

**THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) IS FOR INFORMATION PURPOSES ONLY AND SHALL NOT CONSTITUTE AN OFFER TO SELL OR ISSUE OR THE SOLICITATION OF AN OFFER TO BUY, SUBSCRIBE OR ACQUIRE ANY SECURITIES, INCLUDING PLACING SHARES, IN ANY JURISDICTION IN WHICH ANY SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL.**

**THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, JERSEY, SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.**

**For immediate release**

12 September 2014

**Zotefoams plc  
("Zotefoams", the "Company" or the "Group")**

**Placing to raise approximately £8.8 million to finance investment in US plant expansion**

Zotefoams, a world leader in cellular material technology, today announces a placing of 3,983,130 new ordinary shares of 5 pence each ("**Ordinary Shares**") in the share capital of the Company (the "**Placing Shares**") at an issue price of 220 pence per Placing Share (the "**Placing Price**") to raise gross proceeds of approximately £8.8 million (the "**Placing**").

The Placing Shares represent 9.99 per cent. of the existing issued share capital of Zotefoams and the Placing Price represents a discount of approximately 6.6 per cent. to the closing middle market price of 235.5 pence per Ordinary Share on 11 September 2014, being the latest practicable date prior to this Announcement.

**Highlights:**

- Share issue contributing to a significant increase in capacity to support future growth opportunities
- Existing wholly owned site in Walton, Kentucky, USA to benefit from approximately US\$22 million<sup>1</sup> investment in proprietary technology
- Increased international footprint of Zotefoams Group to serve worldwide customer base
- Clear operational benefits and enhanced security of supply to customers from multi-site operations
- Placing of 3,983,130 Placing Shares at an issue price of 220 pence per Placing Share, being 9.99 per cent. of the existing issued share capital of Zotefoams
- Gross proceeds of approximately £8.8 million
- Placing Price represents a 6.6 per cent. discount to the closing middle market price of 235.5 pence per Ordinary share on 11 September 2014

Notes

<sup>1</sup> Excluding capitalised interest

**Background to and reasons for the Placing**

Zotefoams' strategy is to expand its business through a combination of profitable organic growth of its Polyolefin and HPP foams businesses, new customers for its MuCell Extrusion technology licensing business, and through partnerships or acquisitions in related technologies, products or markets.

Zotefoams' Polyolefin and HPP foams businesses are manufactured using a proprietary process with three main stages: polymer extrusion, high-pressure gassing using nitrogen gas, and foam expansion. All three processes are operational at its Croydon (UK) factory while its site in Walton (Kentucky, USA) currently operates only the final expansion process with intermediate materials being shipped from Croydon. As previously highlighted in Zotefoams' interim results for the six months ended 30 June 2014 (the "**2014 Interims**"), the Board has been assessing investment opportunities in high-pressure gassing capacity, either in Walton or Croydon, in order to support the Company's medium-term growth potential.

Having carefully considered the two location options, the Board has decided to invest in Zotefoams' existing wholly owned US manufacturing site in Walton. The investment will comprise high-pressure gassing capacity along with supporting extrusion capacity and related infrastructure, making the Walton site self-standing for most products sold into the North American market. Certain small volume Polyolefin products, those with unique raw material formulations and HPP products will continue to be manufactured at Croydon for the time being. The Board considers that the appropriate financing structure for this investment is a combination of debt and equity. The Board believes that, in addition to increased Group capacity, the capital investment at Walton will deliver lower operational, freight and working capital costs, and the increased capacity will provide options for enhanced security of supply of the Group's existing and new products.

The net proceeds of the Placing will provide the Company with the financial capability to pursue this opportunity as well as a degree of flexibility to pursue other selective investment opportunities that may arise. The estimated total cost of the Walton site expansion is approximately US\$22 million<sup>1</sup> and will be partly funded through the net proceeds of the Placing of £8.4 million, with the remainder provided through debt and operational cash flow supplemented by local government incentives. The investment programme itself will involve a phasing of costs over a two year build period and the intended benefits are expected to begin thereafter. As a consequence, the Placing is expected to be earnings dilutive, before material business and financial benefits begin to be realised.

Notes

<sup>1</sup> Excluding capitalised interest

In addition to the increase in Group capacity, manufacturing in Walton will reduce shipment of intermediate product from the UK, saving working capital and operational costs, while also ensuring the majority of local demand can be met with a reduced response time from locally sourced product. The Group's balance sheet and operational currency exposure will then more closely match its sales profile. The investment will also provide Zotefoams with the ability and flexibility to pursue future investment opportunities, including in its fast-growing HPP business, in either the UK or US, with further investment at either site cost effective and determinable by geographical need for capacity.

## **Current trading**

On 12 August 2014, Zotefoams announced the 2014 Interims. It reported total revenues of £24.7 million and profit before tax of £1.6 million. As at 30 June 2014, net assets were £38.7 million and net debt was £4.3 million.

The Board remains confident of a satisfactory outcome for the current financial year and continued progress in the future.

## **Details of the Placing**

### **General**

Investec Bank plc ("**Investec**") and Charles Stanley Securities ("**Charles Stanley**") are acting as joint bookrunners (the "**Joint Bookrunners**" and each a "**Joint Bookrunner**") in connection with the Placing.

The Placing is subject to the terms and conditions set out in the appendix (the "**Appendix**") to this announcement (which forms part of this announcement, such announcement and the Appendix together being the "**Announcement**").

Under the terms of the Placing, the Joint Bookrunners have today conditionally placed 3,983,130 Placing Shares at the Placing Price with existing and new institutional investors, raising net proceeds of approximately £8.4 million.

The Placing Shares, when issued, will represent 9.99 per cent. of the Company's existing issued share capital. The Placing Price of 220 pence per share represents a discount of approximately 6.6 per cent. to the closing middle market price of 235.5 pence per Zotefoams Ordinary Share on 11 September 2014, being the latest practicable date prior to the publication of this Announcement.

The Placing Shares, when issued, will be fully paid and will rank pari passu in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of issue, save in respect of the interim dividend of 1.75 pence to be paid on 9 October 2014 to shareholders of the Company on the register on 5 September 2014. Application has been made for the Placing Shares to be admitted to listing on the premium listing segment of the Official List (the "**Official List**") of the Financial Conduct Authority (the "**FCA**") and to be admitted to trading on the main market for listed securities of London Stock Exchange plc (the "**London Stock Exchange**"), (together "**Admission**").

Settlement for the Placing Shares and Admission is expected to take place on or before 8.00 a.m. on 17 September 2014. The Placing is conditional, among other things, upon Admission becoming effective and the placing agreement between the Company and the Joint Bookrunners (the "**Placing Agreement**") not being terminated in accordance with its terms. Following Admission, the Company will have 43,814,442 Ordinary Shares in issue.

#### **Directors' participation in the Placing**

Each of the directors of the Company (the "**Directors**") intends to subscribe for Placing Shares under the Placing, representing, in aggregate, 55,736 Placing Shares. The interests of the Directors as they are expected to be following the Placing are as follows:

| <i>Name</i>          | <i>Holding of Ordinary Shares pre-Placing</i> | <i>Number of Placing Shares</i> | <i>Holding of Ordinary Shares post-Placing</i> | <i>Percentage of the enlarged issued share capital</i> |
|----------------------|-----------------------------------------------|---------------------------------|------------------------------------------------|--------------------------------------------------------|
| Nigel Howard         | 63,000                                        | 6,300                           | 69,300                                         | 0.2                                                    |
| David Stirling       | 320,233                                       | 15,000                          | 335,233                                        | 0.8                                                    |
| Clifford Hurst       | 273,922                                       | 18,636                          | 292,558                                        | 0.7                                                    |
| Richard Clowes       | 40,000                                        | 4,000                           | 44,000                                         | 0.1                                                    |
| Marie-Louise Clayton | 18,000                                        | 11,800                          | 29,800                                         | 0.1                                                    |
| Total                | 715,155                                       | 55,736                          | 770,891                                        | 1.8                                                    |

#### **Other**

Investec, which is authorised in the United Kingdom by the Prudential Regulation Authority ("**PRA**") and regulated by the Financial Conduct Authority ("**FCA**") and the PRA, and Charles Stanley, which is authorised and regulated in the United Kingdom by the FCA, are acting exclusively for the Company in connection with the Placing and are not acting for any other person and will not be responsible to any person other than the Company for providing the protections afforded to their customers or for providing advice on the transactions or arrangements referred to in this Announcement.

This Announcement has been issued by the Company and is the sole responsibility of the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Investec, Charles Stanley or by any of their affiliates or agents as to, or in relation to, the accuracy or completeness of this announcement or any other

written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

The Appendix sets out further information relating to the Placing and the terms and conditions of the Placing.

**This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notices" section of this Announcement.**

***Enquiries:***

**Zotefoams plc**

Tel: +44 (0) 208 664 1600

David Stirling, Managing Director  
Clifford Hurst, Finance Director

**Investec Bank plc**

Tel: +44 (0) 20 7597 4000

Jeremy Ellis / Patrick Robb  
James Ireland / Josh Levy

**Charles Stanley Securities**

Tel: +44 (0) 20 7149 6000

Dugald J. Carlean  
Paul Brotherhood

**FTI Consulting**

Tel: +44 (0)20 3727 1000

John Dineen  
Victoria Foster Mitchell

**IMPORTANT NOTICES**

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN (TOGETHER, THIS "**ANNOUNCEMENT**") ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (1) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("**EEA**"), QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2.1(e) OF DIRECTIVE 2003/71/EC AS AMENDED, INCLUDING BY THE 2010 PROSPECTUS DIRECTIVE AMENDING DIRECTIVE (DIRECTIVE 2010/73/EC) AND TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE (THE "**PROSPECTUS DIRECTIVE**"); (2) IF IN THE UNITED KINGDOM, ARE QUALIFIED INVESTORS AND (A) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**") OR (B) ARE PERSONS WHO FALL WITHIN ARTICLE 49(2)(a) TO (d) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**").

