Proposed acquisition and proposed placing

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Acal plc

Proposed acquisition of the Myrra Group (the "Acquisition") and proposed placing of £6.1million (the "Placing")

Earnings enhancing acquisition (1)

Acal plc (LSE: ACL, "Acal", the "Group" or "the Company"), a leading European specialist electronics supplier, is pleased to announce that it has entered into a conditional agreement to acquire the Myrra Group through the acquisition of its holding company, Aramys SAS, for an up-front cash consideration of €9.5 million (£8.3 million) subject to certain post-completion adjustments. A further future payment of up to a maximum of €1.8 million (£1.6 million) will be payable in March 2016 subject to the Myrra Group's performance over the three year period to 31 December 2015 following Completion.

This Acquisition is highly complementary to the Group's existing businesses and is a further step in the Group's stated strategy of growing its position in the specialist electronics market.

Funding will be provided through a combination of a new debt facility of £8.0 million and a cash placing of £6.1 million (before expenses) predominantly from existing Shareholders. Any remaining net proceeds will be used for working capital purposes and for any future acquisitions which meet the Company's strict criteria.

Terms used in this announcement shall, unless the context otherwise requires, bear the meanings given to them in Appendix 2.

Acquisition highlights

The Myrra Group designs and manufactures customised magnetic electronic products generating sales of €20.8 million and an underlying operating profit of €1.7 million in the financial year ended 31 December 2012. Benefits of the Acquisition include:

- Further strengthening of Acal's Electronics Division
  - The Myrra Group has a differentiated market position and product offering which complements Acal's existing electronics businesses
  - The Myrra Group's growth prospects, which are ahead of the market
- Enhances the Group's customisation and development capabilities
  - Brings design and development capabilities in France and China combined with manufacturing facilities in China and Poland
  - Higher operating margins and long term customer relationships
- Develops the Group's geographic profile in Europe and Asia
- Potential to cross sell products across geographical regions
- Expected to be immediately enhancing to underlying earnings (1)

Note (1): This statement does not constitute a profit forecast.

The Acquisition, because of its size in relation to the Company, is a Class 1 transaction for Acal under the Listing Rules and is therefore conditional, inter alia, upon the approval of Shareholders. The Company will be posting the Circular to Shareholders containing further details on the Acquisition and the Placing in due course.

Shareholders should read the whole of the Circular and not just rely on the information in this announcement.

Nick Jefferies, Group Chief Executive commented:

"I am delighted to announce this acquisition, which is another important step in our stated strategy of growth in the specialist electronics market. The Myrra Group has a successful track record of providing custom magnetic electronic products to industrial customers throughout Europe and increasingly in North America, Asia and Africa. As part of the enlarged group, the Myrra Group will have access to our customer base of over 20,000 whilst we will benefit from the Myrra Group's well developed customisation, design and manufacturing capabilities."

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This announcement contains a number of forward-looking statements relating to the Group and the Enlarged Group with respect to, amongst others, the following: financial condition; results of operations; economic conditions in which the Group operates and in which the Enlarged Group will operate; the business of the Group and the Enlarged Group; future benefits of the Acquisition and management plans and objectives. The Company considers any statements that are not historical facts as "forward-looking statements". They relate to events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of either the Group or the Enlarged Group to differ materially from the information presented in the relevant forward-looking statement. When used in this announcement the words "estimate", "project", "intend", "aim", "anticipate", "believe", "expect", "should" and similar expressions, as they relate to the Group and/or the Enlarged Group or the management, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this announcement. Neither the Company nor any member of the Group or the Enlarged Group undertake any obligation publicly to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, save in respect of any requirement under applicable laws, the Listing Rules, the Disclosure and Transparency Rules and other regulations.

No statement in this announcement is intended as a profit forecast or profit estimate and no statement in this announcement should be interpreted to mean that the earnings per share of the Group or the Enlarged Group for the current or future financial periods will necessarily match or exceed the historical or published earnings per share of the Group or the Enlarged Group.

This announcement has been prepared in accordance with English law, the Listing Rules and the Disclosure and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

The Announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for Placing Shares in any jurisdiction in which such offer or solicitation is or may be unlawful. This announcement and the information contained herein is not for publication or distribution, directly or indirectly, to persons in the United States, Australia, Canada, Japan or South Africa or in any other jurisdiction in which such publication or distribution is unlawful. No public offer of securities of the Company is being made in the United Kingdom, United States or elsewhere. In particular the Placing Shares referred to in this announcement have not been and will not be registered under the Securities Act or any securities regulatory authority 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 and the securities laws of any state or other jurisdiction of the United States. This announcement has 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.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, Canada, Japan or South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan or South Africa or any other jurisdiction outside the United Kingdom. Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this announcement should seek appropriate advice before taking any action.

Apart from the liabilities and responsibilities, if any, which may be imposed on Oriel Securities Limited ("Oriel Securities") by FSMA or the regulatory regime established thereunder, Oriel Securities accepts no responsibility whatsoever for the contents of this announcement or for any other statement made or purported to be made by it or on its behalf in connection with the Company or the Acquisition. Nothing contained in this document is, or shall be relied upon as, a promise or representation by Oriel Securities as to the past, present or future. Oriel Securities disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this announcement or any such statement.

Oriel Securities, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Acal plc in connection with the Acquisition and will not be responsible to anyone other than Acal plc for providing the protections afforded to its clients or for providing advice in relation to the Acquisition.

