

## DEED OF IRREVOCABLE UNDERTAKING

To: Land Securities Group PLC (the **"Parent"**)

AND

LS Development Holdings Limited (the **"Offeror"**)

1 November 2021

Dear Sir, Madam

### Offer for U and I Group PLC (the **"Company"**)

I, the undersigned, understand that the Offeror, an indirect, wholly-owned subsidiary of the Parent, is considering the Acquisition substantially on the terms and conditions set out or referred to in a draft of the announcement, a copy of which is at Annex 2 (the **"Announcement"**), together with such other terms and conditions as may be required by the City Code on Takeovers and Mergers (the **"Code"**) and/or the requirements of the Financial Conduct Authority (in exercising its primary markets function) (the **"FCA"**) and, the London Stock Exchange plc (the **"London Stock Exchange"**), or any other relevant securities exchange and/or as are customarily included in offers made under the Code.

All references in this undertaking to the **"Acquisition"** shall:

- (i) mean the proposed acquisition by the Offeror of the entire issued and to be issued ordinary share capital in the Company, which acquisition may be by way of takeover offer (within the meaning of section 974 of the Companies Act 2006) (referred to in this undertaking as the **"Offer"**) or a scheme of arrangement (under Part 26 of the Companies Act 2006) (referred to in this undertaking as the **"Scheme"**); and
- (ii) include any extended, increased or revised offer by the Offeror for any acquisition as referred to in paragraph (i) above, the terms of which are at least as favourable to shareholders of the Company as the terms set out in the Announcement.

### 1. Warranties and undertakings

1.1 Subject to your announcing the Acquisition at or before 8.00 a.m. on 1 November 2021 (or such later date as the Company and the Offeror may agree), I irrevocably and unconditionally undertake, represent and warrant to the Offeror that:

- (i) I am the beneficial owner of (or am otherwise able to control the exercise of all rights attaching to, including voting rights and the ability to procure the transfer of), and/or am the registered holder of, the number of ordinary shares of 50 pence each in the capital of the Company set out in the first column of the table at Annex 1 (the **"Shares"**, which expression shall include any other shares in the Company issued after the date hereof and attributable to or derived from such shares);

- (ii) I am also the holder of the number of options and awards (if any) over shares in the Company set out in the second column of the table at Annex 1 (the “**Options**”);
- (iii) I do not have any interest in securities (as defined in the Code) of the Company and I do not have any rights to subscribe, purchase or otherwise acquire any securities of the Company, in each case, other than those of which details are set out in the table at Annex 1;
- (iv) I am able to transfer the Shares free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature;
- (v) I shall not, prior to the earlier of the Acquisition becoming effective (or, if applicable, becoming or being declared unconditional), the Acquisition lapsing or this undertaking terminating or lapsing in accordance with its terms:
  - (a) sell, transfer, charge, encumber, grant any option over or otherwise dispose of or permit the sale, transfer, charging or other disposition or creation or grant of any other encumbrance or option of or over all or any of such Shares or interest in such Shares except under the Acquisition, or accept any other offer in respect of all or any of such Shares; or
  - (b) (other than pursuant to the Acquisition) enter into any agreement, arrangement or obligation, or permit any agreement, arrangement or obligation to be entered into or incur any obligation or permit any obligation to arise:
    - (I) in relation to, or operating by reference to, the Shares; or
    - (II) to do all or any of the acts referred to in paragraph (a) above; or

which would, or might reasonably be expected to, restrict or impede the giving effect to the Scheme or preclude me or impair my ability to comply with this undertaking, and for the avoidance of doubt, references in this paragraph 1(v)(b) to any agreement, arrangement or obligation shall include any such agreement, arrangement or obligation whether or not subject to any condition, or which is to take effect upon or following the Scheme lapsing or being withdrawn, or upon or following this undertaking ceasing to be binding, or upon or following any other event;
- (vi) prior to the earlier of the Acquisition becoming effective (or, if applicable, becoming or being declared unconditional), the Acquisition lapsing or this undertaking terminating or lapsing in accordance with its terms, I shall not, in my capacity as a shareholder of the Company, without the consent of the Offeror, convene or requisition, or join in convening or requisitioning, any general or class meeting of the Company for the purposes of voting on any resolution referred to under paragraphs 2(i)(b) to 2(i)(c) below;

(vii) prior to the earlier of the Acquisition becoming effective (or, if applicable, becoming or being declared unconditional), the Acquisition lapsing or this undertaking terminating or lapsing in accordance with its terms, I will not:

(a) other than any interests acquired: (i) as a result of the exercise or vesting of any Options; and (ii) pursuant to the Company's "Non-Executive Director Share Purchase Plan" acquire or deal in any shares or other securities of the Company (or any interest therein); and

(b) acquire or deal in any shares or other securities of the Company (or any interest therein), unless the Panel on Takeovers and Mergers (the "**Panel**") determines and confirms to you in respect of such acquisition or dealing, that I am not acting in concert with you pursuant to Note 9 to the definition of "acting in concert" set out in the Code; and,

in each case, if any such shares, securities or interest (including for these purposes shares arising on exercise of options) are acquired by me, such shares, securities or interest (as the case may be) shall be deemed to be included in the expression "**Shares**" for the purposes of this undertaking and I shall notify the Offeror promptly of any such acquisition and of any other dealing, disposal or change in the number of Shares;

(viii) prior to the earlier of the Acquisition becoming effective (or, if applicable, becoming or being declared unconditional), the Acquisition lapsing or this undertaking terminating or lapsing in accordance with its terms, I shall not:

(a) vote in favour of any shareholder resolution to approve an acquisition or any other transaction which is proposed by any person other than the Offeror or which might reasonably be expected to frustrate, impede or delay the implementation of the Scheme; or

(b) in my capacity as shareholder, accept or give any undertaking (whether conditional or unconditional) to accept or vote in favour of (as applicable) any offer, or approve any offer made or proposed to be implemented by way of a contractual offer, scheme of arrangement or otherwise in respect of securities in the Company by any person other than the Offeror;

(ix) I have full power and authority to: (i) enter into this undertaking; (ii) perform my obligations under this undertaking in accordance with its terms; and (iii) exercise (or procure the exercise of) all voting rights attaching to the Shares; and

(x) I shall promptly notify the Offeror in writing of any change to or inaccuracy in any information supplied, or representation or warranty given, by me under this undertaking.

1.2 Nothing in this paragraph 1 shall restrict me from selling or disposing of such number of Shares (or interest in Shares):

- (i) as may be required in order to cover my liability for tax and employee national insurance or other employee social security contributions arising as a result of or otherwise in respect of the vesting or exercise of any Options (if any) in respect of shares in the capital of the Company; or
- (ii) as part of my bona fide tax planning, and provided always that prior to any such disposal:
  - (i) I shall procure that any transferee or beneficiary of any transferee executes and delivers to the Offeror and the Parent irrevocable undertakings on no less favourable terms to the Offeror than the terms set out herein and which does not contain this paragraph 1.2 of any clause similar to it; and
  - (ii) such undertaking includes a term obliging the intended transferee or beneficiary to send to the Offeror an executed and dated version of the undertaking (in any form) on the day that it is executed and dated.

## 2. Scheme

Subject to your announcing the Acquisition at or before 8.00 a.m. on 1 November 2021 (or such later date as the Company and the Offeror may agree), I irrevocably and unconditionally undertake, if the Acquisition is implemented by way of the Scheme, to the Offeror that:

- (i) I shall exercise, or, where applicable, procure the exercise of, all voting rights attaching to the Shares on any resolution (whether or not amended and whether put on a show of hands or a poll) which is proposed at any general meeting of the Company (including any adjournment thereof) ("**General Meeting**") or at any meeting of holders of shares in the Company convened by a court (including any adjournment thereof) ("**Court Meeting**") which:
  - (a) is necessary to implement the Acquisition;
  - (b) might reasonably be expected to have any impact on the fulfilment of any condition to the Acquisition; or
  - (c) might reasonably be expected to impede or frustrate the Acquisition in any way (which shall include any resolution to approve a scheme of arrangement relating to the acquisition of any shares in the Company by a third party);

in each case only in accordance with the Offeror's instructions;

- (ii) I shall not exercise (or, where applicable, procure the exercise of) any of the voting rights attached to the Shares at the Court Meeting or the General Meeting other than in accordance with this undertaking;
- (iii) I shall exercise, or, where applicable, procure the exercise of, all rights attaching to the Shares to requisition or join in the requisitioning of any general meeting of the Company for the purposes of voting on any resolution referred to under paragraph (i) above, or to require the Company to give notice of any such meeting, only in accordance with the Offeror's instructions;

- (iv) for the purpose of voting on any resolution referred to under paragraph (i) above, I shall, if required by the Offeror, execute any form of proxy required by the Offeror appointing any person nominated by the Offeror to attend and vote at the relevant meetings, and, I shall not (and if relevant I shall not cause or instruct the registered holder to) revoke or amend any form of proxy or CREST proxy instructions executed and submitted in accordance with this paragraph (iii);
- (v) without prejudice to paragraph (iv), and in the absence of any such requirement by the Offeror, I shall after the posting of the circular to be sent to shareholders of the Company containing an explanatory statement in respect of the Scheme (the “**Scheme Document**”) (and without prejudice to any right I have to attend and vote in person at the Court Meeting and the General Meeting to implement the Acquisition), return, or procure the return of, if applicable, the signed forms of proxy enclosed with the Scheme Document (completed and signed and voting in favour of the resolutions to implement the Acquisition (the “**Relevant Resolutions**”)) in accordance with the instructions printed on those forms of proxy and, if applicable, in respect of any Shares held in uncertificated form, take or procure the taking of any action which may be required in order to make a valid proxy appointment and give valid proxy instructions (voting in favour of the Relevant Resolutions), as soon as possible and in any event within ten days after the posting of the Scheme Document; and
- (vi) I shall not revoke or amend any proxy submitted in accordance with this undertaking, either in writing or by attendance at any General Meeting or Court Meeting (or any adjournment thereof) or otherwise.

### 3. Offer alternative

I acknowledge that the Offeror reserves the right, in accordance with the Co-operation Agreement (as defined in the Announcement) and with the consent of the Panel, to implement the Acquisition by way of the Offer. In the event that it is so implemented and subject to your announcing the Acquisition at or before 8.00 a.m. on 1 November 2021 (or such later date as the Company and the Offeror may agree), I irrevocably and unconditionally undertake, if the Acquisition is implemented by way of the Offer, to the Offeror that:

- (i) upon the Offer being made, I will accept or, where applicable, procure the acceptance of the Offer in respect of the Shares and to transfer the Shares free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends of any nature and other distributions (if any) hereafter declared, made or paid;
- (ii) I shall, as soon as possible and in any event within ten days after the posting of the formal document containing the Offer (the “**Offer Document**”) (or, in respect of any shares allotted to me after the posting of the Offer Document, within ten days of such allotment or acquisition), duly accept or procure acceptance of the Offer in accordance with its terms in respect of the Shares and, in respect of any Shares held in certificated

form, shall forward the relevant share certificate(s) to the Offeror or its nominated representative (or a form of indemnity acceptable to the directors of the Company in respect of any lost certificate(s)) at the time of acceptance and, in respect of any Shares held in uncertificated form, shall take any action which may be required by the Offeror or its nominated representative;

- (iii) notwithstanding that the terms of the Offer Document will confer rights of withdrawal on accepting shareholders, I shall not withdraw any acceptance of the Offer in respect of the Shares or any of them and shall procure that no rights to withdraw any acceptance in respect of such Shares are exercised; and
- (iv) I shall treat this undertaking as continuing to be binding *mutatis mutandis* in respect of the Shares and all references to the Scheme shall, where the context permits and subject to the provisions of this paragraph 3, be read as references to the Offer (or to both the Scheme and the Offer, as appropriate).

#### **4. Publicity**

##### **4.1 I consent to:**

- (i) the issue of the Announcement incorporating references to me and to this undertaking in the terms set out in the Announcement;
- (ii) particulars of this undertaking being set out in any other announcement or document issued in connection with the Offer and in the Scheme Document;
- (iii) this undertaking being available for inspection during the Offer in accordance with Rule 26.2 of the Code or the Listing Rules of the FCA; and
- (iv) this undertaking being disclosed to the Panel.

##### **4.2 I agree to promptly inform you of all information in relation to the Shares (in my capacity as holder of the Shares) you may reasonably require in order to comply with the requirements of the Code, the Panel, the Court or of other applicable law or regulation and notify you as soon as reasonably practicable in writing of any material change in the accuracy or import of any such information and consent to the public disclosure of such information.**

#### **5. Power of Attorney**

In order to secure the performance of my obligations under this undertaking. I irrevocably and by way of security for my obligations hereunder appoint the Offeror and any director of the Offeror to be my attorney to execute on my behalf proxy forms for any Court Meeting or General Meeting or forms of acceptance to be issued with the Offer Document in respect of the Shares (as applicable) and to sign, execute and deliver any documents and to do all acts and things as may be necessary for or incidental to the completion of the Acquisition, the acceptance of the Offer (as the case may be) and/or performance of my obligations under this undertaking, in each case, if I fail to comply with any of my obligations under this undertaking.

## 6. Termination and lapse of undertaking

- (i) This undertaking shall not oblige the Offeror to announce or proceed with the Acquisition but subject to paragraphs 6(ii) and (iii), shall cease to have any effect and all of my obligations hereunder shall immediately terminate on the earlier of the following occurrences:
  - (a) if the Offeror shall not have released the Announcement at or before 8.00 a.m. on 1 November 2021 via any information service authorised from time to time by the FCA for the purposes of disseminating regulatory announcements (unless prior to that time, the Company and the Offeror have agreed another time and date in accordance with the Co-operation Agreement (as defined in the Announcement), in which case the other time and date shall apply);
  - (b) if the Offeror announces that it does not intend to proceed with the Acquisition and no new revised or replacement Scheme or Offer is announced by the Offeror in accordance with Rule 2.7 of the Code at the same time;
  - (c) if the Scheme Document or Offer Document (as the case may be) has not been posted within 28 days of the issue of the Announcement (or in the case of the Scheme Document, within such longer period as the Offeror and Company agree, with the consent of the Panel and in the case of an Offer Document, within such longer period as the Offeror, with the consent of the Panel, determines), provided that if the Acquisition was initially being implemented by way of a Scheme and the Offeror elects to exercise its right to implement the Acquisition by way of an Offer, or vice versa, the time period in this paragraph (b) shall be extended to refer to within 28 days of the issue of the press announcement announcing the change in structure (or such other date for the posting of the Offer Document or Scheme Document (as applicable) as the Panel may require);
  - (d) if any competing offer for the entire issued and to be issued ordinary share capital of the Company becomes or is declared unconditional or, if proceeding by way of a scheme of arrangement, becomes effective; or
  - (e) on the earlier of
    - (I) the Long Stop Date (as defined in the Announcement); or
    - (II) the date on which the Acquisition (whether implemented by way of a Scheme or an Offer) is withdrawn or lapses in accordance with its terms, provided that this paragraph 6(i)(e)(II) shall not apply where the Acquisition is withdrawn or lapses as a result of the Offeror exercising its right to implement the Acquisition by way of an Offer in accordance with the Co-operation Agreement (as defined in the Announcement) and the Code rather than by way of a Scheme or vice versa.