THIS ANNOUNCEMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN ZOTEFOAMS PLC.

THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE OF THE UNITED STATES IN "**OFFSHORE TRANSACTIONS**" WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATION S UNDER THE SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN THE UNITED STATES OR ELSEWHERE.

THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, JERSEY, SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

The distribution of this Announcement and/or the Placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, the Joint Bookrunners or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and the Joint Bookrunners to inform themselves about and to observe any such restrictions.

This Announcement or any part of it does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia (the "**United States**" or the "**US**")), Canada, Australia, South Africa, Japan, Jersey or any other jurisdiction in which the same would be unlawful. No public offering of the Placing Shares is being made in any such jurisdiction.

All offers of the Placing Shares will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus. In the United Kingdom, this Announcement is being directed solely at persons in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 (as amended) does not apply.

The Placing Shares referred to in this Announcement have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States.

By participating in the Placing, each person who is invited to and who chooses to participate in the Placing (a "**Placee**") by making an oral and legally binding offer to acquire Placing Shares will be deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in the Appendix.

This Announcement may contain and the Company may make verbal statements containing "forward-looking statements" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty

because they relate to future events and circumstances which are beyond the control of the Company, including amongst other things, United Kingdom domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, the effect of competition, inflation, deflation, the timing effect and other uncertainties of future acquisitions or combinations within relevant industries, the effect of tax and other legislation and other regulations in the jurisdictions in which the Company and its respective affiliates operate, the effect of volatility in the equity, capital and credit markets on the Company's profitability and ability to access capital and credit, a decline in the Company's credit ratings; the effect of operational risks; and the loss of key personnel. As a result, the actual future financial condition, performance and results of the Company may differ materially from the plans, goals and expectations set forth in any forward-looking statements. Any forward-looking statements made in this Announcement by or on behalf of the Company speak only as of the date they are made. Except as required by applicable law or regulation, the Company expressly disclaims any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained in this Announcement to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Investec, which is authorised in the United Kingdom by the Prudential Regulation Authority ("**PRA**") and regulated by the Financial Conduct Authority ("**FCA**") and the PRA, and Charles Stanley, which is authorised and regulated in the United Kingdom by the FCA, are acting exclusively for the Company in connection with the Placing and are not acting for any other person and will not be responsible to any person other than the Company for providing the protections afforded to their customers or for providing advice on the transactions or arrangements referred to in this Announcement.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Joint Bookrunners or by any of their respective affiliates or agents as to, or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

No statement in this Announcement is intended to be a profit forecast, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The Placing Shares to be issued or sold pursuant to the Placing will not be admitted to trading on any stock exchange other than the London Stock Exchange.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

## APPENDIX - TERMS AND CONDITIONS OF THE PLACING

IMPORTANT INFORMATION FOR INVITED PLACEES ONLY REGARDING THE PLACING.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN (TOGETHER, THIS "**ANNOUNCEMENT**") ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (1) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("**EEA**"), QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2.1(e) OF DIRECTIVE 2003/71/EC AS AMENDED, INCLUDING BY THE 2010 PROSPECTUS DIRECTIVE AMENDING DIRECTIVE (DIRECTIVE 2010/73/EC) AND TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE (THE "**PROSPECTUS DIRECTIVE**"); (2) IF IN THE UNITED KINGDOM, ARE QUALIFIED INVESTORS AND (A) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**") OR (B) ARE PERSONS WHO FALL WITHIN ARTICLE 49(2)(a) TO (d) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**").

THIS ANNOUNCEMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN ZOTEFOAMS PLC.

THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN "**OFFSHORE TRANSACTIONS**" WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATION S UNDER THE SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN THE UNITED STATES OR ELSEWHERE.

THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, JERSEY, SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

The distribution of this Announcement and/or the Placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, the Joint Bookrunners or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and the Joint Bookrunners to inform themselves about and to observe any such restrictions.

This Announcement or any part of it does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada, Australia, South Africa, Japan, Jersey or any other jurisdiction in which the same would be unlawful. No public offering of the Placing Shares is being made in any such jurisdiction.

All offers of the Placing Shares will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus. In the United Kingdom, this Announcement is being directed solely at persons in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 (as amended) (the "**FSMA**") does not apply.

The Placing Shares referred to in this Announcement have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or transferred within the United States.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States.

This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notices" section of this Announcement.

By participating in the Placing, each Placee will be deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in the Appendix.

In particular, each such Placee represents, warrants, undertakes, agrees and acknowledges (amongst other things) that:

1. it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
2. in the case of a Relevant Person in a member state of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**") who acquires any Placing Shares pursuant to the Placing:
  - (A) it is a Qualified Investor within the meaning of Article 2(1)(E) of the Prospectus Directive; and
  - (B) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive:
    - (ii) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of the Joint Bookrunners has been given to the offer or resale; or
    - (iii) where Placing Shares have been acquired by it on behalf of persons in any member state of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons; and
3. it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements, undertakings and agreements contained in this Announcement; and
4. it understands (or if acting for the account of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this Appendix; and
5. except as otherwise permitted by the Company and subject to any available exemptions from applicable securities laws, it (and any account referred to in paragraph 3 above) is outside the United States acquiring the Placing Shares in offshore transactions as defined in and in accordance with Regulation S under the Securities Act.

