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THE STANLEY GIBBONS GROUP PLC
(the "Group")

Proposed Firm Placing and Placing and Open Offer to raise £13m

Notice of General Meeting

Following the Group's announcement on 23 February 2016 that it was in the process of raising approximately £10.0 million of new equity (the "Fundraising"), the Group is pleased to announce that it now proposes to raise £13.0 million (£12.3 million net of expenses) by way of a Firm Placing and Placing and Open Offer. The structure of the Fundraising is such that it will satisfy the Group's intention to recognise the pre-emption rights of existing shareholders insofar as is possible. The Fundraising has been fully underwritten by finnCap, subject to certain conditions.

Highlights

- Proposed Fundraising of £13.0 million by the issue of New Ordinary Shares at 10 pence per Ordinary Share
- Fundraising to be by way of a Firm Placing of 92,300,000 New Ordinary Shares and an Open Offer of 37,996,286 New Ordinary Shares
- Open Offer on basis of 8 Open Offer Shares for every 10 Existing Ordinary Shares held
- Proceeds of the Fundraising to be used to repay debt, support a rationalisation exercise, complete the integration of previous acquisitions and to provide additional working capital
- Clive Whiley, Managing Director of Evolution Securities China, will join the Board as a director following completion of the Fundraising
- The Fundraising is subject to approval at an Extraordinary General Meeting

A circular (the "Circular") setting out details of the proposed Fundraising and giving notice of an Extraordinary General Meeting to approve these proposals will be sent to Shareholders later today and will be available on the Company's website www.stanleygibbonsplc.com

Capitalised terms shall have the same meaning as in the Circular unless the context requires otherwise.

For further information, contact:

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Lulu Bridges / Niall Walsh	

The Company proposes to raise £13 million (£12.3 million net of expenses) by way of the Firm Placing and the Placing and Open Offer. The Directors have decided, in consultation with its major Shareholders, to increase the Fundraising from £10 million to £13 million in order to provide further headroom to complete the rationalisation exercise.

The Fundraising has been conditionally underwritten by finnCap. The Firm Placing is not subject to clawback. Certain major Shareholders have given undertakings to finnCap and the Company to subscribe, where permitted in accordance with the terms of the Open Offer, for 13,432,681 Open Offer Shares which represents these Shareholders' Basic Entitlements. The 13,432,681 Open Offer Shares taken up by those Shareholders will set off their subscriptions for the corresponding number of Placing Shares. The remaining 24,263,605 Placing Shares are subject to clawback to satisfy valid applications from Qualifying Shareholders under the Open Offer.

The purpose of the Circular is to provide information on the Company's current financial and trading position, to explain why the Board considers that the Fundraising is in the best interests of Shareholders and to provide you with details of and to seek your approval to implement the Fundraising. The Directors and the Proposed Director have subscribed for 3,100,000 Firm Placing Shares.

The details of the Firm Placing and the Placing and Open Offer are set out below, and the steps required for Qualifying Shareholders to participate in the Open Offer are set out in Part 2 of the Circular.

The Directors, who have also explored other funding options, believe that the Fundraising is essential to the Company as it will enable it to repay the short-term loans that have been made available to it by its bank since 30 September 2015, when the Company experienced some unexpected and difficult trading conditions and circumstances, and will provide it with the additional funding, which, together with the Company's core borrowings, will ensure that it has adequate financial resources to execute its development plan. The Directors have concluded that none of the other funding options considered would enable the Company to achieve these key objectives. Shareholders' attention is drawn to paragraph 3 of this Part 1 of the Circular which provides details of the Company's current banking arrangements and of funding and facilities that will be available to the Group following the Fundraising.

