

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
LEI: 549300TTXXZ1SHUI0D54
("Capco")



INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

2 AUGUST 2022

Strong leasing activity and demand across all uses, growth in portfolio value, income and dividends

Footfall continues to trend towards pre-pandemic levels, customer sales in aggregate ahead of 2019

Ian Hawksworth, Chief Executive of Capco, commented:

"There has been strong operational progress at Covent Garden with high occupancy levels and excellent demand across all uses. Leasing activity for the first half was 9% ahead of Dec 21 ERV resulting in a 5% valuation uplift. The progress reflects the continued attraction of London's West End to domestic and a growing number of international visitors, with customer sales in aggregate ahead of 2019. Whilst the broader macroeconomic and political outlook remains uncertain, Capco is very well positioned with a strong balance sheet, low leverage and high liquidity.

We are delighted that shareholders have recognised the benefits of the merger with Shaftesbury PLC by voting in favour of the transaction last week. Blending the best of both companies, Shaftesbury Capital aims to be a leading central London mixed-used REIT with an exceptional portfolio of approximately 670 properties across the West End delivering sustainable value for shareholders."

Update on proposed merger

On 16 June 2022, Capco announced its intention to merge with Shaftesbury PLC and the shareholder approval conditions were satisfied on 29 July 2022. Completion of the Merger is subject to clearance by the CMA, and it is expected to complete by the end of 2022.

Key financials

- Total equity of £1.8 billion (Dec 2021: £1.8 billion)
- EPRA NTA 209 pence per share (Dec 2021: 212 pence per share)
- Total property value increased 4.5 per cent (like-for-like) to £1.9 billion (Dec 2021: £1.8 billion)
- Group net debt to gross assets ratio of 25 per cent (Dec 2021: 24 per cent)
- Covent Garden loan to value ratio of 20 per cent (Dec 2021: 15 per cent)

- Underlying earnings of 0.5 pence per share (Jun 2021: nil pence per share)
- Proposed interim dividend of 0.8 pence per share (Jun 2021: 0.5 pence per share)

Strong demand across all uses delivering income and value growth

- Covent Garden total property value of £1,817 million, 4.8 per cent like-for-like growth since Dec 2021
- ERV increased by 3.9 per cent (like-for-like) to £79.2 million (Dec 2021: £76.2 million) and inward movement in equivalent yield by 6 basis points to 3.82 per cent (Dec 2021: 3.88 per cent)
- Strong leasing demand across all uses with 25 new leases and renewals agreed 9 per cent ahead of Dec 2021 ERV representing £3.9 million contracted income with a further £3.1 million under offer
- Footfall continues to trend towards pre-pandemic levels, customer sales in aggregate ahead of 2019 levels
- Low EPRA vacancy at 2.0 per cent (Dec 2021: 2.6 per cent)
- Rent collection patterns continuing to normalise with 95 per cent of H1 2022 rent collected
- 11 new openings across the estate including Reformation, TAG Heuer and Chestnut Bakery
- Extensive cultural programme; public art installations, pop-up bars and terraces across the estate

Commitment to environment, sustainability and community

- Joined the UN Race to Zero supporting commitment to becoming Net Zero Carbon by 2030
- Initiated first Carbon Risk Real Estate Monitor ("CRREM") analysis on a number of properties
- Recognised as a Climate Leader in the 2022 Financial Times survey
- Continued improvement of EPC ratings across the portfolio
- Implemented rainwater harvesting at Floral Court; expected to provide c.50 per cent of estate cleaning requirements p.a.

Resilient and flexible capital structure

- Repayment of £200 million drawn debt comprising £75 million of private placement notes and the £125 million loan secured against shares in Shaftesbury
- Liquidity of £439 million (cash of £139 million and £300 million undrawn facilities) (Dec 21: £642 million)
- Covent Garden net debt of £359 million (Dec 2021: £254 million) and loan to value ratio of 20 per cent (Dec 2021: 15 per cent)
- Group net debt of £605 million (Dec 2021: £599 million) and net debt to gross assets of 25 per cent (Dec 2021: 24 per cent)
- Weighted average maturity on drawn debt of 5 years (Dec 2021: 5 years) and average cash cost of debt of 2.7 per cent (Dec 2021: 2.8 per cent)
- Group capital commitments of £5.6 million (Dec 2021: £5.4 million)

Other investments

- Investment in Shaftesbury PLC valued at £506 million, based on the Shaftesbury share price (Dec 2021: £596 million), dividend income from Shaftesbury PLC shares of £3.9 million received in H1 2022 and a further £4.7 million in July 2022

- Lillie Square property value of £84 million, a decrease of 1.8 per cent (like-for-like) since Dec 2021. £35 million cash distribution from the joint venture (£17.5 million Capco share)