### **No prospectus**

No prospectus or other offering document has been or will be submitted to be approved by the FCA in relation to the Placing and Placees' commitments will be made solely on the basis of the information contained in this Announcement and any information publicly announced through a Regulatory

Information Service (as defined in the Listing Rules of the FCA (the "**Listing Rules**")) by or on behalf of the Company on or prior to the date of this Announcement (the "**Publicly Available Information**") and subject to any further terms set forth in the contract note to be sent to individual Placees.

Each Placee, by participating in the Placing, agrees that it has neither received nor relied on any information, representation, warranty or statement made by or on behalf of the Joint Bookrunners or the Company other than the Publicly Available Information and none of the Joint Bookrunners, the Company nor any person acting on such person's behalf nor any of their affiliates has or shall have any liability for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

### **Details of the Placing Agreement and the Placing Shares**

The Joint Bookrunners have entered into a placing agreement (the "**Placing Agreement**") with the Company under which each of them have undertaken, on the terms and subject to the conditions set out in the Placing Agreement, acting severally, to use their reasonable endeavours as agents of the Company to seek to procure Placees for the Placing Shares.

The Placing Shares will, when issued, be subject to the memorandum and articles of association of the Company and credited as fully paid and will rank *pari passu* in all respects with the existing issued ordinary shares of 5 pence ("**Ordinary Shares**") per share in the capital of the Company, including the right to receive all dividends and other distributions declared, made or paid by reference to a record date falling after the date of issue of the Placing Shares. For the avoidance of doubt, Placees will not be entitled to receive the interim dividend of 1.75 pence to be paid on 9 October 2014 to shareholders of the Company on the register on 5 September 2014.

As part of the Placing, the Company has agreed that it will not for a period of 90 days after (but including) Admission, directly or indirectly, issue, offer, sell, lend, pledge, contract to sell or issue, grant any option, right or warrant to purchase or otherwise dispose of any Ordinary Shares (or any interest therein or in respect thereof) or other securities of the Company exchangeable for, convertible into or representing the right to receive Ordinary Shares or any substantially similar securities or otherwise enter into any transaction (including derivative transaction) directly or indirectly, permanently or temporarily, to dispose of any Ordinary Shares or undertake any other transaction with the same economic effect as any of the foregoing or announce an offering of Ordinary Shares or any interest therein or to announce publicly any intention to enter into any transaction described above. This agreement is subject to certain customary exceptions and does not prevent the grant or exercise of options under any of the Company's existing share incentives and share option schemes, or following Admission the issue by the Company of any Ordinary Shares upon the exercise of any right or option or the conversion of a security already in existence.

The issue of the Placing Shares is to be effected by way of a cashbox placing. The Company will allot and issue the Placing Shares on a non-pre-emptive basis to the Placees in consideration for Investec transferring its holdings of redeemable preference shares and ordinary subscriber shares in Walton Funding Limited to the Company. Accordingly, instead of receiving cash as consideration for the issue of Placing Shares, at the conclusion of the Placing the Company will own all of the issued ordinary shares and redeemable preference shares of Walton Funding Limited whose only asset will be its cash reserves, which will represent an amount approximately equal to the net proceeds of the Placing.

### **Application for admission to listing and trading**

Application has been made to the FCA for admission of the Placing Shares to listing on the premium segment of the Official List and for admission to trading of the Placing Shares on the London Stock Exchange's main market for listed securities.

It is expected that Admission will take place on or before 8.00 a.m. on 17 September 2014 and that dealings in the Placing Shares on the London Stock Exchange's main market for listed securities will commence at the same time.