Background to and Reasons for the Fundraising

The Company reported in its interim statement issued in November 2015 that like-for-like turnover in the first half of the year was 21 per cent. down on the same period in the previous year and that trading profits were £0.5 million compared with £6.1 million in respect of the same period in the previous year largely owing to both lower sales volumes and lower margins in the philatelic businesses, which, in turn, was partly as a consequence of the management changes and distractions caused by the efforts to integrate the acquisitions made during the previous two years. At the time of writing the interim statement, the Board had expected that the second half of the year would see improved trading levels as the impact of the acquisitions took effect. In fact, as announced on 23 February 2016, the sale of rare collectibles to high net worth clients has been at a lower level than expected. Of more concern is the performance of the Group's interiors division, in which sales and profitability have declined markedly through the course of 2015/16 particularly in the last four months. Following its acquisition of Mallett plc in October 2014, the Company learned that government regulators in the United States were investigating transactions that had occurred since 1 January 2010 involving a former client of Mallett Inc., Mallett's New York-based subsidiary. The former client is not a related person or affiliate of the Group. Further details of this matter are disclosed in Part 3 of the Circular. Additionally, the integration of recent acquisitions has not achieved the level of cost savings that is required and the Group has continued to invest in its new online collectibles marketplace. As a result of these factors, the Directors now believe that for the year to 31 March 2016, the Group will report an adjusted loss before tax of between £1.0 million and £2.0 million. This puts the Group's financial resources under severe pressure.

Since 30 September 2015, our bank has made available an overdraft facility of £6.0 million to the Group. This facility is repayable by 31 March 2016 and is expected to be substantially drawn before completion of the Fundraising. As explained below, the Company will need to repay this overdraft and invest additional funds in rationalising the business and in completing the integration of the acquired businesses.

The Board has also decided that the management team will benefit from the assistance of specialist expertise in doing this and, with this in mind, conditional on the passing of the Resolutions, intends to appoint Clive Whiley as a director. The Company has secured the services of Evolution of which he is managing director, on a 12 month contract from December 2015 to advise and assist the Board and executive management with a root and branch review of every facet of the Group's business, an assessment of the banking and fundraising options and completion of the rationalisation and integration of the Noble and Mallet acquisitions. Mr Whiley has significant experience in both corporate restructurings and in managing integration programmes following corporate acquisitions. Currently, in addition to being managing director of Evolution, he is Chief Executive of Camper & Nicholsons Marinas Limited, and a non-executive director of its holding company, Camper & Nicholsons Marina Investments Limited. Mr Whiley was appointed as Chief Executive of Camper & Nicholsons Marinas Limited in December 2012 at the request of its major shareholders in order to oversee a repositioning of that company's businesses, which process was successfully concluded last year.

In late December 2015, Evolution commenced a full review of the Stanley Gibbons business, which it will complete over the next 90 days and will agree a comprehensive strategy with the Board for:

- transforming the Group into a business which is capable of trading profitably on a continuing and reasonably predictable basis, i.e. not relying on one-off or very material sales or other trading events to achieve profitability;
- ensuring that the Group is able to operate within its available funding resources, i.e. developing coherent and reliable plans for all the activities within the Group, including the ability to access a wider customer base on a capital-light foundation;
- identifying areas of activity which are not being operated efficiently or, due to capital constraints, are not being exploited at all and making such changes to those activities as are necessary to enable them to contribute to the profits of the Group or formulate disposal or winding-up strategies for such activities; and
- identifying and executing a series of short-term actions which will reduce the current cash burn as soon as possible and allow the short-term bank loans to be repaid and for a more appropriate long-term funding arrangement to be put in place than currently exists ("30 Day Action Plan").

Evolution has already undertaken a preliminary review of the businesses and of the funding of the Group and is confident that significant efficiencies can be introduced very quickly and that, with adequate funding, most of the original aspirations on which the Noble and Mallett acquisitions were founded can be achieved.

As a consequence of Evolution's initial findings, the Board believes that, having repaid the temporary borrowings of £6.0 million, thereby reducing the Group's debt to a level more commensurate with the trading profits and cash generation that can be achieved over the course of the next 12 months, and with the continued support of the management and employees:

- the Group will be able to complete the rationalisation and integration of the Group's various activities;
- the benefits of the business improvements referred to above can be harvested;
- the Group should be able to achieve annualised cost savings of not less than £5.0 million and that from this normalised position the Board believes it will be both profitable and cash generative and therefore be able to pursue other improvements and growth opportunities that will enhance shareholder value;
- the Group will also consider whether there are opportunities to exploit the geographical and product gaps within the core stamp and coin divisions, which have become apparent in recent years, partly benefiting from an increased interest in rare collectibles by high net worth individuals as an alternative investment;

