



BARRATT
DEVELOPMENTS PLC

COMBINATION UPDATE - CMA

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FOR IMMEDIATE RELEASE

8 August 2024

RECOMMENDED ALL-SHARE OFFER FOR THE COMBINATION

of

BARRATT DEVELOPMENTS PLC ("Barratt")

and

REDROW PLC ("Redrow")

**to be effected by means of a scheme of arrangement under
Part 26 of the Companies Act 2006**

COMBINATION UPDATE - CMA

On 7 February 2024, the boards of Barratt and Redrow announced that they had reached agreement on the terms of a recommended all-share offer for the combination of Barratt and Redrow, pursuant to which Barratt will acquire the entire issued and to be issued ordinary share capital of Redrow (the "**Combination**"). The Combination is being implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme**"), with full terms and conditions of the Combination set out in the scheme document which was published on 19 April 2024 (the "**Scheme Document**").

On 15 May 2024, Redrow announced that at the Court Meeting to consider the Scheme and the General Meeting to consider the Special Resolution relating to the Combination, all resolutions were approved by the requisite majorities. On 15 May 2024, Barratt also announced that at the Barratt General Meeting to consider the Barratt Resolution relating to the Combination, the resolution was approved by the requisite majority.

On 13 June 2024, the United Kingdom's Competition and Markets Authority (the "**CMA**") commenced a Phase 1 investigation in respect of the Combination. Today the CMA has concluded the main part of that investigation which found that overall, the merger does not raise competition issues except for concerns regarding the supply of new build private residential housing in only one of the more than 400 local areas where the two companies overlap under the CMA's chosen methodology to assess the local effects of the Combination.

Pursuant to the Enterprise Act 2002, the parties have until 15 August 2024 to offer undertakings to the CMA which would address its limited concerns and avoid the need for a reference to a full Phase 2 investigation. Barratt and Redrow intend to engage with the CMA with the objective of agreeing suitable undertakings. For the one local area where the CMA has identified a competition concern, we have identified undertakings which we believe will address those concerns. The local area in question is a geographic area (11-mile straight-line distance) centred around Whitchurch, Shropshire which contains four Barratt developments and a Redrow development that has fewer than 10 plots remaining to sell. The proposed undertakings will seek to address the future conduct of sales and build on the Redrow site. No land disposals are being anticipated or proposed.

In line with the CMA's procedure for considering and accepting undertakings, the statutory deadline for the CMA to determine whether the undertakings offered in lieu of a Phase 2 Reference are acceptable in principle is 22 August 2024.

David Thomas, Group Chief Executive of Barratt, said, "We are pleased that the CMA has found there would be no harm to competition in all but one of the areas in which Barratt and Redrow overlap."

"We remain confident that the combination of Barratt and Redrow will be approved and that it is in the best interests of our customers and wider stakeholders. Together we plan to build on our shared strengths and create an exceptional homebuilder, in terms of quality, service, and sustainability, helping to deliver the homes the country needs."

Matthew Pratt, Group Chief Executive of Redrow, said, "Barratt and Redrow are two leading housebuilders, with strong reputations for quality, service and sustainability that have been decades in the making. Once the CMA process has completed, we are looking forward to our future as one team, accelerating the delivery of high-quality homes that the country so urgently needs."

Barratt and Redrow are working together to ensure that the Combination becomes effective as soon as practicable in the second half of the year, in line with the timeline set out in the Scheme Document. A further announcement will be made if and when appropriate.

Terms used but not defined in this announcement have the meanings given in the Scheme Document unless the context requires otherwise.

Enquiries

Barratt Developments plc +44 (0) 20 7404 5959

Mike Scott, Chief Financial Officer

John Messenger, Group Investor Relations Director

UBS (Lead Financial Adviser, Sole Corporate +44 (0) 20 7567 8000

Broker and Sponsor to Barratt)

Jonathan Retter

Joe Hannon

Anisah Mahomed

Morgan Stanley (Financial Adviser to Barratt) +44 (0) 20 7425 8000

Shirav Patel

Nick White

Brunswick Group LLP (Public Relations Adviser to +44 (0) 20 7404 5959

Barratt)

Jonathan Glass

Rosie Oddy

Peter Hesse

Redrow plc +44 (0) 1244 520 044

Matthew Pratt, Group Chief Executive

Barbara Richmond, Group Finance Director

Barclays Bank PLC, acting through its Investment +44 (0) 20 7623 2323

Bank (Joint Financial Adviser and Corporate

Broker to Redrow)

Alisdair Gayne

Osman Akkaya

Tom Macdonald

Akshay Majithia

Mark Gunalan

Peel Hunt (Joint Financial Adviser, Sole Rule 3 +44 (0) 20 7418 8900

Adviser and Corporate Broker to Redrow)

Charles Batten

Marc Jones

Pete Mackie

Ben Harrington

Rebecca Bankhead

Instinctif Partners (Public Relations Adviser to +44 (0) 20 7457 2020

Redrow)

Guy Scarborough

Emma Baxter

Linklaters LLP is acting as legal adviser to Barratt, and Slaughter and May is acting as legal adviser to Redrow.

