

31 October 2016

Capco purchases Tower House from Derwent London for £67.5m

Capital & Counties Properties PLC (“Capco”) has acquired the freehold interest of Tower House, 10 Southampton Street, Covent Garden, from Derwent London plc (“Derwent London”) for £67.5m before purchaser’s costs.

The property is a substantial corner building located at the junction of Southampton Street and Tavistock Street with views towards the Piazza. The multi-let building produces an annual rental income of £3.1m across 53,700 sq ft which comprises 13,800 sq ft of retail, 37,000 sq ft of offices and 2,900 sq ft of residential accommodation.

Ian Hawksworth, Chief Executive of Capco, commented:

“Covent Garden is a world class retail and dining destination and Southampton Street is an important gateway to the estate. This acquisition is in line with our strategy to expand our footprint, acquire prime assets and invest in our estate.”

John Burns, Chief Executive Officer of Derwent London, commented:

“This disposal is in line with our June 2016 valuation and, with our total sales of £140m year to date, demonstrates our continued ability to recycle capital.”

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Notes to editors

Capital & Counties Properties PLC (Capco)

Capital & Counties Properties PLC is one of the largest investment and development property companies that specialises in central London real estate and is a constituent of the FTSE-250 Index. Capco's landmark London estates are valued at £3.6 billion¹ (as at 30 June 2016): Covent Garden, which has assets valued at £2.1 billion including the historic Market Building; and Earls Court Properties including the Empress State Building together with the Venues business with aggregate property assets of £1.2 billion. The company is listed on the London Stock Exchange and the Johannesburg Stock Exchange.

1. Group share

www.capitalandcounties.com

Capco Covent Garden

Covent Garden is one of the most distinct and vibrant estates in London. The district is now home to Chanel, Dior, Balthazar and Ivy Market Grill and has recently unveiled some of the finest residential properties in London.

Capital & Counties Properties PLC ('Capco') is responsible for the management and curation of over 1 million sq. ft. of space at Covent Garden valued at £2.1 billion (as at 30 June 2016). Under Capco's stewardship, Covent Garden has been transformed into a world-class destination, welcoming over 44 million customer visits a year.

www.coventgarden.london

Derwent London plc

Derwent London plc owns a portfolio of commercial real estate predominantly in central London valued at £5.2 billion (including joint ventures) as at 30 June 2016, making it the largest London-focused real estate investment trust (REIT).

Our experienced team has a long track record of creating value throughout the property cycle by regenerating our buildings via development or refurbishment, effective asset management and capital recycling.

We typically acquire central London properties off-market with low capital values and modest rents in improving locations, most of which are either in the West End or the Tech Belt. We capitalise on the unique qualities of each of our properties – taking a fresh approach to the regeneration of every building with a focus on anticipating tenant requirements and an emphasis on design.

Reflecting and supporting our long-term success, the business has a strong balance sheet with modest leverage, a robust income stream and flexible financing.

Landmark schemes in our 6.2 million sq ft portfolio include Angel Building EC1, The Buckley Building EC1, White Collar Factory EC1, 1-2 Stephen Street W1, Horseferry House SW1 and Tea Building E1.

In 2015 Derwent London topped the real estate sector for the sixth year in a row and was placed third overall in the Management Today 2015 awards for 'Britain's Most Admired Companies'. In addition the Group won awards by Architects' Journal, British Council for Offices, Civic Trust and RIBA and achieved EPRA Gold for corporate and sustainability reporting. In 2016 Turnmill and The Corner House won RIBA National awards.

As part of its wider sustainability programme, in 2013 Derwent London launched a dedicated £250,000 voluntary Community Fund and, in 2016, made a further commitment of £300,000 for the next three years for Fitzrovia and the Tech Belt.

The Company is a public limited company, which is listed on the London Stock Exchange and incorporated and domiciled in the UK. The address of its registered office is 25 Savile Row, London, W1S 2ER.

For further information see www.derwentlondon.com or follow us on Twitter at @derwentlondon.

Forward-looking statements

Capital & Counties Properties PLC (Capco)

This press release includes statements that are forward-looking in nature. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Capital & Counties Properties PLC to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Any information contained in this press release on the price at which shares or other securities in Capital & Counties Properties PLC have been bought or sold in the past, or on the yield on such shares or other securities, should not be relied upon as a guide to future performance.

Derwent London plc

This document contains certain forward-looking statements about the future outlook of Derwent London. By their nature, any statements about future outlook involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. Actual results, performance or outcomes may differ materially from any results, performance or outcomes expressed or implied by such forward-looking statements.

No representation or warranty is given in relation to any forward-looking statements made by Derwent London, including as to their completeness or accuracy. Derwent London does not undertake to update any forward-looking statements whether as a result of new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast.