Preliminary Results Presentation

22nd February 2000

Capital & Regional

Key Operating Highlights

- Fully diluted net assets per share increased by 17% to 376p (1998: 18% 321p)
- Net rental income up 18% to £45.5m (1998: £38.5m)
- Profit on revenue activities at £10.4m, up 49% (1998: £7.0m) excluding surrender premiums £0.3m (1998: £4.5m)
- Earnings per share up 1% to 12.2p (1998: 12.1p)
- Dividends per share up 18% to 5.0p (1998: 4.25p)
- On a same store basis, that is property owned at the end of 1998 and retained during the whole of 1999, achieved capital growth of 6.5%

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Key Operating Highlights

- Acquisitions of £214m during the year including The Ashley Centre, Epsom for £73m, Westway Shopping Park for £33m and St Andrew's Quay Retail and Leisure Park, Hull for £24m
- Disposals of £48m including Eureka Leisure Park, Ashford, Kent for £17m
- Conditional contracts have been entered into to develop:
  - a 33 acre site in Oldbury, West Midlands for a 475,000 sq ft retail and leisure park
  - a 6.35 acre town centre site in Yeovil for a 90,000 sq ft leisure scheme
- Xscape, Milton Keynes, the integrated retail and leisure entertainment destination, with 'real snow' ski slope, completing in May, and agreements reached to develop concept in Castleford, UK and in the Ruhr, Germany

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Key Operating Highlights

- Eight 100,000 to 130,000 sq ft retail warehouse 'Big Box' units have been let or agreed on our existing parks and future developments
- Capital & Regional and PRICOA Property Investment Management Limited, in discussion with a number of institutional investors regarding the establishment of a fund to invest in UK in-town covered centres. The initial response from investors is favourable
- Current portfolio of over 80% retail and leisure, consists of 10 in-town covered centres and 12 retail and leisure parks, including Xscape, Milton Keynes. Portfolio value over £900m providing over 5 million sq ft, with future developments of over 2 million sq ft

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1999 Preliminary Results

Profit and Loss Account	1999	1998	% Increase
Net rental income	£45.5m	£38.5m	18%
Revenue profit - recurring	£10.4m	£7.0m	48%
Profit on sale of investment properties and investments	£2.1m	-	-
Profit before tax	£12.8m	£11.5m	11%
Tax	£0.4m	£0.3m	-
Earnings per share - recurring revenue	9.9p	7.3p	36%
Dividends per share	5.0p	4.25p	18%
Income cover - recurring	1.6	1.6	-

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1999 Preliminary Results

Balance Sheet	1999	1998	Increase
Fully diluted shareholders funds	£416.6m	£354.8m	£61.8m
Fully diluted NAV per share	376p	321p	17%
Gearing - CULS converted	134%	93%	-
Debt fair value adjustment - - per share	+1.0p	-7.0p	-

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Shareholders Funds

	Dec 1999	
Shareholders investment	£172m	44%
Created equity	£221m	56%
Total shareholders equity	£393m	

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Property Assets

£ million	Fixed Property Assets	Current Property Assets	Total
At 25th December 1998	655	24	679
Acquisitions	199	25	214
Refurbishment and development	61	16	77
Disposals	(15)	(30)	(45)
Revaluation surplus	56	-	56
At 25th December 1999	946	35	981

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Disposals

£ million	Sale proceeds	Book value	FRS3 profit	Prior yr valuation	HC profit
Trading					
Ashford	17.0	15.9	-	-	1.1
Norwich	5.4	4.3	-	-	1.1
Other	9.4	8.6	-	-	0.8
Provisions	-	1.4			(1.4)
Total	31.8	30.2			1.6
Investment					
St James' House	4.4	4.2	0.2	1.8	2.0
Industrial / Other	11.7	10.6	1.1	0.3	1.4
Total	16.1	14.8	1.3	2.1	3.4
Total Properties	47.9	45.0	1.3	2.1	5.0

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Operating Strategy

- Invest in, create and manage:
  - In-town covered centres
  - Out of town retail and leisure parks
- Central philosophy - Rising pedestrian flow > increased tenant profitability > rental and capital growth
- Primary focus on 'Value Retailing'
- Active management
  - lease restructure
  - renovation
  - development
- Unique specialist skills
  - facilities management
  - marketing, branding and promotion
  - retailer partnership
- Business managers not asset minders
- Develop the Capital & Regional 'Leading Edge' management approach, including our internet strategy

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Capital & Regional's 'Leading Edge' Management Approach

Total - 74

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Why In-town Centres

- Re-invigoration of in-town centres
- Retail - local activity
- Capital & Regional's 'Leading Edge' Management Approach
- Sustainable growth

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In-town Centres - How?

