
Financial review (continued)

Transactions during the year ended 31 December 2007

- Strategic partnership with GIC Real Estate realising £426 million.

Our wholly owned subsidiary, Capital Shopping Centres (“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 the MetroCentre, Gateshead 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. CSC continues to manage the MetroCentre. The transaction, which completed during the second quarter, released capital to enable Liberty International to continue to expand its overall business. The MetroCentre Partnership is accounted for as a subsidiary undertaking with the results, assets and liabilities fully consolidated in the year’s results and GIC’s participation shown as minority interests.

- Formation of a £460 million Central London joint venture with Great Portland Estates, increased to £654 million at 31 December 2007.

Our wholly owned subsidiary, Capital and 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 and to broaden both parties’ exposure in Central London. The Great Capital Partnership had a starting value of around £460 million, with Capital & Counties contributing £299 million of investment properties and GPE contributing £162 million and making a balancing payment of £68 million in cash to Capital & Counties. The transaction completed during the second quarter. GPE is responsible for day-to-day asset management of the partnership properties. Taking into account subsequent acquisitions and revaluations, the partnership had increased to £654 million with no borrowings at 31 December 2007.

- Acquisition of a 50 per cent interest in EC&O Venues (Earls Court & Olympia Group).

Capital & Counties acquired a 50 per cent interest in EC&O for a sum that valued the assets at approximately £375 million. The consideration for the 50 per cent interest was £54 million taking into account all assets, debt and other liabilities of the business. The group owns and manages the Earls Court and Olympia Exhibition Centres in West London and the Brewery, Chiswell Street, London EC2, with the aim of establishing the venues as landmark leisure destinations, centred around the core businesses of exhibitions, conferences and special events whilst exploring opportunities to intensify use. The interest in EC&O has been accounted for as a subsidiary with the results, assets and liabilities fully consolidated in the year’s results.

- Acquisition of the Covent Garden Restaurants Group.

Capital & Counties acquired the Covent Garden Restaurants Group, owners of the Rock Garden and Tuttons restaurants in Covent Garden, for a net consideration of £22 million. This, together with the EC&O transaction, gave rise to goodwill carried in the group balance sheet at £27 million.