Introduction

Acal is pleased to announce that it has entered into a conditional agreement to acquire the Myrra Group through the acquisition of its holding company, Aramys SAS, for an up-front consideration of €9.5 million (£8.3 million) subject to certain post-completion adjustments and a

potential future consideration of up to a maximum of €1.8 million (£1.6 million) pursuant to the Earn-Out Arrangements which are based on the performance of the Myrra Group over the three year period to 31 December 2015 following Completion.

The Acquisition, because of its size in relation to the Company, is a Class 1 transaction for Acal under the Listing Rules and is therefore conditional, inter alia, upon the approval of Shareholders.

The Company is proposing to finance the Acquisition in part through the issue of 2,845,132 Placing Shares by way of the Placing, further details of which are set out below.

Background to and reasons for the Acquisition

Acal's strategy is to grow its position in the electronics supply and distribution market through both organic growth and by acquisition. Over the last four years, as a result of a change of group strategy in February 2009, Acal has successfully transitioned into a leading European supplier of specialist electronics to the industrial market place with services spanning distribution, design and manufacture. This has been achieved through both a change in the on-going business towards growth in more highly differentiated products as well as through the acquisitions of complementary specialist businesses. During this time, the proportion of the Electronics Division's revenues coming from specialist products has risen to almost 90 per cent. (from 55 per cent.). Since the change of strategy, four businesses have been acquired; BFi Optilas in December 2009, Compotron in January 2011, Hectronic in June 2011 and MTC in October 2011. All have been successfully integrated into the Electronics Division, with two (BFi Optilas and Compotron) having been merged with the existing Acal electronics business, and two (Hectronic and MTC) retaining operationally independent activities, but with integrated management and processes.

The Board believes that the Acquisition, which is a further step in the Group's stated growth strategy, will bring a number of benefits to Acal, including:

- Further strengthening of the Electronics Division
  - Myrra Group's differentiated market position complements Acal's strategy and builds on Acal's existing strong market position in magnetic products
  - Myrra Group's growth prospects, which are ahead of the market

- Enhancing the Group's customisation and development capabilities
  - Brings design and development capabilities in France and China combined with manufacturing facilities in China and Poland
  - Higher operating margins and long term customer relationships

- Developing the Group's geographic profile
  - Expands sales in European countries where Acal's sales of magnetics products are lower
  - Establishes an enlarged presence in Asia

- Potential operational benefits
  - Cross selling of products across geographical regions
  - Integration of development and production capabilities between Acal and the Myrra Group (after expiry of the Earn-out Period)

- Enhancing the Group's financial performance
  - Expected to be immediately enhancing to underlying earnings (1)

Note (1): This statement does not constitute a profit forecast.

Information on the Acal Group

Acal is a European leader in advanced technology solutions, providing marketing, engineering, design, manufacturing and other services through two divisions: the Electronics Division and the Supply Chain Division.

The Electronics Division, from which the Group derives almost 90 per cent. of its revenues, has built a leading differentiated market position with an infrastructure capable of delivering a broad range of complementary specialist products and bespoke solutions across Europe. It has operations in the UK, Germany, Benelux, France, Italy, the Nordic region, Spain and South Africa, together with manufacturing facilities in the UK and South Korea, and sub-contracted manufacturing capabilities in China and Taiwan. Approximately 60 per cent. of the division's revenues are generated in the UK and Germany, with 90 per cent. generated outside Southern Europe.

As part of its growth strategy the four acquisitions referred to above have more than doubled Acal's underlying electronics revenues and delivered a combined pre-tax return on investment of 26 per cent. for the year ended 31 March 2012, after including the costs of the integrations. This combined with the development of the Group's organic performance has led to a five percentage point increase in gross margins and a sustained increase in operating profitability. The Group sees further opportunities for development both organically and with selective acquisitions.

Information on the Myrra Group

Aramys, the holding company of the Myrra Group, is a privately owned organisation which can trace its origins back to 1949. The Myrra Group retains 400 employees with 327 employed in China, 55 employed in Poland and 18 employees across the other jurisdictions in Europe.

The Myrra Group designs and manufactures magnetic electronic products, of which approximately 70 per cent. are developed for specific individual customer requirements. Products include transformers chokes and inductors, and are sold into European based manufacturers of electronic equipment (OEMs), typically for industrial applications such as motor control, building control (including lighting and home automation), household appliances, healthcare and renewable energies where a specific and usually custom design solution is required.

The high proportion of customised products is a key differentiator and as such the Myrra Group employs design and development resources in France and China. The products are manufactured by the Myrra Group's production facilities in Zhongshan, China and Warsaw, Poland as well as by certain third party manufacturing facilities where necessary.

The head office is located at Bussy Saint George near Paris with sales offices in France, Spain, Hong Kong, China, Germany and the UK.

The Myrra Group's sales are predominately into Europe, representing 67 per cent. of sales in the financial year ended 31 December 2012, but also into Asia (15 per cent.), North America (12 per cent.) and Africa (6 per cent.). Its main customers are European-based international industrial OEMs, with which it generally has long term relationships which have typically been in place for more than 10 years.

Key individuals within the Myrra Group

In November 2000 Aramys was capitalised for the purposes of a management buy-out of the Myrra Group's business by the current CEO, Georges Gener and other members of the management team with the support of a French private equity fund, Initiative & Finance Gestion. The current shareholders of Aramys are Georges Gener, Initiative & Finance Investissement and certain past and current employees of the Myrra Group. Prior to Completion, Yrix Capital Conseil and certain family members of the current shareholders will also become shareholders of Aramys.