### **Principal terms of the Placing**

1. Investec and Charles Stanley are acting as joint bookrunners to the Placing and as agents for and on behalf of the Company.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited by the Joint Bookrunners to participate. The Joint Bookrunners and any of their respective affiliates and/or agents are entitled to participate in the Placing as investors for their own account.
3. The price per Placing Share (the "**Placing Price**") is fixed at 220 pence and is payable to Investec and/or Charles Stanley by all Placees.
4. Each Placee's allocation will be determined by the Joint Bookrunners in their discretion following consultation with the Company and will be confirmed orally by Investec or Charles Stanley (as the case may be) and a contract note will be dispatched as soon as possible thereafter. The Joint Bookrunners' oral confirmation of an allocation will give rise to a legally binding commitment by the Placee concerned, in favour of Investec or Charles Stanley (as the case may be) and the Company, under which it agrees to acquire the number of Placing Shares allocated to it on the terms and subject to the conditions set out in this Appendix and the Company's articles of association.
5. Each Placee irrevocably appoints any director or other authorised signatory of the Bookrunners as its agent for the purposes of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares agreed to be taken up by it under the Placing.
6. Each Placee's allocation and commitment will be evidenced by a contract note issued to such Placee by the Joint Bookrunners. The terms of this Appendix will be deemed incorporated therein.
7. Each Placee's allocation and commitment to subscribe for Placing Shares will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and except with the Joint Bookrunners' consent will not be capable of variation or revocation after the time at which it is submitted. Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to Investec or Charles Stanley (as the case may be), to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to acquire and the Company has agreed to allot and issue to that Placee.
8. Except as required by law or regulation, no press release or other announcement will be made by the Joint Bookrunners or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
9. Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "*Registration and Settlement*".
10. All obligations under the Placing will be subject to fulfilment of the conditions referred to below under "*Conditions of the Placing*" and to the Placing not being terminated on the basis referred to below under "*Termination of the Placing*".
11. By participating in the Placing, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
12. To the fullest extent permissible by law and applicable FCA rules, neither the Joint Bookrunners nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither the Joint Bookrunners nor any of their respective affiliates, agents, directors, officers or employees shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of the Joint Bookrunners' conduct of the Placing or of such alternative method of effecting the Placing as the Joint Bookrunners and the Company may agree.

## Registration and Settlement

If Placees are allocated any Placing Shares in the Placing they will be sent a contract note or electronic confirmation which will confirm the number of Placing Shares allocated to them, the Placing Price and the aggregate amount owed by them to the Joint Bookrunners.

Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed as directed by the Joint Bookrunners in accordance with either the standing CREST or certificated settlement instructions which they have in place with the Joint Bookrunners.

Settlement of transactions in the Placing Shares (ISIN: GB0009896605) following Admission will take place within the CREST system. Settlement through CREST will be on a T+3 basis unless otherwise notified by the Joint Bookrunners and is expected to occur on 17 September 2014 (the "**Settlement Date**"). Settlement will be on a delivery versus payment basis. However, in the event of any difficulties or delays in the admission of the Placing Shares to CREST or the use of CREST in relation to the Placing, the Company and the Joint Bookrunners may agree that the Placing Shares should be issued in certificated form. The Joint Bookrunners reserve the right to require settlement for the Placing Shares, and to deliver the Placing Shares to Placees, by such other means as they deem necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in a Placee's jurisdiction.

The Company will deliver the Placing Shares to a CREST account operated by Investec as agents for the Company and Investec will enter its delivery (DEL) instructions into the CREST system.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above, in respect of either CREST or certificated deliveries, at the rate of 2 percentage points above prevailing LIBOR as determined by the Joint Bookrunners.

Each Placee is deemed to agree that if it does not comply with these obligations, the Joint Bookrunners may sell any or all of their Placing Shares on their behalf and retain from the proceeds, for the Joint Bookrunners' own account and benefit, an amount equal to the Placing Price of each share sold plus any interest due. Placees will, however, remain liable for any shortfall below the Placing Price and for any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of their Placing Shares on their behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees must ensure that, upon receipt, the conditional contract note is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to United Kingdom stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

## Conditions of the Placing

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms.

The obligations of the Joint Bookrunners under the Placing Agreement are, and the Placing is, conditional upon, *inter alia*:

- (a) none of the representations, warranties and undertakings on the part of the Company contained in the Placing Agreement being untrue or inaccurate on the date on which the Placing Agreement is signed or Admission, by reference to the facts and circumstances then subsisting;
- (b) the Company complying with its obligations under the Placing Agreement to the extent that they fall to be performed on or before Admission;
- (c) the Company having allotted, subject only to Admission, the Placing Shares in accordance with the Placing Agreement;
- (d) Admission having become effective at or before 8.00 a.m. on 17 September 2014 or such later time as the Joint Bookrunners may agree with the Company; and
- (e) in the opinion of either of the Joint Bookrunners, there has not been any material adverse change before Admission.

(all conditions to the obligations of the Joint Bookrunners included in the Placing Agreement being together, the "**conditions**").

If any of the conditions set out in the Placing Agreement is not fulfilled or, where permitted, waived in accordance with the Placing Agreement within the stated time periods (or such later time and/or date as the Company and the Joint Bookrunners may agree), or the Placing Agreement is terminated in accordance with its terms, the Placing will lapse and the Placees rights and obligations shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

By participating in the Placing, each Placee agrees that its rights and obligations cease and terminate only in the circumstances described above and under "*Termination of the Placing*" below and will not be capable of rescission or termination by it.

The Joint Bookrunners may, in their absolute discretion and upon such terms as they think fit, waive fulfilment of all or any of the conditions in the Placing Agreement in whole or in part, or extend the time provided for fulfilment of one or more conditions, save that certain conditions including the condition relating to Admission referred to in paragraph (d) above may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Appendix.

Neither the Joint Bookrunners nor any of their respective affiliates, agents, directors, officers or employees nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision any of them may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision any of them may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Joint Bookrunners.