- a return to more disciplined buying and selling strategies which should help to improve the stock profile, restore the stock turnover to more normalised levels and thereby reduce the holding costs; and
- the Board believes that there is increasing interest in the collectibles markets in parts of the world outside of the Group's existing areas of operation, which are principally the United Kingdom and the United States of America, although it has a small sales presence in Hong Kong and in Singapore. There is, in particular, fast growing interest from the Asian markets, in all types of high quality collectibles as has been evidenced by the considerable interest and high prices being generated at collectibles auctions held in Hong Kong on 15-17 January 2016 which grossed over HK$100 million. World records were broken for both a stamp essay and a die proof of any country and one of China's most famous philatelic rarities realised a record price of HK$6.24 million. The Company will work to identify a cost-effective method to enter these markets and is in discussions with a potential partner in this respect.

The Board is of the opinion that the Fundraising is not only in the best interests of the Company but essential to the business as it will also allow a clear focus on a corporate development plan, which is designed to optimise the value of the Company's principal assets as the Board seeks to restore Shareholder value. As announced on 13 January 2016, the Board has considered a number of fundraising alternatives to reinforce the Company's working capital position and, at that time, believed that an equity raise might be comparatively unattractive if done at a discount to the Group's net asset value. However, the continuing difficult trading conditions and the increasing urgency for the Company to secure additional funding has left little choice but to proceed with the Fundraising, notwithstanding the significant discount to the prevailing market price. The Fundraising has been conditionally underwritten and therefore the Board believes that it provides the Company with a certainty of funds that could not be assured from the other funding alternatives considered. Furthermore, the Board believes that the proposed structure of the Fundraising, namely the Firm Placing and the Placing and Open Offer, provides the Company with its best chance of raising the funding that it needs in a manner that enables all existing Shareholders, should they so wish, to participate. The Open Offer and Excess Application Facility means that, to the extent that a Qualifying Shareholder has taken up its Basic Entitlement in full and applies for and is allocated the maximum Excess Entitlement, it will suffer no dilution as a result of the Fundraising.

Funding

The Company currently has outstanding core loans and overdraft facilities, which are fully drawn, amounting to £19.5 million. Owing to the adverse trading experienced since 30 September 2015, as explained above, the Company has received additional facilities from its bank in order to meet its short term obligations and to fund the unforeseen losses that it has been incurring. These facilities were in the form of an overdraft which is repayable on 31 March 2016 and which the Company anticipates will be substantially drawn as to £6.0 million by completion of the Fundraising.

Accordingly, following completion of the Fundraising, approximately £6.0 million will be used to repay the temporary funding. As a result of the sharp decline in the trading performance, the Company has agreed with its bank a revision in the ongoing banking covenants relating to the borrowings and facilities that will remain in place until 31 May 2018. The facilities will, for the first 15 months, be subject only to certain asset cover covenants and from 30 June 2017 will also be subject to certain earnings covenants formulated by reference to the budgets for 2017/18. The management, taking into account the change in trading circumstances and having regard to the revised profit and cashflow expectations believes that the current structure of the lending package may not be appropriate for the longer term. The management therefore intends, and the bank has agreed in principle, to explore a more appropriate borrowing structure once the changes explained above have been implemented and the effect of the changes has begun to be visible in the profit and cash generation.

The existing borrowings and facilities, all of which are secured and guaranteed by various members of the Group comprise:

- a £9.5 million fully drawn loan facility, amortising at £500,000 per quarter from 31 March 2017 but subject to earlier part-repayment in the event of a major asset disposal;
- a £10.0 million fully drawn revolving credit/overdraft facility available until 31 May 2018; and

- a £6.0 million overdraft facility expiring on the earlier of 31 March 2016 and completion of the Fundraising.