Important Notices

UBS AG London Branch ("UBS") is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority in the United Kingdom. UBS is acting exclusively as sole corporate broker, lead financial adviser and sole sponsor to Barratt and no one else in connection with the Combination. In connection with such matters, UBS will not regard any other person as its client, nor will it be responsible to any other person for providing the protections afforded to its clients or for providing advice in relation to the Combination, the contents of this announcement or any other matter referred to herein.

Morgan Stanley & Co. International plc ("Morgan Stanley"), which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the UK is acting as financial adviser exclusively for Barratt and no one else in connection with the Combination. In connection with the Combination, Morgan Stanley, 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 person other than Barratt for providing the protections afforded to clients of Morgan Stanley or for providing advice in connection with the any other matter referred to herein.

Barclays Bank PLC, acting through its Investment Bank ("Barclays"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for Redrow and no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Redrow for providing the protections afforded to clients of Barclays nor for providing advice in relation to the subject matter of this announcement.

In accordance with the Takeover Code, normal United Kingdom market practice and Rule 14e-5(b) of the US Exchange Act, Barclays and its affiliates will continue to act as exempt principal trader in Redrow securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Takeover Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com. This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

Peel Hunt LLP ("Peel Hunt"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser and corporate broker to Redrow 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 Redrow 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.

Further information

This announcement is for information purposes only and is not intended to and does not constitute, or form part of, any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in relation to the Combination or the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful.

This announcement does not constitute a prospectus or prospectus exempted document.

This announcement has been prepared for the purpose of complying with English law and the Takeover Code and the 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. Nothing in this announcement should be relied on for any other purpose.

Overseas Shareholders

The availability of the Combination to Redrow Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Any person outside the United Kingdom or who are subject to the laws and/regulations of another jurisdiction should inform themselves of, and should observe, any applicable legal and/or regulatory requirements.

The release, publication or distribution of this announcement in or into or from 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, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Combination disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by Barratt or required by the Takeover Code and permitted by applicable law and regulation, the Combination will not be made available, 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 Combination by any such use, means, instrumentality or form (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) within any Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this announcement, the Scheme Document and all documents relating to the Combination are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Combination (including custodians, nominees and trustees) must observe these restrictions and must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction. Doing so may render invalid any purported vote in respect of the Combination.

Additional information for US investors

The Combination relates to shares of an English company and is proposed to be made by means of a scheme of arrangement under English law. US Redrow Shareholders should note that the Scheme relates to the shares of a UK company and will be governed by English law. Neither the US proxy solicitation rules nor the tender offer rules under the US Exchange Act will apply to the Combination and the Scheme. Moreover, the Combination and the Scheme are subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules.

Financial information included in the relevant documentation has been prepared in accordance with accounting standards applicable in the UK and may not be comparable to financial statements of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. If Barratt were to exercise its rights to implement the Combination by means of a Takeover Offer and determines to extend the offer into the United States, such Takeover Offer would be made in compliance with all applicable United States laws and regulations. Such a Takeover Offer would be made in the United States by Barratt and no one else.

Neither the SEC nor any securities commission of any state of the US nor any other US regulatory authority has approved the Combination, passed upon the fairness of the Combination or the adequacy or accuracy of this announcement, the Scheme Document, the Barratt Prospectus, the Barratt Circular or any accompanying documents. Any representation to the contrary is a criminal offence in the US.

In accordance with the Takeover Code and normal UK practice, and pursuant to Rule 14e-5(b) of the US Exchange Act, in the event that the Combination is implemented by way of a Takeover Offer: (a) Barratt or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of Redrow outside of the US, other than pursuant to the Combination, until the date on which the Combination and/or Scheme becomes effective, lapses or is otherwise withdrawn; and (b) Barclays and its affiliates will continue to act as exempt principal traders in Redrow securities on the London Stock Exchange. If purchases or arrangements to purchase were to be made as contemplated by clause (a) of this paragraph, they would occur either in the open market at prevailing prices or in private transactions at negotiated prices, and any information about such purchases or arrangements to purchase would be disclosed as required in the UK, would be reported to a Regulatory Information Service and would be available on the London Stock Exchange website at www.londonstockexchange.com. Purchases contemplated by clause (b) of this paragraph that are required to be made public in the United Kingdom pursuant to the Takeover Code would be reported to a Regulatory Information Service and would be available on the London Stock Exchange website at www.londonstockexchange.com.

