



McKAY SECURITIES PLC ("the Group" or "McKay")

**EARNINGS ENHANCING CANCELLATION OF LEGACY INTEREST RATE SWAP AND
INCREASE IN DEBT FACILITIES**

McKay Securities PLC is pleased to announce the cancellation of the Group's remaining interest rate swap and a £10.0 million increase in its existing debt facility with Aviva Investors.

Having strategically reduced its exposure to legacy interest rate hedging instruments over the last few years, and in light of the Egham disposal announced on 28th March 2018 and progress elsewhere in the portfolio, the Group has taken the opportunity to cancel its remaining swap. The notional value of the swap was £33.0 million with a 5.2% coupon and has been cancelled at a cost to the Group of £13.4 million, with the cost of cancellation offset by a significant contribution from the counterparty bank. The annualised interest saving as a result of cancellation (at current rates) is £1.5 million pa.

Building on the Group's relationship with Aviva Investors, an additional £10.0 million of funding has been secured at a fixed rate of 3.4%, as an extension to its existing £55.0 million facility which expires in April 2030.

These events will enhance earnings, further strengthen the balance sheet and improve the Group's loan profile and spending capacity. The weighted average term of the debt facilities increases to 6.0 years (31st March 2017: 5.4 years), and the average cost of debt when fully drawn reduces to 3.0% (31st March 2017:3.8%)

The benefit of these financing events will be covered in more detail alongside a full summary of McKay's significant year of delivery within the results for the year to 31st March 2018 to be announced in May 2018.

– ENDS –

Date: 29th March 2018

For further information please contact:

McKay Securities PLC
Simon Perkins, CEO
Giles Salmon, CFO
01189 502333

FTI Consulting
Dido Laurimore, Tom Gough, Ellie Sweeney
020 3727 1000

About McKay Securities

McKay Securities PLC is a commercial property investment company with Real Estate Investment Trust (REIT) status, listed on the main market of the London Stock Exchange. It specialises in the development and refurbishment of good quality office and industrial buildings within established and proven markets of London and South East England. The portfolio, which was valued in excess of £450 million in September 2017, comprises 36 properties in strong and established areas which deliver diversity in terms of both sector and location.