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This announcement is not an offer of securities for sale in the United States or any other jurisdiction. This announcement is an advertisement and not a prospectus. Investors should not subscribe for or purchase any transferable securities referred to in this announcement except on the basis of information in the prospectus (the "Prospectus") intended to be published by Hamsard 3054 Limited (the "Company" or "Polypipe" and, together with its subsidiaries, the "Group") in due course in connection with the proposed admission of its ordinary shares to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange plc (the "London Stock Exchange"). Copies of the Prospectus will, following publication, be available for inspection from the Company's registered office: Broomhouse Lane, Edlington, Doncaster, South Yorkshire, DN12 1ES and on the Company's website at <http://www.polypipe.com>. The Company will be re-registered as Polypipe Group plc prior to admission of its ordinary shares to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange.

For immediate release

18 March 2014

## **Polypipe Group**

### **Announcement of intention to float on the London Stock Exchange**

Polypipe, a leading manufacturer of plastic piping systems for the residential, commercial, civils and infrastructure sectors, today announces its intention to launch an initial public offering (the "Offer" or "IPO"). The Company intends to apply for admission of its ordinary shares (the "Shares") to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange (together "Admission"). The IPO will comprise an offer of Shares to certain institutional and professional investors.

Founded in 1980, the Group is now the largest manufacturer in the United Kingdom, and among the ten largest manufacturers in Europe, of plastic piping systems for the residential, commercial, civils and infrastructure sectors by revenue. The Group operates from 16 facilities in total, targeting the residential (51% of 2013 sales) and commercial, civils and infrastructure (49% of 2013 sales) sectors, offering the widest product range in the United Kingdom. The Group's primary operations are in the UK, French and the Irish building and construction markets, with a presence in Italy and the Middle East and sales to specific niches in the rest of the world.

The Group's strong market positions, breadth of product systems and diversified and localised distribution base, coupled with its experienced and stable management team, have enabled the Group's UK operations to outperform the UK construction market since 2008.

#### **Business highlights**

##### *Market Leadership in the Attractive UK Construction Market*

- Largest manufacturer in the United Kingdom of plastic piping systems for the residential, commercial, civils and infrastructure sectors
- Opportunity to take advantage of the emerging cyclical recovery in the UK construction market driven by wider economic growth, a housing market recovery and improving infrastructure spending

##### *Significant Structural Growth Opportunities in the Plastic Piping Industry*

- Increasing market penetration with continued substitution of legacy materials with more modern plastic systems
- Increasingly stringent UK environmental legislation and regulation, aimed at creating a more sustainably built environment, which is driving the need for effective water management and improved carbon efficiency. Polypipe designs and manufactures plastic piping systems that enable the effective installation and performance of sustainable building technology to meet these challenges

#### *Differentiated Product Range Focused on Integrated Piping Systems and Fittings*

- With over 20,000 product lines, Polypipe manufactures the United Kingdom's widest range of plastic piping systems within our target markets
- Polypipe's integrated piping solutions drive a sales mix that we believe has greater exposure to higher margin fittings and ancillary products than the overall market

#### *Brand Strength and Successful Business Model in a Market with Relatively High Barriers to Entry*

- Approximately £130 million invested since late 2005 in what we believe is a state-of-the-art, highly automated manufacturing asset base and an efficient in-house logistics infrastructure, with no further significant investment required in the event that production requirements increase as we expect
- We believe that "Polypipe" is the most widely recognised brand in the UK plastic piping market, with a particular reputation for quality, value for money and the breadth of its product range
- Focus on creating pull-through demand from customers and end-users in part by distributing its products through a well established, diversified and localised network of national and independent merchants
- We believe that the UK plastic piping systems market has significant barriers to import penetration due to the bulkiness of the products and related high shipping costs, UK product sizing that is based on imperial measurements, as opposed to the metric system used in Continental Europe, and product standards that are dictated by UK-specific building codes and norms