- Focused investment strategy
- Value Retailing
- Controlled environment
- Adaptable space
- Marketing and promotions
- Market share

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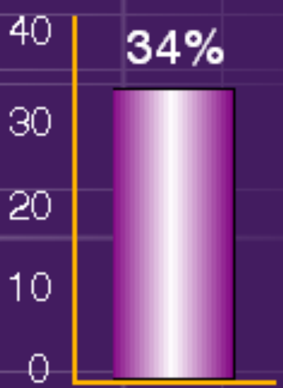
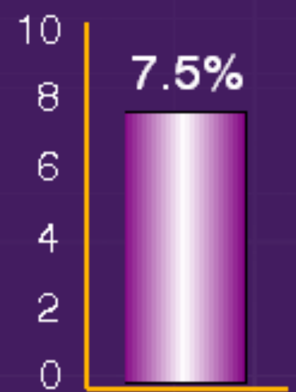
Capital & Regional's 'Leading Edge' Management Approach - Results

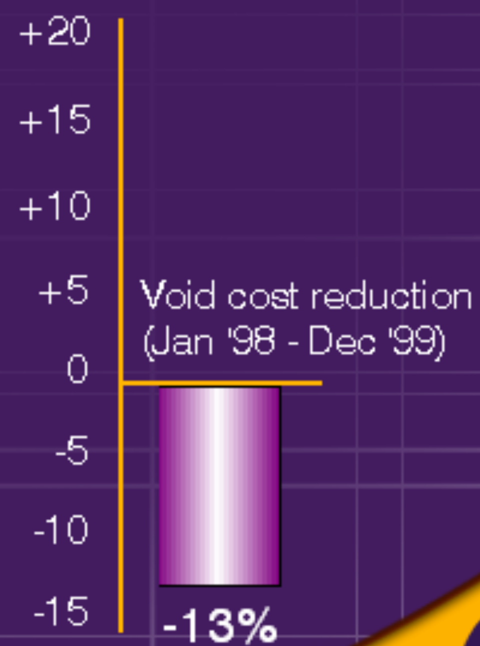
- Total service charges reduced by 0.7%, whilst marketing and promotion increased by 34% (Jan '98 - Dec '00)



Service charge spend on marketing and promotion (Jan '98 - Dec '00)



Footfall increase (Jan '98 - Dec '99)



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Economies of Scale

- Branding / PR / Advertising
- Promotional partnerships
- Multi-tenant relationships and cross marketing
- Service charge savings

Retail and Leisure Parks

- Same focused catchment criteria
- Opportunistic and tenant driven - Y2K 'Big Box'
- Adaptable and flexible space
  Planning expertise and influence
  - Lancaster Retail Park
  - St Andrew's Quay, Hull
- Major new projects
  - Oldbury
  - Junction 10 Retail Park, Glasgow
- Utilise Capital & Regional's 'Leading Edge' Management Approach
  - Westway Shopping Park
- Develop Xscape brand

