

# Liberty International PLC

Business Overview March 2008



Lakeside Thurrock, The Boardwalk



St David's 2, Cardiff (artist's impression)



Eldon Square, Newcastle (artist's impression)



Covent Garden, London



Earls Court, London

## Key facts:

- ▶ £6.5 billion investment properties
- ▶ 14 prime locations in the UK
- ▶ 12.6 million sq. ft. of space
- ▶ 2,021 retail units
- ▶ 225 million customer visits a year

# The UK's industry leader in large scale shopping centres

Capital Shopping Centres ("CSC") has interests in 14 UK regional shopping centres amounting to 12.6 million sq. ft. in aggregate including eight of the UK's top 21 regional shopping centres with a market value of £6.5 billion at 31 December 2007.

CSC has major development projects underway in Cardiff and Newcastle.

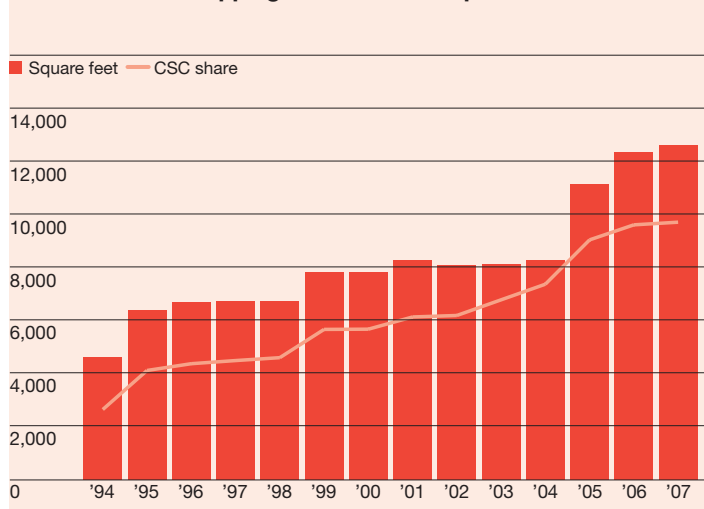
CSC's strategy is to improve the competitive position of each existing asset and to successfully pursue its development programme.

During 2007, CSC achieved like-for-like growth in net rental income of 3.5 per cent with a continued high occupancy rate of 98.7 per cent (2006 – 97.7 per cent).

## Shopping Centre investment property valuation data (31 December 2007)

	Market value 31 December 2007 £m	Nominal equivalent yield	
		31 December 2006	31 December 2007
<b>UK regional shopping centres</b>			
Lakeside, Thurrock	1,247.9	4.65%	4.90%
MetroCentre, Gateshead	1,010.0	4.75%	4.99%
Braehead, Glasgow	730.3	4.81%	5.02%
The Harlequin, Watford	506.2	4.75%	4.95%
Victoria Centre, Nottingham	444.8	4.95%	5.00%
Arndale, Manchester	418.5	4.96%	5.13%
Chapelfield, Norwich	324.5	5.00%	5.20%
Cribbs Causeway, Bristol	296.3	4.74%	5.06%
The Potteries, Stoke-on-Trent	278.3	5.00%	5.50%
The Chimes, Uxbridge	261.8	5.00%	5.35%
Eldon Square, Newcastle upon Tyne	258.0	5.20%	5.25%
The Glades, Bromley	257.2	4.95%	5.40%
St David's, Cardiff	101.2	5.00%	5.26%
Xscape, Braehead	39.8	6.04%	6.21%
<b>Like-for-like capital</b>	<b>6,174.8</b>	<b>4.84%</b>	<b>5.07%</b>
<b>Other</b>	<b>306.3</b>		
<b>Total UK regional shopping centres</b>	<b>6,481.1</b>		

## Growth in CSC shopping centre ownership



# Prime locations

- 
- 01 Braehead**  
Renfrew Glasgow (98,470 sq. m./ 1.06 million sq. ft.)
  - 02 Chapelfield**  
Norwich (49,240 sq. m./530,000 sq. ft.)
  - 03 The Chimes**  
Uxbridge (40,880 sq. m./440,000 sq. ft.)
  - 04 Eldon Square**  
Newcastle (90,670 sq. m./976,000 sq. ft.)  
**Eldon Square South**  
Newcastle estimated opening 2010 (42,550 sq. m./488,000 sq. ft.)
  - 05 The Glades**  
Bromley (43,020 sq. m./463,000 sq. ft.)
  - 06 The Harlequin**  
Watford (67,450 sq. m./726,000 sq. ft.)
  - 07 Lakeside**  
Thurrock (133,180 sq. m./ 1.43 million sq. ft.)
  - 08 The Mall at Cribbs Causeway**  
Bristol (92,440 sq. m./995,000 sq. ft.)\*
  - 09 Manchester Arndale**  
(130,060 sq. m./1.4 million sq. ft.)  
**New Cathedral Street**  
Manchester (18,580 sq. m./ 200,000 sq. ft.)
  - 10 MetroCentre**  
Gateshead (189,390 sq. m./ 2.04 million sq. ft.)\*
  - 11 The Potteries**  
Stoke-on-Trent (52,600 sq. m./ 566,000 sq. ft.)
  - 12 St. David's**  
Cardiff (39,670 sq. m./427,000 sq. ft.)  
**St. David's 2**  
Cardiff estimated opening 2009 (89,880 sq. m./967,500 sq. ft.)
  - 13 Victoria Centre**  
Nottingham (91,140 sq. m./ 981,000 sq. ft.)
  - 14 Westgate**  
Oxford estimated opening 2012 (69,680 sq. m./750,000 sq. ft. on opening)
- \*including retail park

# Development programme

We continue to make great progress with our major development schemes in Newcastle and Cardiff. In addition to this, through Capco Urban our mixed-use development business, the group continues its activities in Leeds, Greenwich, Manchester and is the preferred developer for Canterbury for a 25 acre mixed-use project site at Wincheap.



St David's 2 Cardiff (artist's impression)



St George's Way, Eldon Square



Wincheap, Canterbury

Details of the committed development projects as at 31 December 2007 are set out in the table below:

Development	Status	Cost to complete
<b>Eldon Square, Newcastle (60% interest)</b>		<b>£57m</b>
Phase one – restaurants and 22,000 sq. ft. retail.	Completed in October 2006.	
Phase two – bus station and 48,000 sq. ft. retail.	Bus station completed February 2007. New mall St George's Way opened 19 February 2008.	
Phase three – 410,000 sq. ft. retail extension including 175,000 sq. ft. Debenhams department store.	On site July 2007. Expected opening Spring 2010.	
<b>St David's, St David's 2 Cardiff</b>		<b>£186m</b>
967,000 sq. ft. extension. Joint venture with Land Securities Group PLC.	On site. Expected opening Autumn 2009.	
<b>Other developments – CSC</b>		<b>£34m</b>
<b>Other developments – Capital &amp; Counties</b>		<b>£40m</b>
<b>Total committed developments</b>		<b>£317m</b>

**Key facts:**

- ▶ £2.2 billion investment properties
- ▶ 7.3 million sq. ft. of space
- ▶ Central London focus
- ▶ 50% prime retail

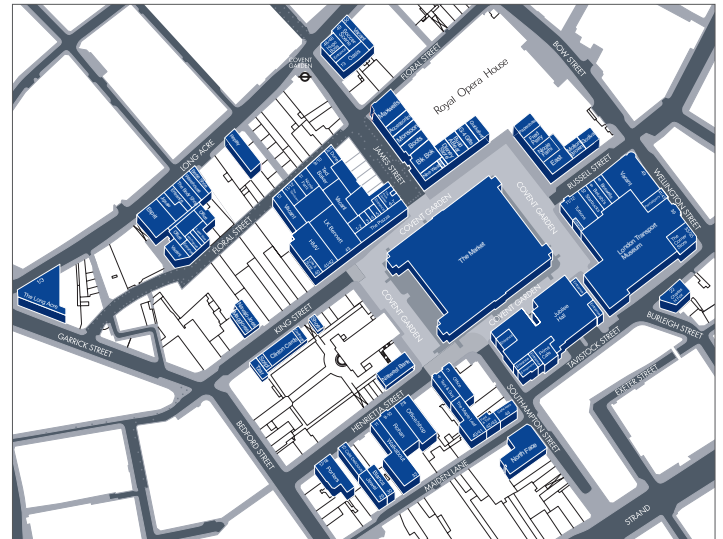


# Dynamic UK retail and commercial property business

Capital & Counties' strategy is to generate superior returns through business units divided into Core, Value-add and Opportunity segments with entrepreneurial management, through creative deployment of capital, selective partnerships and development of sustainable core operating skills.

The company has changed substantially over the last 18 months and grown through some significant transactions from £1.1 billion of investment properties at June 2006 to £2.2 billion at 31 December 2007 including Central London ownership increasing to £1.4 billion incorporating;

- ▶ The Covent Garden Estate, where we have substantially consolidated our ownership in 2007 to £664 million, making it the group's fourth largest investment. We continue to make progress, working closely with stakeholders on the strategic plan for the area.
- ▶ Our 50/50 partnership with Great Portland Estates plc – The Great Capital Partnership – now totals £654 million, of which some two-thirds is focused on Regent Street and London's west end.
- ▶ Earls Court and Olympia where we moved decisively in 2007 to secure 50 per cent ownership and effective control. This asset now worth £381 million offers over one million sq. ft. of exhibition and conference space with considerable opportunities to intensify use.



Plan of Covent Garden holdings

**International interests**

Capco USA our established business developing mixed-use properties with an emphasis on retail now has total assets of £381 million. Activities are focused on California with our flagship shopping centre, Serramonte, continuing to provide active management and remodelling opportunities.

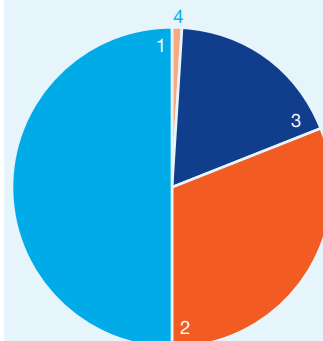
Capco International has been formed to support broader group initiatives in the international marketplace. In 2007, we subscribed for a 25 per cent interest in an Indian shopping centre development company, Prozone, a 75 per cent subsidiary of the fast growing Indian retailer Provogue.



Earls Court and Olympia, London

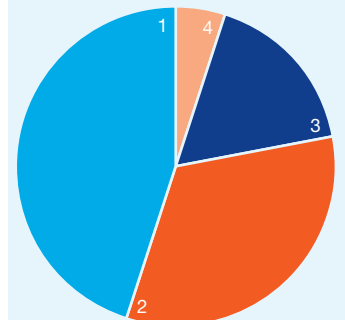
**£2.2 billion properties**

- 1 Retail (50%)
- 2 Office (31%)
- 3 Exhibitions (18%)
- 4 Other (1%)



**7.3 million sq. ft.**

- 1 Retail (45%)
- 2 Office (33%)
- 3 Exhibitions (17%)
- 4 Other (5%)



## Key facts:

- ▶ £8.6 billion total properties
- ▶ Prime locations in UK and USA
- ▶ Focus on prime retail
- ▶ Active management of assets
- ▶ Robust financial position

Liberty International PLC is one of the UK's largest listed property companies and a constituent of the FTSE 100 Index of the UK's leading listed companies. Liberty International converted into a UK Real Estate Investment Trust (REIT) on 1 January 2007.

At 31 December 2007, Liberty International held £8.6 billion of total properties of which UK regional shopping centres comprised 75 per cent and retail property in aggregate 88 per cent. Assets of the group under control or joint control amounted to £11.0 billion at that date.

### Liberty International is engaged in the development, ownership and management of:

UK regional shopping centres, through Capital Shopping Centres ("CSC"), owning interests in four major out-of-town centres; Lakeside, Thurrock; MetroCentre, Gateshead; Braehead, Renfrew, Glasgow; The Mall, Cribbs Causeway, Bristol; and 10 major in-town regional centres, including two development projects in Cardiff and Oxford.

Other retail and commercial properties in the UK and USA through Capital & Counties ("C&C"), including ownership of the Covent Garden Estate and other Central London assets.

### Liberty International is also engaged in:

Investment activities, where it looks to use the substantial capital resources at its disposal to access profitable real estate-related financial market opportunities.

### Liberty International focuses on:

Producing outstanding long-term returns for shareholders through capital and income growth.

Premier property assets, particularly shopping centres and other retail, which have high potential, scarcity value and require active management and creativity.

## 31 December 2007 headlines

Like-for-like gains on revaluation of investment properties:

	Year ended 31 December 2007	Nine months ended 30 September 2007	Six months ended 31 December 2007
UK regional shopping centres	-3.9%	+1.7%	+2.6%
UK non-shopping centre properties	-0.2%	+3.1%	+3.2%
USA	+6.5%	+6.5%	+3.7%

## Major Transactions in 2007

- ▶ Strategic partnership with GIC Real Estate. CSC entered into an agreement with GIC Real Estate ("GIC RE") for GIC RE to acquire a 40 per cent share in CSC's interest in MetroCentre for a gross consideration of £426 million. GIC RE is the real estate investment arm of the Government of Singapore Investment Corporation and one of the world's leading global real estate investors.
- ▶ Formation of a £460 million Central London joint venture with Great Portland Estates. Capital & Counties announced the formation of The Great Capital Partnership, a 50:50 joint venture with Great Portland Estates plc ("GPE"), to own, manage and develop a number of Central London properties. The partnership has grown to £654 million at 31 December 2007.
- ▶ Aggregate disposals (excluding 40 per cent of MetroCentre) of £340 million at surplus of £37 million over 31 December 2006 book values.
- ▶ Further investment in Covent Garden of £190 million, including £128 million acquisition of the Royal Opera House retail units.
- ▶ Acquisition of a 50 per cent interest in EC&O Venues (Earls Court and Olympia Group), valuing the assets at approximately £375 million. The partnership owns and manages Earls Court and Olympia Exhibition Centres in West London and The Brewery, Chiswell Street, London EC2.

## Financial Highlights – Year ended 31 December 2007

		Year ended 31 December 2007	Year ended 31 December 2006
Net rental income	+10%	£374m	£341m
Profit before tax (underlying*)	+6%	£129m	£122m
(Loss)/Gain on revaluation and sale of investment properties		(£279m)	£587m
(Loss)/Profit before tax		(£125m)	£903m
Total properties		£8,666m	£8,232m
Net debt		£3,668m	£3,063m
Net assets (diluted, adjusted)		£4,757m	£5,002m
Adjusted earnings per share	+6%	36.0p	33.9p
Dividends per share	+10%	34.1p	31.0p
Net assets per share (diluted, adjusted**)	-5%	1264p	1327p

Note: Year ended 31 December 2006 included £883 million (net) tax credit from conversion to REIT status.

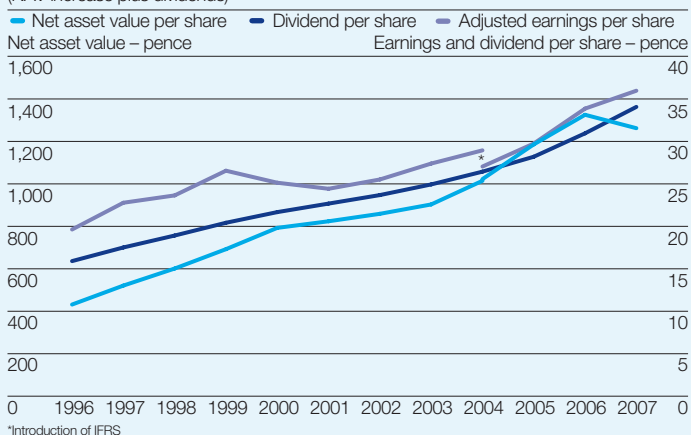
\* Before property trading, valuation and exceptional items.