#### *Strong Financial Performance despite Economic Downturn*

- The Group's UK operations have a track record of outperforming the UK construction market since 2008
- 2013 Adjusted EBITDA above pre-recession levels, despite UK construction output remaining in the early stages of cyclical recovery
- Revenue of £300.8 million and Adjusted EBITDA of £54.0 million in 2013, with an Adjusted EBITDA margin of 18% for the Group and 21% when UK operations are isolated

#### *Management Team with Significant Industry Experience*

- A long-standing management team with a strong culture and a focus on commercial and manufacturing excellence

#### **Details of the Offer**

The Offer will comprise an offer of Shares to institutional and professional investors in qualifying geographies (in the UK and elsewhere outside the United States pursuant to Regulation S under the US Securities Act of 1933, as amended ("Securities Act") and to qualified institutional buyers in the United States as defined in Rule 144A under the Securities Act), in reliance on an exemption from the registration requirements of the Securities Act.

The Offer will solely comprise of a sale of certain of the Shares held by existing shareholders of the Company giving them an opportunity for a partial realisation of their investment in the Company. These shareholders are expected to include the executive directors of the Company and certain other employees of the Group (the "Employee Shareholders") and the Company's principal shareholder, Cavendish Square Partners LP ("Cavendish" and, together with the Employee Shareholders, the "Selling Shareholders"). The Company will not be issuing any new Shares in connection with the Offer. In addition, further Shares may be made available by Cavendish pursuant to the over-allotment option.

Each of the Selling Shareholders will agree to customary lock-up arrangements in respect of their holding of Shares for a specified period of time following Admission.

Immediately following completion of the Offer, it is expected that the Company will have a free float of approximately 50% of the issued share capital of the Company.

It is expected that Admission will take place in April 2014 and that the Company will become eligible for inclusion in the FTSE UK indices.

In relation to the Offer and Admission, Deutsche Bank AG, London Branch ("Deutsche Bank") and Numis Securities Limited ("Numis") are acting as Joint Sponsors and Joint Bookrunners. Canaccord Genuity Limited ("Canaccord Genuity") is acting as Co-Lead Manager. Moelis & Company UK LLP ("Moelis & Company") is acting as Financial Adviser to the Company.

Full details of the Offer will be included in the Prospectus, expected to be published in due course.

Commenting on today's announcement, David Hall, Chief Executive Officer of Polypipe, said:

"I am delighted to be leading Polypipe's return to the public markets after an important phase of structural improvements under the current owners. Our business has emerged strongly from the construction downturn and is now well-invested and well positioned to take advantage of new market opportunities. The structural trends in our market – the substitution of legacy piping materials for modern plastic systems and regulatory support for carbon efficiency and water management solutions – provide a strong basis for continued growth in the coming years".

Polypipe's Chairman, Alan Thomson, added:

"Polypipe is a proud British manufacturing company and the flotation provides an opportunity for investors to enter a sector primed for long-term growth. The company has a great corporate culture, reinforced by the fact that a large number of Polypipe's management are also equity shareholders in the business. This has the advantage in the market of aligning management to long-term value creation and is one of the key reasons why the business has emerged stronger than its competitors following a tough few years."

#### **Enquiries**

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## Notes to Editors

### The Group's key strengths

#### *Market Leadership in the Attractive UK Construction Market*

The Group believes that it is the largest manufacturer in the United Kingdom of plastic piping systems for the residential, commercial, civils and infrastructure sectors, with leading market share (measured by revenue) in the UK building and installation plastic piping market and the UK civils and infrastructure plastic piping market. Polypipe's manufacturing scale, with eight manufacturing facilities in the United Kingdom, provides it with the opportunity to take advantage of the forecasted cyclical growth in the UK construction market, driven by wider economic growth, increasing housing demand and increased infrastructure spending by the government.

According to the CPA Winter 2013-14 Report, construction output in the United Kingdom is expected to grow 3.4%, 5.2%, 4.4% and 3.8% during the period from 2014 to 2017, respectively, with housing construction expected to reach pre-recession levels by 2015. These figures include an increase in RMI and new build construction from £21.1 billion and £23.3 billion, respectively, in 2014 to £23.1 billion and £27.2 billion, respectively, in 2017.

