

INTU PROPERTIES PLC
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INTU PROPERTIES PLC

4 MAY 2020

MANAGEMENT CHANGES AND MARKET UPDATE

Appointment of Chief Restructuring Officer

intu properties plc ('intu' or the 'Company') is pleased to announce the appointment of David Hargrave as Chief Restructuring Officer. David has 20 years of experience as a partner in the restructuring practices of both PwC and EY, specialising in business turnarounds across many sectors.

As announced separately today, David has also been appointed to the Board as a non-executive director.

Revolving credit facility and swap update

intu also provides an update on the negotiations with its revolving credit facility ('RCF' or the 'facility') lenders in relation to obtaining a waiver of certain provisions of the facility.

On 26 March 2020, we gave an update on the ongoing COVID-19 situation, and related reduction in rent collection, and noted this may require us to seek covenant waivers.

We can now confirm we have agreed waivers for certain potential breaches which could have arisen, including in particular under our RCF. The RCF waiver is until 26 June 2020 and is subject to certain compliance conditions.

We have also reached agreement with the counterparty in respect of certain interest rate swaps entered into by a subsidiary of the Company which had a mandatory break at the end of April. The effect of the agreement is for the amounts due on the close out of the swaps to be left outstanding to be repaid on 26 June 2020 or such later date as may be agreed.

We believe that these actions are another step forward that will allow us to extend our engagement to key stakeholders of the group at the asset level as we explore all options, including potentially seeking standstills to overcome the current market dislocations. This forms part of our ultimate strategic objective to fix the balance sheet over the medium term. We will make further announcements as appropriate.

Latest COVID-19 update

Since our update on 26 March 2020, we have continued to collect rent and have now received 40 per cent of the rent and service charge for the quarter. We are now offering monthly rents to the end of 2020 and are in advanced discussions with customers representing a further 28 per cent of the amounts due. The remainder of customers are at various stages of discussions regarding revised payment plans. However, there are a very small number of cases where customers are not currently engaging with us to find a consensual solution – these are large, well-capitalised brands who have the ability to pay but

have chosen not to. In these instances we are prepared to take more robust action to enforce the legally binding terms of those leases.

Our centres continue to operate on a semi-closed basis with only essential stores remaining open. We have furloughed around 60 per cent of staff in the centres and around 20 per cent at our head office. In addition, the Board have agreed to a 20 per cent salary reduction for the next three months and centrally, we have identified around £3 million of cost savings in the short-term. To support our customers, we have continued to reduce service charge costs and are passing these savings on to them.

We have now received the final regulatory approval for the disposal of intu Puerto Venecia and are working towards closing the transaction in the middle of May.

ENQUIRIES

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