



**Lagos, Nigeria**

**Monday, 2<sup>nd</sup> September 2019**

**UAC of Nigeria PLC and UACN Property Development Company PLC jointly announce recapitalization and restructuring plans**

The Boards of Directors of UAC of Nigeria Plc (“UAC”) and UACN Property Development Company Plc (“UPDC” or the “Company”) (collectively the “Boards”, individually the “Board”) wish to inform The Nigerian Stock Exchange (“The Exchange” or “The NSE”), their shareholders and stakeholders that they are considering strategic initiatives involving a recapitalization and restructuring of UPDC. These initiatives are still subject to the review and approval of the Securities and Exchange Commission (the “SEC”), and The NSE (collectively the “Regulators”) and shareholders of both companies.

**UPDC Initiatives**

UPDC commenced operations as a department and subsequently a division within UAC focused on managing UAC’s real estate holdings. In 1997, UPDC was incorporated as a public limited liability company and certain assets held by UAC were transferred to UPDC via a scheme of arrangement. UPDC’s shares were listed on The NSE on 19 November 1998.

Over the years, UPDC grew to become one of Nigeria’s leading indigenous real estate companies, engaged in a broad range of activities including property development for sale and lease, facilities management, hospitality and retail. UPDC has built a long-standing track record, having completed multiple landmark residential and commercial developments.

UPDC’s recent expansion coincided with the recession that impacted Nigeria in 2016 affecting overall economic activity. The real estate sector was particularly affected with significant declines in asset values and rental rates. Nigeria’s broader economy emerged from recession in Q4 2017; however, the real estate sector has continued to struggle, with declining investment values, reduced demand for assets, and high vacancy rates. UPDC has been negatively impacted by the extended decline in the Nigerian real estate sector recording losses annually since 2016. In addition, the Company struggles with high levels of debt, which combined with declining revenues and profitability have resulted in cashflow challenges to meet its obligations. UPDC’s underperformance has resulted in a decline in equity value and restricted the Company’s ability to pay dividends.

The Board and management at UPDC have focused on developing strategies to stabilize UPDC’s capital structure and unlock value for shareholders. Two significant strategic initiatives are currently proposed, a recapitalization and a concurrent restructuring.