The Group also believes that the UK construction market has long-term structural growth potential. Housing starts have historically not kept pace with demand, even prior to the start of the recession, and with approximately 221,000 new households expected to be formed in England in each year between 2011 and 2021, demand for new build housing is expected to continue.

In addition, a number of sub-sectors of the UK construction market in which the Group has achieved significant penetration are expected to outpace the growth of the broader UK construction market. According to the CPA Winter 2013-14 Report, spending on roads, water and sewage, electricity and rail are expected to grow at 8.3%, 11.0%, 18.2% and 5.3%, respectively, from 2014 through 2017.

#### *Significant Structural Growth Opportunities in the Plastic Piping Industry*

The Group believes that the plastic piping market is well positioned to capture an increasing share of the piping market in the United Kingdom, France and the Middle East. Although substitution of plastic piping for legacy materials, such as copper, cast iron, concrete and clay, because of inherent advantages including its strength and durability, its lightweight nature and ease of installation and its ability to be re-processed at end of life, has become commonplace in many European markets, penetration of plastic pipes in the United Kingdom in particular is among the lowest in Europe. Polypipe anticipates further growth upside in targeted areas of above ground drainage and below ground systems and strong substitution potential in plumbing and heating applications.

In addition, the Group anticipates growth driven by UK environmental legislation and regulation aimed at creating a more sustainably built environment, particularly with respect to carbon reduction and water management (both conservation and flood management). Polypipe is continuously developing innovative and comprehensive plastic piping systems to fulfil that demand, including stormwater management solutions, underfloor heating systems and heat recovery ventilation and earth duct systems. The Group believes that plastic piping systems, such as Polypipe products, are essential for the continued development of sustainable building technology that is increasingly required for construction in the United Kingdom. During the year ended 31 December 2013, the Group generated approximately 28% of its revenue from Development Products, which comprises the 14.8%, 8.4% and 4.4% of total revenue that was generated from material substitution, water management products and carbon efficiency, respectively. This is a substantial increase from the year ended 31 December 2006, during which the Group generated approximately 13% of total revenue from such products.

Overall, following a decrease in the size of the plastic piping market in the United Kingdom that coincided with the recession and contraction of the broader UK construction market, the Group believes that the UK construction market has stabilised. The market is currently below pre-recession levels and driven by the factors above, the Group believes there are substantial opportunities for growth.

### *Differentiated Product Range Focused on Integrated Piping Systems and Fittings*

With over 20,000 product lines Polypipe manufactures the UK's widest range of plastic piping systems within its target markets. The Group's UK operations generate approximately 56% of its revenue from sales of fittings and system ancillaries, which generally carry higher margins than pipe products, and approximately 44% of its revenue from sales of tubes and pipes. Given that fittings make up approximately 24% of the market in the UK, with tubes and pipes making up approximately 76% (source: MBD September 2013 Report), the Group believes that its proportion of sales of fittings and system ancillaries is higher than the overall market and provides it with the ability to act as a "one stop shop" for Polypipe customers. The breadth of the Group's product range, coupled with its in-house technical and design teams and its state-of-the-art manufacturing process, allows the Group to work closely with end-users to provide piping solutions for their construction and engineering projects.

### *Brand Strength and Successful Business Model in a Market with Relatively High Barriers to Entry*

Since late 2005, the Group has invested approximately £130 million in what the Group believes is a state-of-the-art and highly automated manufacturing asset base and an efficient in-house logistics infrastructure with no further significant investment required in the event that production requirements increase as the Group expects. In addition, the Group believes that it is the most widely recognised brand in the UK plastic piping market with a particular reputation for quality, value for money and the breadth of its product range. Polypipe's large sales team has helped leverage this reputation into long-standing relationships with a diverse group of customers, including the specifiers, contractors and installers that create much of the demand in the UK plastic piping market, which has, in turn, generated strong "pull-through" sales for the Group's products and systems from its distributors.

