18 November 2013

Redcentric plc

("Redcentric" or "the Company")

Proposed Acquisition of InTechnology Managed Services Limited, Placing and Re Admission to AIM

Redcentric plc (AIM:RCN.L), a leading end to end managed service provider delivering innovative technology to improve business productivity and efficiency, is pleased to announce it has agreed subject, inter alia, to Shareholder approval at the General Meeting, to acquire the entire issued share capital of InTechnology Managed Services Limited, the wholly owned subsidiary of InTechnology plc, for £65 million payable in cash at Completion.

Highlights

- **Transformational acquisition that will double revenues and increase recurring revenues to more than 80 per cent. creating one of the largest independent managed services businesses in the UK**
- **Redcentric and InTechnology are highly complementary businesses; Redcentric's network services, application, systems and security management capabilities are augmented by InTechnology's data centre estate, network and VOIP capacity**
- **Significant proprietary data centre estate added with immediate capacity for growth; the total estate will contain 1255 racks**
- **Placing heavily oversubscribed, several blue chip institutions added to share register**
- **Acquisition expected to be accretive in first full year of ownership**

The Consideration will be partly funded by way of a placing of 80,000,000 Placing Shares at a price of 80 pence per Placing Share with certain institutional investors to raise £64 million (before expenses), with the remainder being financed by an increase in the Company's existing banking facilities.

In view of the size of the Transaction, the Acquisition is classified as a reverse takeover under the AIM Rules and is therefore conditional, inter alia, on the approval of Shareholders. Such approval is being sought at the General Meeting to be held at the offices of DAC Beachcroft LLP, 100 Fetter Lane, London EC4A 1BN at 10.30 a.m. on 5 December 2013. The Company has received irrevocable commitments to vote in favour of the Resolutions in respect of beneficial holdings totalling 46.3 per cent. of the issued share capital of the Company

Tony Weaver, CEO of Redcentric said:

"This transformational acquisition will help the Company to achieve its aim of becoming the leading independent managed services business in the UK. Redcentric will become a go to provider in the mid market for end-to-end managed services as we will be one of very few providers with high quality data centre assets connected by a national data network with a significant cloud platform and a broad suite of technical support skills. I am excited about the opportunities that exist and would like to thank both existing and new shareholders for their overwhelming support of the transaction."

Peter Wilkinson, CEO of InTechnology added:

"I have felt for some time that InTechnology Managed Services needed to become a much bigger force in the UK market. This transaction instantly achieves that aim, the two companies combined creates a major force in the market which provides an unrivalled range of quality products and services to its large expanded customer base. I am very proud of the business we have built and would like to thank customers and staff alike for their support, which has contributed to its success, and look forward to an exciting future."

An admission document is being sent to all shareholders which sets out the background to and reasons for the Acquisition and the Placing and explains why the Directors consider that the Transaction is in the best interests of the Company and its shareholders as a whole and recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of the Admission Document.

Definitions used in this announcement carry the same meaning as set out in the Admission Document.

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MXC Capital Advisory LLP acted for Redcentric in relation to the Acquisition and Oakley Capital Corporate Finance advised InTechnology.

The text below has been extracted from the Company's Admission Document which can viewed on the Company's website at www.redcentricplc.com

BACKGROUND TO AND REASONS FOR THE ACQUISITION

The Redcentric Group demerged from the Redstone Group in April 2013 in order to maximise its potential as a leading mid-market Network-Based Managed Services provider. At the time of the demerger, the Directors stated their belief that as one of the largest independent Managed Services providers, separate from the Redstone Group's Infrastructure Solutions Business, Redcentric would be well placed to benefit from sector consolidation. The Directors consider that InTechnology currently presents an attractive consolidation opportunity allowing Redcentric to enhance its offering and to maximise value for Shareholders.