#### **Termination of the Placing**

The Joint Bookrunners may, in their absolute discretion, by notice to the Company, terminate the Placing Agreement at any time up to Admission if, *inter alia*:

1. there has, in the opinion of either Joint Bookrunner, been a breach of the warranties given to it or a matter or circumstance has arisen which would be likely to give rise to a claim under the indemnity provisions in the Placing Agreement;
2. there has, in the opinion of the Joint Bookrunners, been a material adverse change;
3. any statement contained in this Announcement or any other document or announcement issued or published by or on behalf of the Company in connection with the Placing is or has become or has been discovered to be untrue or inaccurate in any respect or misleading in any respect; or
4. in the opinion of the Joint Bookrunners, there has been a force majeure event; or
5. any matter or circumstances arise as a result of which any of the conditions has not been satisfied or waived by the Joint Bookrunners by the required time.

If the Placing Agreement is terminated in accordance with its terms, the rights and obligations of each Placee in respect of the Placing as described in this Announcement shall cease and terminate at such time (except for any liability of such Placee arising in relation to such termination) and no claim can be made by any Placee in respect thereof.

By participating in the Placing, each Placee agrees with the Company and the Joint Bookrunners that the exercise by the Company or the Joint Bookrunners of any right of termination or any other right or other discretion under the Placing Agreement shall be within the absolute discretion of the Company or the Joint Bookrunners or for agreement between the Company and the Joint Bookrunners (as the case may be) and that neither the Company nor the Joint Bookrunners need make any reference to such Placee and that none of the Company, the Joint Bookrunners nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to such Placee (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise.

By participating in the Placing, each Placee agrees that its rights and obligations terminate only in the circumstances described above and under the "*Conditions of the Placing*" section above and will not

be capable of rescission or termination by it after the issue by Investec or Charles Stanley of a contract note confirming each Placee's allocation and commitment in the Placing.

### **Representations, warranties and further terms**

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) represents, warrants, acknowledges and agrees (for itself and for any such prospective Placee) that (save where the Joint Bookrunners expressly agree in writing to the contrary):

1. it has read and understood this Announcement in its entirety and that its acquisition of the Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Placing, the Company, the Placing Shares or otherwise, other than the information contained in this Announcement and the Publicly Available Information and that in accepting the offer of its Placing participation it will be relying solely on the information contained in the Announcement (including this Appendix);
2. it has not received a prospectus or other offering document in connection with the Placing and acknowledges that no prospectus or other offering document: (a) is required under the Prospectus Directive; and (b) has been or will be prepared in connection with the Placing;
3. the Ordinary Shares are listed on the premium segment of the Official List, and that the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the FCA, which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account and that it is able to obtain or access such information without undue difficulty, and is able to obtain access to such information or comparable information concerning any other publicly traded company, without undue difficulty;
4. neither the Joint Bookrunners nor the Company nor any of their respective affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company or any other person other than the information in this Announcement or the Publicly Available Information; nor has it requested the Joint Bookrunners, the Company, any of their respective affiliates, agents, directors, employees or officers or any person acting on behalf of any of them to provide it with any such information;
5. neither the Joint Bookrunners nor any person acting on behalf of them nor any of their affiliates, agents, directors, officers or employees has or shall have any liability for any Publicly Available Information, or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
6. (a) the only information on which it is entitled to rely on and on which it has relied in committing to subscribe for the Placing Shares is contained in the Publicly Available Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on Publicly Available Information; (b) neither the Joint Bookrunners, nor the Company (nor any of their respective affiliates, agents, directors, officers and employees) have made any representation or warranty to it, express or implied, with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of the Publicly Available Information; (c) it has conducted its own investigation of the Company, the Placing and the Placing Shares, satisfied itself that the information is still current and relied on that investigation for the purposes of its decision to participate in the Placing; and (d) has not relied on any investigation that the Joint Bookrunners or any person acting on their behalf may have conducted with respect to the Company, the Placing or the Placing Shares;
7. the content of this Announcement and the Publicly Available Information has been prepared by and is exclusively the responsibility of the Company and that neither the Joint Bookrunners nor any persons acting on their behalf is responsible for or has or shall have any liability for any information, representation, warranty or statement relating to the Company contained in

this Announcement or the Publicly Available Information nor will they be liable for any Placee's decision to participate in the Placing based on any information, representation, warranty or statement contained in this Announcement, the Publicly Available Information or otherwise. Nothing in this Appendix shall exclude any liability of any person for fraudulent misrepresentation;