The Group also believes that it enjoys a further measure of protection from new entrants in the UK market, particularly Continental European manufacturers, due to the bulkiness of the products and related high shipping costs, UK product sizing that is based on imperial measurements, as opposed to the metric system used in Continental Europe, and product standards that are dictated by UK-specific building codes and norms.

### *Strong Financial Performance Despite Economic Downturn*

Despite a steep decline in UK construction output during 2012 (-7.5%) and only a slight improvement of approximately 1% growth in 2013 (source: CPA Winter 2013-2014 Report), revenue generated from Polypipe's UK operations during those periods increased from £221.6 million for the year ended 31 December 2011 to £225.6 million and £243.2 million for the years ended 31 December 2012 and 2013, respectively. In addition, the Group's Adjusted EBITDA figures have steadily improved in recent years. The Group achieved Adjusted EBITDA of £36.1 million for the year ended 31 December 2010 (UK GAAP), Adjusted EBITDA has improved to £39.9 million, £49.4 million and £54.0 million for the years ended 31 December 2011 through 2013, respectively.

The Adjusted EBITDA margin for Polypipe group operations for the year ended 31 December 2013 was 18% and, when the results of UK operations are isolated, the Adjusted EBITDA margin climbs to 21% for the period. We believe this is well ahead of the EBITDA margins achieved by our primary competitors.

Despite lower sales volumes due to relatively difficult market conditions, these results reflect Adjusted EBITDA figures that are above pre-recession levels. The Group was able to achieve this through a re-focus on its core markets, capital expenditure that focused on growth opportunities and a series of efficiency initiatives that, the Group believes, has left it with industry-leading margins. In addition, the Group's strong cash flow from operations will allow it to pay down certain of its outstanding debt liabilities.

| <b>Financial highlights<sup>1</sup></b> | <b>2011</b>  | <b>2012</b>  | <b>2013</b>  |
|---|--------------|--------------|--------------|
|   | <i>£m</i>    |              |              |
| Revenue .....                           | <u>286.4</u> | <u>282.0</u> | <u>300.8</u> |
| Gross profit .....                      | <u>96.3</u>  | <u>105.2</u> | <u>112.5</u> |
| Operating profit <sup>2</sup> .....     | <u>26.5</u>  | <u>36.1</u>  | <u>39.7</u>  |
| Adjusted EBITDA <sup>3</sup> .....      | <u>39.9</u>  | <u>49.4</u>  | <u>54.0</u>  |

|  |              |              |              |
|--|--------------|--------------|--------------|
| Adjusted EBITDA margin <sup>3</sup> .....      | <u>13.9%</u> | <u>17.5%</u> | <u>18.0%</u> |
| Free Cash Flow conversion <sup>3</sup> .....   | <u>89.7%</u> | <u>56.9%</u> | <u>72.6%</u> |
| Net cash flows from operating activities ..... | <u>45.1</u>  | <u>39.6</u>  | <u>53.3</u>  |

1. All financial information is presented under IFRS unless otherwise stated. The Group has a 31 December year end.

2. Group operating profit before exceptional items

3. Definitions for these items can be found below

Note: Adj. EBITDA, Adj. EBITDA margin and Free Cash Flow conversion are non-IFRS measurements

#### *Current trading and prospects*

The Group has made a positive start in the first two months of 2014, with its results ahead of those of the same period in the prior year, as well as budget. Both the Residential division and the Commercial and Infrastructure division are performing ahead of the same period last year, which had been negatively impacted by the adverse weather experienced in 2013, with the Group reporting a 9.8% increase in revenue for the eight week period ended 28 February 2014. In addition, the EBITDA margin across both the Residential and Commercial and Infrastructure divisions has improved compared to the same period last year. The Board is confident about the prospects of the Group and the outturn for the current financial year.

#### *Experienced Management Team*

The Executive Management Team (excluding the non-executive directors to be appointed on, or prior to, Admission, details of whom are set out below) collectively has worked for the Group for over 100 years. They have refocused and reinvigorated the business since 2005 and strengthened the Group reporting disciplines with established comprehensive public debt reporting. With a strong entrepreneurial culture focused on commercial and manufacturing excellence, the Group believes that this team will continue to help it execute its strategy going forward.