- (ii) If this undertaking lapses, I shall have no claim against the Offeror or the Parent, and neither the Offeror nor the Parent shall have any claim against me, save in respect of any liabilities accrued on or prior to the lapse of the undertaking.
- (iii) Paragraph 6(ii) shall survive the lapse of this undertaking.

## **7. Miscellaneous**

- (i) Any time, date or period referred to in this undertaking may be extended by mutual agreement but as regards any time, date and period originally fixed or as extended, time shall be of the essence.
- (ii) The obligations and provisions set out in this undertaking apply equally to the persons from whom I am to procure votes in favour of the Relevant Resolutions pursuant to paragraph 2(i) above or acceptance of the Offer pursuant to the terms of paragraph 3(i) above (as the case may be) and I shall procure the observance by such persons of the terms hereof as if they were each specifically a party hereto.
- (iii) All of the undertakings, representations, warranties and obligations given by me herein are given solely in my capacity as shareholder in the Company and none of them shall in any way impose any obligation or restriction whatsoever on me in my role as a director of the Company.
- (iv) I agree that, if I fail to comply with any of the undertakings contained herein, damages would not be an adequate remedy and accordingly the Offeror shall be entitled to seek the remedies of specific performance, injunction or other equitable relief and that no proof of special damages shall be necessary for the enforcement of this undertaking by the Offeror or the Parent (as applicable) of its rights.
- (v) I acknowledge that the release of the Offer Document is at the Offeror's absolute discretion.
- (vi) No term of this undertaking is enforceable under the Contracts (Rights of Third Parties Act) 1999 by a person who is not a party to this undertaking.
- (vii) This undertaking contains the whole agreement between the Parent, Offeror and me relating to the subject matter of this undertaking at the date hereof to the exclusion of any term implied by law which may be excluded by contract.
- (viii) This undertaking and all non-contractual obligations arising from or in connection with this undertaking are governed by and construed in accordance with English law. I submit to the exclusive jurisdiction of the English courts to settle any dispute arising from or connected with this undertaking (including a dispute regarding the existence, validity or termination of this undertaking or relating to any non-contractual obligation arising out of or in connection with this undertaking or its formation) and that accordingly, any proceedings arising out of or in connection with this undertaking shall be brought in such courts.



Signature of Party

Occupation of witness

1. *Journal of the American Medical Association*, 2000; 284: 2689-2695.

**ANNEX 1****TABLE**

<b>1. Number of ordinary shares</b>	<b>2. Number of ordinary shares under option (including details of share plan, vesting date and exercise price)</b>	<b>3. *Registered owner</b>	<b>4. *Beneficial owner</b>
13,441	-	Sadie Morgan	Sadie Morgan
12,000	-	Trading 212	Sadie Morgan

*\* Where more than one, indicate number of shares attributable to each*

**ANNEX 2**

**ANNOUNCEMENT**

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION  
FOR IMMEDIATE RELEASE

1 November 2021

**RECOMMENDED CASH ACQUISITION**

of

**U AND I GROUP PLC**

by

**LS DEVELOPMENT HOLDINGS LIMITED**

**(a newly formed company indirectly owned by Land Securities Group PLC)**

**to be effected by means of a Scheme of Arrangement  
under Part 26 of the Companies Act 2006**

**Summary and highlights**

- The boards of directors of U and I Group PLC (“**U+I**”) and LS Development Holdings Limited (“**Landsec Development**”), a newly formed wholly-owned indirect subsidiary of Land Securities Group PLC (“**Landsec**”), are pleased to announce that they have reached agreement on the terms of a recommended all cash offer by Landsec Development for the entire issued, and to be issued, ordinary share capital of U+I (the “**Acquisition**”).
- Under the terms of the Acquisition, U+I Shareholders will be entitled to receive:

**149 pence for each U+I Share**
- The Acquisition values the entire issued and to be issued share capital of U+I at approximately £190 million on a fully diluted basis and the price of 149 pence per U+I Share represents a premium of approximately:
  - 73 per cent. to the Closing Price of 86.0 pence per U+I Share on 29 October 2021 (being the last Business Day before the commencement of the Offer Period);
  - 71 per cent. to the volume-weighted average price of 87.2 pence per U+I Share for the one-month period ended 29 October 2021 (being the last Business Day before the commencement of the Offer Period); and
  - 70 per cent. to the volume-weighted average price of 87.8 pence per U+I Share for the three-month period ended 29 October 2021 (being the last Business Day before the commencement of the Offer Period).
- If, on or after the date of this announcement and before the Effective Date, any dividend, distribution or other return of capital or value is announced, declared, made or paid by U+I or becomes payable by U+I in respect of the U+I Shares, Landsec Development reserves the right to reduce the consideration payable under the terms of the Acquisition of the U+I Shares by an amount up to the amount of such dividend and/or distribution and/or other return of capital or value, in which case any reference in this announcement to the consideration payable under the terms of the Acquisition will be deemed to be a reference

to the consideration as so reduced. Any exercise by Landsec Development of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme or the Acquisition. In such circumstances, U+I Shareholders would be entitled to receive and retain any such dividend and/or other distribution and/or return of capital or value.

- It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.
- The Scheme Document will contain a valuation in respect of U+I's property portfolio in accordance with Rule 29 of the Takeover Code.

#### **Transaction overview**

- The Acquisition is an all cash offer for U+I by Landsec Development, unanimously recommended by the U+I Directors.
- The Acquisition recognises the value from combining U+I's front-end development capabilities, placemaking skills and portfolio of core regeneration projects which require funding, with Landsec's development expertise and strong balance sheet.
- Landsec set out a strategy in October 2020 to recycle investment in order to drive growth and generate higher returns, including through urban opportunities in London and other major regional cities. The Acquisition accelerates that strategy, adding an attractive pipeline of mixed-use urban development opportunities along with complementary skills and expertise.
- U+I provides access to a significant pipeline of mixed-use development schemes, of which two are well-progressed through planning (Mayfield, Manchester (strategic regeneration framework ("SRF") and detailed consent for phase 1); and Morden Wharf, Greenwich Peninsula (resolution to grant)) and in respect of which Landsec believes that it can accelerate the pace of development.
- U+I also provides access to a further high quality, office-led development in London (Landmark Court, Southwark) with planning consent.
- In addition, there is a strong alignment of cultures between the two companies, with a focus on developing sustainable communities in the interests of broader stakeholders.

#### **Recommendation**

- The U+I Directors, who have been so advised by Rothschild & Co as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the U+I Directors, Rothschild & Co has taken into account the commercial assessments of the U+I Directors. Rothschild & Co is providing independent financial advice to the U+I Directors for the purposes of Rule 3 of the Takeover Code.
- **Accordingly, the U+I Directors intend to recommend unanimously that U+I Shareholders vote in favour of the Scheme at the Court Meeting and the Resolution to be proposed at the General Meeting as the U+I Directors who hold U+I Shares have irrevocably undertaken to do in respect of their own beneficial holdings of 4,507,614 U+I Shares in aggregate, representing approximately 3.6 per cent. of U+I's issued share capital on 29 October 2021 (being the last Business Day before the date of this announcement).**

## **Irrevocable undertakings and letters of intent**

- In addition, Landsec and Landsec Development have received letters of intent to vote in favour of the resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by a Takeover Offer, to accept such Takeover Offer) from Aberforth Partners LLP, J O Hambro Capital Management Limited, Jupiter Asset Management Limited and Ennismore Fund Management Limited, in respect of a total of 39,754,171 U+I Shares, representing in aggregate approximately 32 per cent. of the issued ordinary share capital of U+I on 29 October 2021 (being the last Business Day before the date of this announcement).
- In total, therefore, Landsec and Landsec Development have received irrevocable undertakings or letters of intent, including those irrevocable undertakings from the U+I Directors who own U+I Shares, in respect of, in aggregate, 44,261,785 U+I Shares, representing approximately 35 per cent. of the issued ordinary share capital of U+I on 29 October 2021 (being the last Business Day before the date of this announcement).
- Further details of these irrevocable undertakings and letters of intent are set out in Appendix 3 to this announcement.

## **Background to and reasons for the Recommendation**

- In May 2021, U+I announced the first step of its “Reset, Prove, Grow” strategy, which followed the 100-day strategic review undertaken by U+I following the appointment of Richard Upton as CEO in January 2021. As part of the review, U+I reorganised its portfolio into three segments: (i) Core Regeneration assets; (ii) Non-Core Development and Trading assets (“**Non-Core**”); and (iii) Investment Portfolio assets, simplifying the business and providing greater clarity to shareholders on the strategy for each segment.
- In relation to the strategy for the Non-Core portfolio, in the six months to 30 September 2021, U+I has made good progress with Non-Core disposals, fully exiting three of its 35 Non-Core projects with further partial realisations being achieved from a number of other projects. The U+I Board is confident in U+I’s ability to monetise the majority of the remaining Non-Core projects over the four-year timescale previously indicated, albeit these disposals are not without risk and, in some cases, require further capital spend ahead of monetisation. The U+I Board also recognises that there is a wide range of total net sale proceeds outcomes, as set out in May 2021, which is in part dependent on factors beyond U+I’s control.
- In relation to the Core Regeneration business, demand for mixed-use urban environments where people can live, work and socialise has never been greater, and the U+I Board continues to believe that U+I is one of only a small number of companies with the skills, track-record and reputation to successfully deliver these types of projects. However, the scale of U+I’s Core Regeneration pipeline and ambition, relative to the scale of U+I’s own balance sheet and market capitalisation, means that one of the core tenets of U+I’s regeneration strategy is the introduction of external capital partners into key projects.
- The U+I Board believes that U+I’s Core Regeneration model, married to the right long-term capital, and aligned with the Government’s focus on rebuilding economic growth and ‘levelling up’, is more relevant than ever and represents a highly attractive opportunity to create long term stakeholder value. In considering the right partner for a project, U+I seeks an appropriate combination of balance sheet strength and expertise in investing in long-term regeneration projects. The U+I Directors consider Landsec a highly credible partner for these projects, given its financial strength and long track-record of delivering complex projects. Furthermore, the U+I Directors see this partnership as providing an opportunity to accelerate the Core Regeneration business plan for the benefit of all U+I stakeholders.
- Landsec’s initial proposal was received in September 2021 and the final Acquisition price followed from a period of negotiations with U+I.

- Against this backdrop, whilst the U+I Board remains confident in U+I's prospects as a standalone company as it continues to implement its revised strategy, following careful consideration, the U+I Board has concluded the Acquisition is in the best interests of U+I Shareholders. In reaching this conclusion, it has considered in particular the following:
  - the range of risk-adjusted returns under U+I's revised strategy, in particular the range of net proceeds likely receivable from the Non-Core disposals net of U+I's recurring cost base, as compared with the certainty of the Acquisition price;
  - the likely requirement over time to introduce funding partners into certain of U+I's Core Regeneration assets, in order for U+I to monetise its interest in these core projects and create distributable profits for U+I Shareholders;
  - the complexity and cost of U+I's existing capital structure and the overall size of its balance sheet and market capitalisation, relative to the scale and opportunity of its pipeline;
  - the Acquisition price of 149 pence represents a premium of approximately 73 per cent. to the Closing Price of 86.0 pence per U+I share on 29 October 2021 (being the last Business Day before the commencement of the Offer Period) and 70 per cent. to the volume-weighted average price of 87.8 pence per U+I Share for the three-month period ended 29 October 2021;
  - that the Acquisition provides an opportunity for all U+I Shareholders to realise their interests in cash; and
  - the impact of the Acquisition on all of U+I's stakeholders and the importance of U+I's assets to Landsec's future strategy.

### **Background to and reasons for the Acquisition**

- In October 2020, Landsec set out its future growth strategy focused on three key areas: (i) Central London offices; (ii) major retail destinations; and (iii) urban opportunities in London and other major regional cities. The ultimate goal of this strategy is to accelerate growth through recycling capital into higher return opportunities and deliver for investors an attractive combination of income and growth driven returns.
- In the near term, Landsec's directors expect to increase portfolio recycling and are prepared to take, in a considered way, more operational risk to create value and drive returns for Landsec's shareholders.
- As Landsec increasingly allocates capital for growth, it is targeting the delivery of mid-to-high single digit returns on equity across the Landsec group, split broadly equally between income and growth.
- The Covid-19 pandemic has accelerated the blurring of lines between where people live, work and socialise. In response to this, mixed-use developments with a clear sense of place are becoming a more important part of the fabric of cities. The directors of Landsec believe it is well positioned with its existing development and asset management capabilities and balance sheet strength to create these places and achieve attractive risk-adjusted returns.
- The Acquisition would add core regeneration assets to Landsec's development pipeline, which Landsec believes it can help realise through the strength of its balance sheet, accelerating the delivery of Landsec's "Urban opportunities" strategic pillar.
- The Acquisition would also complement Landsec's existing development capabilities and enhance the group's placemaking skills. U+I aligns closely with Landsec's sustainability goals, including the design and development of new sustainable communities, working alongside local government, customers, communities and partners.