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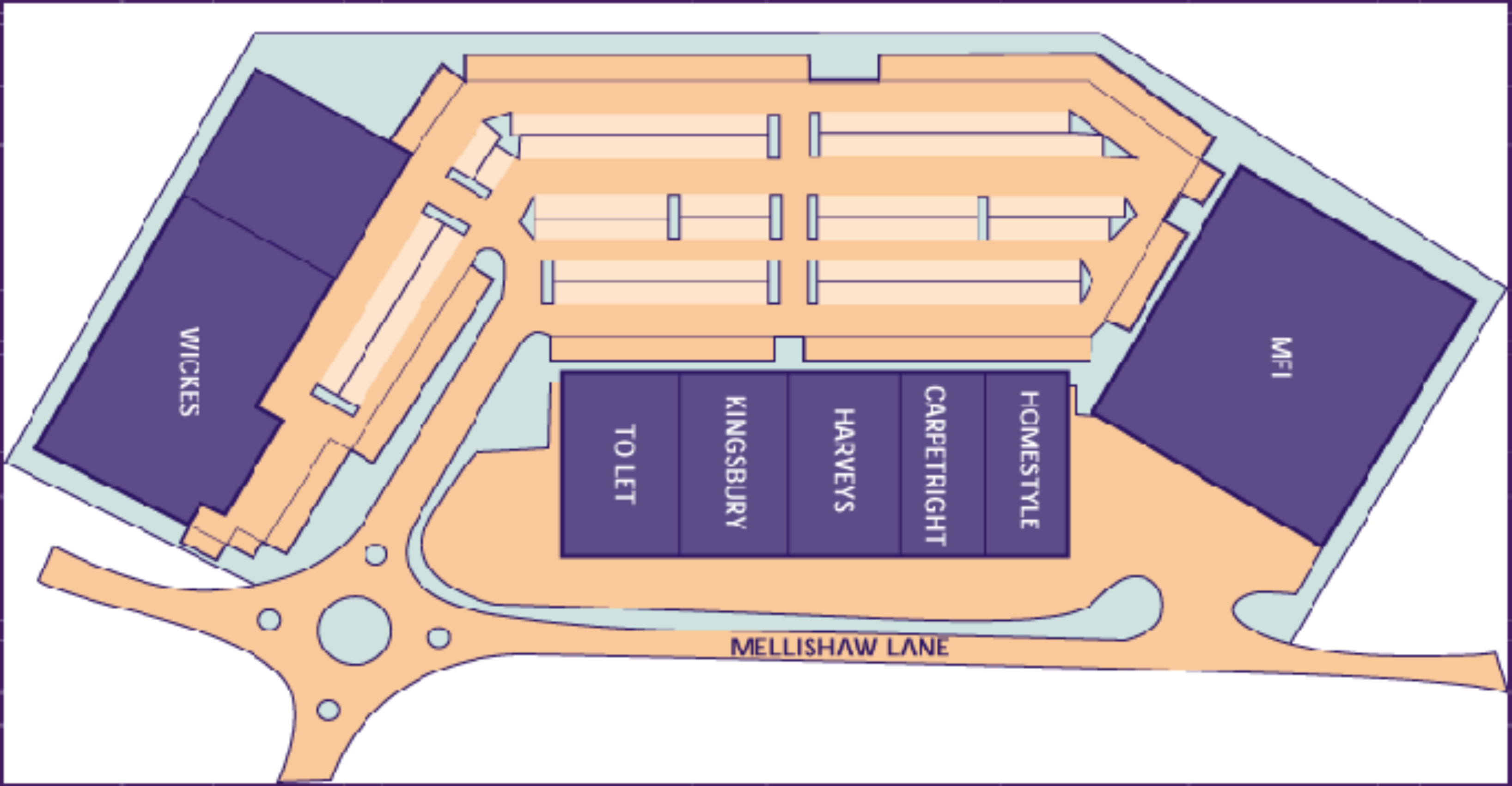
Xscape