The senior management team of the Myrra Group is led by Georges Gener who became CEO and Sales Manager of the Myrra Group in 2000. Georges Gener joined the Myrra Group as Sales Director in 1993 rising to CEO in 2000. He led the business' expansion into key markets such as China and Germany and the relocation of the manufacturing operations from France to China and Poland. He will be confirmed as President of Myrra for a five year mandate with effect from Completion.

Summary financial information on the Myrra Group

The historical financial information of the Myrra Group for the three years ended 31 December 2010, 31 December 2011 and 31 December 2012 as reported on by the Reporting Accountants to Acal is set out in Part III of the Circular.

Summary financial information

€ million	Financial year ended 31 December		
	2010	2011	2012
Sales	19.8	18.7	20.8
Operating profit	1.6	1.1	1.5
Underlying operating profit	1.9	1.5	1.7
Underlying operating margin	9.6%	8.0%	8.2%
Underlying EBITDA	2.1	1.7	1.9
Profit before tax	1.4	0.8	1.2
Underlying profit before tax	1.7	1.2	1.4

Note (1): Underlying operating profit, Underlying EBITDA and Underlying profit before tax for 2012 are stated before exceptional items (2012: €nil, 2011: €0.2m, 2010: €0.1m) and shareholder distributions in the form of remuneration (2012: €0.2m, 2011: €0.2m, 2010: €0.2m)

As at 31 December 2012, the Myrra Group had gross assets of €11.3 million and net assets of €4.1 million excluding the convertible bonds which will convert prior to Completion.

In spite of the economic weakness and uncertainty that impacted a number of European markets, the Myrra Group delivered good growth in sales and profits in 2012 as a result of investments in new markets made in 2011 and secured new business primarily within its existing customer base. In 2011, the Myrra Group's profits were impacted by difficult trading conditions especially in the last quarter of the calendar year when the Eurozone crisis intensified.

Shareholders should read the whole of the Circular and not just rely on the summarised information above.

Principal terms of the Acquisition

Under the terms of the Sale and Purchase Agreement, which was signed on 7 March 2013, Acal Newco Limited (the "Purchaser"), a wholly owned subsidiary of Acal, has agreed to acquire the entire issued and to be issued share capital of Aramys (including all shares to be issued pursuant to the conversion of the convertible bonds and the exercise of certain outstanding warrants issued by Aramys) and all outstanding warrants which are not being exercised prior to or on Completion. The up-front cash consideration payable by the Purchaser to the Sellers at Completion is €9.5 million (£8.3 million) subject to certain post-Completion adjustments.

The terms of the Sale and Purchase Agreement also provide for certain earn-out payments to be made by the Purchaser to the Management Sellers and certain of the Family Members, based on Aramys achieving certain EBIT performance targets during the three year Earn-Out Period. The maximum amount payable by the Purchaser pursuant to these Earn-Out Arrangements is €1.8 million (£1.6 million). Subject to limited early payment provisions, any amounts under the Earn-Out Arrangements will become due and payable in the first quarter of 2016.

The Acquisition is conditional, inter alia, upon obtaining the approval of Shareholders at the General Meeting, the conversion of all outstanding convertible bonds issued by Aramys and the exercise of all outstanding warrants issued by Aramys (other than those being purchased by the Purchaser under the Sale and Purchase Agreement), the completion of the Placing and the satisfaction or waiver of other conditions which are considered customary for a transaction of this nature.

Pursuant to the terms of the Sale and Purchase Agreement, the Sellers (other than the Family Members) (the "Warrantors"), the Purchaser and the Company have entered into a Warranty Agreement dated 7 March 2013. The Warranty Agreement includes commercial and tax warranties and indemnities from the Warrantors to the Purchaser. Claims by the Purchaser against the Warrantors under the warranties and indemnities are subject to certain financial thresholds and caps, matters disclosed by the Warrantors and survival periods.

Further details of the Sale and Purchase Agreement and the Warranty Agreement are set out in Part V of the Circular.

Financial effects of the Acquisition

The consideration for the Acquisition is €9.5 million (£8.3 million) in cash, payable on Completion (the "Initial Consideration"). In addition, the

Company will incur transaction expenses of approximately £1.4 million.

It is intended that the Initial Consideration and associated transaction expenses will be met from the net proceeds of the Placing and the Facility. The remaining net proceeds will be used for working capital purposes and for any future acquisitions which meet the Company's strict criteria. It is intended that amounts payable pursuant to the Earn-Out Arrangements will be met from the future profits of the Myrra Group.

The Acquisition is expected to be immediately enhancing to underlying earnings per share. This statement does not constitute a profit forecast.

Assuming the Acquisition had occurred on 30 September 2012, the unaudited pro forma net assets of the Enlarged Group would be £51.3 million including net debt of £1.4 million. As disclosed in the Company's circular to shareholders dated 7 December 2012, the Company expects that the disposal by Acal of its UK parts and outsourcing business which completed in January 2013 will result in a £4.9 million loss on disposal before transaction costs, the impact of which is not included in the unaudited pro forma statement of net assets of the Enlarged Group as at 30 September 2012, contained in Part IV of the Circular.

The Company has entered into a facility agreement in respect of a £8.0 million revolving facility with Clydesdale Bank PLC, which is available in part to finance the Acquisition and also for general corporate purposes.

Background to, reasons for and details of the Placing

The Company has entered into the Placing Agreement with Oriel Securities pursuant to which, inter alia, Oriel Securities has agreed to use reasonable endeavours to procure institutional placees for the Placing Shares at the Placing Price, to raise net proceeds of approximately £5.8 million. The Placing has been underwritten by Oriel Securities. The net proceeds of the Placing and the Facility will be used to finance the Acquisition. The remaining net proceeds will be used for working capital purposes and for any future acquisitions which meet the Company's strict criteria.