- U+I provides access to a significant pipeline of mixed-use development schemes, of which two are well-progressed through planning (Mayfield (SRF and detailed consent for phase 1) and Morden Wharf (resolution to grant)):
  - Mayfield, Manchester. Mayfield is one of the UK's pre-eminent mixed-use regeneration projects, and works have already commenced onsite. It is a c. 24 acre site in Manchester city centre, adjacent to Manchester Piccadilly railway station, which comprises approximately 2 million sq. ft. of office, retail and leisure space and 1,500 new homes set around a 6.5 acre public park. This site is currently owned in a joint venture with Manchester City Council, Transport for Greater Manchester and London and Continental Railways (the "**Mayfield JV**"). U+I has a 50 per cent. share in the Mayfield JV and acts as development manager for the site.
  - Morden Wharf, Greenwich Peninsula. U+I has a conditional development agreement with Morden College, a charitable trust with significant land holdings on the Greenwich Peninsula. U+I has achieved a resolution to grant planning consent for 1,500 new homes, 200,000 sq. ft. of warehouses and 50,000 sq. ft. of retail across this 19 acre site on the western edge of the Peninsula.
- U+I also provides access to a further high quality, office-led development in London with planning consent:
  - Landmark Court, Southwark. Landmark Court is an office-led development site located within walking distance of London Bridge station and Borough underground station, with planning permission for 200,000 sq. ft. of offices, retail and workspace and 36 new homes. Landmark Court will sit in a joint venture (which is conditional on receipt of development funding) of subsidiaries of U+I and Transport for London ("**TfL**"), held 51:49 respectively. TfL and Network Rail are freeholders of the site, with a new 299-year lease now agreed for development.
- Landsec believes that it can accelerate the pace of development across these sites by combining Landsec's own development capabilities and the strength of its balance sheet, with U+I's placemaking skills, which emphasise: (i) unlocking overlooked, underestimated sites, (ii) community-led neighbourhood planning, and (iii) purposeful construction of mixed-use neighbourhoods, infrastructure and public spaces. Landsec believes these opportunities would enable it to invest a further £600-800 million in development capital expenditure in the short to medium term.
- U+I provides access to a longer dated mixed-use regeneration scheme (Cambridge Northern Fringe East), which Landsec's directors believe could provide additional upside for Landsec, subject to further assessment. U+I also provides access to one further mixed-use regeneration scheme (8 Albert Embankment).

## **Information on Landsec Development, Landsec and U+I**

### *Landsec Development*

- Landsec Development is a private limited company registered in England and Wales and incorporated on 20 October 2021. Landsec Development was formed for the purposes of the Acquisition and is an entity indirectly wholly-owned by Landsec. Landsec Development has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition.

### *Landsec*

- Landsec is one of the leading real estate development and investment companies in the United Kingdom. Founded in 1944 and headquartered in Victoria, London, Landsec is listed on the London Stock Exchange where it is a constituent of the FTSE 100 Index. Landsec



has been a Real Estate Investment Trust (“REIT”) since the UK introduced REIT status in 2007.

- Landsec operates across four divisions: Central London, Regional Retail, Subscale sectors and Urban opportunities. The company owns and manages some of the most successful real estate assets across the United Kingdom. Its combined portfolio of retail, leisure, workspace and residential hubs is valued at £10.8 billion and spans 23.5 million sq. ft. (as at 31 March 2021). Landsec aims to lead the real estate industry in critical long-term issues: from diversity and community employment, to carbon reduction and climate resilience.

### ***Information on U+I***

- U+I is a property developer and investor focused on complex, mixed-use regeneration in London, Manchester and Dublin, creating socially and economically sustainable places where people can live, work and socialise. Headquartered in London and listed on the London Stock Exchange’s Main Market, U+I employs 70 people across the United Kingdom. U+I began as Development Securities PLC and rebranded as U+I in 2015 following the acquisition of Cathedral Group (Holdings) Limited in 2014.
- As a result of U+I’s strategic review, announced in May 2021, U+I’s portfolio has been reorganised into three segments: Core Regeneration assets, Non-Core Development and Trading assets, and Investment Portfolio assets.
- The Core Regeneration assets segment (£58 million of gross asset value as at 31 March 2021 or 22 per cent. of the total U+I portfolio) comprises five major schemes which are mostly public-private partnerships to build on publicly-owned land. These five major schemes have a significant estimated gross development value of £6 billion. These mixed-use regeneration schemes are expected to deliver sustainable and consistent returns to U+I. U+I’s “master developer” approach provides multiple routes to monetisation over the course of the project and can include: (i) land enablement profits from planning and placemaking, (ii) plot sales to specialists, (iii) development management fees, and (iv) shares of development profits and promotes. These projects, which often require no upfront land purchase, are the core of U+I’s business and require expertise like U+I’s to be successful.
- The Non-Core Development and Trading assets segment (£126 million of gross asset value as at 31 March 2021 or 47 per cent. of the total U+I portfolio) comprised 35 projects (as at 31 March 2021) which were previously described as public-private partnership/development or trading projects and which U+I intends to dispose of within the next four years. As at 31 March 2021, U+I estimated £90-160 million of net cash receipts from these projects from the disposal programme (net of estimated project spend).
- The Investment Portfolio assets segment (£85 million of gross asset value as at 31 March 2021 or 32 per cent. of the total U+I portfolio) is comprised of 15 income-generating assets (as at 31 March 2021) and is largely made up of commercial, retail, shopping centre or leisure assets that U+I acquired or developed. U+I believes the Investment Portfolio provides a potential future opportunity to recycle capital into core regeneration schemes.
- As at 31 March 2021, the total gross asset value across the Core Regeneration, Non-Core Development and Trading and Investment Portfolio asset segments was £269 million.
- For the 12 months ended 31 March 2021, U+I reported total assets of £427.0 million, reported total revenues of £45.8 million and losses before tax of £86.7 million. U+I reported a basic loss of 70.2 pence per U+I Share.

### **Timetable and Conditions**

- It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (although Landsec Development

reserves the right to effect the Acquisition by way of a Takeover Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement).

- The terms of the Acquisition will be put to the Scheme Shareholders at the Court Meeting and to the U+I Shareholders at the General Meeting. In order to become Effective, the Scheme must be approved by a majority in number of Scheme Shareholders, present and voting (and entitled to vote) at the Court Meeting, whether in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares held by those Scheme Shareholders (or the relevant class or classes thereof). In addition, at the General Meeting to implement the Scheme, the Resolution must be passed by U+I Shareholders representing at least 75 per cent. of the votes validly cast on the Resolution, whether in person or by proxy. The General Meeting will be held immediately after the Court Meeting.
- The Acquisition will be on the terms and subject to the Conditions set out in Appendix 1 and to be set out in the Scheme Document, which will also set out further details of the Acquisition. It is expected that the Scheme Document containing further information about the Acquisition and notices of the Meetings, together with the Forms of Proxy, will be published within 28 days of the date of this announcement (or such later date as may be agreed by Landsec Development and U+I with the consent of the Panel). An expected timetable of principal events will be included in the Scheme Document.
- The Acquisition is expected to become Effective in December 2021 or early 2022, subject to satisfaction (or, where applicable, waiver) of the Conditions and the further terms set out in Appendix 1.

### **Comments on the Acquisition**

Commenting on the Acquisition, Mark Allan, Chief Executive Officer of Landsec, said:

- *“Developing truly world-class mixed-use communities that inspire and create opportunity is more important than ever. The combination of Landsec and U+I is compelling and will help us accelerate our strategy, both by introducing exciting new Urban development opportunities and by further strengthening Landsec’s front end development capabilities and placemaking skills. Landsec has tremendous potential and this transaction is an example of our ability to capitalise on our strengths and create future value for all of our stakeholders – investors, employees, communities and partners alike.”*

Commenting on the Acquisition, Richard Upton, Chief Executive Officer of U+I, said:

- *“This acquisition represents a compelling opportunity to bring together two companies with strong and clear complementary value systems. U+I’s core portfolio of large, mixed-use regeneration schemes can now achieve its full potential with the capital, experience and market positioning that Landsec can provide. U+I’s purpose to effect valuable social and economic changes through authentic, inclusive regeneration is an important proposition for Landsec and the wider industry. This acquisition demonstrates confidence in our highly skilled and valuable team and for our many joint venture partners. Our strategy to re-focus on what we do best has proved to be highly effective in capturing value for our existing shareholders and providing Landsec with an opportunity to unlock future value from our regeneration pipeline. We look forward to a hugely productive and exciting new future with Landsec.”*

**The above summary should be read in conjunction with, and is subject to, the full text of this announcement (including its Appendices). The Acquisition will be subject to the Conditions and other terms set out in Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document. Appendix 2 contains bases and sources of certain information contained in this announcement. Details of irrevocable undertakings and letters of intent received are set out in Appendix 3. Certain terms used in this summary and this announcement are defined in Appendix 4.**

There will be a virtual briefing for analysts and investors at 8.00 am today by Landsec. Information on how to access the live webcast can be found at [www.landsec.com/acquisition](http://www.landsec.com/acquisition). A recording of the webcast will be available at the same address by the end of the day.

Subject to certain restrictions, the recorded briefing and the accompanying slides will be available to all interested parties at [www.uandiplc.com](http://www.uandiplc.com) and [www.landsec.com](http://www.landsec.com). Your attention is also drawn to the important information below.

## **Enquiries**

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Slaughter and May is acting as legal adviser to Landsec in connection with the Acquisition.

Bryan Cave Leighton Paisner LLP is acting as legal adviser to U+I in connection with the Acquisition.

The person responsible for arranging the release of this announcement on behalf of U+I is Chris Barton, Company Secretary.

## **Further information**

*This announcement is for information purposes only and is not intended to and does not constitute, or form part of an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of U+I in any jurisdiction in contravention of applicable law. The Acquisition will be implemented solely pursuant to the terms of the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document), which will contain the full terms*

and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any vote in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document).

U+I and Landsec will prepare the Scheme Document to be distributed to U+I Shareholders. U+I and Landsec urge U+I Shareholders to read the Scheme Document when it becomes available because it will contain important information relating to the Acquisition.

This announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.

### **Disclaimers**

N.M. Rothschild & Sons Limited ("**Rothschild & Co**"), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as financial adviser to U+I and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than U+I for providing the protections afforded to clients of Rothschild & Co nor for providing advice in connection with any matter referred to herein. Neither Rothschild & Co nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild & Co in connection with this announcement, any statement contained herein, the Acquisition or otherwise. Rothschild & Co has given, and not withdrawn, its consent to the inclusion of its advice in this announcement in the form and context in which it is included.

UBS AG London Branch ("**UBS**") is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by the PRA and subject to regulation by the FCA and limited regulation by the PRA in the United Kingdom. UBS is acting as financial adviser to Landsec and no one else in connection with the Acquisition. In connection with such matters, UBS, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the Acquisition, the contents of this announcement or any other matter referred to herein.

Peel Hunt LLP ("**Peel Hunt**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for U+I and for no-one else in connection with the matters referred to in this announcement and will not be responsible to any person other than U+I for providing the protections afforded to clients of Peel Hunt, nor for providing advice in relation to the matters referred to herein. Neither Peel Hunt nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Peel Hunt in connection with the matters referred to in this announcement, or otherwise.

Liberum Capital Limited ("**Liberum**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for U+I and no one else in connection with the matters described in this announcement. Liberum will not regard any other person (whether or not a recipient of this announcement) as its client in relation to the matters described in this announcement and will not be responsible to anyone other than U+I for providing the protections afforded to its clients or for providing any advice in relation to matters or arrangements referred to herein. Apart from the responsibilities and liabilities, if any, which may be imposed on Liberum by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Liberum does not accept any responsibility whatsoever for, and makes no representation or warranty, express or implied, as to the contents of this announcement or for any other statement made or purported to be made by it, or on its behalf, in connection with U+I and nothing in this announcement will be relied upon as a promise or representation in this respect, whether or not to



*the past or future. Liberum accordingly, to the fullest extent permitted by law, disclaims all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this announcement or any such statement.*

### **Overseas jurisdictions**

*This announcement has been prepared in accordance with, and for the purpose of complying with, the laws of England and Wales and the Takeover Code, and information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England.*

*The release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable requirements of their jurisdictions.*

*The availability of the Acquisition to U+I Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their U+I Shares with respect to the Scheme at the Court Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.*

*Unless otherwise determined by Landsec Development or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, in whole or in part, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

*The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.*

### **Notice to US investors in U+I**

*US holders of U+I Shares should note that the Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the*

*Acquisition is subject to the disclosure and procedural requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules.*

*The financial information included in this announcement and the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) has been or will have been prepared in accordance with generally accepted accounting principles of the United Kingdom and thus may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*However, if, in the future, Landsec Development exercises the right to implement the Acquisition by way of a Takeover Offer and determines to extend the offer into the United States, the Takeover Offer will be made in compliance with applicable United States tender offer and securities laws and regulations. The receipt of cash pursuant to the Acquisition by a US holder of U+I Shares as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each U+I Shareholder is therefore urged to consult with legal, tax and financial advisers in connection with making a decision regarding the Acquisition.*

*It may be difficult for US holders of U+I Shares to enforce their rights and any claims arising out of US federal laws, since Landsec and U+I are each located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of U+I Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

*To the extent permitted by applicable law, in accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Landsec, certain affiliated companies and their nominees or brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, U+I Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the US Exchange Act, each of Rothschild & Co and UBS will continue to act as an exempt principal trader in U+I Shares on the London Stock Exchange. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Exchange Act. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).*

### **Forward-looking statements**

*This announcement (including information incorporated by reference into this announcement), oral statements made regarding the Acquisition, and other information published by Landsec and U+I contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Landsec and U+I about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.*

*The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on Landsec and U+I, the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and*

phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Although Landsec and U+I believe that the expectations reflected in such forward-looking statements are reasonable, Landsec and U+I can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; the anticipated benefits from the Acquisition not being realised as a result of changes in general economic and market conditions in the countries in which Landsec and U+I operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which Landsec and U+I operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.

Neither Landsec nor U+I, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Given the risks and uncertainties, you are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither Landsec nor U+I is under any obligation, and Landsec and U+I expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

### **Dealing and Opening Position Disclosure requirements**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10<sup>th</sup> Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10<sup>th</sup> Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain

details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

#### **No profit forecasts, estimates or quantified financial benefits statements**

No statement in this announcement is intended as a profit forecast, profit estimate or quantified financial benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for U+I for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for U+I.

#### **Publication on a website**

In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on U+I's website at [www.uandiplc.com](http://www.uandiplc.com) and Landsec's website at [www.landsec.com](http://www.landsec.com) by no later than 12 noon (London time) on the first Business Day following the date of this announcement. For the avoidance of doubt, neither the contents of these websites nor the contents of any websites accessible from any hyperlinks is incorporated into or forms part of this announcement.