- Milton Keynes
- Castleford
- Ruhr, Germany

Lancaster Retail Park - As Acquired



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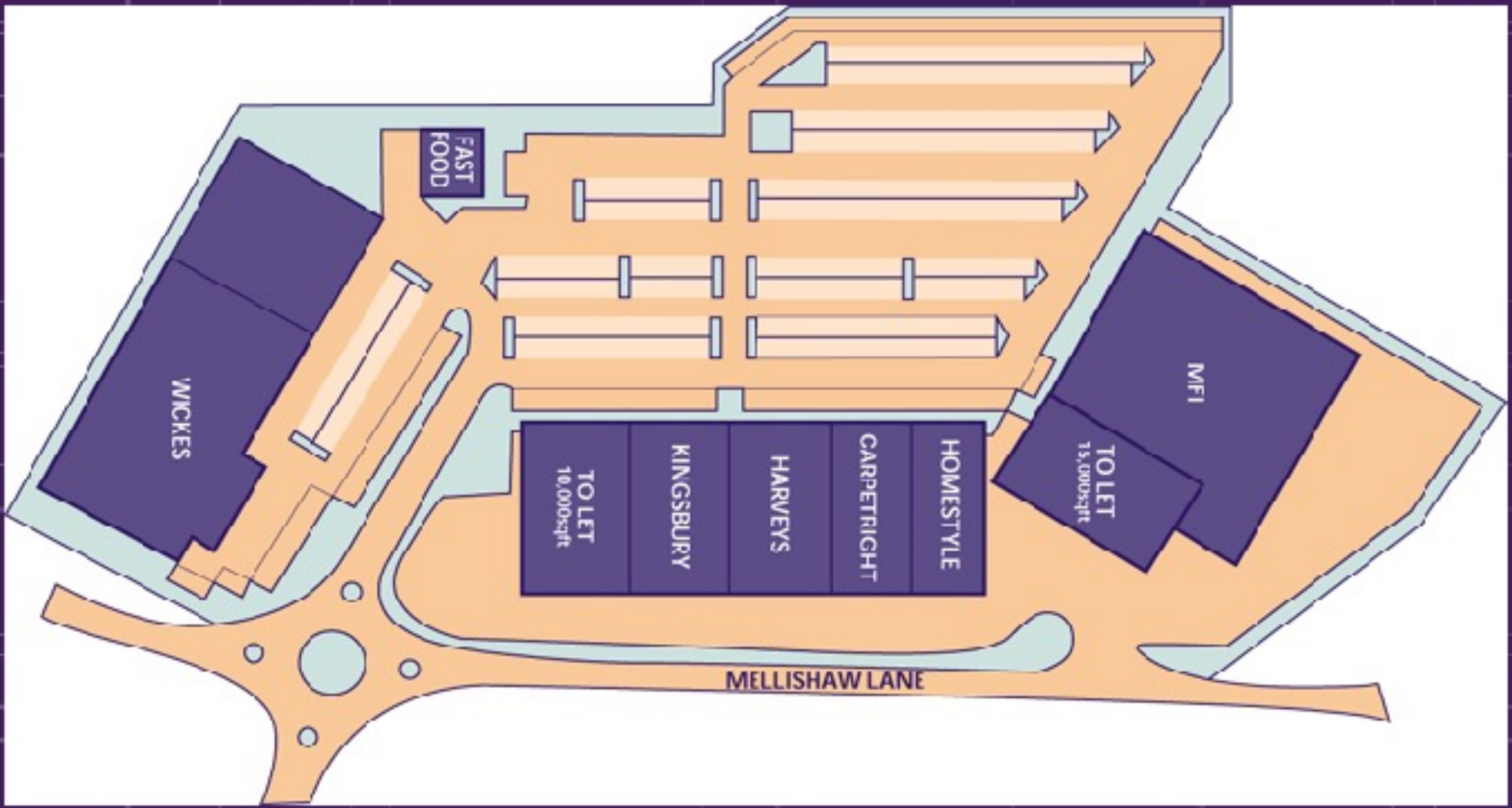
Lancaster Retail Park - As Proposed



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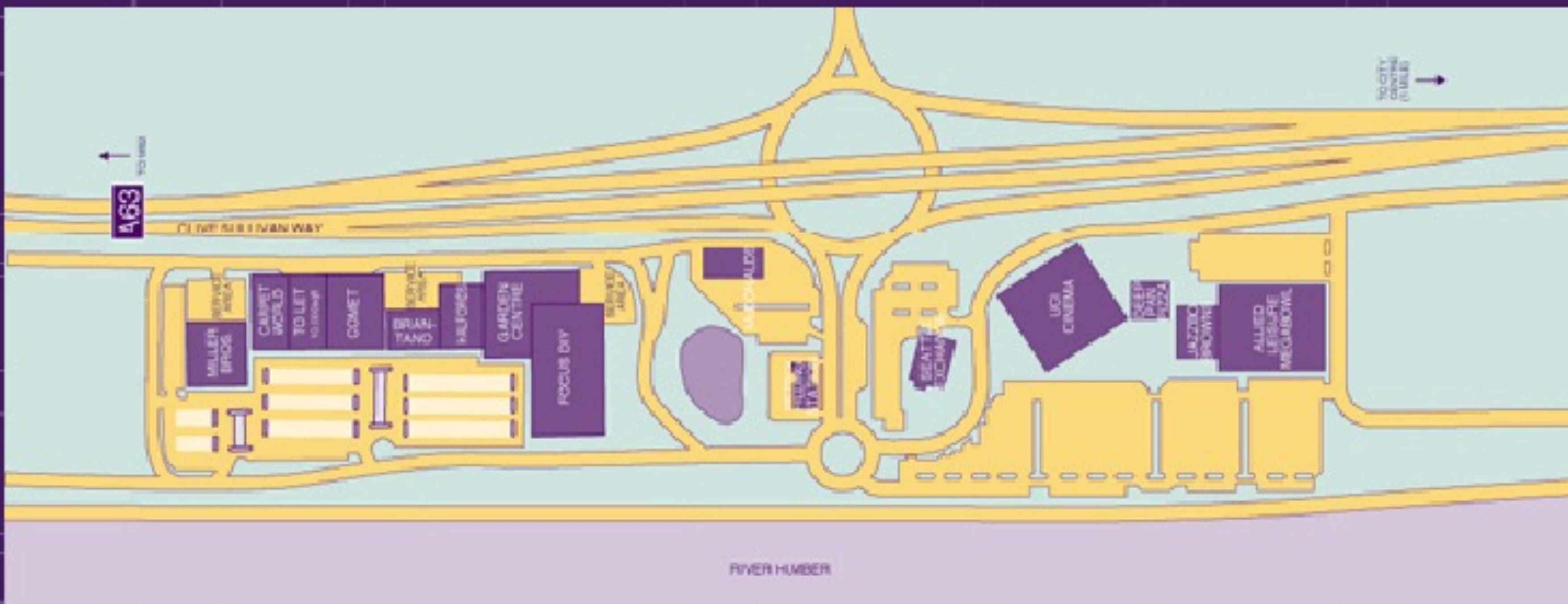
St Andrew's Quay - As Acquired