8. it is not, and at the time the Placing Shares are acquired will not be, and will not be subscribing on behalf of a resident of Australia, Canada, South Africa, Jersey or Japan and each of it and the beneficial owner of the Placing Shares is, and at the time the Placing Shares are acquired will be outside the United States or acquiring the Placing Shares in an 'offshore transaction' in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act;
9. the Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared or approved in respect of any of the Placing Shares under the securities laws of the United States, or any state or other jurisdiction of the United States, Australia, Canada, South Africa, Jersey or Japan and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within the United States, Australia, Canada, South Africa, Jersey or Japan or in any country or jurisdiction where any such action for that purpose is required;
10. it and/or each person on whose behalf it is participating:
  - (A) is entitled to acquire Placing Shares pursuant to the Placing under the laws and regulations of all relevant jurisdictions;
  - (B) has fully observed such laws and regulations;
  - (C) has capacity and authority and is entitled to enter into and perform its obligations as an acquirer of Placing Shares and will honour such obligations; and
  - (D) has obtained all necessary consents and authorities (including, without limitation, in the case of a person acting on behalf of a Placee, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix) under those laws or otherwise and complied with all necessary formalities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto;
11. if it is a pension fund or investment company, its acquisition of Placing Shares is in full compliance with applicable laws and regulations;
12. it is not acquiring any of the Placing Shares as a result of any form of general solicitation or general advertising (within the meaning of Rule 502(c) of Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act);
13. it and the beneficial owner of the Placing Shares is, and at the time the Placing Shares are acquired will be, outside the United States and acquiring the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S under the Securities Act;
14. it understands that the Placing Shares have not been, and will not be, registered under the Securities Act and may not be offered, sold or resold in or into or from the United States except pursuant to an effective registration under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable state securities laws; and no representation is being made as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;
15. it (and any account for which it is purchasing) is not acquiring the Placing Shares with a view to any offer, sale or distribution thereof within the meaning of the Securities Act;
16. it understands that: (a) the Placing Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act; (b) no representation is made as to the availability of the exemption provided by Rule 144 for resales of Placing Shares; and (c) it will not deposit the Placing Shares in a depositary receipt programme in the United States or for US persons (as defined in the Securities Act);

17. it will not offer, sell, transfer, pledge or otherwise dispose of any Placing Shares except:
  - (A) in an offshore transaction in accordance with Rules 903 or 904 of Regulation S under the Securities Act; or
  - (B) pursuant to another exemption from registration under the Securities Act, if available, and in each case in accordance with all applicable securities laws of the states of the United States and other jurisdictions;
18. no representation has been made as to the availability of the exemption provided by Rule 144, Rule 144A or any other exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;
19. understands that the Placing Shares are expected to be issued to it through CREST but may be issued to it in certificated, definitive form and acknowledges and agrees that the Placing Shares will, to the extent they are delivered in certificated form, bear a legend to the following effect unless agreed otherwise with the Company:

"THESE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR UNDER THE APPLICABLE SECURITIES LAWS OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (B) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (C) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF THESE SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS."
20. it will not distribute, forward, transfer or otherwise transmit this Announcement or any part of it, or any other presentational or other materials concerning the Placing in or into or from the United States (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;
21. none of the Joint Bookrunners, their respective affiliates and any person acting on behalf of any of them is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of either of the Joint Bookrunners and that the Joint Bookrunners have no duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
22. it will make payment to the Joint Bookrunners for the Placing Shares allocated to it in accordance with the terms and conditions of this Announcement on the due times and dates set out in this Announcement, failing which the relevant Placing Shares may be placed with others on such terms as the Joint Bookrunners determine in their absolute discretion without liability to the Placee and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placee's Placing Shares on its behalf;

23. its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to subscribe for, and that the Company may call upon it to subscribe for a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;
24. no action has been or will be taken by any of the Company, the Joint Bookrunners or any person acting on behalf of the Company or the Joint Bookrunners that would, or is intended to, permit a public offer of the Placing Shares in the United States or in any country or jurisdiction where any such action for that purpose is required;
25. the person who it specifies for registration as holder of the Placing Shares will be: (a) the Placee; or (b) a nominee of the Placee, as the case may be. The Joint Bookrunners and the Company will not be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to acquire Placing Shares pursuant to the Placing and agrees to indemnify the Company and the Joint Bookrunners in respect of the same on the basis that the Placing Shares will be allotted to a CREST stock account of either of the Joint Bookrunners or transferred to a CREST stock account of either of the Joint Bookrunners who will hold them as nominee on behalf of the Placee until settlement in accordance with its standing settlement instructions with it;
26. the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of Placing Shares would give rise to such a liability;
27. (a) it and any person acting on its behalf (if within the United Kingdom) falls within Article 19(5) and/or 49(2) of the Order (as amended) and undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only and (b) it and any person acting on its behalf is entitled to subscribe for Placing Shares comprised in its allocation under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities;
28. it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom prior to the expiry of a period of six months from Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA;
29. if it is within the EEA, it is a Qualified Investor as defined in section 86(7) of the FSMA, being a person falling within Article 2.1(e) of the Prospectus Directive;
30. it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;
31. it has complied and it will comply with all applicable laws with respect to anything done by it or on its behalf in relation to the Placing Shares (including all relevant provisions of the FSMA in respect of anything done in, from or otherwise involving the United Kingdom);
32. represents and warrants that, if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive (including any relevant implementing measure in any member state), the Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the EEA which has implemented the Prospectus Directive other than Qualified Investors, or in circumstances in which the express prior written consent of the Joint Bookrunners has been given to the offer or resale;

