Press Release

3 MAY 2017

INTU PROPERTIES PLC

AGM TRADING UPDATE FOR THE PERIOD FROM 1 JANUARY 2017 TO 3 MAY 2017

David Fischel, intu Chief Executive, commented:

"The active tenant demand of last year has continued into the current year with 42 long term leases signed in the first quarter representing £6 million of annual rent, 5 per cent above the previous passing rent. We have attracted a number of well-known international brands such as Hugo Boss, Guess, Tesla and Tag Heuer.

We have made further progress with our development pipeline. We are particularly focussing on creating a differentiated leisure element and 90 per cent of the space in the intu Lakeside extension is either exchanged or in solicitors' hands, well ahead of the opening at the end of 2018.

Occupancy continues to remain high in Spain with strong tenant demand. During the period we acquired Madrid Xanadú shopping centre for €530 million, taking our ownership to three of the top ten Spanish centres.

Although retailers are being selective with their expansion plans, they are prioritising expansion to prime established locations with strong footfall. intu as the UK market leader with 17 prime centres is well positioned to take advantage of this demand.

The environment for business this year is likely to be challenging with considerable uncertainty regarding the UK's EU exit. However, it is our intention to deliver continuing growth in like-for-like net rental income."

Highlights of the period:

- **Continued active retailer demand with 42 long term leases agreed (36 in the UK and 6 in Spain) for £6 million of annual rent, 5 per cent above previous passing rent and in line with valuers' assumptions**
- **Occupancy is 95.8 per cent (March 2016: 95.3 per cent), marginally reduced from 96.0 per cent at 31 December 2016 reflecting seasonal fluctuations since Christmas**
- **Year-on-year footfall to date is unchanged and continuing to outperform the UK ShopperTrak benchmark which is down by 2.5 per cent**
- **Unchanged guidance for growth in like-for-like net rental income for the year in the range of 0 per cent to 2 per cent. As previously stated, this is expected to be down in the first half, against the strong 2016 comparative, and up in the second half year and takes account of the impact of up to 2 per cent from units being held for redevelopment and the full year impact of BHS closures. The precise outcome will be particularly dependent on the timing of letting some of the larger units currently under active discussions.**

- **intu Lakeside leisure extension on track with around 90 per cent of lettings either exchanged or in solicitors' hands and we shortly expect to commit to this project**
- **Continued progress on our digital initiatives, including adding augmented reality technology to our in-centre app**
- **Completed the acquisition of Madrid Xanadú for €530 million and currently well advanced in discussions with a potential joint venture partner**
- **On site redeveloping a previously underutilised space at intu Asturias and new lettings in our Spanish centres are ahead of previous rents**
- **Cash and available facilities of £694 million and debt to asset ratio of 46 per cent at 31 March 2017. This will reduce by 1 per cent once we introduce a partner to Madrid Xanadú**

Optimising asset performance

The Group's operating metrics remain strong, with levels of tenant activity similar to last year. 42 long term leases were signed in the quarter, representing £6 million of annual rent (Q1 2016: 43 long term leases; £7 million of annual rent). In aggregate, these were 5 per cent above previous passing rent and in line with valuers' assumptions. Signings in the period include:

- aspirational brands continuing to recognise the attraction of destination shopping centres, with Hugo Boss and Guess joining the line up at intu Metrocentre, Tesla at intu Milton Keynes and Tag Heuer opening its first store in the West Midlands at intu Merry Hill
- traditional retail park tenants introducing smaller format stores in prime high footfall locations. This includes Decathlon at intu Uxbridge, taking part of the former BHS unit, and Sharps Bedrooms at intu Lakeside, intu Eldon Square and intu Broadmarsh
- restaurants previously focused on London and the south east looking to grow nationally with Leon opening its first store in the north west at intu Trafford Centre and Byron opening its first Welsh restaurant at St David's, Cardiff

We settled 58 rent reviews in the period for new rents totalling £10 million, an average uplift of 7 per cent on the previous rents.