The Directors believe that the Acquisition will be transformational for the Group and will deliver the following benefits to the Enlarged Group:

- enhancement of the Company's scale of operations and provision of a broader product offering;
- the Enlarged group will manage a data centre estate of 867 racks with capacity to add a further 388 racks within its existing facilities and scope to further extend its estate;
- significant up-selling opportunities are likely to arise from Redcentric's and InTechnology's selling their respective services to the other's customer base;
- InTechnology's proprietary data centres which will provide the Enlarged Group with an increased number of modern, resilient and efficient data centres that will facilitate further growth;
- the ability to achieve material cost synergies associated with duplication of network and data centre assets; it is expected that three smaller, less efficient data centre facilities will be consolidated and two of the current offices will be closed; and
- the Acquisition is expected to be accretive to the Group's earnings per share in the first full financial year following completion of the Transaction.

The Directors believe that InTechnology is a good strategic fit with Redcentric. InTechnology has a broad suite of services which the Directors believe will strengthen Redcentric's market proposition. There is little customer overlap between the two companies which will provide Redcentric with an augmented customer base and should provide the Enlarged Group with a significant opportunity to cross sell and up-sell services between InTechnology's and Redcentric's existing customer bases.

The Directors believe that Redcentric's strength in application support will augment InTechnology's offering and that Redcentric's expertise and experience in offshoring certain technical and administration support functions, as well as investment in InTechnology's existing Hyderabad Model, will benefit the Enlarged Group.

The Directors believe the key strengths of Enlarged Group will be:

- the quality and breadth of its Network-Based Managed Services;
- its enlarged client base, which is expected to consist of more than 2,000 companies;
- the proprietary data centre and network assets that underpin its service offering with an expected combined estate of four major data centres and 1,255 racks, of which, 867 are utilised with capacity to increase by a further 388 racks;
- recurring annuity revenues which are expected to be in excess of 80 per cent. of the Enlarged Group's combined revenues in the year to 31 March 2015;
- a targeted EBITDA margin in excess of 20 per cent. per annum;
- its ability to benefit from opportunities for further organic and acquisitive growth due to the fragmented nature of the sector;
- its expected strong cash generation, which will support a progressive dividend policy in due course; and
- as a larger company it should be able to broaden its market appeal and attract and win larger clients with the enhanced credibility that scale brings.

As one of the largest mid-market Managed Services providers the Board believes the Enlarged Group's prospects are good and the Board remains committed to maximising value for Shareholders.

Integration Synergies

On completion of the Transaction, it is intended that the Enlarged Group be headquartered in Harrogate with other offices in London, Cambridge and Reading. Dual MPLS network assets will be consolidated and three current data centre facilities will be consolidated into Redcentric's own data centre facilities. Within three years from completion it is intended that the Enlarged Group adopt Redcentric's existing offshore model with investment in Hyderabad (further described in paragraph 4 of this Part I) seeing the doubling of headcount to c.200 staff in three years.

The synergies described above are expected to result in annualised cost savings of c. £3 million in the financial year to 31 March 2015 at an estimated cash cost of £1.3 million.

INFORMATION ON INTECHNOLOGY

InTechnology plc was incorporated in January 2000 and floated on AIM as an investment company with the intention of acquiring businesses within the then rapidly expanding internet market, primarily in the business to business sector. In June 2000, InTechnology plc acquired HOLF Technologies Limited (which traded as Storm) and VData Limited to form a business enabling online data backup. Thereafter the business grew both organically and through selective acquisitions to build a managed network, data, hosting and voice telephony business designed to help its customers to transition their on-premise IT solutions to Cloud-based Managed Services. That business was acquired, pursuant to an intra-group reorganisation, by InTechnology, a wholly owned subsidiary of InTechnology plc, on 1 May 2013.

InTechnology's solutions are designed to help clients improve the efficiency and contribution of their IT operations to their businesses. InTechnology has benefitted from its customers' evolving technological requirements, while offering short term savings and flexible solutions to alleviate the impact of large scale IT equipment refresh cycles. These factors, combined with the increasing data requirements of businesses, have been the catalyst for InTechnology's growth into a profitable and cash generative end-to-end Managed Services provider. InTechnology has approximately 190 staff across 3 locations in the UK.

InTechnology's Cloud services include the following:

- Network services;
- Voice services;
- Hosting services;
- Data services; and
- Software services.