Board and Management

Following the Fundraising and the re-profiling of the banking arrangements the Company's financial stability will be assured and the management will be better able to address improvements to its trading performance. In order to achieve an effective turnaround of the business Michael Hall will concentrate his attentions on reinforcing Stanley Gibbons' standing in the market, focusing on sales in the Company's core market and extending its reach geographically. As announced on 23 February 2016, Clive Whiley will join the Board with effect from completion of the Fundraising and will continue to oversee the review of Group overheads which remain a critical component of the re-launch of the Company.

Martin Bralsford has indicated that he wishes to step down from the Board and will do so after completion of the Fundraising as soon as a suitable new Chairman has been identified.

The longer term requirements and roles within the Board and executive management team will be reviewed as part of Evolution's ongoing 90 day review of strategy.

Profit forecast for the year ending 31 March 2016 and Prospects

As explained above, the Group has continued to experience lower trading activity during the last 6 months and now expects to report an adjusted loss before tax of between £1.0 million and £2.0 million for the year ending 31 March 2016, with the actual outcome being very dependent on the results of some major auction events this month.

As explained above, the Company has already started to take the actions necessary, through the 30 Day Action Plan, to restore the Group to profitability and to reduce the financial pressures from which it is suffering. These initiatives have included an immediate review of the operating overheads within the interiors division, the utilisation of the Group's property resources and commercialisation of the online marketplace and it is expected that within the next 12 months these initiatives will lead to a significant improvement in annualised profitability. The initiatives will ensure alignment of expenses with the Group's more predictable income streams without undermining the impact of material one-off sales which the Group will be better able to pursue. However, the Company's income will continue to include some sporadic but material sales with the consequence that there will be times when the trading performance will be difficult to predict. Accordingly, the Board's expectation of the Company's performance for the current financial year, coupled with the estimated annualised cost savings outlined at paragraph 2 above, should not be taken to provide meaningful guidance of the Board's expectations for the overall financial performance in coming years.

The Board notes that the audit report to the financial statements for the year ended 31 March 2015 contained an emphasis of matter with respect to a balance of receivables. Whilst the amount is being collected slowly a significant balance remains outstanding and overdue.

Use of Proceeds

The gross proceeds of the Fundraising, amounting to £13.0 million will be used as follows:

Action	*£ million*
Repayment of bank extension	up to 6.00
Working capital and restructuring costs	c. 6.30
Adviser fees, banking arrangement fees	c. 0.70
Total	**13.00**

Fundraising

The Company proposes to raise £13.0 million (£12.3 million net of expenses) by the issue of 129,996,286 New Ordinary Shares by way of the Firm Placing and the Placing and Open Offer, each at an issue price of 10 pence per New Ordinary Share. The New Ordinary Shares will represent 73.4 per cent. of the Enlarged Issued Share Capital. finnCap, as agent of the Company, has conditionally placed the New Ordinary Shares at the Issue Price pursuant to the Underwriting Agreement.

Qualifying Shareholders are being offered the right to subscribe for Open Offer Shares in accordance with the terms of the Open Offer. Qualifying Shareholders are not being offered the right to subscribe for the Firm Placing Shares.

The Board considers the Firm Placing and the Placing and Open Offer to be an appropriate fundraising structure, providing certainty of funds to complete the plans outlined above whilst providing existing Shareholders with the opportunity to participate in the Fundraising through the Open Offer. Indeed, if Qualifying Shareholders are issued their full Basic Entitlements and receive their full Excess Entitlements, they will not suffer any dilution as a consequence of the Fundraising.

The terms and conditions of the Firm Placing and the Placing and Open Offer are set out in Part 2 of the Circular.

All elements of the Fundraising have the same Issue Price. The issue price of 10 pence per New Ordinary Share represents a 56.5 per cent. discount to the Closing Price of 23.00 pence per Existing Ordinary Share on 11 March 2016 (being the latest practicable date prior to the publication of the Circular). The Issue Price has been set by the Directors following their assessment of market conditions and following discussions with a number of institutional investors. The Directors are in agreement that the level of discount and method of issue are appropriate to secure the investment necessary.

The Fundraising has been conditionally underwritten by finnCap. Further details of the terms of the Underwriting Agreement are set out in Part 3 of the Circular.