Jones the Bootmaker (three units) and 99p Stores (one unit) entered administration in the period. These administrations amount in total to 0.2 per cent of intu's rent roll.

Of the 10 BHS stores that closed in 2016, we have now relet two units, are in advanced negotiations on four units and two form part of redevelopment projects at intu Broadmarsh and intu Watford. The remaining two units are at earlier stages of negotiations.

UK development momentum

Key milestones in the period include:

- the £180 million retail and leisure extension of intu Watford continues on budget and on target for opening in autumn 2018. With the main anchors and the majority of the restaurants exchanged, we are now making good progress on letting the remaining retail units

- at intu Lakeside, we now have around 90 per cent of the space of the £73 million leisure scheme exchanged or in solicitors' hands, including the recent letting to Hollywood Bowl. We are reviewing construction tenders and expect to commit to and be on site this summer, for an expected opening at the end of 2018
- at intu Broadmarsh, Nottingham, we have exchanged contracts with The Light Cinema to operate the nine screen cinema that will anchor the redevelopment of the centre and we are continuing with detailed design work, including the incorporation of the former BHS space

Making the brand count

Global brands continue to see the benefit of partnering with intu both in-centre and digitally:

- we have launched 'Foodpreneur' with Virgin StartUp to find aspiring food entrepreneurs with the semi-finalists and winner to have in-centre pop-ups and access to intu.co.uk
- we have furthered our collaborations with Nick Jr., Nickelodeon's pre-school television channel, over the Easter holidays adding augmented reality technology to our in-centre app to deliver a new family experience to our customers. This runs alongside other Nick Jr. in-centre events with a view to delivering increased dwell time

On our online shopping platform, we have had strong sales growth against the same period last year. This is driven by the quality editorial content, with visits to our 'Shop Insider' pages increasing substantially, and our social media audience of over one million.

Seizing the growth opportunity in Spain

We acquired Madrid Xanadú shopping centre for €530 million, taking our ownership of Spanish shopping centres to three of the top ten. We are intending to introduce a joint venture partner to the centre and are well advanced in discussions with a potential partner.

Occupancy at our centres remains high, with continued strong tenant demand. We agreed six long term leases in the period, in aggregate ahead of the previous rents and valuers' assumptions.

Corporate responsibility

We are performing strongly against our 2020 environmental targets, set against a 2010 base line, with 47 per cent intensity reduction in carbon emissions (target 50 per cent), 100 per cent of waste diverted from landfill of which 74 per cent is recycled (targets 99 per cent and 75 per cent respectively) and a 14 per cent water intensity reduction (target 10 per cent).

People are at the heart of what we do and in 2017 we have achieved the internationally recognised accreditation Investors in People gold standard across all intu branded centres. This highly regarded achievement defines what it takes to lead, support and manage people well for sustainable results.

Conference call

A conference call for analysts and investors will be held today at 08:00 BST.

A copy of this press release is available for download from our website at intugroup.co.uk.

ENQUIRIES

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NOTES FOR EDITORS

intu is the UK's leading owner, manager and developer of prime regional shopping centres with a growing presence in Spain.

We are passionate about creating uniquely compelling experiences, in centre and online, that attract customers, delivering enhanced footfall, dwell time and loyalty. This helps our retailers flourish, driving occupancy and income growth.

A FTSE 100 company, we own many of the UK's largest and most popular retail destinations, including nine of the top 20, with super regional centres such as intu Trafford Centre and intu Lakeside and vibrant city centre locations from Newcastle to Watford.

We are focused on four strategic objectives: optimising the performance of our assets to provide attractive long term total property returns, delivering our UK development pipeline to add value to our portfolio, leveraging the strength of our brand and seizing the opportunity in Spain to create a business of scale.

We are committed to our local communities, our centres support over 120,000 jobs representing about 4% of the total UK retail workforce, and to operating with environmental responsibility.

Our success creates value for our retailers, investors and the communities we serve.