The Placing Price represents a discount of 1.8 per cent. to the closing price on 7 March 2013 (being the latest practical date prior to publication of this announcement).

Upon Completion of the Acquisition and the Placing, the New Ordinary Shares will represent approximately 9.9 per cent. of the Company's existing issued share capital and approximately 9.1 per cent. of the Company's enlarged issued share capital following the Placing.

The Placing Shares will be credited as 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 on the existing Ordinary Shares. The Placing Shares may be held in certificated or uncertificated form.

Applications will be made to the UK Listing Authority for the Placing Shares to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the Placing Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings for normal settlement in the Placing Shares will commence on the London Stock Exchange at 8.00 a.m. on 28 March 2013.

The Placing Agreement is conditional, inter alia, on the Sale and Purchase Agreement becoming unconditional (other than any conditions relating to the Placing) and the Resolution being approved by Shareholders at the General Meeting and Admission occurring not later than 8.00 a.m. on 2 April 2013, or such later date as the Company and Oriel Securities may agree, not being later than 9 April 2013. If the conditions to the Placing Agreement are not satisfied or waived, the Placing and the Acquisition will not proceed.

Oriel Securities has the right to terminate the Placing in certain circumstances, including a material breach of warranty of the Placing Agreement by the Company, or certain force majeure events.

The Company believes that carrying out the Placing on a non pre-emptive basis is the most suitable option given the requirement to raise funds for the Acquisition and to provide certainty to the Sellers.

The Issue of the Placing Shares is to be effected by way of a cash box placing. The Company will allot and issue the Placing Shares on a non-pre-emptive basis to the placees in consideration of Oriel Securities transferring its holdings of ordinary shares and redeemable preference shares in JerseyCo to the Company. Accordingly, instead of receiving cash as consideration for the issue of the Placing Shares, at the conclusion of the Placing, the Company will own the entire issued share capital of JerseyCo whose only asset will be its cash reserves, which will represent an amount approximately equal to the net proceeds of the Placing.

As part of the Placing, certain of the Directors are themselves intending to subscribe for 18,502 Placing Shares in aggregate at the Placing Price. The related party transactions involving the aforementioned Directors are exempt small transactions pursuant to paragraph 1 of Annex 1 to chapter 11 of the Listing Rules.

As a result of the expected subscription the Directors interests will change as follows:

	Current Acal shares (as at 7 March 2013)	Expected end Acal Shares	Percentage. of enlarged issued ordinary share capital after Placing*
Simon Gibbins	5,063	14,365	0.05%
Eric Barton	21,000	30,000	0.10%
Graham Williams	1,000	1,200	<0.01%

* Percentage stated after expected participation in the Placing

Appendix 1 to this announcement (which forms part of this announcement) sets out the terms and conditions of the Placing.

Current trading and prospects

The Acal Group

On 1 February 2013, the Company published its interim management statement for the period from October 2012 to that date, the full text of which can be located on its website www.acalplc.co.uk.

The Company has continued to trade in line with management's expectations as at 1 February 2013.

The Myrra Group

The Myrra Group is performing in line with its business plan for 2013 having started the current year as expected delivering growth in sales and profits. As at 31 December 2012, the Myrra Group had a forward order book covering approximately three months of sales.

Shareholder approval and timetable

A General Meeting is to be held at 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford GU2 7AH at 11.00 a.m. on 27 March 2013 for the purpose of seeking approval for the Acquisition and a notice convening the General Meeting, at which the Resolution will be proposed, will be set out at the end of the Circular. The purpose of the Circular is to provide Shareholders with details of the Acquisition and the Placing, to convene the General Meeting, to explain why the Board considers it to be in the best interests of Acal and its Shareholders as a whole to make the Acquisition and to recommend that Shareholders vote in favour of the Resolution.

Expected timetable

- Announcement of the Acquisition and the Placing	8 March 2013
- Latest time for receipt of Form of Proxy for the General Meeting	11.00 a.m., on 25 March 2013
- Latest time for settlement of CREST Proxy Instruction	11.00 a.m., on 25 March 2013
- General Meeting	11.00 a.m., on 27 March 2013
- Expected date of Admission and commencement of dealings in Placing Shares on the London Stock Exchange	28 March 2013
- Expected date of Completion	By 4 April 2013

Recommendation

The Board believes that the terms of the Acquisition are fair and reasonable and that the Acquisition is in the best interests of the Company and of Shareholders as a whole and accordingly unanimously recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting to approve the Acquisition as the Directors intend to do in respect of their own beneficial holdings amounting, in aggregate, to 128,898 Acal Shares, representing approximately 0.453 per cent. of the issued ordinary share capital of Acal as at 7 March 2013, being the latest practicable date prior to this announcement.

APPENDIX: TERMS AND CONDITIONS OF THE PLACING

THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX (TOGETHER, THE "ANNOUNCEMENT") AND THE INFORMATION CONTAINED HEREIN DOES NOT CONSTITUTE AN OFFER, SOLICITATION OR INVITATION TO SELL OR ACQUIRE ANY SECURITY IN THE COMPANY, NOR SHALL THERE BE ANY SALE, ISSUANCE OR TRANSFER OF THE SECURITIES REFERRED TO IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE QUALIFIED INVESTORS AS DEFINED IN SECTION 2(7) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED, ("QUALIFIED INVESTORS") BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE EU PROSPECTUS DIRECTIVE (WHICH MEANS DIRECTIVE 2003/71/EC AND INCLUDES ANY RELEVANT IMPLEMENTING DIRECTIVE MEASURE IN ANY MEMBER STATE) (THE "PROSPECTUS DIRECTIVE"); (B) IN THE UNITED KINGDOM, TO QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER"); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS IN (A) AND (B) TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS").

