

8 March 2017

U and I Group PLC (“U+I” or “the Company” or “the Group”)

Trading Statement

**Development and trading gains in line with guidance
Further progress on strategic initiatives**

U and I Group PLC (“U+I”, LSE: UAI), the mixed-use property regeneration specialist, today provides an update on trading for the year ended 28 February 2017 ahead of its full year results which are due to be published on 26 April 2017. All figures disclosed in this announcement are unaudited.

It is pleasing to note that development and trading gains realised in the 2017 financial year are within the range of guidance laid out at the interim results in October 2016, albeit at the lower end of the range. Projects contributing to the gains in the second half of the year included Birmingham International Park and Woking where we disposed of both sites having added value by securing improved planning consents. We also pre-let the entirety of the Vertium Building, a 172,000 sq. ft. prime commercial development in Dublin, triggering our profit payment entitlement. Management expect to secure further profits of £4 million ahead of the announcement of the full year results in April, from the sale of the remaining part of the site at Maidstone and two other projects that were included in guidance for the 2017 financial year.

Significant progress has also been made during the year, on the strategic initiatives of securing fewer, larger projects and developing specialist platforms. The Public Private Partnership (PPP) project wins in Manchester (Mayfield) and the London City Region (8 Albert Embankment, Cockpit Yard and the Westminster Industrial Estate) have added over £1.5 billion in GDV to the development and trading pipeline. Specialist platform joint ventures have been agreed with two capital partners, Proprium and Colony NorthStar, to acquire income generating assets and to develop and refurbish high quality office space. Both platforms should lead to the scaling of activity, enhanced returns and will generate net revenue in management fees which will contribute toward the targeted reduction in overheads.

We will provide further details regarding the year end valuation of our investment portfolio assets and outlook for the 2018 financial year at the release of the full year results in April. The medium-term target remains delivering annual development and trading gains in excess of £50 million and achieving a 12% (post tax) total return through a mix of both trading and larger regeneration projects.

Matthew Weiner, Chief Executive, said:

“I am encouraged by U+I’s performance in the 2017 financial year, a period in which there were unusual levels of economic and political uncertainty in the UK and global markets. Four major project wins have strengthened our position in our core markets and will sustain our pipeline over the medium-term supported by a diverse portfolio of smaller development and trading projects. We have partnerships and assets in place to develop two specialist platforms to create value through our expertise in planning, development, refurbishment and asset management. We continue to transition our investment portfolio to better align to our core regeneration focus and to improve performance.

U+I is well positioned to make strong progress in the year ahead and is committed to delivering sustainable returns to shareholders as we create long lasting social and economic change for the communities in which we work.”

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This announcement contains inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.