#### **Requesting hard copy documents**

In accordance with Rule 30.3 of the Takeover Code, U+I Shareholders may request a hard copy of this announcement (and any information incorporated by reference in this announcement), free of charge, by contacting Link Group during business hours on 0371 664 0300 (from within the United Kingdom) and +44 (0) 371 664 0300 (from outside the United Kingdom) or by submitting a request in writing to Link Group, 10<sup>th</sup> Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines will be open between 9.00 am to 5.30 pm, Monday to Friday excluding public holidays in England and Wales.

For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.

#### **Electronic communications**

Please be aware that addresses, electronic addresses and certain other information provided by U+I Shareholders, persons with information rights and other relevant persons for the receipt of



*communications from U+I may be provided to Landsec during the Offer Period as required under Section 4 of Appendix 4 to the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.*

***Rounding***

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.*

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION  
FOR IMMEDIATE RELEASE

1 November 2021

**RECOMMENDED CASH ACQUISITION**

of

**U AND I GROUP PLC**

by

**LS DEVELOPMENT HOLDINGS LIMITED**

**(a newly formed company indirectly owned by Land Securities Group PLC)**

**to be effected by means of a Scheme of Arrangement  
under Part 26 of the Companies Act 2006**

**1. Introduction**

The boards of directors of U and I Group PLC ("**U+I**") and LS Development Holdings Limited ("**Landsec Development**"), a newly formed wholly-owned indirect subsidiary of Land Securities Group PLC ("**Landsec**"), are pleased to announce that they have reached agreement on the terms of a recommended all cash offer by Landsec Development for the entire issued, and to be issued, ordinary share capital of U+I (the "**Acquisition**").

**2. The Acquisition**

It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act. The purpose of the Scheme is to enable Landsec Development to acquire the whole of the issued and to be issued share capital of U+I.

Under the terms of the Acquisition, U+I Shareholders will be entitled to receive:

**149 pence for each U+I Share**

The Acquisition values the entire issued and to be issued share capital of U+I at approximately £190 million on a fully diluted basis, and the price of 149 pence per U+I Share represents a premium of approximately:

- 73 per cent. to the Closing Price of 86.0 pence per U+I Share on 29 October 2021 (being the last Business Day before the commencement of the Offer Period);
- 71 per cent. to the volume-weighted average price of 87.2 pence per U+I Share for the one-month period ended 29 October 2021 (being the last Business Day before the commencement of the Offer Period); and
- 70 per cent. to the volume-weighted average price of 87.8 pence per U+I Share for the three-month period ended 29 October 2021 (being the last Business Day before the commencement of the Offer Period).

If, on or after the date of this announcement and before the Effective Date, any dividend, distribution or other return of capital or value is announced, declared, made or paid by U+I or becomes payable by U+I in respect of the U+I Shares, Landsec Development reserves the right to

reduce the consideration payable under the terms of the Acquisition of the U+I Shares by an amount up to the amount of such dividend and/or distribution and/or other return of capital or value, in which case any reference in this announcement to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. Any exercise by Landsec Development of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme or the Acquisition. In such circumstances, U+I Shareholders would be entitled to receive and retain any such dividend and/or other distribution and/or return of capital or value.

In the event that the Acquisition is to be implemented by way of a Takeover Offer, the U+I Shares will be acquired pursuant to the Takeover Offer fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto. Any new U+I Shares issued to Landsec Development pursuant to the Scheme will be transferred on the same basis.

The Scheme Document will contain a valuation in respect of U+I's property portfolio in accordance with Rule 29 of the Takeover Code.

### **3. Background to and reasons for the Acquisition**

In October 2020, Landsec set out its future growth strategy focused on three key areas: (i) Central London offices; (ii) major retail destinations; and (iii) urban opportunities in London and other major regional cities. The ultimate goal of this strategy is to accelerate growth through recycling capital into higher return opportunities and deliver for investors an attractive combination of income and growth driven returns.

In Central London offices, Landsec develops, owns and manages offices that offer a variety of propositions to meet the evolving needs of the occupiers. The Central London offices portfolio offers a blend of returns: from high quality, low risk income through to profits from new developments.

In major retail destinations, Landsec actively manages high quality retail destinations that they believe will remain relevant to brands and shoppers in an increasingly omni-channel world. Returns in this segment are predominantly income driven with the prospects of rental growth and values strengthening in the medium term.

In urban opportunities, Landsec applies its skillset to deliver urban mixed-use schemes. The aim is to capitalise on the attractive blend of income, growth and development-driven returns over multiple years that multi-phased projects can offer.

In the near term, Landsec's directors expect to increase portfolio recycling and are prepared to take, in a considered way, more operational risk to create value and drive returns for Landsec's shareholders. As Landsec increasingly allocates capital for growth, it is targeting the delivery of mid-to-high single digit returns on equity across the Landsec group, split broadly equally between income and growth.

The Covid-19 pandemic has accelerated the blurring of lines between where people live, work and socialise. In response to this, mixed-use developments with a clear sense of place are becoming a more important part of the fabric of cities. The directors of Landsec believe it is well positioned with its existing development and asset management capabilities and balance sheet strength to create these places and achieve attractive risk-adjusted returns.

The Acquisition would add core regeneration assets to the Landsec's development pipeline, which Landsec believes it can help realise through the strength of its balance sheet accelerating the delivery of Landsec's "Urban opportunities" strategic pillar.

U+I also aligns closely with Landsec's sustainability goals, including the design and development of new sustainable communities, working alongside local government, customers, communities and partners.

U+I provides access to a significant pipeline of mixed-use development schemes, of which two are well-progressed through planning (Mayfield, (strategic regeneration framework ("SRF") and detailed consent for phase 1); and Morden Wharf (resolution to grant)):

- Mayfield, Manchester. Mayfield is one of the UK's pre-eminent mixed-use regeneration projects, and works have already commenced onsite. It is a c. 24 acre site in Manchester City Centre, adjacent to Manchester Piccadilly railway station, which comprises 2 million sq. ft. of office, retail and leisure space and 1,500 new homes set around a 6.5 acre public park. This site is currently owned in a joint venture with Manchester City Council, Transport for Greater Manchester and London and Continental Railways (the "**Mayfield JV**"). U+I has a 50 per cent. share in the Mayfield JV and acts as development manager for the site. Following the Acquisition, Landsec expects that it will be able to satisfy the financing requirements of the Mayfield JV. U+I estimates that the site has a £1.5 billion gross development value, of which approximately 60 per cent. is expected to be the office element, and the site is expected to complete in calendar year 2032.
- Morden Wharf, Greenwich Peninsula. U+I has a conditional development agreement with Morden College, a charitable trust with significant land holdings on the Greenwich Peninsula. U+I has secured planning consent for 1,500 new homes, 200,000 sq. ft. of warehouses and 50,000 sq. ft. of retail across this 19 acre site on the western edge of the Peninsula. U+I estimates that the site has a gross development value of £770 million.

U+I also provides access to a further high quality, office-led development in London with planning consent:

- Landmark Court, Southwark. Landmark Court is an office-led development site located within walking distance of London Bridge station and Borough underground station, with planning permission for 200,000 sq. ft. of offices, retail and workspace and 36 new homes. Landmark Court is targeting BREEAM Excellent and WELL Platinum (building validations/certifications focusing on sustainability, human health and well-being). The offices are expected to provide prime space in a location that continues to mature, with the consented and cleared site offering the potential to deliver near-term returns. Landmark Court will sit in a joint venture (which is conditional on receipt of development funding) of subsidiaries of U+I and Transport for London ("TfL"), held 51:49 respectively (the "**Landmark JV**"). TfL and Network Rail are freeholders of the site, with a new 299-year lease now agreed for development. Following the Acquisition, Landsec expects that it will be able to satisfy the financing requirements of the Landmark JV. U+I estimates that the site has a £240 million gross development value and work is expected to commence in 2022 and complete in calendar year 2025.

Landsec believes that it can accelerate the pace of development across these sites by combining Landsec's own development capabilities and the strength of its balance sheet, with U+I's placemaking skills, which emphasise: (i) unlocking overlooked, underestimated sites, (ii) community-led neighbourhood planning, and (iii) purposeful construction of mixed-use neighbourhoods, infrastructure and public spaces. Landsec believes these opportunities would enable it to invest a further £600-800 million in development capital expenditure in the short to medium term.

In addition, U+I provides access to a longer dated mixed-use regeneration scheme, which Landsec's directors believe could provide additional upside for Landsec, subject to further assessment:

- Cambridge Northern Fringe East ("CNFE"). CNFE is a venture with Cambridge City Council and Anglian Water for a potential £3 billion "masterplan" on a 120 acre site on the outskirts of Cambridge, for which U+I currently acts as "masterplanner" and promoter. U+I's stated plan for CNFE is to create a new district, including 5,000 new homes and 0.5 million sq. ft. of office and lab space for life sciences industries.

U+I provides access to one further mixed-use regeneration scheme:

- 8 Albert Embankment, Lambeth. In partnership with the London Fire Brigade, U+I was given a mandate for development in 2016, subject to planning. This scheme offers the potential for 443 new homes alongside approximately 85,000 sq. ft. of office space. U+I estimates that the site has a gross development value of £500 million. However, in June 2021, the latest planning application was refused by the Secretary of State. Landsec will evaluate options for this site.

#### **4. Recommendation**

The U+I Directors, who have been so advised by Rothschild & Co as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the U+I Directors, Rothschild & Co has taken into account the commercial assessments of the U+I Directors. Rothschild & Co is providing independent financial advice to the U+I Directors for the purposes of Rule 3 of the Takeover Code.

**Accordingly, the U+I Directors intend to recommend unanimously that U+I Shareholders vote in favour of the Scheme at the Court Meeting and the Resolution to be proposed at the General Meeting as the U+I Directors who hold U+I Shares have irrevocably undertaken to do in respect of their own beneficial holdings of 4,507,614 U+I Shares in aggregate, representing approximately 3.6 per cent. of U+I's issued share capital on 29 October 2021 (being the last Business Day before the date of this announcement).**

Further details of these irrevocable undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3.

#### **5. Background to and reasons for the Recommendation**

In May 2021, U+I announced the first step of its "Reset, Prove, Grow" strategy, which followed the 100-day strategic review undertaken by U+I following the appointment of Richard Upton as CEO in January 2021. As part of the review, U+I reorganised its portfolio into three segments: (i) Core Regeneration assets; (ii) Non-Core Development and Trading assets ("**Non-Core**"); and (iii) Investment Portfolio assets, simplifying the business and providing greater clarity to shareholders on the strategy for each segment.

In relation to the strategy for the Non-Core portfolio, in the six months to 30 September 2021, U+I has made good progress with Non-Core disposals, fully exiting three of its 35 Non-Core projects with further partial realisations being achieved from a number of other projects. The U+I Board is confident in U+I's ability to monetise the majority of the remaining Non-Core projects over the four-year timescale previously indicated, albeit these disposals are not without risk and, in some cases, require further capital spend ahead of monetisation. The U+I Board also recognises that there is a wide range of total net sale proceeds outcomes, as set out in May 2021, which is in part dependent on factors beyond U+I's control.

In relation to the Core Regeneration business, demand for mixed-use urban environments where people can live, work and socialise has never been greater, and the U+I Board continues to believe that U+I is one of only a small number of companies with the skills, track-record and reputation to

successfully deliver these types of projects. However, the scale of U+I's Core Regeneration pipeline and ambition, relative to the scale of U+I's own balance sheet and market capitalisation, means that one of the core tenets of U+I's regeneration strategy is the introduction of external capital partners into key projects.

The U+I Board believes that U+I's Core Regeneration model, married to the right long-term capital, and aligned with the Government's focus on rebuilding economic growth and 'levelling up', is more relevant than ever and represents a highly attractive opportunity to create long term stakeholder value. In considering the right partner for a project, U+I seeks an appropriate combination of balance sheet strength and expertise in investing in long-term regeneration projects. The U+I Directors consider Landsec a highly credible partner for these projects, given its financial strength and long track-record of delivering complex projects. Furthermore, the U+I Directors see this partnership as providing an opportunity to accelerate the Core Regeneration business plan for the benefit of all U+I stakeholders.

Landsec's initial proposal was received in September 2021 and the final Acquisition price followed from a period of negotiations with U+I.

Against this backdrop, whilst the U+I Board remains confident in U+I's prospects as a standalone company as it continues to implement its revised strategy, following careful consideration, the U+I Board has concluded the Acquisition is in the best interests of U+I Shareholders. In reaching this conclusion, it has considered in particular the following:

- the range of risk-adjusted returns under U+I's revised strategy, in particular the range of net proceeds likely receivable from the Non-Core disposals net of U+I's recurring cost base, as compared with the certainty of the Acquisition price;
- the likely requirement over time to introduce funding partners into certain of U+I's Core Regeneration assets, in order for U+I to monetise its interest in these core projects and create distributable profits for U+I Shareholders;
- the complexity and cost of U+I's existing capital structure and the overall size of its balance sheet and market capitalisation, relative to the scale and opportunity of its pipeline;
- the Acquisition price of 149 pence represents a premium of approximately 73 per cent. to the Closing Price of 86.0 pence per U+I share on 29 October 2021 (being the last Business Day before the commencement of the Offer Period) and 70 per cent. to the volume-weighted average Closing Price of 87.8 pence per U+I Share for the three-month period ended 29 October 2021;
- that the Acquisition provides an opportunity for all U+I Shareholders to realise their interests in cash; and
- the impact of the Acquisition on all of U+I's stakeholders and the importance of U+I's assets to Landsec's future strategy.

## **6. Irrevocable undertakings and letters of intent**

The U+I Directors who hold U+I Shares have irrevocably undertaken to vote in favour of the resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by a Takeover Offer, to accept such Takeover Offer) in respect of 4,507,614 U+I Shares in aggregate, representing approximately 3.6 per cent. of U+I's issued share capital on 29 October 2021 (being the last Business Day before the date of this announcement).

In addition, Landsec and Landsec Development have received letters of intent to vote in favour of the resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by a Takeover Offer, to accept such Takeover Offer) from Aberforth Partners LLP, J O Hambro Capital Management Limited, Jupiter Asset Management Limited and Ennismore Fund Management Limited, in respect of a total of 39,754,171 U+I Shares, representing in



aggregate approximately 32 per cent. of the issued ordinary share capital of U+I on 29 October 2021 (being the last Business Day before the date of this announcement).