THIS ANNOUNCEMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. 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.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS TO OBTAIN LEGAL, TAX, BUSINESS AND RELATED ADVICE IN RESPECT OF AN INVESTMENT IN PLACING SHARES.

PERSONS (INCLUDING INDIVIDUALS, FUNDS OR OTHERWISE) WHO HAVE CHOSEN TO PARTICIPATE IN THE PLACING, BY MAKING AN ORAL OR WRITTEN OFFER TO SUBSCRIBE FOR PLACING SHARES WILL BE DEEMED TO HAVE READ AND UNDERSTOOD THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX, IN ITS ENTIRETY AND TO BE MAKING SUCH OFFER ON THE TERMS AND CONDITIONS, AND TO BE PROVIDING THE REPRESENTATIONS, WARRANTIES, ACKNOWLEDGEMENTS, AND UNDERTAKINGS CONTAINED IN THIS APPENDIX.

In this Appendix, unless the context otherwise requires, "Placee" means a Relevant Person (including individuals, funds or others) by whom or on whose behalf a commitment to subscribe for Placing Shares has been given.

In particular each such Placee represents, warrants and acknowledges that:

1. it is a Relevant Person (as defined above) 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 any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive:

   (a) 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 Member State of the European Economic Area which has implemented the Prospectus Directive other than Qualified Investors or in circumstances in which the prior consent of Oriel Securities Limited ("Oriel Securities") has been given to the offer or resale; or

   (b) where Placing Shares have been acquired by it on behalf of persons in any member state of the European Economic Area 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. (a) (i) the Placing Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or with any state or other jurisdiction of the United States, nor approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, (ii) it will not offer, sell or deliver, directly or indirectly, any Placing Shares in or into the United States other than pursuant to an effective registration under the Securities Act or in a transaction exempt from, or not subject to, the registration requirements thereunder and in compliance with any application applicable securities laws or any state or other jurisdiction of the United States, and (iii) it is outside of the United States, not acting on a non-discretionary basis for the account or benefit of a person located within the United States at the time the undertaking to acquire the Placing Shares is given and is otherwise acquiring the Placing Shares in an "offshore transaction" meeting the requirements of Regulation S under the Securities Act.

The Company, Oriel Securities and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This announcement (including this Appendix) does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for Placing Shares in any jurisdiction in which such offer or solicitation is or may be unlawful. This announcement and the information contained herein is not for publication or distribution, directly or indirectly, to persons in the United States, Australia, Canada, Japan or South Africa or in any other jurisdiction in which such publication or distribution is unlawful. No public offer of securities of the Company is being made in the United Kingdom, United States or elsewhere.

In particular the Placing Shares referred to in this announcement have not been and will not be registered under the Securities Act or any securities regulatory authority 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 and the securities laws of any state or other jurisdiction of the United States.

This announcement has 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.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, Canada, Japan or South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan or South Africa or any other jurisdiction outside the United Kingdom.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this announcement should seek appropriate advice before taking any action.

Details of the Placing Agreement and the Placing Shares

Oriel Securities has entered into the Placing Agreement with the Company pursuant to which Oriel Securities has, on the terms and subject to the conditions set out therein, agreed as agent for and on behalf of the Company, to use its reasonable endeavours to procure Placees for the Placing Shares, or failing which, Oriel Securities will itself acquire the Placing Shares at the Placing Price.

The Placing Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the existing issued ordinary shares of 5 pence each in the capital of the Company (the "Ordinary Shares"), including the right to receive all dividends and other distributions declared, made or paid on or in respect of the Ordinary Shares after the date of issue of the Placing Shares.

The Company will allot and issue the Placing Shares on a non-pre-emptive basis to the placees in consideration of Oriel Securities transferring its holdings of ordinary shares and redeemable preference shares in JerseyCo to the Company. Accordingly, instead of receiving cash as consideration for the issue of the Placing Shares, at the conclusion of the Placing, the Company will own the entire issued share capital of JerseyCo whose only asset will be its cash reserves, which will represent an amount approximately equal to the net proceeds of the Placing.

No offering document or prospectus has been or will be submitted to be approved by the FSA in relation to the Placing and Placees' commitments will be made solely on the basis of the information contained in the Placing Agreement, this announcement and the Circular, and subject to the further terms set forth in the contract note or electronic confirmation to individual placees.

Applications for listing and admission to trading

Applications will be made to the FSA for admission of the Placing Shares to the Official List of the FSA with a premium listing and to the London Stock Exchange for admission to trading of the Placing Shares on its main market for listed securities.

It is expected that Admission will become effective at 8.00 a.m. on 28 March 2013 and that dealings in the Placing Shares will commence at that time.

Participation in, and principal terms of, the Placing

1. Oriel Securities is arranging the Placing as bookrunner and agent of the Company.

2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by Oriel Securities. Oriel Securities is entitled to participate in the Placing as principal.

3. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing.

4. The Placing Price will be a fixed price of £2.15 per Placing Share (the "Placing Price"). No commissions will be paid to Placees or by the Placees in respect of any Placing Shares.