Network Services

InTechnology's Network Services include a range of services from straightforward point-to-point connectivity to full network design and redesign. InTechnology's Cloud offering is centrally monitored 24 hours a day by InTechnology's UK-based support centre. The Cloud enables a range of services, including, amongst other things, telephony, fixed mobile convergence, desktop collaboration tools, data storage, backup, replication and archiving to be delivered at a time and pace specific to the individual customer.

InTechnology's managed network and connectivity services include the following:

- Connectivity – a range of technologies offering secure, robust inter-site connectivity with the option of layering managed voice and data services over that connectivity service.
- Managed LAN/WAN – management of a customer's network from end-to-end ensuring stable and scalable solutions facilitating any of InTechnology's layered services.

- IP VPN/Internet Access – a broad range of high performance Internet solutions and secure IP VPNs in partnership with Tier-1 carriers. Designed to support centralised applications such as CRM, e-procurement and document management.
- N3 Access Services – N3 is the NHS's secure wide area network that connects all NHS organisations over a high-speed IP-based VPN. InTechnology is accredited to provide N3 access network services on behalf of the NHS.
- Managed Firewall Service – 24/7 monitored and Managed Service, installed by InTechnology's technical specialists. Security is rule-based and configured to customer-specific requirements with low up-front costs.
- Secure Remote Access Services – InTechnology provides a suite of secure remote access services for both VPN and N3 networks for use by mobile workers. At the entry level they include standard two factor authentication – a secure, time sensitive password presented via a smart device, hardware token or laptop client.
- 3G Backup – alongside the network router, which provides fixed line network access, InTechnology can provide a 3G backup solution. This utilises the mobile broadband network, which means that, should there be any failure of the system, connectivity and data is protected, resulting in no downtime and no disruption to the customer's business.
- Card Payment Processing – delivered over a highly secure, PCI certified payment routing infrastructure, InTechnology's PaySecure Connect solution offers consolidated payment routing alongside a scalable communication and Managed Service network.

Hosting Services

InTechnology offers a broad suite of hosting services starting from colocation (secure 24/7 monitored rack space with guaranteed power supply) to a complete wrap-around service. InTechnology's hosting services include:

- Colocation – secure, 24/7 monitored rack space (or private suites) with guaranteed power supply for customer servers. InTechnology's recently upgraded Harrogate data centre has not suffered a power outage for 10 years and InTechnology has also built a new data centre in Reading with improved standards in power efficiency and resilience.
- Managed Hosting – a managed hosting solution that removes the burden of server provision and configuration from an in-house team to InTechnology.
- Virtual Server Hosting (IaaS) – InTechnology can virtualise servers in its Cloud. InTechnology takes responsibility for maintaining and upgrading the platform. Increased or decreased server and storage capacity and capability can be executed instantly via InTechnology's online portal. This provides customers with the benefits of no capital expenditure, reduced operating expenditure and storage capacity on demand.
- Hybrid Hosting – hybrid hosting combines the flexibility of the Cloud with traditional hosting services all within the secure and resilient environment of its UK data centres. This enables a business to provide virtual and physical servers on the same private, dedicated network allowing a smooth transition to Cloud computing. This allows customers to have the maximum use of their existing equipment whilst protecting their business critical systems and significantly reducing capital expense.

Data Services

InTechnology's data services include:

- Online Replication – InTechnology offers online replication for business critical data. This is the simultaneous backing-up of data as it is created, ensuring uninterrupted business continuity for disaster recovery purposes.
- Online Backup – InTechnology provides a fully managed remote data backup service to one or more of its data centres for operational data. InTechnology remotely monitors the backup until completion.

- Online Archiving – using InTechnology's managed archiving service, users can set rules and policies that automatically archive files and emails that haven't been accessed for a specified period of time.
- Cloud Storage – InTechnology provides a pay-as-you-go Cloud service. InTechnology ensures customer's data is safe, secure, and monitored by its 24/7 support operation.

