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

27 JULY 2021
CAPITAL & COUNTIES PROPERTIES PLC ("CAPCO")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

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

Ian Hawksworth, Chief Executive of Capco, commented:

"Capco's actions, commitment and creativity over the last 18 months have ensured that Covent Garden is the most vibrant district in the West End. We are confident that our approach and the quality of our estate, underpinned by our strong balance sheet, position Capco for recovery.
The elevated level of enquiries, strong transactional activity and improving sentiment indicate that the worst of the pandemic may be behind us.
Looking ahead, there are challenges in the near term, as the economy moves towards more normal levels of activity, however we remain confident in the resilience of London's West End and the enduring appeal of Covent Garden."

Key financials

- Total equity of £1.7 billion (Dec 2020: £1.8 billion)
- EPRA NTA declined by 6 per cent to 199 pence per share (Dec 2020: 212 pence per share)
- Total property value of £1.8 billion, a decrease of 5.1 per cent (like-for-like) (Dec 2020: £1.9 billion)
- Group net debt to gross assets ratio of 28 per cent (Dec 2020: 28 per cent)
- Covent Garden loan to value ratio of 18 per cent (Dec 2020: 19 per cent)
- Underlying earnings of nil pence per share (Jun 2020: 0.3 pence per share)
- Reported net rental income £21.0 million (Jun 2020: £18.2 million)
- Recommencement of dividend distribution with proposed interim dividend of 0.5 pence per share (Jun 2020: nil)

Covent Garden portfolio

- Covent Garden total property value of £1.7 billion, like-for-like movement of £85 million or 4.9 per cent since 31 Dec 2020
- ERV decreased by 4.3 per cent (like-for-like) to £76 million (Dec 2020: £81 million) while the equivalent yield was stable at 3.94 per cent

Proactive asset management and strong leasing momentum

- 29 new leases and renewals were agreed during the period representing £6.0 million contracted income (6 per cent below Dec 2020 ERV) with a further £3.1 million under offer
- Government restrictions have been lifted with retail and hospitality customers fully reopen

- Growing customer sales recorded through the period with certain premium and luxury categories amongst the highest performing
- High occupancy with EPRA vacancy at 3.4 per cent (Dec 2020: 3.5 per cent) performing strongly versus central London
- 12 new openings scheduled over the course of 2021 including Peloton, Glossier and Ave Mario
- Improved rent collection; 65 per cent of June quarter collected (adjusted for payment plans)
- Customer support provided in H1 2021 on a case by case basis and expected to reduce with easing of restrictions
- Pedestrianisation of key streets extended; additional al fresco dining providing over 800 covers
- Six month cultural programme launched; digital engagement, public art installations, pop-up bars and terraces across the estate
- Realised value from the sale of two residential-led blocks on Southampton Street for £50 million (before costs)

Net Zero Carbon by 2030 underlining commitment to sustainability

- Environment, Sustainability and Community ("ESC") Board Committee setting clear actions
- Detailed pathway to Net Zero Carbon by 2030 to be published later this year
- Commitment to enhancing air quality with continued pedestrianisation of streets around Piazza
- Customer engagement programme commenced on carbon, water and waste, intending to reduce environmental impact
- Partnership with the Wild West End, a charitable partnership which aims to enhance the quality of green space and the local environment
- Support provided in respect of homelessness charities, local food banks and the elderly as well as hospitality, retail and cultural foundations

Strong balance sheet position with significant financial flexibility

- Covent Garden net debt of £304 million (Dec 2020: £352 million) and loan to value ratio of 18 per cent (Dec 2020: 19 per cent)
- Group net debt of £668 million (Dec 2020: £710 million) and net debt to gross assets of 28 per cent (Dec 2020: 28 per cent)
- Access to Group liquidity comprising undrawn facilities and cash of £989 million (Dec 2020: £1 billion)
- Capital commitments of £5 million (Dec 2020: £2 million)
- Weighted average maturity on drawn debt of 5.4 years (Dec 2020: 5.4 years) and average cost of debt of 2.8 per cent (Dec 2020: 2.6 per cent)

Other investments

- Investment in Shaftesbury PLC valued at £552 million (Dec 2020: £552 million), compared with a £501 million cost; dividend income from Shaftesbury PLC shares of £2.3 million received in July 2021
- Lillie Square property value of £108 million, a decrease of 7.9 per cent (like-for-like) since 31 Dec 2020. JV loan facility repaid in full during the period
- Final £15 million of deferred consideration from the Earls Court sale due in November 2021

FINANCIAL HIGHLIGHTS

	Six months ended 30 June 2021	Year ended 31 December 2020
Total equity	**£1,657m**	£1,760m
Total equity per share	**194.6p**	206.8p
-6.1% Total return for six months ended 30 June 2021 (full year 2020: -27.2%)		
EPRA net tangible assets[1]	**£1,696m**	£1,806m
EPRA net tangible assets per share[1]	**199.2p**	212.1p
Dividend per share	**0.5p**	-
-4.1% Total property return for six months ended 30 June 2021 (full year 2020: -24.4%)		
Property market value[2]	**£1,796m**	£1,942m
Net rental income from continuing operations[3]	**£21.0m**	£15.8m
Loss for the period	**-£104.1m**	-£702.7m
Headline loss per share	**-1.4p**	-1.3p
Basic loss per share[1]	**-12.2p**	-82.5p
Underlying earnings/(loss) per share[4]	-	-0.7p

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 Portfolio on page 59 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 35 of the full announcement.