5. Each Placee's allocation will be confirmed to Placees orally by Oriel Securities, and a trade confirmation will be dispatched as soon as possible thereafter. That oral confirmation shall constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of Oriel Securities and the Company under which it agrees to subscribe for the number of Placing Shares allocated to it at the Placing Price on the terms and conditions set out in this Appendix and in accordance with the Company's Articles of Association.

6. Each Placee's allocation and commitment will be evidenced by a contract note issued to such Placee by Oriel Securities. The terms and conditions of this Appendix will be deemed incorporated by reference therein.

7. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to Oriel Securities, to pay it (or as it may direct) or one of its affiliates in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to subscribe. Each Placee's obligation will be owed to the Company and Oriel Securities.

8. Except as required by law or regulation, no press release or other announcement will be made by Oriel Securities 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 pursuant to the Placing is 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 "Right to terminate under the Placing Agreement".

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 or applicable regulation, neither Oriel Securities nor any of its affiliates shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither Oriel Securities nor any of its affiliates shall have any liability (including to the extent permissible by law, any fiduciary duties) in respect of Oriel Securities' conduct of the Placing or of such alternative method of effecting the Placing as Oriel Securities and the Company may agree.

Conditions of the Placing

Oriel's obligations under the Placing Agreement in respect of the Placing Shares are conditional on, *inter alia:*

(a) the Acquisition having become unconditional in all respects (other than as regards (i) any condition relating to the Placing Agreement having become unconditional and (ii) payment of the consideration by the Company under the Acquisition Agreement);

(b) Admission taking place not later than 8.00 a.m. on 2 April 2013, or such later date as the Company and Oriel Securities may otherwise agree but not being later than 8.00 a.m. on 9 April 2013;

(c) the Subscription and Transfer Agreement (as defined in the Placing Agreement) having been duly executed and delivered by the Company and JerseyCo and there having occurred no material default or material breach by the Company or JerseyCo of its terms by the time immediately prior to Admission;

(d) the Option Agreement (as defined in the Placing Agreement) having been duly executed and delivered by the Company and JerseyCo and there having occurred no material default or material breach by the Company or JerseyCo of its terms by the time immediately prior to admission; and

(e) the Company having performed all of its obligations under the Placing Agreement in all material respects.

If (i) any of the conditions contained in the Placing Agreement is not fulfilled or waived by Oriel Securities by the respective time or date where specified (or such later time or date as the Company and Oriel Securities may agree but not being later than 8.00 a.m. on 9 April 2013), or (ii) the Placing Agreement is terminated in the circumstances specified below, the Placing will lapse and the Placee's rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

Oriel Securities may, at its discretion and upon such terms as it thinks fit, waive compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement, save that the above condition relating to Admission taking place may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this announcement.

Neither Oriel Securities 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 it 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 they 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 Oriel Securities.

Right to terminate under the Placing Agreement

Oriel Securities is entitled, at any time before Admission, to terminate the Placing Agreement in relation to Oriel Securities' obligations in respect of the Placing Shares by giving notice to the Company in certain circumstances, including a material breach of the warranties given to Oriel Securities in the Placing Agreement, the failure of the Company to comply in all material respects with obligations under the Placing Agreement, a material adverse change in the Company's condition or prospects, a material change to the terms of the Acquisition or the occurrence of a force majeure event which, in the opinion of Oriel Securities, seriously and adversely affects or will or is reasonably likely to seriously and adversely affect the business of the Company.

By participating in the Placing, Placees agree that the exercise by Oriel Securities of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of Oriel Securities and that it need not make any reference to Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise.

No Prospectus

No offering document or prospectus has been or will be submitted to be approved by the FSA in relation to the Placing and Placees' commitments will be made solely on the basis of the information contained in the announcement (including this Appendix) and the Exchange Information (as defined further below). Each Placee, by accepting a participation in the Placing, agrees that the content of this announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information (other than the Exchange Information), representation, warranty, or statement made by or on behalf of the Company or Oriel Securities or any other person and neither Oriel Securities nor the Company nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. 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.

Registration and Settlement

Settlement of transactions in the Placing Shares (ISIN: GB0000055888) following Admission will take place within the CREST system, subject to certain exceptions. Oriel Securities reserves the right to require settlement for, and delivery of, the Placing Shares to Placees by such other means that it deems necessary if delivery or settlement is not possible or practicable within the system administered by Euroclear UK & Ireland Limited ("CREST") within the timetable set out in this announcement or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

Following closing of the Placing, each Placee allocated Placing Shares in the Placing will be sent a trade confirmation, stating the number of Placing Shares allocated to it at the Placing Price, the aggregate amount owed by such Placee and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions that it has in place with Oriel Securities.

It is expected that settlement will be on 28 March 2013 on a T+3 basis in accordance with the instructions set out in the trade confirmation.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by Oriel Securities.

Each Placee is deemed to agree that, if it does not comply with these obligations, Oriel Securities may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for Oriel Securities' account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf. By its commitment to subscribe for Placing Shares, each Placee confers on Oriel Securities all such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which Oriel Securities lawfully takes in pursuance of such sale.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation 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 UK stamp duty or stamp duty reserve tax.