Voice Services

InTechnology's voice services include:

- Calls and Lines – using advanced tariff comparison software, InTechnology helps customers identify cost savings in their telephone bill. InTechnology can normally transition customers to its tariff within 15 days.
- Number Translation – InTechnology's geographic and nongeographic number translation service provides businesses with an at-a-glance overview of their full call estate, both inbound and outbound, allowing customers to route traffic as required.
- SIP Trunking – InTechnology can route voice calls over the customer's WAN instead of the traditional voice path, allowing customers to drop dependency on expensive ISDN lines.
- Cloud Telephony – InTechnology can help customers transition to Cloud telephony, also referred to as hosted telephony or VoIP. This replaces on-premise infrastructure with a solution hosted in InTechnology's Cloud.
- Fixed Mobile Convergence – InTechnology can transition smart devices into business extensions, giving customers single number reach and single number voicemail. This means staff can be contacted by a single extension (one number) wherever they are. The calls automatically route via the most cost effective path.
- Call Recording – InTechnology provides an integrated call recording solution for both Microsoft OCS/Lync and its own Cloud telephony solution.
- Unified Communications – InTechnology provides a suite of Microsoft desktop collaboration tools including desktop sharing, IM, video calling and click-to-dial from email. These can be delivered as a Managed Service.

Software Services

InTechnology's software services include:

- NetDocuments – a secure, high availability web-based document management solution that helps customers in the professional service industry (such as legal and insurance) search for and access documents. It can be accessed over smart devices and can be bundled with storage, backup and archiving services provided by InTechnology.
- e-Procurement/PROACTIS – InTechnology's enterprise-grade Cloud computing infrastructure combined with PROACTIS's hosted spend control software delivers a leading Software as a Service (SaaS) e-procurement solution.
- Virtual Desktop Interface/Riverlite – InTechnology's virtual desktop interface is delivered as SaaS in partnership with Riverlite. The solution provides a complete managed and hosted virtual desktop environment which removes the need for traditional PCs and can enhance an organisation's IT delivery via centralised desktop management and control.
- Microsoft Exchange – InTechnology provides a fully managed Microsoft Exchange® solution with optional dual data centre design. This pay-monthly service integrates securely with its applications, such as DMS, CRM, ERP or Mobile Solutions.
- Microsoft SharePoint – In collaboration with 3Sixty Systems, InTechnology helps businesses get maximum benefit from Microsoft SharePoint's web content and document management capabilities. It is delivered via InTechnology's Cloud in SaaS format.

- Microsoft SQL – InTechnology provides a managed SQL service and expert consultancy. It is designed to help IT departments derive maximum benefit from SQL's information management capabilities. It is also designed to help unburden IT departments of routine activity.

Data centre assets

InTechnology has four data centres in operation in Reading, Harrogate, London and Cambridge. The data centres have in total a capacity of 5.6MW power over 32,870 square feet. InTechnology currently has 549 racks in use and 361 available for expansion. InTechnology's Reading data centre has, in 2012, undergone a £3.2 million upgrade and is now PCI-DSS and ISO compliant having been awarded Tier 3 certification.

Overview financial information on InTechnology

	Year ended 31 March 2011	*Year ended 31 March 2012*	*Year ended 31 March 2013*
	£'000	£'000	£'000
Revenue	39,299	40,165	40,859
Cost of sales	(14,303)	(13,079)	(14,754)
Gross Profit	**24,996**	**27,086**	**26,105**
Adjusted EBITDA	7,342	7,870	8,348
Allocated central costs	(1,802)	(1,882)	(1,605)
Depreciation	(2,519)	(2,681)	(3,491)
Operating profit	**3,021**	**3,307**	**3,252**
Profit before taxation	**3,062**	**3,322**	**3,179**

1 Adjusted EBITDA is the earnings before interest, tax, depreciation and amortisation reflected having added back non-recurring
central head office costs.

InTechnology has a stable track record of profitability and cash generation as would be expected of an established business. During the period of the financial track record presented in the Admission Document InTechnology made the strategic decision to leave one of its third party data centres in early 2012. InTechnology took this decision to help to facilitate long-term growth and subsequently invested £5.5 million in its proprietary data centre in Reading. Excluding the hosting customers of the data centre that InTechnology chose to close, overall revenue and EBITDA growth between the financial years 2011 and 2013 was 5 per cent. and 15 per cent. respectively. Significant investment was made in InTechnology's network and data centre assets in the period of financial review totalling £14.3 million.