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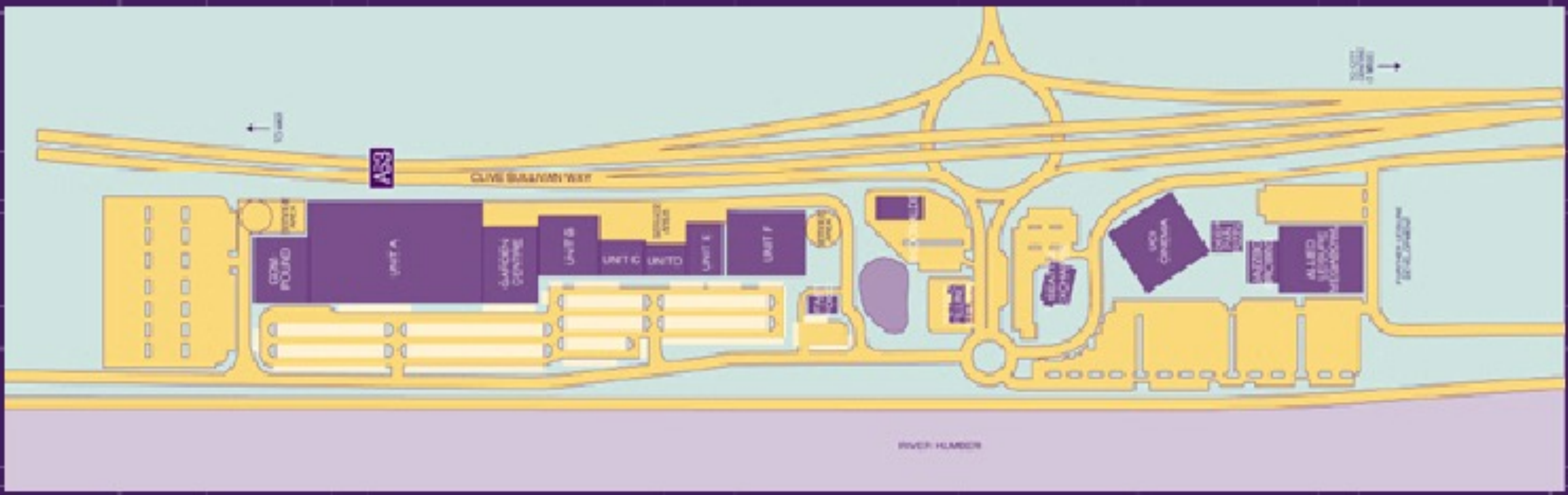
St Andrew's Quay - As Proposed