Representations, Warranties and Further Terms

By participating in the Placing, each Placee (and any person acting on such Placee's behalf):

1. represents and warrants that it has read this announcement, including the Appendices, in its entirety and that its acquisition of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this announcement;

2. acknowledges that it has received this announcement solely for its use and has not redistributed or duplicated it;

3. acknowledges that no offering document or prospectus has been prepared in connection with the Placing and represents and warrants that it has not received and will not receive a prospectus or other offering document in connection therewith;

4. acknowledges that the Ordinary Shares are listed on the Official List of the FSA with a premium listing, and the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the FSA (collectively "Exchange Information"), 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;

5. acknowledges that neither Oriel Securities nor the Company nor any of their affiliates nor any person acting on behalf of any of them has provided, and will not provide it, with any material information regarding the Placing Shares or the Company other than this announcement; nor has it requested any of Oriel Securities, the Company, any of their affiliates or any person acting on behalf of any of them to provide it with any such information;

6. acknowledges that the content of this announcement is exclusively the responsibility of the Company and that neither Oriel Securities, its affiliates nor any person acting on its or their behalf has or shall have any liability for any information, representation or statement contained in this announcement or any information previously or concurrently published by or on behalf of the Company and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this announcement or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire the Placing Shares is contained in this announcement and any Exchange Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given or representations, warranties or statements made by any of Oriel Securities or the Company and neither Oriel Securities nor the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing;

7. represents and warrants that it has neither received nor relied on any confidential price sensitive information concerning the Company in accepting this invitation to participate in the Placing;

8. acknowledges that neither Oriel Securities nor any person acting on behalf of Oriel Securities nor any of its or their affiliates has or shall have any liability for any publicly available or filed 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;

9. unless otherwise specifically agreed in writing with Oriel Securities, represents and warrants that neither it nor the beneficial owner of such Placing Shares will be a resident of the United States, Australia, Canada, Japan or South Africa;

10. represents and warrants that it, or the beneficial owner, as applicable, is entitled to acquire Placing Shares under the laws of all relevant jurisdictions which apply to it, or the beneficial owner, as applicable, and that it has fully observed such laws and obtained all such governmental and other guarantees and other consents in either case which may be required thereunder and complied with all necessary formalities;

11. represents and warrants that it has the power and authority to carry on the activities in which it is engaged, to acquire the Placing Shares and to execute and deliver all documents necessary for such acquisition;

12. acknowledges that the Placing Shares have not been and will not be registered under the securities legislation of the United States, Australia, Canada, Japan or South Africa and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within those jurisdictions;

13. represents and warrants that if it is a pension fund or investment company, its purchase of Placing Shares is in full compliance with applicable laws and regulations;

14. represents and warrants that 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 (as amended), the Terrorism Act 2006 and the Money Laundering Regulations 2003 (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;

15. if a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, represents and warrants that the Placing Shares purchased 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 European Economic Area which has implemented the Prospectus Directive other than Qualified Investors, or in circumstances in which the prior consent of Oriel Securities has been given to the offer or resale;

16. represents and warrants that it has not offered or sold and, prior to the expiry of a period of six months from Admission, will not offer or sell any Placing Shares to persons in the United Kingdom, 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 Financial Services and Markets Act 2000 ("FSMA");

17. represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to persons in the European Economic Area prior to 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 in and which will not result in an offer to the public in any member state of the European Economic Area within the meaning of the Prospectus Directive (including any relevant implementing measure in any member state);

18. represents and warrants that it has only communicated or caused to be communicated and 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 the Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;

19. represents and warrants that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;

20. if in a Member State of the European Economic Area, unless otherwise specifically agreed with Oriel Securities in writing, represents

and warrants that it is a Qualified Investor within the meaning of the Prospectus Directive;

21. if in the UK, represents and warrants that it is a person (i) who has professional experience in matters relating to investments falling with Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); (ii) falling within Article 49(2)(A) to (D) ("High Net Worth Companies, Unincorporated Associations, etc") of the Order; or (iii) to whom this announcement may otherwise be lawfully communicated;

22. represents and warrants that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions and that it has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this announcement) and will honour such obligations;

23. undertakes that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other subscribers or sold as Oriel Securities may in its sole discretion determine and without liability to such Placee;

24. acknowledges that none of Oriel Securities, nor any of its affiliates, nor 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 Placees and that participation in the Placing is on the basis that it is not and will not be treated for these purposes as a client of Oriel Securities and that Oriel Securities has no duties or responsibilities to it for providing the protections afforded to its clients or customers 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;

25. undertakes that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither Oriel Securities nor the Company will 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 participate in the Placing and it agrees to indemnify the Company and Oriel Securities in respect of the same on the basis that the Placing Shares will be allotted to the CREST stock account of Oriel Securities who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;

26. acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or Oriel Securities 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;

27. acknowledges and agrees that the Company, Oriel Securities and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to Oriel Securities on its own behalf and on behalf of the Company and are irrevocable;

28. agrees to indemnify on an after tax basis and hold the Company, Oriel Securities and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) (i) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix or (ii) incurred by the Company, Oriel Securities or any of their respective affiliates, directors, officers and employees arising from the performance of the Placees obligations or any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix, and further agrees that the provisions of this Appendix shall survive after completion of the Placing;

29. acknowledges that no action has been or will be taken by any of the Company, Oriel Securities or any person acting on behalf of the Company or Oriel Securities that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;

30. acknowledges that 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 are 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 associates taken as a whole, and the terms of the Placing, including the merits and risks involved; and

31. acknowledges that its commitment to subscribe for Placing Shares on the terms set out herein and in the trade confirmation will continue notwithstanding any amendment that may in future be made to the terms 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 conduct of the Placing.

The representations, warranties, acknowledgments and undertakings contained in this Appendix are given to Oriel for itself and on behalf of the Company and are irrevocable.