InTechnology has a high quality of earning with recurring revenues making up 94 per cent. of revenues in both the years ended 31 March 2012 and 2013. InTechnology is cash generative; in the year ended 31 March 2013 it generated £7.7 million of net operating cash inflow excluding capex and non-recurring central parent costs.

InTechnology's Current Trading

InTechnology continues, in the current financial year, to trade in line with its management's expectations and remains on track to deliver double-digit EBITDA growth as a result of the combination of continuing to win material, multi-year, Managed Services Contracts while maintaining a low level of underlying customer churn.

STRATEGY OF THE ENLARGED GROUP AND COMPETITVE ENVIRONMENT

The provision of Managed Services and the wider ICT outsourcing market in the UK is fragmented and encompasses a wide range of businesses including telecommunications network operators, generalist ICT providers, system integrators and more focused Managed Services providers such as Redcentric and InTechnology.

The Directors believe that the advent of Cloud computing and the increased demand from customers to be able to access data and applications remotely from a wide variety of devices from third party providers offers a significant market opportunity. Furthermore, the Directors are of the opinion that businesses such as that of the Enlarged Group, which are able to combine the benefits of a proprietary network and data centres with a flexible and technically skilled workforce able to deliver and support reliable services and solutions, should prosper.

The Enlarged Group is seeking to differentiate itself around three distinct pillars:

- Innovation – innovation in the design and delivery of services;
- Reliability – the right technical skills, organised in the right way, to give predictable high quality results; and
- Value – service offerings that are designed to offer value for money to mid-market customers by leveraging the Enlarged Group's wholly owned, hybrid on/offshore support capability.

The Directors believe that both Redcentric and InTechnology are competitively positioned between the large network operators and system integrators whose solutions are often expensive and inflexible, and the smaller competitors that may lack delivery structure, reputation and reliability. The Directors believe that the Enlarged Group will have a stronger competitive position in its market, retaining the opportunity to deliver the flexibility customers desire while benefitting from its increased scale, breadth of expertise and its combined track record to instil credibility and confidence in the Enlarged Group's ability to deliver the solutions offered and financial strength.

While the Directors consider organic growth to be the Enlarged Group's primary strategic aim, the fragmented nature of the Managed Services market could present further accretive opportunities to acquire complementary businesses.

CURRENT TRADING AND FUTURE PROSPECTS OF REDCENTRIC

The first published unaudited results of Redcentric since demerger, for six months trading to 30 September 2013, will be announced in mid December, when the Directors will report revenue of circa £21 million, adjusted EBITDA (Adjusted EBITDA is the earnings before interest, tax, depreciation and amortisation reflected having added back the nonrecurring central head office costs) of circa £3.5 million and net debt of circa £12.3 million. The anticipated pro forma net debt of the Enlarged Group post Completion is expected to be approximately £17.1 million.

The Directors expect cash generation in the current year to be second half weighted following the anticipated reversal of short term increases in working capital caused by the Company's change in accounting package and billing platform necessitated to bring the business on to one reporting package; the benefits of which are beginning to materialise as improved management information becomes available. Working capital in the first half of the year also expanded as a result of a general constriction in credit terms from its suppliers which the Directors believe has been a result of the combination of the corporate failure of 2e2 and the treatment of the demerged entity as a new customer; the Company is working with its suppliers to achieve improved credit terms and expects the publication of its results for the six months ended 30 September 2013 to help to normalise this position.

The Directors are encouraged that up-selling Redcentric's wider product set to its existing customer base is proving successful, while the Company continues to win new customers.

Redcentric has, since its admission to AIM, won more than £12 million of new business from a mix of new and existing customers. The Directors are encouraged by the Group's ability to win further business from its existing customer base by up-selling further services and extending the duration of contracts.

PRINCIPAL TERMS OF THE ACQUISITION

On 15 November 2013 the Company entered into the Share Purchase Agreement pursuant to which the Company has conditionally agreed to acquire the entire issued share capital of InTechnology. The Consideration payable on Completion under the terms of the SPA is £65 million on a cash-free/debt-free basis, adjusted to reflect InTechnology's working capital requirements and certain capital expenditure.