The New Barratt Shares have not been, and will not be, registered with the SEC under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Barratt Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into or from the United States absent registration under the US Securities Act or an exemption therefrom. The New Barratt Shares are expected to be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. Redrow Shareholders (whether or not US persons) who are or will be affiliates (within the meaning of the US Securities Act) of Barratt or Redrow prior to, or of Barratt after, the Effective Date will be subject to certain US transfer restrictions to the New Barratt Shares received pursuant to the Scheme.

For the purpose of qualifying for the exemption from the registration requirements of the US Securities Act (as described above), Redrow will advise the Court through counsel that its sanctioning of the Scheme will be relied upon by Barratt as an approval of the Scheme following a hearing on its fairness to Scheme Shareholders, at which hearing all such holders are entitled to attend in person or through representation to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such holders.

The Combination is not structured in order to achieve any particular United States (or other non-UK) tax treatment for Redrow Shareholders, non-UK tax considerations have not been taken into account in structuring the Combination, and no analysis has been conducted regarding the United States (or other non-UK) tax treatment of the Combination to Redrow Shareholders or otherwise. Each Redrow Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Combination applicable to them, including under applicable United States state and local, as well as overseas and other, tax laws.

Redrow and Barratt are organised under English law. Some or all of the officers and directors of Redrow and Barratt are residents of countries other than the United States. It may not be possible to sue Redrow or Barratt or their respective directors or officers in a non-US court for violations of US securities laws. It may be difficult to compel Redrow, Barratt and/or their respective affiliates, directors and officers to subject themselves to the jurisdiction and judgment of a US court.

Forward looking statements

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Combination, and other information published by Redrow, Barratt or any member of their respective groups contain statements which are, or may be deemed to be, "forward looking statements". Such forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which Barratt, Redrow, or the Combined Group will operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

The forward looking statements contained in this announcement relate to Barratt, Redrow or the Combined Group's future prospects, developments and business strategies, the expected timing and scope of the Combination and other statements other than historical facts. In some cases, these forward looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "will look to", "would look to", "plans", "prepares", "anticipates", "expects", "is expected to", "is subject to", "budget", "scheduled", "forecasts", "synergy", "strategy", "goal", "cost-saving", "projects", "intends", "may", "will", "shall" or "should" or their negatives or other variations or comparable terminology.

Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Barratt's, Redrow's or the Combined Group's operations and potential synergies resulting from the Combination; and (iii) the effects of global economic conditions and governmental regulation on Barratt's, Redrow's or the Combined Group's business.

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. These events and circumstances include changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates, future business combinations or disposals, and any epidemic, pandemic or disease outbreak. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions prove 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 Barratt, Redrow 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 these risks and uncertainties, potential investors should not place any reliance on forward looking statements.

Specifically, statements of estimated cost savings and synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Due to the scale of the Combined Group, there may be additional changes to the Combined Group's operations. As a result, and given the fact that the changes relate to the future, the resulting cost synergies may be materially greater or less than those estimated.

The forward looking statements speak only at the date of this announcement. All subsequent oral or written forward-looking statements attributable to Barratt or Redrow, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

Barratt and Redrow expressly disclaim any obligation to update such statements other than as required by law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.

No profit forecasts or estimates

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

Disclosure requirements of the Takeover Code

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 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(s), 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 p.m. (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.

Details of the offeree and offeror companies in respect of whose relevant securities Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at <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 a Dealing Disclosure.

Publication on Website

A copy of this announcement will be made available on Barratt's and Redrow's websites at www.barrattdevelopments.co.uk and <https://investors.redrow.co.uk>, respectively, by no later than 12 noon (London time) on 9 August 2024. For the avoidance of doubt, the contents of those websites are not incorporated and do not form part of this announcement.

Barratt Shareholders may, subject to applicable securities law, request a hard copy of this announcement by contacting Barratt's Registrars, Equiniti Group, between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales) on +44 371 384 2657 or by submitting a request in writing to Equiniti Group, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

Redrow Shareholders may request a hard copy of this announcement by contacting Redrow's Registrars, Computershare Investor Services PLC ("Computershare"), between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales) on +44 (0)370 707 1257 or by submitting a request in writing to Computershare, The Pavilions, Bridgwater Road, Bristol BS13 8AE.

If you are in any doubt as to the contents of this announcement, you should consult your stockbroker, bank manager, solicitor, accountant or independent professional adviser who, if you are taking advice in the United Kingdom, is authorised pursuant to the Financial Services and Markets Act 2000 (as amended) or, if you are in a territory outside the United Kingdom, is an appropriately authorised financial adviser.

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