The agreement to settle a Placee's subscription (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to a subscription by it and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes that the Placing Shares are not being subscribed for in connection with arrangements for subsequent dealings inthe Placing Shares (including subsequent transfers to a depositary receipt issuer or into a clearance service). If there are any such arrangements, or the settlement relates to any other subsequent dealing in the Placing Shares, UK stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor Oriel Securities will be responsible, and the Placee to whom (or on behalf 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 UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and Oriel Securities in the event that any of the Company and/or Oriel Securities has incurred any such liability to UK stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify Oriel Securities accordingly.

In addition, Placees should note that they will be liable for any 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 UK by them or any other person on the subscription by them of any Placing Shares or the agreement by them to subscribe for any Placing Shares.

All times and dates in this Appendix may be subject to amendment. Oriel Securities shall notify the Placees and any person acting on behalf of the Placees of any changes. Each Placee, and any person acting on behalf of the Placee, acknowledges that Oriel does not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that Oriel Securities or any of its affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

When a Placee or person acting on behalf of the Placee is dealing with Oriel Securities, any money held in an account with either of Oriel Securities 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 rules and regulations of the FSA made under the FSMA. The 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 Oriel Securities' money in accordance with the client money rules and will be used by Oriel Securities in the course of its own business and the Placee will rank only as a general creditor of Oriel Securities.

APPENDIX 2: DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise:

"Acal" or the "Company"	Acal plc, a public limited company, incorporated and registered in England (registered number 2008246)
"Acal Group" or the "Group"	Acal and its subsidiary undertakings
"Acquisition"	the proposed acquisition by Acal of the Myrra Group under the terms of the Sale and Purchase Agreement
"Additional Earn-Out"	the additional earn-out detailed in the Sale and Purchase Agreement
"Admission"	the admission of the Placing Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities becoming effective in accordance with, respectively, the Listing Rules and the Admission and Disclosure Standards
"Admission and Disclosure Standards"	the rules published by the London Stock Exchange containing, amongst other things, the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange's main market for listed securities
"Aramys"	Aramys SAS
"Circular"	the document detailing the terms of the Acquisition and the Placing
"Completion"	completion of the Acquisition pursuant to the Sale and Purchase Agreement
"CREST"	the relevant system (as defined in the Regulations) in respect of which Euroclear is the operator (as defined in the Regulations)
"CREST Proxy Instruction"	the form of appointment of proxy to vote through the Euroclear system
"Directors" or "Board"	the Directors of the Company
"Earn-Out Arrangements"	the Main Earn-Out and the Additional Earn-Out
"Earn-Out Period"	the financial years ending 31 December 2013, 31 December 2014 and 31 December 2015
"EBIT"	earnings before interest and taxes as more particularly defined in the Sale and Purchase Agreement
"Electronics Division"	a division of Acal that provides electronic and photonic products
"Enlarged Group"	the Acal Group as enlarged by the Acquisition
"Euroclear"	Euroclear UK & Ireland Limited
"Facility"	the acquisition debt facility granted pursuant to the Facility Agreement
"Facility Agreement"	the facility agreement dated 5 March 2013 to be entered into by the Group conditional on the Acquisition
"Family Members"	Eléonore Gener, Adelaïde Gener, Bérénice Gener, Mathieu March, Alexandre March and Virginie Hurel
"Form of Proxy"	the pre-paid form of proxy for use at the General Meeting
"FSA"	Financial Services Authority of the United Kingdom
"FSMA"	Financial Service and Markets Act 2000
"General Meeting"	the general meeting of Acal convened for the purpose of considering the Resolution to be held on 27 March 2013 (or any adjournment of it), notice of which is set out at the end of the Circular
"Initial Consideration"	the €9.5 million which is payable in cash on Completion
"JerseyCo"	Montecristo Funding Limited

"Listing Rules"	the listing rules of the UKLA under the Financial Services and Markets Act 2000
"London Stock Exchange"	London Stock Exchange plc
"Main Earn-Out"	the main earn-out detailed in the Sale and Purchase Agreement
"Management Sellers"	Mr Georges Gener, the CEO of Aramys and Mr Jean-Pierre March, Head of Research and Development of Aramys
"Myrra Group"	Aramys and its subsidiary undertakings
"Official List"	the Official List of the FSA
"Ordinary Shares" or "Acal Shares"	the ordinary shares of 5 pence each in the capital of the Company
"Oriel Securities"	Oriel Securities Limited
"Placing"	the conditional placing of the Placing Shares by the Company at the Placing Price pursuant to the terms of the Placing Agreement
"Placing Agreement"	the placing agreement dated 8 March 2013 between OrielSecurities and the Company relating to the Placing
"Placing Price"	the issue price of £2.15 per Placing Share pursuant to the Placing
"Placing Shares"	the 2,845,132 new Ordinary Shares to be issued at the Placing Price pursuant to the Placing
"Purchaser"	Acal Newco Limited, a subsidiary of the Company
"Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
"Resolution"	the Resolution set out in the notice of the General Meeting set out in the Circular
"Sale and Purchase Agreement"	the conditional sale and purchase agreement dated 7 March 2013 between the Purchaser, the Company and the Sellers relating to the Acquisition
"Sellers"	Yrix Capital Conseil, Initiative & Finance Investissement (represented by its managing company, Initiative Finance Gestion), Christian Roux, the Management Sellers and the Family Members
"Shareholders"	the existing holders of Ordinary Shares
"Supply Chain Division"	a division of Acal that provides service parts and inventory solutions to field service organisations throughout Europe
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UKLA"	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
"Warrantors"	the Sellers, excluding the Family Members
"Warranty Agreement"	the warranty agreement dated 7 March 2013 between the Purchaser, the Company and the Sellers (other than the Family Members) in connection with the Sale and Purchase Agreement

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