PRINCIPAL TERMS OF THE PLACING

The Company has conditionally placed 80,000,000 Placing Shares (including 30,312,500 Placing Shares issued to Firm Placees under the Firm Placing Letters) at 80 pence per share with existing and new investors to raise £64 million before expenses which represents a discount of 4.2 per cent. to the closing middle market price of 83.5p per Existing Ordinary Share on 15 November 2013, being the last business day prior to the publication of this announcement.

Pursuant to the Firm Placing Letters the Firm Placees have conditionally agreed to subscribe for, in aggregate, 30,312,500 Placing Shares at the Issue Price. In consideration of their commitment to invest at an earlier stage of the Transaction, such investors are to be issued Cornerstone Warrants and paid a commission of 3 per cent. of the amount they invest.

BANK FACILITY

On 15 November 2013 the Company and each of its subsidiaries entered into a facility agreement and debenture with Barclays Bank plc, pursuant to which Barclays Bank plc has agreed, conditional (inter alia) on Admission, to provide the Company with a £23,200,000 revolving credit facility in connection with the Acquisition and to provide working capital to the Enlarged Group.

On 30 October 2013 Barclays Bank plc agreed to provide the Company with an extension of £1,500,000 to its existing facilities to provide, if required by the Company, additional working capital. The Company has not drawn down on this facility and the facility will be terminated following Admission.

ADMISSION AND SETTLEMENT

As the Acquisition constitutes a reverse takeover under the AIM Rules for Companies, Shareholder consent to the Acquisition is therefore required at the General Meeting. If the Resolutions are duly passed at the General Meeting, the admission of the Company's Existing Ordinary Shares to trading on AIM will be cancelled (immediately prior to Admission) and the Enlarged Share Capital will be re-admitted or admitted (as the case may be) to trading on AIM.

Application will be made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will take place, and dealings in the Enlarged Share Capital will commence, on 6 December 2013.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the requirements of CREST. The Articles permit the holding and transfer of Ordinary Shares to be evidenced in uncertificated form in accordance with the requirements of CREST. Application has been made for all of the issued and to be issued Ordinary Shares to be eligible for admission to CREST with effect from Admission and Euroclear has agreed to such admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place in CREST.

IRREVOCABLE UNDERTAKINGS

Certain Shareholders have given irrevocable undertakings to the Company to vote in favour of the Resolutions to be proposed at the General Meeting (or, where applicable to procure that such action is taken by the relevant registered holders) in respect of their beneficial holdings totalling 28,884,178 Ordinary Shares, representing approximately 46.3 per cent. of the Existing Ordinary Shares.

RELATED PARTY TRANSACTION

As part of the Placing, Henderson Volantis Capital and Guernsey Portfolios Ltd (Kestrel Opportunities Cell) are subscribing for 15,625,000 and 3,500,000 Placing Shares, respectively, at the Issue Price. In addition, under the terms of their Firm Placing Letters, Henderson Volantis Capital and Guernsey Portfolios Ltd (Kestrel Opportunities Cell)will be issued 711,885 and 159,462 Cornerstone Warrants, respectively, and will also be paid a commission of 3 per cent. of the amounts they each invest. The Cornerstone Warrants and commission are being issued/paid to Henderson Volantis Capital and Guernsey Portfolios Ltd (Kestrel Opportunities Cell) in return for their commitment to invest in the Placing at an earlier stage of the Transaction.

Under the AIM Rules, Henderson Volantis Capital and Guernsey Portfolios Ltd (Kestrel Opportunities Cell) are deemed to be related parties due to their indirect substantial shareholdings (held via Henderson Global Investors Ltd and Kestrel Partners LLP respectively) in the Company and, therefore, their participation in the Placing, along with the issue of the Cornerstone Warrants to them and the payment of the commission, are deemed to be related party transactions for the purposes of rule 13 of the AIM Rules.

The Directors consider, having consulted with N+1 Singer, that the terms of the Placing are fair and reasonable insofar as shareholders of the Company are concerned. In providing advice to the Directors, N+1 Singer has taken into account the commercial assessments of the Directors.