#### **Board of Directors**

On, or prior to, Admission the board of directors of the Company will comprise:

Independent Non-executive Chairman: Alan Thomson

Chief Executive Officer: David Hall

Chief Financial Officer: Peter Shepherd

Senior Independent Non-executive Director: Ron Marsh

Independent Non-executive Director: Paul Dean

Independent Non-executive Director: Moni Mannings

Non-Independent Non-executive Director: Mark Hammond

Ron Marsh, Paul Dean and Moni Mannings have each agreed to join the Board prior to Admission and Mark Hammond has agreed to join the Board at Admission.

#### **Executive Director biographies**

David Hall is a member of the Company's board of Directors and its Chief Executive, a position he has held since September 2005. Mr. Hall was employed with the Group from January until December 2004, leaving to work with Castle Harlan in connection with the original buyout until returning to the Group as CEO. Previously, he held two

Managing Director positions with UK subsidiaries of Etex (now Aliaxis), which at that time was the world's largest manufacturer of plastic pipes and fittings. Mr. Hall has more than 20 years of experience in the UK building products industry and brings to Polypipe extensive management experience and an in-depth knowledge of the plastic pipes market and the wider construction industry. Mr. Hall has a Bachelor of Science degree in Mechanical Engineering.

Peter Shepherd is a member of the Company's board of Directors and its Chief Financial Officer, a position he has held since January 2006. Mr. Shepherd qualified as a Chartered Accountant with PricewaterhouseCoopers in 1981. Before joining Polypipe he was the Group Finance Director of McKechnie Limited, a private equity backed aerospace and plastics component manufacturing group where he worked for a period of eight years. Prior to joining McKechnie he was, for seven years, Group Financial Controller and Tax Manager of Wagon PLC, an automotive component and storage products manufacturing group. Mr. Shepherd has a Bachelor of Commerce degree from Liverpool University.

#### **Non-executive Director biographies**

Alan Thomson is a member of the Company's board of Directors and its Chairman, a position he has held since October 2007. Prior to joining Polypipe, Mr. Thomson was Group Finance Director at Smiths Group plc where he worked for a period of 11 years. Prior to joining Smiths Group plc he was, for three years, Group Finance Director at Rugby Group plc. Mr. Thomson is currently chairman of Bodycote plc and Hays plc and is a non-executive director of Alstom SA and HSBC Bank plc. Mr. Thomson was formerly President of the Institute of Chartered Accountants of Scotland and is qualified with the Institute of Chartered Accountants of Scotland in 1970. Mr. Thomson has a Master of Arts in Economics and History from Glasgow University.

Ron Marsh has agreed to join the Group as a non-executive director prior to Admission. Mr. Marsh is currently a non-executive director of British Polythene Industries plc and was, from 1989 until 2013, chief executive of RPC Group. Mr. Marsh has over forty years experience in the manufacturing sector. Mr. Marsh has a Bachelor of Arts in History from Oxford University.

Paul Dean has agreed to join the Group as a non-executive director prior to Admission. Mr. Dean is currently non-executive director and chairman of the audit committee of Porvair plc. Mr. Dean was group finance director of Ultra Electronics Holdings plc from 2009 to 2013. Previously Mr. Dean held the same role at Foseco Group from 2001 to 2008, including the period of flotation in 2005. Mr. Dean has a Master of Arts in History from Oxford University.

Moni Mannings has agreed to join the Group as a non-executive director prior to Admission. Ms. Mannings is currently a senior partner of Olswang LLP and has been a partner there since 2000. Ms. Mannings is also a non-executive member of the boards of the Solicitors Regulation Authority and Cranfield University. Ms. Mannings has a Bachelor of Laws from the University of Southampton.

