value orientated needs of the local communities. It has a strong track record of delivering value enhancing retail and leisure asset management opportunities across its portfolio of in-town shopping centres.

Capital & Regional owns seven shopping centres in Blackburn, Hemel Hempstead, Ilford, Luton, Maidstone, Walthamstow and Wood Green. Capital & Regional manages these assets through its in-house expert property and asset management platform.

Capital & Regional is listed on the main market of the London Stock Exchange (LSE) and has a secondary listing on the Johannesburg Stock Exchange (JSE)

For further information see capreg.com/