GENERAL MEETING

A General Meeting will be held at the offices of DAC Beachcroft LLP, 100 Fetter Lane, London EC4A 1BN on 5 December 2013 at 10.30 a.m. The Resolutions to be proposed at the General Meeting are as follows:

1. to approve the Acquisition;
2. to grant the Directors authority to allot shares in the capital of the Company; and
3. to grant the Directors authority power to allot equity securities free from shareholders' rights of preemption.

RECOMMENDATION

The Directors believe that the Acquisition and the Placing, and therefore the Resolutions, are in the best interests of the Company and Shareholders taken as a whole. As such, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions as the Directors intend to do in respect of their beneficial shareholdings which amount to 9,058,804 Ordinary Shares, representing 14.52 per cent. of the Existing Ordinary Shares.

DIRECTORS' AND OTHER INTERESTS

The interests of each of the Directors in the Ordinary Shares (all of which are beneficial) which have been or will be required to be notified to the Company pursuant to section 5 of the DTR or which will be required to be maintained under the provisions of section 808 of the Act, or which are interests of a person connected with any of the Directors (within the meaning of section 252 of the Act), which interests would be required to be disclosed pursuant to the DTR, and the existence of which is known to the Directors or could with reasonable diligence be ascertained by them as at 15 November 2013 (being the last date practicable prior to the publication of this announcement) are as set out below:

Name	*Number of Existing Ordinary Shares*	*% of the Existing Ordinary Shares*	*Number of Ordinary Shares on Admission*	*% of the Enlarged Share Capital on Admission*	*Number of Options*
Richard Ramsay	43,515	0.07	43,515	0.03	-
Ian Smith and Tony Weaver*	8,561,608	13.73	10,249,108	7.20	1,692,988
David Payne	100,625	0.16	100,625	0.07	-
Fraser Fisher	90,557	0.15	90,557	0.06	857,143
Peter Hallett	262,500	0.42	262,500	0.18	1,923,994
Total	9,058,805	14.53	10,746,305	7.55	4,474,125

*includes 9,624,108 Ordinary Shares held by MXC Capital (Ian Smith and Tony Weaver are directors and shareholders of MXC Capital) and 625,000 Ordinary Shares held in Ian Smith's self-invested personal pension plan.

SUBSTANTIAL SHAREHOLDERS

As at 15 November 2013 (being the last practicable date prior to the date of this announcement), save as set out below the Company was not aware of any person, who, directly or indirectly, had an interest representing 3 per cent. or more of the issued ordinary share capital (being the threshold at or above which, in accordance with the provisions of section 5 of the DTR, any interest must be disclosed by the Company).

Name	*Number of Existing Ordinary Shares*	*% of the Existing Ordinary Shares*	*Number of Ordinary Shares on Admission*	*% of the Enlarged Share Capital on Admission*
Henderson Global Investors	14,397,352	23.08%	30,022,352	21.09%
MXC Capital*	8,561,608	13.73%	10,249,108	7.20%
BlackRock	3,953,305	6.34%	10,203,305	7.17%
Kestrel Partners	5,925,218	9.50%	9,425,218	6.62%
Quantum Partners LP	-	-	9,375,000	6.58%
Eugenia II Investment Holdings Ltd	-	-	7,812,500	5.49%
Hargreave Hale	2,545,540	4.08%	7,545,540	5.30%
Legal & General	6,022,500	9.65%	6,022,500	4.23%
Harwood Capital	-	-	5,000,000	3.51%
Liontrust	-	-	5,000,000	3.51%
Investec	-	-	4,625,000	3.25%

*Ian Smith and Tony Weaver are directors and shareholders of MXC Capital and this figure includes 625,000 Ordinary Shares held in Ian Smith's self-invested personal pension plan.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication date of the Admission Document	18 November 2013
Latest time and date for receipt of Forms of Proxy	10.30 a.m. on 3 December 2013
General Meeting	10.30 a.m. on 5 December 2013
Completion of the Acquisition	6 December 2013
Admission effective, issue of the Placing Shares and commencement of dealings in Ordinary Shares expected to commence on AIM	6 December 2013
Placing Shares credited to CREST accounts	6 December 2013
Despatch of definitive share certificates for Placing Shares (where applicable)	by 13 December 2013

Each of the times and dates above is subject to change. Any such change will be notified by an announcement on a Regulatory Information Service.