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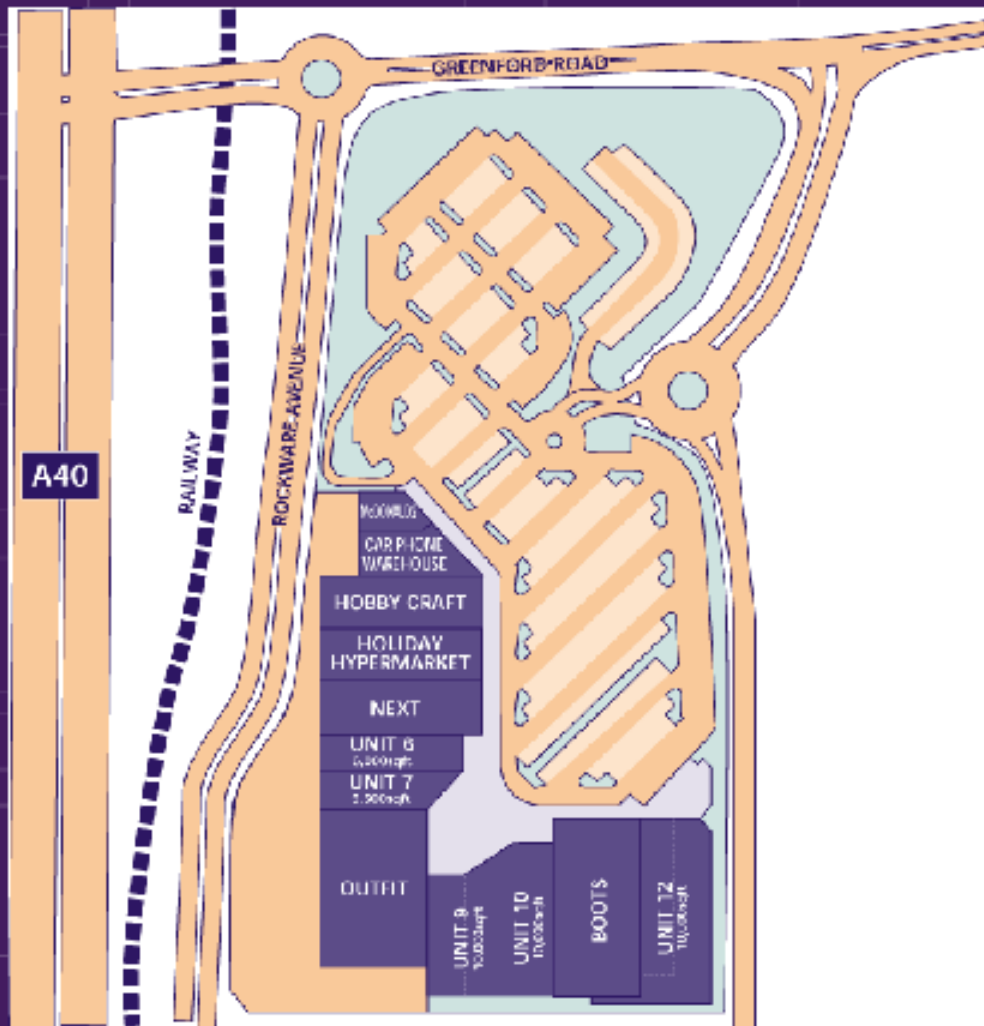
Westway Shopping Park - As Existing