Mark Hammond has agreed to join the Group as a non-executive director at Admission. Mr. Hammond is Deputy Managing Partner of Caird Capital LLP which is the adviser to Cavendish Square Partners LP. Mr. Hammond joined HBOS plc in June 2003 and served as Head of Integrated Finance from 2006 until 2010. Prior to joining HBOS plc, Mr. Hammond held roles with Gresham Trust plc, The Royal Bank of Scotland plc and Price Waterhouse where he qualified with the Institute of Chartered Accountants of Scotland in 1991. Mr Hammond graduated with a Master of Arts in Economics and Accountancy from the University of Aberdeen in 1988. Mr. Hammond is currently a Director of The Big Green Parcel Holding Company Limited and has previously been a Director of David Lloyd Leisure Group Limited.

#### **Definitions**

"Adjusted EBITDA" is defined as operating profit before operating exceptional items, depreciation, amortisation and management fees. Note that Adjusted EBITDA is a non-IFRS/non-GAAP measure.

"Adjusted EBITDA margin" is defined as Adjusted EBITDA divided by total revenue, expressed as a percentage. Note that Adjusted EBITDA margin is a non-IFRS/non-GAAP measure.

"CPA Winter 2013-14 Report" is the report produced by the Construction Products Association (Winter 2013/14 edition), titled "Construction Industry Forecast 2013-2017."

“Free Cash Flow” is defined as the sum of Adjusted EBITDA, change in working capital and purchases of property, plant and equipment net of proceeds on disposal of property, plant and equipment. Note that Free Cash Flow is a non-IFRS/non-GAAP measure.

“Free Cash Flow conversion” is defined as Free Cash Flow divided by Adjusted EBITDA, expressed as a percentage. Note that Free Cash Flow conversion is a non-IFRS/non-GAAP measure.

“MBD September 2013 Report” is the report produced by Market and Business Development in September 2013, titled “Plumbing Products.”

### ***Forward Looking Statements***

This announcement includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Group’s control and all of which are based on the Directors’ current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as “believe”, “expects”, “may”, “will”, “could”, “should”, “shall”, “risk”, “intends”, “estimates”, “aims”, “plans”, “predicts”, “continues”, “assumes”, “positioned”, “targets” or “anticipates” or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding the intentions, beliefs or current expectations of the Directors or the Group concerning, among other things, the results of operations, financial condition, prospects, growth, strategies, and dividend policy of the Group and the industry in which it operates.

These forward-looking statements and other statements contained in this announcement regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. Such forward-looking statements contained in this announcement speak only as of the date of this announcement. The Company, the Directors, the Selling Shareholders, the Underwriters and Moelis & Company expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the announcement to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law, the Prospectus Rules, the Listing Rules, or the Disclosure and Transparency Rules of the FCA. Prospective investors should specifically consider the factors identified in this Prospectus which could cause actual results to differ from those indicated in or suggested by the forward-looking statements in this Prospectus before making an investment decision.

### ***Important Notice***

The contents of this announcement, which has been prepared by and is the sole responsibility of the Company, have been approved by Deutsche Bank and Numis solely for the purposes of section 21 (2) (b) of the Financial Services and Markets Act 2000 (as amended).

Neither this announcement nor any copy of it may be taken or transmitted, published or distributed, directly or indirectly, into the United States, Australia, Canada, Japan or South Africa or to any persons in any of those jurisdictions or any other jurisdiction where to do so would constitute a violation of the relevant securities laws of such jurisdiction. Any failure to comply with this restriction may constitute a violation of United States, Australian, Canadian, Japanese or South African securities laws. The distribution of this announcement in other jurisdictions may be restricted by law and persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions.

This announcement does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any Shares or other securities in the United States, Australia, Canada, Japan or South Africa or in any jurisdiction to whom or in which such offer or solicitation is unlawful. The Offer and the distribution of this announcement and other information in connection with the Offer and Admission in certain jurisdictions may be restricted by law and persons into whose possession this announcement, any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither this announcement nor any part of it nor the fact of its distribution shall form the basis

of or be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever.

