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Press release

### **Inland ZDP PLC**

#### **Issue of 934,900 new ZDP Shares**

For release on 12 March 2014

#### **Issue of ZDP Shares and use of proceeds**

The Board of Inland ZDP PLC (“ZDPCo”) is pleased to announce the issue (the “Issue”) of 934,900 new zero dividend preference shares of 10 pence each (“ZDP Shares”) at a price of 118.50 pence each (“Issue Price”), subject to the passing of certain resolutions at a general meeting of ZDPCo to be held on 14 March 2014 (the “General Meeting”) and to admission of the ZDP Shares to listing on the Official List (by way of a standard listing under the Listing Rules) and to trading on London Stock Exchange plc’s main market, for which applications have been made. Dealings in the ZDP Shares are expected to commence at 8.00 am on 19 March 2014 (“Admission”).

The gross proceeds of the Issue are £1,107,857, which ZDPCo will lend to its ultimate holding company, Inland Homes PLC (“Inland”), pursuant to an interest-free secured loan note to be entered into between ZDPCo and Inland on or shortly after Admission (“New Loan Note”). The New Loan Note will be on the same terms as the loan note entered into between ZDPCo and Inland on 20 December 2012. Inland will pay the Issue costs (estimated to be £49,930) out of its own resources and will apply the proceeds of the Issue to invest in inventories or settle liabilities to vendors of development sites.

#### **Rights of ZDP Shares**

A ZDP Share is not an equity share and does not entitle the holder to any dividends, but it offers the holder a capital payment on a fixed date at a higher price than the initial subscription price, giving the holder a fixed return. The amount due to holders of ZDP Shares (“ZDP Shareholders”), which accrues over time, is accounted for as a liability rather than as share capital. ZDP Shareholders will receive no dividends, but are entitled to receive 155.9 pence per ZDP Share in just over five years’ time, on 10 April 2019, when ZDPCo will be wound up in accordance with the terms of the ZDP Shares and the articles of association of the Company. This equates to a gross redemption yield on the 118.50p Issue Price of 5.57 per cent. per annum.

The new ZDP Shares will be identical in all respects to the zero dividend preference shares of 10 pence each of ZDPCo in issue at the date of this announcement (“Existing ZDP Shares”) and,

therefore, will benefit from the same security arrangements as described in the prospectus published by ZDPCo on 14 December 2012 (the “Prospectus”) in respect of the issue of the Existing ZDP Shares which is available for download at <http://www.inlandhomes.co.uk/inland-zdp-plc>. In summary, these security arrangements require that Inland places the gross proceeds of the Issue in the Secured Account as Pledged Cash with first priority security over that account granted to ZDPCo. Amounts may be withdrawn by Inland from the Secured Account to fund the business, and reduce the debt, of the Inland Group subject to there being granted in favour of ZDPCo first ranking security over Pledged Assets with sufficient value to satisfy 120 per cent. of the accrued capital entitlement of the ZDP Shares then in issue net of Pledged Cash.

### **General Meeting**

The resolution to be proposed at the General Meeting authorises the Directors to allot up to 5,710,000 additional ZDP Shares by way of the Issue and subsequent further issues, such authorities to expire on 13 March 2019. ZDP Shareholders are entitled to receive notice of the General Meeting of ZDPCo to be held at short notice on 14 March 2014, but not to attend or vote at that meeting. Accordingly Notice is being posted to ZDP Shareholders today. No issues are permitted unless the Cover Ratio (as defined in the Prospectus) would be satisfied immediately following such issue.

### **Key information about the new ZDP Shares:**

Expected admission date	8.00 am on 19 March 2014
ZDP Final Payment Date	10 April 2019
Issue price per ZDP Share	118.50 pence
Final Capital Entitlement per ZDP Share	155.9 pence
Redemption Yield at the Issue price	5.57 per cent. per annum

### **Key information about the total ZDP shares following the Issue:**

Total number of ZDP Shares in issue	10,284,800
Initial Cover	3.7 times
Hurdle rate to receive the Final Capital Entitlement	-22.6 per cent. per annum
Hurdle rate to receive the Issue price	-25.6 per cent. per annum
ISIN	GB00B99R1Q79
SEDOL Code	B99R1Q7
Ticker	INLZ

The above Cover Ratio and Hurdle rates have been derived from the unaudited management accounts of Inland Homes PLC as at 31 December 2013, calculated on the basis set out in the Prospectus, but adjusted further to reflect the increased number of ZDP Shares in issue following the Issue and the receipt of the proceeds of the Issue.

Capitalised words in this announcement and which are not otherwise defined in this announcement have the same meanings as in the Prospectus unless the context otherwise requires.

Stephen Wicks, Chairman of ZDPCo, said “The Inland Group is in the process of negotiating the possibility of several additions to its development portfolio and the increase in the Group’s cash resources following the Issue will help to finance the Group’s growth.”

**Further information:**

**Inland Homes PLC**

Stephen Wicks, Chief Executive  
Nishith Malde, Finance Director  
Paul Brett, Land Director

Tel: +44 (0) 1494 762450

[www.inlandhomes.co.uk](http://www.inlandhomes.co.uk)

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**Corporate Broking:**  
Simon Starr  
Tel:+44 (0) 20 7220 0500

**Blythe Weigh Communications**

*IR & media relations consultants*  
Tim Blythe, Director  
or  
Paul Weigh, Director  
Tel: 020 7138 3205

**Editor's Note:**

**INLAND** identifies land in the South of England where it considers it to hold excellent potential for residential and mixed use development including commercial space. It then seeks to enhance its land value by obtaining planning permission before selling consented land onto housebuilders. It also develops some of its own plots for private sale.

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