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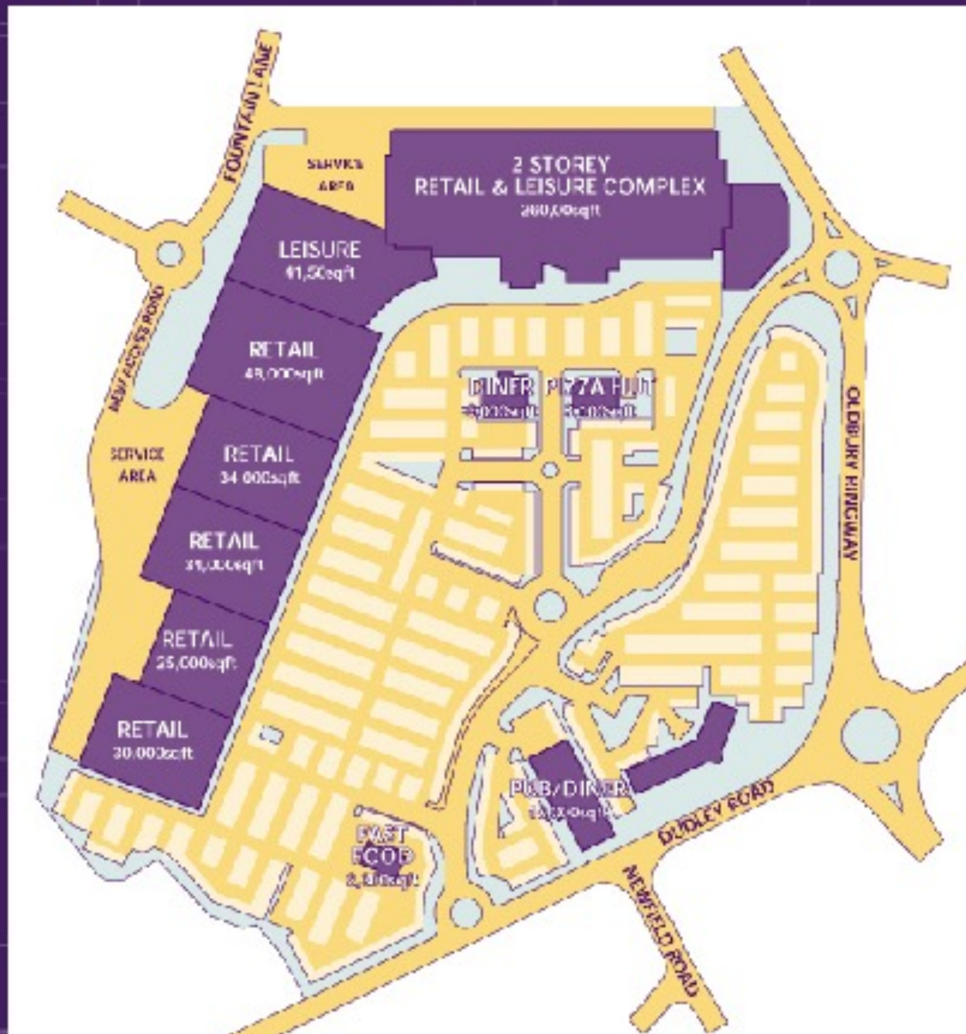
Retail and Leisure Park, Oldbury - As Proposed



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The Times - 21 January 2000

RETAIL WINNERS AND LOSERS

Company	Annual % change like-for-like sales	Period
Matalan	22.3	26 weeks to January 1
JD Sports	17.6	5 weeks to January 1
DFS	17.5	23 weeks to January 11
JJB Sports	15	6 weeks to January 9
B&Q (Kingfisher)	12.4	9 weeks to January 1
Signet	12.3	8 weeks to December 24
Selfridges	11.2	23 weeks to January 8
Peacock Grp	9	5 weeks to January 1
T J Hughes	8.3	5 weeks to January 1
Next	8	1 Aug to December 24
GUS (Argos)	6.9	14 weeks to January 8
Comet (Kingfisher)	6.2	9 weeks to January 1
Safeway	6.1	12 weeks to January 8
Tesco	5.5	21 weeks to January 8
Dixons	5	8 weeks to January 8
Woolworth (Kingfisher)	3.1	9 weeks to January 1
Boots the Chemist	2.2	13 weeks to December 31

Company	Annual % change like-for-like sales	Period
Littlewoods	2	5 weeks to December 31
J Sainsbury	2	12 weeks to January 8
Mothercare (Storehouse)	1.8	12 weeks to January 1
M&S (home furnishings)	1.3	15 weeks to January 8
W H Smith	1	Forecast
Allders	0.2	15 weeks to January 15
Debenhams	0.2	20 weeks to January 15
Arcadia	0	20 weeks to January 15
House of Fraser	0	22 weeks to January 9
Oasis Stores	0	24 weeks to January 15
M&S (food)	-1.5	15 weeks to January 8
New Look	-2.5	16 weeks to January 15
Gus (Home shopping)	-3.5	14 weeks to January 8
Bhs (Storehouse)	-4.4	12 weeks to January 1
Moss Bros	-9.1	50 weeks to January 15
M&S (clothing/general)	-11.4	15 weeks to January 8

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Our Portfolio

Winners
Matalan
JD Sports
DFS
JJB Sports
B&Q
Signet Group
Peacocks
Next
Argos
Comet
Dixons
Woolworths
Boots
Mothercare
WH Smith
Debenhams

Losers
Arcadia
New Look
BHS
Moss Bros

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Strategic Initiatives

- In-town Centre Partnership Fund
- Industrials
- Purchase of own securities

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Outlook

- Dominant UK owner and manager of:

  - Covered in-town centres
  - Retail and leisure parks

- Build C&R brand of 'Leading Edge' Management Approach

- Continue sustainable outperformance

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