The IPO timetable, including the publication of the Prospectus and/or the date of Admission, may be influenced by a range of circumstances, including market conditions. There is no guarantee that the Prospectus will be published or that Admission will occur and you should not base your financial decisions on the Company's intentions in relation to the Offer and Admission at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making such an investment should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the Offer. The value of the Shares can decrease as well as increase. Potential investors should consult a professional adviser as to the suitability of the Offer for the person concerned. Past performance cannot be relied upon as a guide to future performance.

This announcement does not constitute an offer to sell or a solicitation of an offer to purchase any securities in the United States or in any jurisdiction in which such offer or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any jurisdiction. Securities may not be offered or sold in the United States absent (i) registration under the Securities Act or (ii) an available exemption from registration under the Securities Act. The securities mentioned herein have not been, and will not be, registered under the Securities Act and will not be offered to the public in the United States. There will be no public offer of the securities referred to herein in the United States, Australia, Canada, Japan or South Africa. The securities referred to herein have not been registered under the applicable securities laws of Australia, Canada, Japan or South Africa and, subject to certain exceptions, may not be offered or sold within Australia, Canada, Japan or South Africa or to any national, resident or citizen of Australia, Canada, Japan or South Africa.

This announcement is only addressed to and directed at persons in member states of the European Economic Area ("EEA") who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC), as amended ("Qualified Investors"). In addition, in the United Kingdom, this announcement is addressed and directed only at Qualified Investors who (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), (ii) are persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, and (iii) to persons to whom it may otherwise be lawful to communicate it to (all such persons being referred to as "relevant persons"). Any investment or investment activity to which this announcement relates is available only to relevant persons in the United Kingdom and Qualified Investors in any member state of the EEA other than the United Kingdom, and will be engaged in only with such persons. Other persons should not rely or act upon this announcement or any of its contents.

Any purchase of Shares in the proposed Offer should be made solely on the basis of the information contained in the final Prospectus to be published by the Company in connection with the Offer and Admission. The information in this announcement is for background purposes only and does not purport to be full or complete. No reliance may or should be placed for any purposes whatsoever on the information contained in this announcement or its accuracy, completeness or fairness. The information in this announcement is subject to change. However, the Company does not undertake to provide the recipient of this announcement with any additional information, or to update this announcement or to correct any inaccuracies, and the distribution of this announcement shall not be deemed to be any form of commitment on the part of the Company to proceed with the Offer or any transaction or arrangement referred to herein. This announcement has not been approved by any competent regulatory authority.

Deutsche Bank, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, and Numis, Canaccord Genuity and Moelis & Company, each of which is authorised and regulated solely by the Financial Conduct Authority, are acting exclusively for the Company and no one else in connection with the Offer and Admission, and will not regard any other person as its client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offer or the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the Offer, Deutsche Bank, Numis and Canaccord Genuity and any of their respective affiliates, acting as investors for their own accounts, may subscribe for or purchase Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references in the

Prospectus, once published, to the Shares being offered, subscribed, acquired, placed or otherwise dealt in should be read as including any offer to, or subscription, acquisition, placing or dealing by Deutsche Bank, Numis and Canaccord Genuity and any of their respective affiliates acting as investors for their own accounts. In addition, certain of Deutsche Bank, Numis and Canaccord Genuity or their respective affiliates may enter into financing arrangements and swaps in connection with which they or their affiliates may from time to time acquire, hold or dispose of Shares. None of Deutsche Bank, Numis and Canaccord Genuity intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

None of Deutsche Bank, Numis, Canaccord Genuity and Moelis & Company, nor any of their respective subsidiary undertakings, affiliates or any of their respective partners, directors, officers, employees, advisers, agents or any other person accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to the truth, accuracy, completeness or fairness of the information or opinions in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

In connection with the Offer, a stabilising manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The stabilising manager may, for stabilisation purposes, over-allot Shares up to a maximum of 15 per cent. of the total number of Shares comprised in the Offer. The stabilising manager will not be required to enter into such transactions and such transactions may be effected on any stock market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the stabilising manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilising measures, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Shares above the offer price. Save as required by law or regulation, neither the stabilising manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Offer.

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