In total, therefore, Landsec and Landsec Development have received irrevocable undertakings or letters of intent, including those irrevocable undertakings from the U+I Directors who own U+I Shares, in respect of, in aggregate, 44,261,785 U+I Shares, representing approximately 35 per cent. of the issued ordinary share capital of U+I on 29 October 2021 (being the last Business Day before the date of this announcement).

Further details of these irrevocable undertakings and letters of intent are set out in Appendix 3 to this announcement.

## **7. Information relating to U+I**

U+I is a property developer and investor focused on complex, mixed-use regeneration in London, Manchester and Dublin, creating socially and economically sustainable places where people can live, work and socialise. Headquartered in London and listed on the London Stock Exchange's Main Market, U+I employs 70 people across the United Kingdom. U+I began as Development Securities PLC and rebranded as U+I in 2015 following the acquisition of Cathedral Group (Holdings) Limited in 2014.

As a result of U+I's strategic review, announced in May 2021, U+I's portfolio has been reorganised into three segments: Core Regeneration assets, Non-Core Development and Trading assets, and Investment Portfolio assets.

The Core Regeneration assets segment (£58 million of gross asset value as at 31 March 2021, or 22 per cent. of the total U+I portfolio) comprises five major schemes which are mostly public-private partnerships to build on publicly-owned land. These five major schemes have a significant estimated gross development value of £6 billion. These mixed-use regeneration schemes are expected to deliver sustainable and consistent returns to U+I. U+I's "master developer" approach provides multiple routes to monetisation over the course of the project and can include: (i) land enablement profits from planning and placemaking, (ii) plot sales to specialists, (iii) development management fees, and (iv) shares of development profits and promotes. These projects, which often require no upfront land purchase, are the core of U+I's business and require expertise like U+I's to be successful.

The Non-Core Development and Trading assets segment (£126 million of gross asset value as at 31 March 2021 or 47 per cent. of the total U+I portfolio) comprised 35 projects (as at 31 March 2021) which were previously described as public-private partnership/development or trading projects and which U+I intends to dispose of within the next four years. As at 31 March 2021, U+I estimated £90-160 million of net cash receipts from these projects from the disposal programme (net of estimated project spend).

The Investment Portfolio assets segment (£85 million of gross asset value as at 31 March 2021 or 32 per cent. of the total U+I portfolio) is comprised of 15 income-generating assets (as at 31 March 2021) and is largely made up of commercial, retail, shopping centre or leisure assets that U+I acquired or developed. U+I believes the Investment Portfolio provides a potential future opportunity to recycle capital into core regeneration schemes.

As at 31 March 2021, the total gross asset value across the Core Regeneration, Non-Core Development and Trading and Investment Portfolio asset segments was £269 million.

For the 12 months ended 31 March 2021, U+I reported total assets of £427.0 million, reported total revenues of £45.8 million and losses before tax of £86.7 million. U+I reported a basic loss of 70.2 pence per U+I Share.

U+I is a public limited company registered in England and Wales. The U+I Shares are listed on the premium listing segment of the Official List and are admitted to trading on the London Stock Exchange's Main Market for listed securities.

## **8. Information relating to Landsec Development and Landsec**

### ***Landsec Development***

Landsec Development is a private limited company registered in England and Wales and incorporated on 20 October 2021. Landsec Development was formed for the purposes of the Acquisition and is an entity indirectly wholly-owned by Landsec. Landsec Development has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition.

The current directors of Landsec Development are Elizabeth Miles, Land Securities Management Services Limited and LS Director Limited.

Further details in relation to Landsec Development will be contained in the Scheme Document.

### ***Landsec***

Landsec Group is one of the leading real estate development and investment companies in the United Kingdom. Founded in 1944 and headquartered in Victoria, London, Landsec is listed on the London Stock Exchange where it is a constituent of the FTSE 100 Index. Landsec has been a Real Estate Investment Trust ("**REIT**") since the UK introduced REIT status in 2007.

Landsec operates across four divisions: Central London, Regional Retail, Subscale sectors and Urban opportunities. The company owns and manages some of the most successful real estate assets across the United Kingdom. Its combined portfolio of retail, leisure, workspace and residential hubs is valued at £10.8 billion and spans 23.5 million sq. ft. (as at 31 March 2021). Landsec aims to lead the real estate industry in critical long-term issues: from diversity and community employment, to carbon reduction and climate resilience.

## **9. Directors, management, employees, pensions, research and development and locations**

### ***Landsec's strategic plans for U+I***

Landsec holds the reputation of the U+I management team and staff in high regard. Landsec believes that the U+I management team will materially enhance Landsec's placemaking skills and complement Landsec's existing development capabilities.

Following completion of the Acquisition, Landsec intends to continue to pursue U+I's existing strategy, utilising Landsec's existing development capabilities and the strength of its balance sheet to accelerate U+I's pipeline of near-term development opportunities.

#### ***1. Core regeneration assets***

Landsec intends to continue to treat this segment as the core focus of the U+I business, using Landsec's balance sheet strength and existing development capabilities to accelerate U+I's two major mixed-use development schemes which are well-progressed through planning (Mayfield, Manchester (SRF and detailed consent for phase 1); and Morden Wharf, Greenwich Peninsula (resolution to grant)), as well as its office-led scheme at Landmark Court, Southwark. Landsec intends to assess U+I's longer dated mixed-use regeneration scheme (CNFE) and will evaluate its options in respect of 8 Albert Embankment. Landsec intends to invest in new mixed-use development opportunities as and when they arise.

Landsec believes that U+I's placemaking skills are complementary to Landsec's skills and expertise. Through the combination of Landsec's own development capabilities and financing capacity with U+I's front-end development capabilities and placemaking expertise,



Landsec intends to accelerate its own strategic objective of growing through urban, mixed-use opportunities.

2. *Investment portfolio assets*

In line with U+I's current strategy, Landsec intends to review each of these assets and consider recycling capital into core regeneration assets.

3. *Non-core development and trading assets*

In line with U+I's current strategy, Landsec intends to trade out of this portfolio over the next four years.

***Employees and management***

Landsec attaches great importance to the skill and experience of the U+I management team and employees and recognises that the commitment of the employees and management of U+I will be a critical part of the future success of the combined business. Landsec intends to support the U+I management team and, save as set out below, Landsec has no intention to make any change to the continued employment of the employees and management of the U+I Group, including any material changes to the terms and conditions of employment or in the balance of skills and functions of the management and employees of the U+I Group as a result of the Acquisition.

Landsec intends to undertake an evaluation of U+I and its operations as part of the Landsec Group, within six months after U+I ceases to be a listed company. There may be certain corporate and support functions associated with operating the business under public ownership which are no longer required or are reduced in scope, which will potentially (subject to compliance with any information and consultation obligations) require reduced headcount in these areas. Landsec has not yet developed proposals as to how any such headcount reductions could be implemented.

***Conditions of employment and existing rights and pensions***

Landsec confirms that, following completion of the Acquisition, the existing contractual and statutory rights and terms and conditions of employment, including pension rights and obligations, of the management and employees of the U+I Group will be fully safeguarded in accordance with applicable law.

U+I operates a defined contribution scheme on behalf of the U+I Group for U+I Directors and employees. Monthly premiums are invested in an independent insured fund. Landsec does not intend to make any changes to the current employer pension contribution arrangements, the accrual of benefits for existing members or the rights of admission of new members under the pension scheme.

***Headquarters, locations and research and development***

Following completion of the Acquisition, U+I will retain its head office operations at 7A Howick Place, London SW1P 1DZ for a transitional period. Landsec intends to review opportunities to consolidate U+I's London head office operations with Landsec's own head office at 100 Victoria Street, London SW1E 5JL. Landsec has no other plans to undertake any change in the other locations of U+I's places of business.

In addition, the U+I Group currently has no research and development function and Landsec has no plans in this regard.

***Management incentive arrangements***

Following completion of the Acquisition, Landsec intends to review the management, governance and incentive structure of U+I and put in place incentivisation arrangements for certain managers and employees of U+I. The terms of these arrangements are to be determined at the appropriate time. Landsec has not entered into, and has not had discussions on proposals to enter into, any

form of incentivisation arrangements with members of the U+I management or employees, and no such discussions will take place prior to completion of the Acquisition.

### ***Trading facilities***

The U+I Shares are currently listed on the premium listing segment of the Official List and are admitted to trading on the London Stock Exchange's Main Market for listed securities. Subject to the Scheme becoming Effective, applications will be made to the FCA and the London Stock Exchange to cancel the listing of the U+I Shares on the Official List and trading on the Main Market, following which U+I will be re-registered as a private limited company.

None of the statements in this paragraph 9 constitute or are intended to become "post-offer undertakings" for the purpose of Rule 19.5 of the Takeover Code.

## **10. U+I Share Plans**

Participants in the U+I Share Plans will be contacted regarding the effect of the Acquisition on their options and awards under the U+I Share Plans and an appropriate proposal will be made to such participants in due course. Details of the proposal will be set out in the Scheme Document (or, as the case may be, the Offer Document) and in separate letters to be sent to participants in the U+I Share Plans.

## **11. Financing of the Acquisition**

The Cash Consideration payable by Landsec Development under the terms of the Acquisition will be funded from the Wider Landsec Group's existing cash resources.

UBS, in its capacity as financial adviser to Landsec, is satisfied that sufficient resources are available to satisfy in full the Cash Consideration payable to U+I Shareholders under the terms of the Acquisition.

## **12. Offer-related arrangements**

### ***Confidentiality Agreement***

On 4 October 2021, Landsec and U+I entered into a confidentiality agreement in relation to the Acquisition (the "**Confidentiality Agreement**"), pursuant to which, amongst other things, Landsec gave certain undertakings to: (a) subject to certain exceptions, keep information relating to U+I and the Acquisition confidential and not to disclose it to third parties; and (b) use such confidential information only in connection with the Acquisition. These confidentiality obligations will remain in force until the earlier of 4 October 2023 and completion of the Acquisition by Landsec Development.

In the Confidentiality Agreement, Landsec also gives customary standstill undertakings in relation to itself and its concert parties, all of which cease to apply upon the release of this announcement.

### ***Co-operation Agreement***

Pursuant to a co-operation agreement (the "**Co-operation Agreement**") between Landsec Development, U+I and Landsec: (i) Landsec and Landsec Development have agreed to provide U+I with certain information for the purposes of the Scheme Document and to otherwise assist with the preparation of the Scheme Document; (ii) the parties have agreed to certain provisions if the Scheme should switch to a Takeover Offer; and (iii) the parties have agreed certain arrangements with respect to the U+I Share Plans and other employee-related matters.

The Co-operation Agreement shall terminate, *inter alia*: (i) by notice from Landsec Development or U+I, if the Acquisition is withdrawn or lapses in accordance with its terms; (ii) by notice from Landsec Development or U+I, if prior to the Long Stop Date any Condition has been invoked by Landsec Development (where permitted by the Panel); (iii) at Landsec Development's election if the U+I Directors withdraw or adversely modify or qualify their recommendation of the Acquisition

or announce that they intend to support a third party's offer or fail to reconfirm their recommendation of the Acquisition following publication of a competing proposal by a third party; (iv) at Landsec Development's election if U+I announces a delay to the dates of the Court Meeting or the General Meeting without Landsec Development's consent (other than for logistical or practical reasons which were not caused by U+I); or (v) by notice from Landsec Development or U+I, if the Scheme does not become effective in accordance with its terms by the Long Stop Date.

### **13. Scheme process**

It is intended that the Acquisition will be effected by a Court-sanctioned scheme of arrangement between U+I and the Scheme Shareholders under Part 26 of the Companies Act. Landsec Development reserves the right to effect the Acquisition by way of a Takeover Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement.

The purpose of the Scheme is to provide for Landsec Development to become owner of the whole of the issued and to be issued share capital of U+I. Under the Scheme, the Acquisition is to be achieved by the transfer of the Scheme Shares held by Scheme Shareholders to Landsec Development in consideration for which Scheme Shareholders will receive the Cash Consideration on the basis set out in paragraph 2 above. The procedure involves, among other things, a petition by U+I to the Court to sanction the Scheme.

The Acquisition will be subject to the Conditions and the further terms referred to in Appendix 1 and the full terms and conditions to be set out in the Scheme Document and will only become Effective if, among other things, the following events occur on or before the Long Stop Date (or such later date as Landsec Development and U+I may, with the consent of the Panel, agree and, if required, the Court may allow):

- a resolution to approve the Scheme is passed by a majority in number of the Scheme Shareholders present and voting (and entitled to vote) at the Court Meeting, either in person or by proxy, representing 75 per cent. or more in value of each class of the Scheme Shares held by those Scheme Shareholders;
- the Resolution is passed at the General Meeting by U+I Shareholders representing at least 75 per cent. of the votes validly cast on the Resolution, whether in person or by proxy;
- following the Meetings, the Scheme is sanctioned by the Court (without modification, or with modification on terms agreed by Landsec Development and U+I); and
- following such sanction, an office copy of the Scheme Court Order is delivered to the Registrar of Companies.

Upon the Scheme becoming Effective: (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Meetings (and if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of U+I Shares will cease to be valid and entitlements to U+I Shares held within the CREST system will be cancelled. In accordance with the applicable provisions of the Takeover Code, the Cash Consideration for the transfer of the Scheme Shares to Landsec Development will be despatched no later than 14 days after the Effective Date.

Any U+I Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The Resolution to be proposed at the General Meeting will, amongst other matters, provide that the Articles be amended to incorporate provisions requiring any U+I Shares issued after the Scheme Record Time (other than to Landsec Development and/or its nominees) to be automatically transferred to Landsec Development on the same terms as the Acquisition (other than terms as to timings and formalities). The provisions of the Articles (as amended) will avoid any person (other than Landsec Development and its nominees) holding U+I Shares after the Effective Date.

If the Scheme does not become Effective on or before the Long Stop Date, it will lapse and the Acquisition will not proceed (unless the Panel otherwise consents).

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the General Meeting and the expected timetable, and will specify the action to be taken by Scheme Shareholders. It is expected that the Scheme Document, together with the Forms of Proxy, will be published as soon as practicable and in any event within 28 days of the date of this announcement (unless the Panel agrees otherwise).

Subject, amongst other things, to the satisfaction or waiver of the Conditions, it is expected that the Scheme will become Effective in December 2021 or early 2022. The Scheme will be governed by English law. The Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.