Firm Placing

finnCap, as agent for the Company and pursuant to the Underwriting Agreement, has conditionally placed the Firm Placing Shares at the Issue Price to raise gross proceeds of £9.2 million. The Firm Placing Shares represent approximately 71.0 per cent. of the New Ordinary Shares and have been placed with institutional and other investors, including certain of the Directors and the Proposed Director. The Firm Placing Shares are not subject to clawback.

Placing and Open Offer

The Directors recognise the importance of pre-emption rights to Shareholders and consequently 37,696,286 Open Offer Shares are being offered to existing Shareholders by way of the Open Offer. The Open Offer provides Qualifying Shareholders with an opportunity to participate in the Fundraising by subscribing for their respective Basic Entitlements and Excess Entitlements.

As part of the Placing and Open Offer, finnCap as agent for the Company and pursuant to the Underwriting Agreement has conditionally placed the Placing Shares with Placees who have agreed to subscribe for the Placing Shares at the Issue Price. Shareholders should note that certain major Shareholders have given undertakings to finnCap and the Company to, where permitted in accordance with the terms of the Open Offer, subscribe for 13,432,681 Open Offer Shares which represents these Shareholders' Basic Entitlements. The 13,432,681 Open Offer Shares taken up by these Shareholders will set off their subscription for the corresponding number of Placing Shares. The remaining 24,263,605 Placing Shares are subject to clawback to satisfy valid applications by Qualifying Shareholders under the Open Offer.

Subject to the fulfilment of the conditions set out below and in Part 2 of the Circular, Qualifying Shareholders are being given the opportunity to subscribe for Open Offer Shares under the Open Offer at the Issue Price, payable in full on application and free of all expenses, pro rata to their existing shareholdings on the following basis:

8 Open Offer Shares for every 10 Existing Ordinary Shares

held by Qualifying Shareholders and registered in their name at the Record Date.

Open Offer Entitlements under the Open Offer will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will not be allocated and will be disregarded. Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their Basic Entitlement.

If you have sold or otherwise transferred all of your Existing Ordinary Shares after the ex-entitlement Date, you are not entitled to participate in the Open Offer.

The Open Offer is not a rights issue. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim raised by Euroclear's Claims Processing Unit. Qualifying Non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should be aware that under the Open Offer, unlike in a rights issue, any New Ordinary Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer, but will be placed with Placees pursuant to the Underwriting Agreement, and the net proceeds will be retained, for the benefit of the Company.

Application has been made for the Open Offer Entitlements of Qualifying CREST Shareholders to be admitted to CREST. It is expected that such Open Offer Entitlements will be admitted to CREST on 15 March 2016. The Open Offer Entitlements will also be enabled for settlement in CREST on 15 March 2016 to satisfy bona fide market claims only. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part 2 of the Circular and for Qualifying Non-CREST Shareholders on the accompanying Application Form. To be valid, Application Forms (duly completed) and payment in full for the Open Offer Shares applied for must be received by Capita Asset Services, Corporate Actions, the Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 10.00 a.m. on 30 March 2016.

Qualifying Non-CREST Shareholders will have received an Application Form with the Circular which sets out their maximum entitlement to Open Offer Shares as shown by the number of Basic Entitlements allocated to them.

Qualifying Shareholders are also being given the opportunity, provided that they take up their Basic Entitlements in full, to apply for Excess Entitlements through the Excess Application Facility.

To enable the Company to benefit from applicable exemptions to the requirement under the Prospectus Rules to prepare a prospectus in connection with the Open Offer, a maximum of 37,696,286 Open Offer Shares, representing a total consideration of approximately £3.8 million will be made available to Qualifying Shareholders under the Open Offer, which will be conducted on the basis of 8 Open Offer Shares for every 10 Existing Ordinary Shares held at the Record Date. The Open Offer is restricted to Qualifying Shareholders in order to enable the Company to benefit from exemptions from securities law requirements in certain jurisdictions outside the United Kingdom.