4. From continuing and discontinued operations. Refer to Underlying Earnings on page 38 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 27 July 2021 via the JSE link at https://senspdf.jse.co.za/documents/2021/jse/isse/CCO/HY21Result.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

The Directors of Capital & Counties Properties PLC have proposed an interim dividend per ordinary share (ISIN GB00B62G9D36) of 0.5 pence payable on 23 September 2021.

Dates

The following are the salient dates for payment of the proposed interim dividend:

Sterling/Rand exchange rate struck:	16 August 2021
Sterling/Rand exchange rate and dividend amount in Rand announced:	17 August 2021
Ordinary shares listed ex-dividend on the Johannesburg Stock Exchange:	25 August 2021
Ordinary shares listed ex-dividend on the London Stock Exchange:	26 August 2021
Record date for interim dividend in UK and South Africa:	27 August 2021
Election date for scrip dividend alternative (SA by noon, UK by 5:30pm):	6 September 2021
Dividend payment date for shareholders	23 September 2021

South African shareholders should note that, in accordance with the requirements of Strate, the last day to trade cum-dividend will be 24 August 2021 and that no dematerialisation of shares will be possible from 25 August 2021 to 27 August 2021 inclusive. No transfers between the UK and South Africa registers may take place from 18 August 2021 to 27 August 2021 inclusive. The above dates are proposed and subject to change.

Subject to SARB approval, the Board intends to offer an optional scrip dividend alternative in respect of the 2021 interim dividend.

The dividend will be split equally between a PID and non-PID. The PID element will be subject to deduction of a 20 per cent UK withholding tax unless exemptions apply. The non-PID element will be treated as an ordinary UK company dividend.

Information for shareholders

The information below is included only as a general guide to taxation for shareholders based on Capco's understanding of the law and the practice currently in force. Any shareholder who is in any doubt as to their tax position should seek independent professional advice.

UK shareholders - PIDs

Certain categories of shareholders may be eligible for exemption from the 20 per cent UK withholding tax and may register to receive their dividends on a gross basis. Further information, including the required forms, is available from the 'Investors' section of the Company's website (capitalandcounties.com), or on request from our UK registrars, Link Group. Validly completed forms must be received by Link Group no later than the dividend Record Date, as advised; otherwise the dividend will be paid after deduction of tax.

South African shareholders

The interim dividend declared by the Company is a foreign payment and the funds are sourced from the UK.

PIDs: South African shareholders may apply to HMRC after payment of the PID element of the dividend for a refund of the difference between the 20 per cent UK withholding tax and the UK/South African double taxation treaty rate of 15 per cent.

The PID element of the cash dividend will be exempt from income tax but will constitute a dividend for Dividends Tax purposes, as it will be declared in respect of a share listed on the exchange operated by the JSE. SA Dividends Tax will therefore be withheld from the PID element of the interim cash dividend at a rate of 20 per cent, unless a shareholder qualifies for an exemption and the prescribed requirements for effecting the exemption are in place by the requisite date. Certain shareholders may also qualify for a reduction of SA Dividends Tax liability to 5 per cent, (being the difference between the SA dividends tax rate and the effective UK withholding tax rate of 15 per cent) if the prescribed requirements for effecting the reduction are in place by the requisite date.

Non-PID: The non-PID element of the cash dividend will be exempt from income tax but will constitute a dividend for SA Dividends Tax purposes, as it will be declared in respect of a share listed on the exchange operated by the JSE. SA Dividends Tax will therefore be withheld from the non-PID element of the interim cash dividend at a rate of 20 per cent, unless a shareholder qualifies for an exemption and the prescribed requirements for effecting the exemption are in place by the requisite date.

Scrip dividend scheme: It is the Company's understanding that the issue and receipt of shares pursuant to the scrip dividend alternative, whether paid as a PID or Non-PID, will not have any SA Dividends Tax nor income tax implications. The new shares which are acquired under the scrip dividend alternative should not comprise of a "foreign dividend" nor a "foreign return of capital" and will be treated as having been acquired for nil consideration.

Any residual cash payments to account for fractional share payments will be exempt from income tax but will be subject to SA Dividends Tax, which will be withheld from the residual payment to South African shareholders at a rate of 20 per cent (or for qualifying shareholders, for PID elements of residual cash amounts, the reduced rate referenced above if the prescribed requirements for effecting the reduction are in place by the requisite date), unless a shareholder qualifies for an exemption and the prescribed requirements for effecting the exemption are in place by the requisite date.

Other overseas shareholders:

Other non-UK shareholders may be able to make claims for a refund of UK withholding tax deducted pursuant to the application of a relevant double taxation convention. UK withholding tax refunds can only be claimed from HMRC, the UK tax authority.

Additional information on PIDs can be found at https://www.capitalandcounties.com/uk-real-estate-investment-trust-reit and the rules of the Scrip Dividend Scheme, which can be found at https://www.capitalandcounties.com/sites/default/files/2020_scrip_dividend_booklet.pdf

ENQUIRIES:

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A presentation will take place today at 09:45am (UK time) through a webcast on the Group's website www.capitalandcounties.com followed by an analyst Q&A.

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