FINANCIAL HIGHLIGHTS

	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
Total equity	£1,768m	£1,657m	£1,786m
Total equity per share	207.6p	194.6p	209.8p
-1.2% Total return for six months ended 30 June 2022 (full year 2021: 0.4%)			
EPRA net tangible assets ¹	£1,781m	£1,696m	£1,810m
EPRA net tangible assets per share ¹	208.9p	199.2p	212.4p
Dividend per share	0.8p	0.5p	1.5p
5.9% Total property return for six months ended 30 June 2022 (full year 2021: 1.5%)			
Property market value ²	£1,901m	£1,796m	£1,815m
Net rental income ³	£28.0m	£21.0m	£46.4m
(Loss)/profit for the period	-£11.2m	-	£29.3m
		£104.1m	
Headline (loss)/earnings per share ¹	-10.8p	-1.4p	5.3p
Basic (loss)/earnings per share ¹	-1.3p	-12.2p	3.4p
Underlying earnings per share⁴	0.5p	-	0.5p

1. Refer to note 14 "Earnings per share and Net Assets Per Share" on page 40 of the full report.

2. On a Group share basis. Refer to Property Portfolio on page 57 of the full report for the Group's percentage ownership of property.

3. On a Group share basis. Refer to note 2 "Segmental Reporting" on page 31 of the full report.

4. Refer to note 3 "Underlying Earnings" on page 35 of the full report.

SHORT FORM ANNOUNCEMENT

This short form announcement is the responsibility of the Directors of Capco. 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 consideration of the full announcement accessible from 2 August 2022 via the JSE link at <https://senspdf.jse.co.za/documents/2022/jse/isse/CCO/HY22Result.pdf> and also available on the Company's website at <https://www.capitalandcounties.com/investors/results-and-reports>. 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 Capco have declared an interim cash dividend per ordinary share (ISIN GB00B62G9D36) of 0.8 pence payable on 19 September 2022.

Dates

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

Sterling/Rand exchange rate struck:	Monday, 15 August 2022
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Sterling/Rand exchange rate and dividend amount in Rand announced:	Tuesday, 16 August 2022
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Ordinary shares listed ex-dividend on the Johannesburg Stock Exchange: Wednesday, 24 August 2022

Ordinary shares listed ex-dividend on the London Stock Exchange: Thursday, 25 August 2022

Record date for interim dividend in UK and South Africa: Friday, 26 August 2022

Dividend payment date for shareholders	Monday, 19 September 2022
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South African shareholders should note that, in accordance with the requirements of Strate, the last day to trade cum-dividend will be Tuesday, 23 August 2022 and that no dematerialisation of shares will be possible from Wednesday 24 August 2022 to Friday 26 August 2022 inclusive. No transfers between the UK and South Africa registers may take place from 24 August 2022 to 26 August 2022 inclusive. The above dates are proposed and subject to change.

The interim dividend will be paid wholly as a PID. There will be no non-PID element of the interim dividend. As such, the entire interim dividend will be subject to deduction of a 20 per cent UK withholding tax unless exemptions apply.

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 interim 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 interim 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 interim 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: There is no non-PID element of the interim dividend.

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 www.capitalandcounties.com/uk-real-estate-investment-trust-reit

ENQUIRIES:

Capital & Counties Properties PLC:

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A presentation will take place today at 09:00am (UK time) through a webcast on the Group's website www.capitalandcounties.com followed by an analyst Q&A.

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DISCLAIMER

This announcement contains or may contain certain forward-looking statements. These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "could," "may," "would," "should," "intend," "plan," "potential," "predict," "will," "expect," "estimate," "project," "positioned," "strategy," "outlook", "target" and similar expressions. These include statements regarding our intentions, beliefs or current expectations concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the economic and business circumstances occurring from time to time in the countries and markets in which Capital & Counties Properties PLC operates.

All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual future financial

condition, performance and results to differ materially from the plans, goals, expectations and results expressed in the forward-looking statements and other financial and/or statistical data within this communication. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are uncertainties related to the following: the failure to realise contemplated synergies and other benefits from mergers and acquisitions; the effect of mergers, acquisitions and divestitures on Capital & Counties Properties PLC's operating results and businesses generally; the impact of adverse domestic or international legislation and regulation; changes in domestic or international tax laws and rates; adverse litigation and dispute outcomes and the effect of such outcomes on Capital & Counties Properties PLC's financial condition; changes or differences in domestic or international economic or political conditions; the ability to obtain price increases and the impact of price increases on consumer affordability thresholds; adverse decisions by domestic or international regulatory bodies; the impact of market size reduction and consumer down-trading; translational and transactional foreign exchange rate exposure; the ability to maintain credit ratings; the ability to develop, produce or market new alternative products and to do so profitably; the ability to effectively implement strategic initiatives and actions taken to increase sales growth; the ability to enhance cash generation and pay dividends and changes in the market position, businesses, financial condition, results of operations or prospects of Capital & Counties Properties PLC.

It is believed that the expectations reflected in this announcement are reasonable but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated. Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. The forward-looking statements in this announcement reflect knowledge and information available at the date of preparation of this announcement and Capital & Counties Properties PLC undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on such forward-looking statements.

No statement in this communication is intended to be, nor should be construed as, a profit forecast or a profit estimate and no statement in this communication should be interpreted to mean that earnings per share of Capital & Counties Properties PLC for the current or any future financial periods would necessarily match, exceed or be lower than the historical published earnings per share of Capital & Counties Properties PLC.