#### **14. Dividends**

If, on or after the date of this announcement and before the Effective Date, any dividend, distribution or other return of capital or value is announced, declared, made or paid by U+I or becomes payable by U+I in respect of the U+I Shares, Landsec Development reserves the right to reduce the consideration payable under the terms of the Acquisition of the U+I Shares by an amount up to the amount of such dividend and/or distribution and/or other return of capital or value, in which case any reference in this announcement to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. In such circumstances, U+I Shareholders would be entitled to receive and retain any such dividend and/or other distribution and/or return of capital or value.

#### **15. Disclosure of interests in U+I**

Except for the irrevocable undertakings referred to in paragraph 6 above, as at the close of business on 29 October 2021 (being the last Business Day before the date of this announcement), neither Landsec Development, Landsec, nor any of their respective directors, nor, so far as Landsec Development or Landsec is aware, any person acting in concert (within the meaning of the Takeover Code) with Landsec Development or Landsec:

- has any interest in, or right to subscribe for, any relevant securities of U+I; nor
- has any short position in U+I Shares, including any short position under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery of relevant securities of U+I; nor
- has borrowed or lent any relevant securities of U+I or entered into any financial collateral arrangements relating to relevant securities of U+I; nor
- is party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code in relation to relevant securities of U+I.

An “interest in” securities for these purposes arises, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an ‘interest’ by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to securities.

It has not been practicable for Landsec Development or Landsec to make enquiries of all of its concert parties in advance of the release of this announcement. Therefore, if Landsec Development and/or Landsec become aware, following the making of such enquiries, that any of Landsec Development or Landsec’s concert parties have any additional interests in relevant securities of U+I, all relevant details in respect of Landsec Development and Landsec’s concert

parties will be included in Landsec Development's Opening Position Disclosure in accordance with the Takeover Code.

#### **16. Delisting, cancellation of trading and re-registration**

It is expected that the last day of dealings in U+I Shares on the London Stock Exchange's Main Market for listed securities will be the Business Day immediately prior to the Effective Date and no transfers will be registered after 6.00 pm (London time) on that date.

Subject to the Scheme becoming effective, U+I will make an application to the London Stock Exchange for the cancellation of the admission to trading of the U+I Shares on the London Stock Exchange's Main Market for listed securities and an application to the FCA for the cancellation of the listing of the U+I Shares on the Official List, in each case, to take effect on or shortly after the Effective Date.

Following the Scheme becoming Effective and after the delisting and cancellation of admission to trading of the U+I Shares, it is intended that U+I be re-registered as a private limited company as soon as practicable following the Effective Date.

#### **17. Consents**

Rothschild & Co and UBS have each given and not withdrawn their consent to the publication of this announcement with the inclusion herein of the references to their names in the form and context in which they appear.

#### **18. Documents available for inspection**

Copies of the following documents will be published, by no later than 12 noon (London time) on the first Business Day following the date of this announcement, on U+I's website at [www.uandiplc.com](http://www.uandiplc.com) and Landsec's website at [www.landsec.com](http://www.landsec.com) until the Effective Date:

- this announcement;
- the irrevocable undertakings and letters of intent referred to in paragraph 6 above and summarised in Appendix 3;
- the Confidentiality Agreement referred to in paragraph 12 above;
- the Co-operation Agreement referred to in paragraph 12 above; and
- the consent letters from each of Rothschild & Co and UBS referred to in paragraph 17 above.

The contents of U+I's website and Landsec's website are not incorporated into and do not form part of this announcement.

#### **19. Overseas Shareholders**

The availability of the Acquisition to U+I Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. U+I Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

#### **20. General**

Landsec Development reserves the right to elect (with the consent of the Panel and subject to the terms of the Co-operation Agreement) to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme. In such event, the Takeover Offer will be implemented on

substantially the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme.

The Acquisition will be on the terms and subject to the Conditions set out in Appendix 1, and to the full terms and conditions to be set out in the Scheme Document. The formal Scheme Document containing further information about the Acquisition and notices of the Meetings, together with the Forms of Proxy, will be sent to U+I Shareholders as soon as practicable and in any event within 28 days of this announcement (or on such later date as may be agreed between Landsec Development and U+I with the consent of the Panel).

Appendix 2 contains bases and sources of certain information contained in this announcement. Details of irrevocable undertakings and letters of intent received are set out in Appendix 3. Certain terms used in this announcement are defined in Appendix 4.

This announcement does not constitute an offer for sale of any securities or an invitation to purchase or subscribe for any securities. U+I Shareholders are advised to read carefully the Scheme Document and related Forms of Proxy once these have been dispatched.

## Enquiries

### **U and I Group PLC**

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Jamie Christmas (Chief Financial Officer)	

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Jonathan Sibun	
Sunni Chauhan	

Slaughter and May is acting as legal adviser to Landsec in connection with the Acquisition.

Bryan Cave Leighton Paisner LLP is acting as legal adviser to U+I in connection with the Acquisition.

The person responsible for arranging the release of this announcement on behalf of U+I is Chris Barton, Company Secretary.



## **Further information**

*This announcement is for information purposes only and is not intended to and does not constitute, or form part of an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of U+I in any jurisdiction in contravention of applicable law. The Acquisition will be implemented solely pursuant to the terms of the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any vote in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document).*

*U+I and Landsec will prepare the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) to be distributed to U+I Shareholders. U+I and Landsec urge U+I Shareholders to read the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) when it becomes available because it will contain important information relating to the Acquisition.*

*This announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.*

## **Disclaimers**

*N.M. Rothschild & Sons Limited ("**Rothschild & Co**"), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as financial adviser to U+I and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than U+I for providing the protections afforded to clients of Rothschild & Co nor for providing advice in connection with any matter referred to herein. Neither Rothschild & Co nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild & Co in connection with this announcement, any statement contained herein, the Acquisition or otherwise. Rothschild & Co has given, and not withdrawn, its consent to the inclusion of its advice in this announcement in the form and context in which it is included.*

*UBS AG London Branch ("**UBS**") is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by the PRA and subject to regulation by the FCA and limited regulation by the PRA in the United Kingdom. UBS is acting as financial adviser to Landsec and no one else in connection with the Acquisition. In connection with such matters, UBS, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the Acquisition, the contents of this announcement or any other matter referred to herein.*

*Peel Hunt LLP ("**Peel Hunt**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for U+I and for no-one else in connection with the matters referred to in this announcement and will not be responsible to any person other than U+I for providing the protections afforded to clients of Peel Hunt, nor for providing advice in relation to the matters referred to herein. Neither Peel Hunt nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Peel Hunt in connection with the matters referred to in this announcement, or otherwise.*

*Liberum Capital Limited ("**Liberum**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for U+I and no one else in connection with the matters described in this announcement. Liberum will not regard any other person (whether or not a recipient of this*

announcement) as its client in relation to the matters described in this announcement and will not be responsible to anyone other than U+I for providing the protections afforded to its clients or for providing any advice in relation to matters or arrangements referred to herein. Apart from the responsibilities and liabilities, if any, which may be imposed on Liberum by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Liberum does not accept any responsibility whatsoever for, and makes no representation or warranty, express or implied, as to the contents of this announcement or for any other statement made or purported to be made by it, or on its behalf, in connection with U+I and nothing in this announcement will be relied upon as a promise or representation in this respect, whether or not to the past or future. Liberum accordingly, to the fullest extent permitted by law, disclaims all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this announcement or any such statement.

### **Overseas jurisdictions**

*This announcement has been prepared in accordance with, and for the purpose of complying with, the laws of England and Wales and the Takeover Code, and information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England.*

*The release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable requirements of their jurisdictions.*

*The availability of the Acquisition to U+I Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their U+I Shares with respect to the Scheme at the Court Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.*

*Unless otherwise determined by Landsec Development or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, in whole or in part, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and*



*the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

*The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.*

### **Notice to US investors in U+I**

*US holders of U+I Shares should note that the Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure and procedural requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules.*

*The financial information included in this announcement and the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) has been or will have been prepared in accordance with generally accepted accounting principles of the United Kingdom and thus may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*However, if, in the future, Landsec Development exercises the right to implement the Acquisition by way of a Takeover Offer and determines to extend the offer into the United States, the Takeover Offer will be made in compliance with applicable United States tender offer and securities laws and regulations. The receipt of cash pursuant to the Acquisition by a US holder of U+I Shares as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each U+I Shareholder is therefore urged to consult with legal, tax and financial advisers in connection with making a decision regarding the Acquisition.*

*It may be difficult for US holders of U+I Shares to enforce their rights and any claims arising out of US federal laws, since Landsec and U+I are each located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of U+I Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

*To the extent permitted by applicable law, in accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Landsec, certain affiliated companies and their nominees or brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, U+I Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the US Exchange Act, each of Rothschild & Co and UBS will continue to act as an exempt principal trader in U+I Shares on the London Stock Exchange. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Exchange Act. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).*

### **Forward-looking statements**

*This announcement (including information incorporated by reference into this announcement), oral statements made regarding the Acquisition, and other information published by Landsec and U+I contain statements which are, or may be deemed to be, "forward-looking statements". Forward-*

looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Landsec and U+I about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on Landsec and U+I, the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “plans”, “expects” or “does not expect”, “is expected”, “is subject to”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Although Landsec and U+I believe that the expectations reflected in such forward-looking statements are reasonable, Landsec and U+I can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; the anticipated benefits from the Acquisition not being realised as a result of changes in general economic and market conditions in the countries in which Landsec and U+I operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which Landsec and U+I operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.

Neither Landsec nor U+I, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Given the risks and uncertainties, you are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither Landsec nor U+I is under any obligation, and Landsec and U+I expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

### **Dealing and Opening Position Disclosure requirements**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a)

*applies must be made by no later than 3.30 pm (London time) on the 10<sup>th</sup> Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10<sup>th</sup> Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the Business Day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **No profit forecasts, estimates or quantified financial benefits statements**

*No statement in this announcement is intended as a profit forecast, profit estimate or quantified financial benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for U+I for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for U+I.*

### **Publication on a website**

*In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on U+I's website at [www.uandiplc.com](http://www.uandiplc.com) and Landsec's website at [www.landsec.com](http://www.landsec.com) by no later than 12 noon (London time) on the first Business Day following the date of this announcement. For the avoidance of doubt, neither the contents of these websites nor the contents of any websites accessible from any hyperlinks is incorporated into or forms part of this announcement.*

### **Requesting hard copy documents**

*In accordance with Rule 30.3 of the Takeover Code, U+I Shareholders may request a hard copy of this announcement (and any information incorporated by reference in this announcement), free of charge, by contacting Link Group during business hours on 0371 664 0300 (from within the United Kingdom) and +44 (0) 371 664 0300 (from outside the United Kingdom) or by submitting a request in writing to Link Group, 10<sup>th</sup> Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the*

*United Kingdom will be charged at the applicable international rate. Lines will be open between 9.00 am to 5.30 pm, Monday to Friday excluding public holidays in England and Wales.*

*For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.*

### **Electronic communications**

*Please be aware that addresses, electronic addresses and certain other information provided by U+I Shareholders, persons with information rights and other relevant persons for the receipt of communications from U+I may be provided to Landsec during the Offer Period as required under Section 4 of Appendix 4 to the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.*

### **Rounding**

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.*

## APPENDIX 1

### CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE ACQUISITION

#### PART A: CONDITIONS TO THE SCHEME AND THE ACQUISITION

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Takeover Code, by no later than the Long Stop Date.

#### **Scheme approval**

2. The Scheme will be conditional upon:
  - (A) (i) its approval by a majority in number representing not less than 75 per cent. in value of Scheme Shareholders who are on the register of members of U+I (or the relevant class or classes thereof) at the Voting Record Time, present and voting (and entitled to vote), whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required (or any adjournment thereof); and (ii) such Court Meeting (and any separate class meeting which may be required) being held on or before the 22<sup>nd</sup> day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Landsec Development and U+I with the consent of the Panel (and that the Court may allow if required));
  - (B) (i) the Resolution being duly passed at the General Meeting (or any adjournment thereof); and (ii) such General Meeting being held on or before the 22<sup>nd</sup> day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Landsec Development and U+I with the consent of the Panel (and that the Court may allow if required)); and
  - (C) (i) the sanction of the Scheme by the Court (with or without modification (but subject to any such modification being acceptable to Landsec Development and U+I)) and the delivery of the office copy of the Scheme Court Order to the Registrar of Companies; and (ii) the Scheme Court Hearing being held on or before the 22<sup>nd</sup> day after the expected date of the Scheme Court Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between Landsec Development and U+I with the consent of the Panel (and that the Court may allow)).