33. if it has received any confidential price sensitive information about the Company in advance of the Placing, it has not: (a) dealt in the securities of the Company; (b) encouraged or required another person to deal in the securities of the Company; or (c) disclosed such information to any person, prior to the information being made publicly available;
34. neither the Joint Bookrunners, the Company nor any of their respective affiliates, agents, directors, officers or employees nor any person acting on behalf of the Joint Bookrunners or their respective affiliates, agents, directors, officers or employees is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing nor providing advice in relation to the Placing nor in respect of any representations, warranties, acknowledgements, agreements, undertakings, or indemnities contained in the Placing Agreement nor the exercise or performance of any of the Joint Bookrunners' rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
35. acknowledges and accepts that the Joint Bookrunners may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Placing Shares and/or related instruments for their own account for the purpose of hedging their underwriting exposure or otherwise and, except as required by applicable law or regulation, the Joint Bookrunners will not make any public disclosure in relation to such transactions;
36. it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA prior to the expiry of a period of six months from Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purpose of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in any member state of the EEA within the meaning of the Prospectus Directive;
37. it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering Regulations 2007 (together, the "**Regulations**") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
38. acknowledges that its commitment to acquire Placing Shares on the terms set out in this Announcement and in the contract note will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or the Joint Bookrunners' conduct of the Placing;
39. it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its affiliates taken as a whole, and the terms of the Placing, including the merits and risks involved;
40. the Company, the Joint Bookrunners and others (including each of their respective affiliates, agents, directors, officers and employees) will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements, which are given to the Joint Bookrunners on their own behalf and on behalf of the Company and are irrevocable;
41. if it is acquiring the Placing Shares as a fiduciary or agent for one or more investor accounts, it has full power and authority to make, and does make, the foregoing representations, warranties, acknowledgements, agreements and undertakings on behalf of each such accounts;
42. time is of the essence as regards its obligations under this Appendix;
43. any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to the Joint Bookrunners;
44. the Placing Shares will be issued subject to the terms and conditions of this Appendix; and

45. this Appendix and all documents into which this Appendix is incorporated by reference or otherwise validly forms a part and all agreements to acquire shares pursuant to the Placing will be governed by and construed in accordance with English law and it submits to the exclusive jurisdiction of the English courts in relation thereto except that proceedings may be taken by the Company or the Joint Bookrunners in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) agrees to indemnify and hold the Company, the Joint Bookrunners and each of their respective affiliates, agents, directors, officers and employees harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings given by the Placee (and any person acting on such Placee's behalf) in this Appendix or incurred by the Joint Bookrunners, the Company or each of their respective affiliates, agents, directors, officers or employees arising from the performance of the Placee's obligations as set out in this Announcement, and further agrees that the provisions of this Appendix shall survive after the completion of the Placing.

The agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as agent) free of stamp duty and stamp duty reserve tax in the United Kingdom relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct by the Company. Such agreement assumes, and is based on a warranty from each Placee, that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service and that the Placing Shares will not be allotted to a person who is or may be liable to stamp duty or stamp duty reserve tax under any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depositary receipts and clearance services). If there are any such arrangements, or the settlement related to any other dealings in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event, the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax and neither the Company nor the Joint Bookrunners shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and they should notify the Joint Bookrunners accordingly. In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares and each Placee, or the Placee's nominee, in respect of whom (or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such non-United Kingdom stamp, registration, documentary, transfer or similar taxes or duties undertakes to pay such taxes and duties, including any interest and penalties (if applicable), forthwith and to indemnify on an after-tax basis and to hold harmless the Company and the Joint Bookrunners in the event that either the Company and/or the Joint Bookrunners have incurred any such liability to such taxes or duties.

The representations, warranties, acknowledgements and undertakings contained in this Appendix are given to each of the Joint Bookrunners for itself and on behalf of the Company and are irrevocable.

Investec, which is authorised in the United Kingdom by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA, and Charles Stanley, which is authorised and regulated in the United Kingdom by the FCA, are acting exclusively for the Company in connection with the Placing and are not acting for any other person and will not be responsible to any person other than the Company for providing the protections afforded to their customers or for providing advice on the transactions or arrangements referred to in this Announcement.

Each Placee and any person acting on behalf of the Placee acknowledges that the Joint Bookrunners do not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings, acknowledgements, agreements or indemnities in the Placing Agreement.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that each of the Joint Bookrunners may (at its absolute discretion) satisfy its obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any connected or associated person to do so.

When a Placee or any person acting on behalf of the Placee is dealing with the Joint Bookrunners, any money held in an account with either of the Joint Bookrunners on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA made under FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules: as a consequence this money will not be segregated from the relevant Joint Bookrunner's money in accordance with the client money rules and will be held by it under a banking relationship and not as trustee and a place will rank only as a general creditor of the relevant Joint Bookrunner.

References to time in this Announcement are to London time, unless otherwise stated.

All times and dates in this Announcement may be subject to amendment. Placees will be notified of any changes.

No statement in this Announcement is intended to be a profit forecast, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The Placing Shares to be issued or sold pursuant to the Placing will not be admitted to trading on any stock exchange other than the London Stock Exchange.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.