



Press Release

23 July 2012

Great Capital Partnership Sells Jermyn Street Estate for £120 million.

The Great Capital Partnership (“GCP”), the 50/50 Joint Venture between Capital & Counties Properties PLC (“Capco”) and Great Portland Estates plc (“GPE”) announces today that it has exchanged contracts to sell The Jermyn Street Estate, SW1 to GPE for £120 million or £60 million for the half share GPE does not already own.

The Estate consists of five properties, 54-56 Jermyn Street, Dudley House, Egyptian House, Empire House and Foxglove House. All these assets are held on separate 125 year headleases from The Crown Estate at a combined fixed headrent of £675,000 per annum until September 2014, thereafter reverting to 10% of rents received.

The properties comprise a mix of office and retail accommodation and extend to a total circa 133,000 sq. ft. with frontages to both Piccadilly and Jermyn Street. There are currently 62 tenants across the estate including Standard Chartered Bank, Wiltons, Starbucks and Kent & Curwen. GCP completed a comprehensive refurbishment of circa 27,700 sq. ft. of vacant office accommodation in June 2012, of which 3,800 sq. ft. (14%) has been let so far. The properties generate a current net rental income of circa £4.5 million after payment of the headrent and have an estimated net rental value today of £7.3 million. The sale reflects a net initial yield of 3.7% and net reversionary yield of 6.0% after the deduction of actual costs incurred in the transaction. The Estate was sold at a 3.3% premium on the June 2012 valuation.

Completion of the purchase is conditional on approval from both the freeholder and lenders to GCP.

Ian Hawksworth, Chairman of GCP and Chief Executive of Capco commented, “The sale of The Jermyn Street Estate releases capital back into the Joint Venture and allows our partners GPE to further expand their Piccadilly portfolio in light of their recent acquisition of French Railways House and 50 Jermyn Street. GCP will consider further disposals on a case by case basis over the remainder of this year.”

Toby Courtauld, Chief Executive of GPE said, “We are delighted to have bought the half of the Jermyn Street Estate we didn’t already own. With our recent acquisition adjoining the properties, this gives us circa 185,000 sq. ft. of prime real estate with opportunities to grow income in the short term. In the longer term, the combined properties offer a superb development opportunity in one of the West End’s premier sub markets, with the potential to deliver material uplift in both quality and quantity of accommodation on the site.”

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About Capital & Counties Properties PLC (Capco):

CAPITAL & COUNTIES PROPERTIES PLC is one of the largest companies that specialises in central London real estate and is a constituent of the FTSE-250 Index. CAPITAL & COUNTIES PROPERTIES PLC holds 3.3 million square feet of assets valued at £1.6 billion (as at 31 December 2011) in three landmark London estates: Covent Garden, which has assets valued at £808 million, including the historic Market Building; Earls Court & Olympia Group and 50% of the Empress State building in Earls Court amounting to aggregate property assets of £574 million; and the Great Capital Partnership, a joint venture with Great Portland Estates, which holds prime West End properties of which Capco's share is £241 million. The company is listed on the London Stock Exchange and the JSE, Johannesburg.

www.capitalandcounties.com