#### **General Third Party and regulatory conditions**

3. In addition, subject as stated in Part B below and to the requirements of the Panel, Landsec Development and U+I have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:
  - (A) all necessary filings or applications having been made, all necessary waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory or regulatory obligations in any relevant jurisdiction having been complied with, in each case in connection with the Acquisition or the acquisition by any member of the Wider Landsec Group of any shares or other securities in, or control of, any member of the Wider U+I Group, where the direct consequence of a failure to make such a notification or filing or to wait for



the expiry, lapse, or termination of any such waiting or time period would be unlawful in any relevant jurisdiction;

- (B) no relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction (each a “**Third Party**”) having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having enacted, made or proposed any statute, regulation, decision or order, or change to published practice or having taken any other steps, and there not continuing to be outstanding any statute, regulation, decision or order, which in each case would reasonably be expected to:
- (i) require, prevent or materially delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Landsec Group or any member of the Wider U+I Group of all or a material part of their respective businesses, assets or property or impose any material limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof;
  - (ii) require, prevent or materially delay the divestiture by any member of the Wider Landsec Group of any shares or other securities in U+I;
  - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Landsec Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or any other securities in, or to exercise voting or management control over, any member of the Wider U+I Group or the Wider Landsec Group;
  - (iv) make the Scheme or the Acquisition or, in each case, its implementation or the acquisition or proposed acquisition by Landsec Development or any member of the Wider Landsec Group of any shares or other securities in, or control of U+I void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, materially delay or impose additional conditions or obligations with respect thereto;
  - (v) except pursuant to the implementation of the Acquisition or, if applicable, sections 974 to 991 of the Companies Act, require any member of the Wider Landsec Group or the Wider U+I Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider U+I Group or the Wider Landsec Group owned by any third party;
  - (vi) impose any limitation on the ability of any member of the Wider U+I Group to co-ordinate its business, or any part of it, with the businesses of any other members of the Wider U+I Group which is adverse to and material in the context of the Wider U+I Group taken as a whole or in the context of the Acquisition; or
  - (vii) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider Landsec Group or of any member of the Wider U+I Group to an extent which is material in the context of the Wider Landsec Group or the Wider U+I Group in either case taken as a whole;

#### **General other conditions**

##### ***Certain matters arising as a result of any arrangement, agreement etc.***

- (C) save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider U+I Group is a party or



by or to which any such member or any of its assets may be bound, entitled or subject, or any circumstance which in consequence of the Acquisition or the acquisition or proposed acquisition by any member of the Wider Landsec Group of any shares or other securities (or equivalent) in U+I or because of a change in the control of U+I, would, or would reasonably be expected to, result in any of the following (in any case to an extent which is or would reasonably be expected to be material and adverse in the context of the Wider U+I Group taken as a whole):

- (i) any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or grant available to any member of the Wider U+I Group, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- (ii) any asset or interest of any member of the Wider U+I Group being or falling to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider U+I Group otherwise than in the ordinary course of business;
- (iii) other than in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interest of any member of the Wider U+I Group;
- (iv) the rights, liabilities, obligations or interests of any member of the Wider U+I Group, or the business of any such member with, any person, firm, company or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
- (v) the value or financial or trading position or prospects of any member of the Wider U+I Group being prejudiced or adversely affected; or
- (vi) the creation or acceleration of any material liability, actual or contingent, by any member of the Wider U+I Group other than trade creditors or other liabilities incurred in the ordinary course of business or in connection with the Acquisition,

and, save as Disclosed, no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider U+I Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would reasonably be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (vi) above, in each case to the extent material in the context of the Wider U+I Group taken as a whole;

***Certain events occurring since 31 March 2021***

- (D) save as Disclosed, no member of the Wider U+I Group having, since 31 March 2021:
  - (i) save as between U+I and wholly-owned subsidiaries of U+I and/or for U+I Shares issued under or pursuant to the exercise of options and vesting of awards granted under the U+I Share Plans, issued or agreed to issue, authorised or proposed the issue of additional shares of any class;
  - (ii) save as between U+I and wholly-owned subsidiaries of U+I and/or for the grant of options and awards and other rights under the U+I Share Plans, issued or agreed to issue, authorised or proposed the issue of securities convertible into

shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;

- (iii) other than to another member of the U+I Group, prior to the Acquisition becoming Effective, recommended, declared, paid or made any dividend or other distribution payable in cash or otherwise or made any bonus issue;
- (iv) save for intra-U+I Group transactions and transactions in the ordinary course of business, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or announced any intention to effect any merger, demerger, disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business and, in each case, to the extent which is material in the context of the Wider U+I Group taken as a whole;
- (v) save for intra-U+I Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital in each case, to the extent which is material in the context of the Wider U+I Group taken as a whole;
- (vi) save in the ordinary course of business, issued, authorised or announced its intention for the issue of, or made any change in or to, any debentures or (save for intra-U+I Group transactions), incurred or increased any indebtedness or become subject to any contingent liability to an extent which is material in the context of the Wider U+I Group taken as a whole;
- (vii) purchased, redeemed or repaid or announced its intention to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraphs (i) or (ii) above, made any other change to any part of its share capital in each case, to the extent which is material in the context of the Wider U+I Group taken as a whole;
- (viii) save for intra-U+I Group transactions, implemented, or authorised, or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business which in any case is material in the context of the Wider U+I Group taken as a whole;
- (ix) entered into, varied or authorised any material agreement, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which:
  - (a) is of a long term, onerous or unusual nature or magnitude or which is reasonably likely to involve an obligation of such nature or magnitude (save in the ordinary course of business); or
  - (b) would or would reasonably be likely to materially restrict the business of any member of the Wider U+I Group other than to a nature and extent which is normal in the context of the business concerned,

and, in either case, which is or would reasonably be expected to be material and adverse in the context of the Wider U+I Group taken as a whole;

- (x) (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or steps or had any legal proceedings started or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, or petition presented or order made for its

winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any part of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed which in any case is material in the context of the Wider U+I Group taken as a whole;

- (xi) other than claims between U+I and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, waived or compromised any claim otherwise than in the ordinary course of business which is material in the context of the Wider U+I Group taken as a whole;
- (xii) made any alteration to its memorandum or articles of association or other incorporation documents (other than in connection with the Scheme) which is material in the context of the Acquisition;
- (xiii) save as Disclosed, been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business to an extent which is material in the context of the Wider U+I Group taken as a whole;
- (xiv) otherwise than in the ordinary course of business, entered into any contract, commitment, arrangement or agreement or passed any resolution or made any offer (which remains open for acceptance) with respect to, or announced any intention to, effect any of the transactions, matters or events referred to in this paragraph 3(D) which is material in the context of the Wider U+I Group taken as a whole;
- (xv) (except in relation to changes made or agreed as a result of, or arising from, applicable law or changes to applicable law) made or agreed or consented to:
  - (a) any change to:
    - (1) the terms of the trust deeds constituting the pension scheme(s) established by any member of the U+I Group for its directors, employees or their dependents, including the U+I Pension Schemes;
    - (2) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
    - (3) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
    - (4) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made; or
  - (b) any non-ordinary course change to the trustees including the appointment of a trust corporation,

in each case, to the extent which is material in the context of the Wider U+I Group taken as a whole;

- (xvi) save as agreed by the Panel (if required) and by Landsec Development, proposed, agreed to provide or modified the terms of any of the U+I Share Plans or other benefit relating to the employment or termination of employment of a

material category of persons employed by the Wider U+I Group or which constitutes a material change to the terms or conditions of employment of any senior executive of the Wider U+I Group, or entered into or changed the terms of or made any offer (which remains open for acceptance) to enter into or change the terms of any contract with any director or senior executive, in each case, in a manner which is material in the context of the Wider U+I Group taken as a whole;

- (xvii) taken any action which requires, or would require, the consent of the Panel or the approval of U+I Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;

***No adverse change, litigation or regulatory enquiry***

(E) save as Disclosed, since 31 March 2021:

- (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or operational performance of any member of the Wider U+I Group which, in any such case, is material and adverse in the context of the Wider U+I Group taken as a whole;
- (ii) (other than as a result of, or in connection with, the Acquisition) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider U+I Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no enquiry or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider U+I Group having been instituted, announced, implemented or threatened in writing by or against or remaining outstanding in respect of any member of the Wider U+I Group which in any such case has had or would reasonably be expected to have a material adverse effect on the Wider U+I Group taken as a whole;
- (iii) no contingent or other liability of any member of the Wider U+I Group having arisen or become apparent or increased other than in the ordinary course of business, which has had or might reasonably be expected to have an adverse effect on the Wider U+I Group taken as a whole and is material to the Wider U+I Group taken as a whole;
- (iv) no member of the Wider U+I Group having conducted its business in breach of any applicable laws and regulations and which in any case is material in the context of the Wider U+I Group taken as a whole; and
- (v) no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence or permit held by any member of the Wider U+I Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which would reasonably be expected to have a material adverse effect on the Wider U+I Group taken as a whole;

***No discovery of certain matters***

(F) save as Disclosed, Landsec not having discovered that:

- (i) any financial, business or other information concerning the Wider U+I Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider U+I Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which was not subsequently corrected before

the date of this announcement by disclosure either publicly or otherwise to Landsec or its professional advisers, in each case, to the extent which is material in the context of the Wider U+I Group taken as a whole;

- (ii) any member of the Wider U+I Group is subject to any liability (contingent or otherwise), other than in the ordinary course of business, which, in any case, is material in the context of the Wider U+I Group taken as a whole; or
- (iii) any past or present member of the Wider U+I Group has failed to comply with any and/or all applicable legislation or regulation, of any jurisdiction with regard to the use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters or the health and safety of humans, or that there has otherwise been any such use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) which non-compliance would be likely to give rise to any material liability (actual or contingent) or cost on the part of any member of the Wider U+I Group and which is material in the context of the Wider U+I Group taken as a whole;
- (iv) there is any material liability (actual or contingent) to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the Wider U+I Group under any environmental legislation, regulation, notice, circular or order of any government, governmental, quasi-governmental, state or local government, supranational, statutory or other regulatory body, agency, court, association or body in any jurisdiction, which in any case is material in the context of the Wider U+I Group taken as a whole;

***Anti-corruption, economic sanctions, criminal property and money laundering***

(G) save as Disclosed, Landsec not having discovered that:

- (i) any:
  - (a) past or present member, director, officer or employee of the Wider U+I Group is or has at any time, in connection with their position in the Wider U+I Group, engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery legislation; or
  - (b) any person that performs or has performed services for or on behalf of the Wider U+I Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery legislation; or
- (ii) any asset of any member of the Wider U+I Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition); or
- (iii) any past or present member, director, officer or employee of the Wider U+I Group, or any other person for whom any such person may be liable or

responsible, is or has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from:

- (a) any government, entity or individual in respect of which US, UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US, UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or Her Majesty's Revenue and Customs; or
- (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations or the European Union or any of their respective member states,

which in each case, would cause any member of the Wider U+I Group to be in breach of any economic sanctions law applicable to the Wider U+I Group; or

- (iv) any member of the Wider U+I Group is or has been engaged in any transaction which would cause the Wider U+I Group to be in breach of any law or regulation prior to completion of the Acquisition, including but not limited to the economic sanctions of the United States Office of Foreign Assets Control, or Her Majesty's Revenue and Customs, or any other relevant government authority which in any case is material in the context of the Wider U+I Group taken as a whole.



## **PART B: FURTHER TERMS OF THE ACQUISITION**

1. Conditions 2(A)(i), 2(B)(i) and 3(A) to (G) (inclusive) must be fulfilled, be determined by Landsec Development to be or remain satisfied or (if capable of waiver) be waived prior to the commencement of the Scheme Court Hearing, failing which the Scheme will lapse.
2. Notwithstanding the paragraph above and subject to the requirements of the Panel and the Takeover Code, Landsec Development reserves the right in its sole discretion to waive:
  - (A) the deadline set out in paragraph 1 of Part A of this Appendix 1, and any of the deadlines set out in paragraph 2 of Part A of this Appendix 1 for the timing of the Court Meeting, General Meeting and the Scheme Court Hearing. If any such deadline is not met, Landsec Development shall make an announcement by 8.00 am on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with U+I to extend the deadline in relation to the relevant Condition; and
  - (B) in whole or in part, all or any of the Conditions set out in paragraphs 3(A) to 3(G) (inclusive) of Part A of this Appendix 1.
3. Landsec Development shall be under no obligation to waive or treat as satisfied any of the Conditions set out in paragraphs 3(A) to 3(G) (inclusive) of Part A of this Appendix 1 that it is entitled (with the consent of the Panel and subject to the requirements of the Takeover Code) to invoke, by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
4. Under Rule 13.5(a) of the Takeover Code and subject to paragraph 5, Landsec Development may only invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to Landsec Development in the context of the Acquisition. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise. The Conditions set out in paragraphs 2(A)(i) 2(B)(i) and 2(C)(i) of Part A of this Appendix 1 and, if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to Rule 13.5(a) of the Takeover Code.
5. Any Condition that is subject to Rule 13.5(a) of the Takeover Code may be waived by Landsec Development.
6. If Landsec Development is required by the Panel to make an offer for U+I Shares under the provisions of Rule 9 of the Takeover Code, Landsec Development may make such alterations to any of the above Conditions and the terms of the Acquisition as are necessary to comply with the provisions of Rule 9.
7. Landsec Development reserves the right to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme (subject to the Panel's consent and the terms of the Co-operation Agreement). In such event, the Acquisition will be implemented on the same terms and conditions (subject to appropriate amendments including (without limitation) the inclusion of an acceptance condition set at 75 per cent. of the U+I Shares (or such other percentage as Landsec Development may, subject to the rules of the Takeover Code and the terms of the Co-operation Agreement and with the consent of the Panel, decide, being in any case more than 50 per cent. of the U+I Shares), or any amendments required by applicable law or any amendments necessary to reflect the Takeover Offer) as those which would apply to the Scheme.
8. The U+I Shares will be acquired pursuant to the Acquisition with full title guarantee, fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and

any other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital or value (whether by reduction of share capital or share premium account or otherwise) made on or after the Effective Date.

9. If, on or after the date of this announcement and before the Acquisition becomes Effective, any dividend, distribution or other return of capital or value is announced, declared, made or paid by U+I or becomes payable by U+I in respect of the U+I Shares, Landsec Development reserves the right (without prejudice to any right of Landsec Development, with the consent of the Panel, to invoke the Condition set out in paragraph 3(D)(iii) of Part A of this Appendix 1) to reduce the consideration payable under the terms of the Acquisition of the U+I Shares by an amount equal to the aggregate amount of such dividend, distribution or other return of capital or value. In such circumstances, U+I Shareholders would be entitled to receive and retain any such dividend, distribution or return of capital or value. Any exercise by Landsec Development of its rights referred to in this paragraph 9 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.
10. The Acquisition will be subject, *inter alia*, to the Conditions and certain further terms which are set out in this Appendix 1 and to the full terms which will be set out in the Scheme Document and such further terms as may be required to comply with the provisions of the Listing Rules and the provisions of the Takeover Code.
11. This announcement, any rights or liabilities arising hereunder are, and the Acquisition, the Scheme and any Forms of Proxy will be, governed by English law and subject to the jurisdiction of the courts of England and Wales. The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.
12. The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction.
13. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements. Further information in relation to Overseas Shareholders will be contained in the Scheme Document.
14. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

## **APPENDIX 2**

### **BASES AND SOURCES**

In this announcement, unless otherwise stated or the context otherwise requires, the following bases and sources have been used.

1. As at close of business on 29 October 2021 (being the last Business Day before the date of this announcement) there were 125,431,713 U+I Shares in issue. The legal entity identifier for the U+I Shares is 213800HTEQQEIOGR5A58.
2. As at 29 October 2021 (being the last Business Day before the date of this announcement), there were 2,005,409 U+I Shares that may be issued pursuant to U+I Share Plans. The additional number of U+I Shares has been calculated on the basis that there are 588,869 U+I Shares held by U+I Group's employee benefit trust that will be used to satisfy awards under the U+I Share Plans.
3. Any references to the issued and to be issued ordinary share capital of U+I are each based on:
  - the 125,431,713 U+I Shares referred to in paragraph 1 above; and
  - the 2,005,409 U+I Shares that may be issued pursuant to U+I Share Plans referred to in paragraph 2 above.
4. Certain figures included in this announcement have been subject to rounding adjustments.
5. Unless otherwise stated, the financial information of U+I is extracted (without material adjustment) from U+I's annual report and financial statements for the 12 months ended 31 March 2021, which were released on 26 May 2021 or, where applicable, U+I's annual report and financial statements for the 12 months ended 31 March 2020, which were released on 8 July 2020.
6. Volume-weighted average prices have been derived from Bloomberg and have been rounded to the nearest tenth of a penny.