\*\* Net assets per share (diluted, adjusted) would increase by 104p per share to 1,368p at 31 December 2007 (31 December 2006 – by 98p to 1,425p) if adjusted for notional acquisition costs amounting to £390 million (31 December 2006 – £370 million).

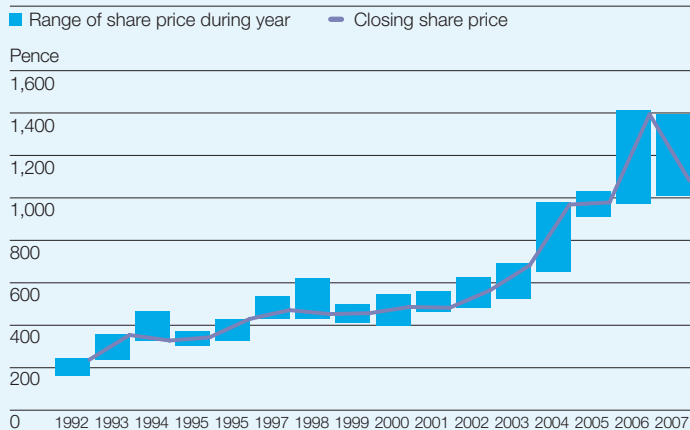
# Long-term financial record 31 December 2007

## 12.4 per cent per annum compound total return 1997–2007

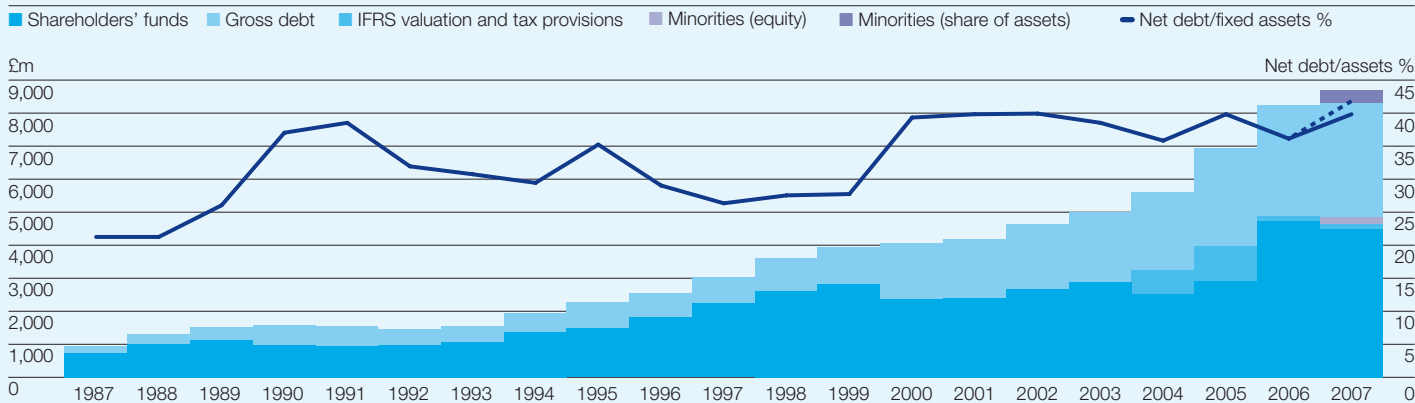
(NAV increase plus dividends)



## Share price history since listing in London 30 July 1992



## Financial strength – debt and gross assets 1987 to 2007



## Growth in CSC gross rental income