## APPENDIX 3

### DETAILS OF IRREVOCABLE UNDERTAKINGS AND LETTERS OF INTENT

#### U+I Directors' irrevocable undertakings

The following U+I Directors who hold U+I Shares have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolution at the General Meeting in respect of their own beneficial holdings of U+I Shares (or those U+I Shares over which they have control):

Name	Total number of U+I Shares	Percentage of U+I Shares in issue on 29 October 2021 (being the last Business Day before the date of this announcement) (per cent.)
Peter Williams	127,941	0.10%
Richard Upton	4,254,384	3.39%
Barry Bennett	53,352	0.04%
Lynette Krige	12,605	0.01%
Jamie Christmas	20,860	0.02%
Rosaleen Kerslake	13,031	0.01%
Sadie Morgan	25,441	0.02%
<b>Total</b>	<b>4,507,614</b>	<b>3.59%</b>

The undertakings from the U+I Directors will cease to be binding only:

- (A) if Landsec Development shall not have announced a firm intention to proceed with the Acquisition by 8.00 am or on such other date as U+I and Landsec Development may agree on the terms and conditions set out or referred to in the Co-operation Agreement;
- (B) if Landsec Development announces that it does not intend to proceed with the Acquisition and no new revised or replacement Scheme or Takeover Offer is announced by Landsec Development in accordance with Rule 2.7 of the Takeover Code at the same time;
- (C) if the Scheme Document or Offer Document is not dispatched to U+I Shareholders within 28 days of the relevant announcement (or such longer period, in the case of the Scheme Document, as Landsec Development and U+I agree with the consent of the Panel or, in the case of an Offer Document, such longer period as Landsec Development, with the consent of the Panel, determines) of this announcement, provided that if the Acquisition was initially being implemented by way of a Scheme and Landsec Development elects to exercise its right to implement the Acquisition by way of a Takeover Offer, or vice versa, the time period is to be extended to refer to within 28 days of the issue of the press announcement announcing the change in structure (or such other date for the posting of the Offer Document or Scheme Document (as applicable) as the Panel may require); or
- (D) if any competing offer for the entire issued and to be issued ordinary share capital of U+I becomes or is declared unconditional or, if proceeding by way of scheme of arrangement, becomes effective; or
- (E) on the earlier of:
  - (i) the Long Stop Date; or
  - (ii) the date on which the Acquisition (whether implemented by way of a Scheme or a Takeover Offer) is withdrawn or lapses in accordance with its terms, unless the Acquisition is withdrawn or lapses as a result of Landsec Development exercising its right to implement the Acquisition by way of a Takeover Offer in accordance with the

Co-operation Agreement and the Takeover Code rather than by way of a Scheme or vice versa.

**Letters of intent**

Aberforth Partners LLP, J O Hambro Capital Management Limited, Jupiter Asset Management Limited and Ennismore Fund Management Limited have each given to Landsec and Landsec Development a non-binding letter of intent to vote in favour of the resolutions relating to the Acquisition at the Meetings, in respect of a total of 39,754,171 U+I Shares, representing in aggregate approximately 32 per cent. of the issued ordinary share capital of U+I on 29 October 2021 (being the last Business Day before the date of this announcement), or to accept, or procure the acceptance of, the Takeover Offer if the Acquisition is implemented as a Takeover Offer.

## APPENDIX 4

### DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise:

<b>“Acquisition”</b>	the acquisition of the entire issued, and to be issued, ordinary share capital of U+I by Landsec Development (other than U+I Shares already held or controlled by Landsec, if any) to be implemented by way of the Scheme or, should Landsec Development so elect (with the consent of the Panel and subject to the terms of the Co-operation Agreement) by way of the Takeover Offer, and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
<b>“Articles”</b>	the articles of association of U+I from time to time;
<b>“Business Day”</b>	any day (excluding any Saturday or Sunday or any public holiday in England) on which banks in the City of London are generally open for business;
<b>“Cash Consideration”</b>	the cash consideration payable by Landsec Development in connection with the Acquisition, being 149 pence for each U+I Share;
<b>“Closing Price”</b>	the closing middle market price of an U+I Share as derived from the Daily Official List on any particular date;
<b>“Companies Act”</b>	the Companies Act 2006, as amended from time to time;
<b>“Conditions”</b>	the conditions to the Acquisition, as set out in Appendix 1 and to be set out in the Scheme Document;
<b>“Confidentiality Agreement”</b>	the confidentiality agreement entered into between Landsec and U+I in relation to the Acquisition dated 4 October 2021, a summary of which is set out in paragraph 12 of this announcement;
<b>“Co-operation Agreement”</b>	the co-operation agreement entered into between Landsec Development, U+I and Landsec dated 1 November 2021, a summary of which is set out in paragraph 12 of this announcement;
<b>“Court Meeting”</b>	the meeting of the Scheme Shareholders convened by order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment thereof;
<b>“Court”</b>	the High Court of Justice in England and Wales;
<b>“CREST”</b>	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) (including as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018)), in respect of which Euroclear UK & Ireland Limited is the Operator (as



	defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form;
<b>“Daily Official List”</b>	the daily official list of the London Stock Exchange;
<b>“Dealing Disclosure”</b>	an announcement pursuant to Rule 8 of the Takeover Code containing details of dealings in interests in relevant securities of a party to an offer;
<b>“Disclosed”</b>	<ul style="list-style-type: none"> <li>(a) information disclosed by, or on behalf of, U+I in U+I's annual report and financial statements for the 12 months ended 31 March 2021 and 31 March 2020 or in this announcement; or</li> <li>(b) information fairly disclosed in writing or as discussed in the scheduled due diligence meetings between Landsec Development, Landsec and U+I and their respective professional advisers prior to the date of this announcement by, or on behalf of, U+I to Landsec Development or Landsec (or their respective officers, employees, agents or advisers in their capacity as such), including in the virtual data room operated on behalf of U+I and which Landsec and its advisers are able to access in respect of the Acquisition; or</li> <li>(c) as otherwise publicly announced by U+I prior to the date of this announcement (by the delivery of an announcement to a Regulatory Information Service);</li> </ul>
<b>“Effective Date”</b>	the date on which the Acquisition becomes Effective;
<b>“Effective”</b>	<p>either:</p> <ul style="list-style-type: none"> <li>(a) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or</li> <li>(b) if the Acquisition is implemented by way of a Takeover Offer, means the Takeover Offer having been declared or having become unconditional in accordance with the requirements of the Takeover Code;</li> </ul>
<b>“Excluded Shares”</b>	any U+I Shares: (a) registered in the name of, or beneficially owned by Landsec Development, Landsec or any member of the Wider Landsec Group which is controlled by any member of the Wider Landsec Group or their respective nominees; (b) registered in the name of, or beneficially owned by, funds managed by Landsec Development, Landsec or a member of the Wider Landsec Group which is controlled by a member of the Wider Landsec Group or any of their subsidiary undertakings or their respective nominees; or (c) held by U+I in treasury;
<b>“FCA”</b>	the Financial Conduct Authority;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended from time to time;

<b>“Forms of Proxy”</b>	the forms of proxy in connection with each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document;
<b>“General Meeting”</b>	the general meeting of U+I Shareholders to be convened in connection with the Scheme to consider and, if thought fit, to approve the Resolution (with or without amendment), including any adjournment, postponement or reconvening thereof;
<b>“Landsec”</b>	Land Securities Group PLC, a public limited company incorporated in England and Wales with registered number 04369054 and whose registered office is at 100 Victoria Street, London SW1E 5JL;
<b>“Landsec Development”</b>	LS Development Holdings Limited, a private limited company incorporated in England and Wales with registered number 13692104 and whose registered office is at 100 Victoria Street, London SW1E 5JL;
<b>“Liberum”</b>	Liberum Capital Limited;
<b>“Listing Rules”</b>	the listing rules made by the FCA pursuant to Part 6 of the Financial Services and Markets Act 2000, referred to in section 73A(2) of the same, and contained in the FCA's publication of the same name;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Long Stop Date”</b>	1 July 2022, or such later date as may be agreed in writing between Landsec Development and U+I (with the Panel's consent and as the Court may allow, if such consent and/or approval is/are required);
<b>“Meetings”</b>	the Court Meeting and the General Meeting;
<b>“Offer Document”</b>	if (with the consent of the Panel and subject to the terms of the Co-operation Agreement, as applicable) Landsec Development elects to implement the Acquisition by way of the Takeover Offer, the document to be sent to U+I Shareholders which will contain, <i>inter alia</i> , the terms and conditions of the Takeover Offer;
<b>“Offer Period”</b>	the offer period (as defined in the Takeover Code) relating to U+I commencing on 1 November 2021 and ending on the earlier of the Effective Date and/or the date on which the Scheme lapses or is withdrawn (or such other date as the Panel may decide);
<b>“Official List”</b>	the official list of the FCA;
<b>“Overseas Shareholders”</b>	Scheme Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom;
<b>“Panel”</b>	the Panel on Takeovers and Mergers;
<b>“Peel Hunt”</b>	Peel Hunt LLP;
<b>“PRA”</b>	the Prudential Regulation Authority;

<b>“Registrar of Companies”</b>	the Registrar of Companies in England and Wales;
<b>“Regulatory Information Service”</b>	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;
<b>“Resolution”</b>	the resolution(s) to be proposed at the General Meeting necessary to approve and implement the Scheme, including, amongst other things, a resolution to amend the Articles by the adoption and inclusion of a new article under which any U+I Shares issued or transferred after the Scheme Record Time (other than to Landsec Development and/or its nominees) shall be automatically transferred to Landsec Development (and, where applicable, for consideration to be paid to the transferee or to the original recipient of the U+I Shares so transferred or issued) on the same terms as the Acquisition (other than terms as to timings and formalities);
<b>“Restricted Jurisdiction”</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to U+I Shareholders in that jurisdiction;
<b>“Rothschild &amp; Co”</b>	N.M. Rothschild & Sons Limited;
<b>“Scheme”</b>	the proposed scheme of arrangement under Part 26 of the Companies Act between U+I and Scheme Shareholders to implement the Acquisition;
<b>“Scheme Court Hearing”</b>	the hearing of the Court to sanction the Scheme under section 899 of the Companies Act, including any adjournment thereof;
<b>“Scheme Court Order”</b>	the order of the Court sanctioning the Scheme under section 899 of the Companies Act;
<b>“Scheme Document”</b>	the document to be dispatched to U+I Shareholders including the particulars required by section 897 of the Companies Act;
<b>“Scheme Record Time”</b>	the time and date specified as such in the Scheme Document, expected to be 6.00 pm on the Business Day immediately after the date of the Scheme Court Hearing, or such later time as Landsec Development and U+I may agree;
<b>“Scheme Shareholders”</b>	the holders of Scheme Shares;
<b>“Scheme Shares”</b>	<p>all U+I Shares:</p> <ul style="list-style-type: none"> <li>(a) in issue at the date of the Scheme Document;</li> <li>(b) (if any) issued after the date of the Scheme Document and prior to the Voting Record Time; and</li> <li>(c) (if any) issued at or after the Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme,</li> </ul> <p>but excluding any Excluded Shares;</p>

<b>“Substantial Interest”</b>	a direct or indirect interest in 20 per cent. or more of the voting equity share capital of an undertaking;
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers, as issued from time to time by or on behalf of the Panel;
<b>“Takeover Offer”</b>	if (with the consent of the Panel and subject to the terms of the Co-operation Agreement, as applicable) Landsec Development elects to implement the Acquisition by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Landsec Development to acquire the entire issued and to be issued share capital of U+I and, where the context admits, any subsequent revision, variation, extension or renewal of such offer;
<b>“UBS”</b>	UBS AG London Branch;
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“U+I”</b>	U and I Group PLC, a public limited company incorporated in England and Wales with registered number 01528784 and whose registered office is at 7A Howick Place, London SW1P 1DZ;
<b>“U+I Board”</b>	the board of directors of U+I as at the date of this announcement;
<b>“U+I Directors”</b>	the directors of U+I as at the date of this announcement;
<b>“U+I Employee Benefit Trust”</b>	the U and I Group PLC Employee Benefit Trust;
<b>“U+I Group”</b>	U+I and its subsidiaries and subsidiary undertakings from time to time;
<b>“U+I Pension Scheme”</b>	the U+I defined contribution pension scheme;
<b>“U+I Share Plans”</b>	the U+I Long-Term Incentive Plan and the U+I Save As You Earn Option Plan;
<b>“U+I Shareholders”</b>	the registered holders of U+I Shares from time to time;
<b>“U+I Shares”</b>	the ordinary shares of 50 pence each in the capital of U+I from time to time;
<b>“US Exchange Act”</b>	the United States Securities Exchange Act 1934, as amended, and the rules and regulations promulgated thereunder;
<b>“US” or “United States”</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
<b>“Voting Record Time”</b>	the time and date specified as such in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined;
<b>“Wider Landsec Group”</b>	Landsec, its subsidiary undertakings and associated undertakings (including any joint venture, partnership, firm or

company) in which Landsec and/or such undertakings (aggregating their interests) have a Substantial Interest; and

**“Wider U+I Group”** U+I, its subsidiary undertakings and associated undertakings (including any joint venture, partnership, firm or company) in which U+I and/or such undertakings (aggregating their interests) have a Substantial Interest.

All references to time in this announcement are to London time unless otherwise stated.

All references to “pounds”, “pounds Sterling”, “Sterling”, “£”, “pence”, “penny” and “p” are to the lawful currency of the United Kingdom.

A reference to “includes” shall mean “includes without limitation”, and references to “including” and any other similar term shall be construed accordingly.

For the purposes of this announcement, “subsidiary”, “subsidiary undertaking”, “undertaking” and “equity share capital” have the meanings given by the Companies Act.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this announcement.

References to the singular include the plural and vice versa.

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