Excess Application Facility

The Excess Application Facility will enable Qualifying Shareholders, provided that they take up their Basic Entitlements in full, to apply for Excess Entitlements to the extent that if a Qualifying Shareholder has taken up its Basic Entitlements in full and applies for and is allocated the maximum Excess Entitlements it will suffer no dilution as a result of the Fundraising. Qualifying Non-CREST Shareholders who wish to apply to acquire more than their Basic Entitlements should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess Entitlements credited to their stock account in CREST and should refer to paragraph 3(f) of Part 2 of the Circular for information on how to apply for Excess Entitlements pursuant to the Excess Application Facility. Applications for Excess Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Basic Entitlements and may be scaled back at the Company's absolute discretion.

Once subscriptions by Qualifying Shareholders under their Basic Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether or not to meet any applications for Excess Entitlements in full or in part and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all. Application will be made for the Basic Entitlements and Excess Entitlements in respect of Qualifying CREST Shareholders to be admitted to CREST. It is expected that New Ordinary Shares issued pursuant to subscriptions by Qualifying Shareholders exercising their Basic Entitlements and Excess Entitlements will be admitted to CREST at 8.00 a.m. on 1 April 2016. Such New Ordinary Shares will also be enabled for settlement in CREST at 8.00 a.m. on 1 April 2016. Applications through the means of the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. Qualifying Non-CREST Shareholders will receive an Application Form with the Circular which sets out their entitlement to Open Offer Shares as shown by the number of Basic Entitlements allocated to them. Qualifying Non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded.

Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Basic Entitlements on 15 March 2016. Qualifying CREST Shareholders should note that although the Basic Entitlements and Excess Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of their Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. If applications are made for less than all of the Open Offer Shares available, then the lower number of Open Offer Shares will be issued and any outstanding Basic Entitlements will lapse.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part 2 of the Circular. For Qualifying Non-CREST Shareholders, completed Application Forms, accompanied by full payment, should be returned by post, or by hand (during normal business hours only), to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive as soon as possible and in any event so as to be received no later than 10.00 a.m. on 30 March 2016. For Qualifying CREST Shareholders the relevant CREST instructions must have been settled as explained in the Circular by no later than 10.00 a.m. on 30 March 2016.

Basis of allocation under the Fundraising

The Placing may be scaled back at the Company's absolute discretion in order to satisfy valid applications by Qualifying Shareholders under the Open Offer. The Open Offer is being made on a pre-emptive basis to Qualifying Shareholders. Any New Ordinary Shares that are available under the Open Offer and are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlements will be reallocated to the Placing.

The number of Placing Shares to be clawed back from Placees to satisfy valid applications by Qualifying Shareholders under the Open Offer will be calculated pro rata to each Placee's commitment to subscribe for Placing Shares. Placees should note that certain major shareholders have given irrevocable commitments to where permitted in accordance with the terms of the Open Offer, subscribe for their Basic Entitlements amounting to 13,432,681 Open Offer Shares and therefore the pro rata allocation of Placing Shares not subject to valid clawback will be calculated excluding these commitments.

Other Information relating to the Fundraising

Each of the placing of the Firm Placing Shares, the Placing Shares and the issue of the Open Offer Shares is conditional, *inter alia*, upon Admission becoming effective by no later than 8.00 a.m. on 1 April 2016 (or such later time and/or date as finnCap and the Company may agree being no later than 8.00 a.m. on 22 April 2016). The Placing is conditional on completion of the Open Offer.

The Open Offer is subject to the satisfaction, amongst other matters, of the following conditions on or before 1 April 2016 (or such later date being no later than 8.00 a.m. 22 April 2016, as the Company may decide):

- Admission becoming effective by 8.00 a.m. on 1 April 2016 (or such later time or date not being later than 8.00 a.m. on 22 April 2016 as the Company may decide);
- the Underwriting Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms; and

- the Resolutions having been duly passed without amendment at the Extraordinary General Meeting.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 1 April 2016 (or such later time and date as the Company may decide being no later than 8.00a.m. 22 April 2016), the Open Offer will lapse and application monies will be returned by post to the Applicant(s) at the Applicant's risk and without interest, to the address set out in the Application Form, within 14 days thereafter.

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

Settlement and dealings

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that such Admission will become effective and that dealings will commence at 8.00 a.m. on 1 April 2016. Further information in respect of settlement and dealings in the New Ordinary Shares is set out in paragraph 7 of Part 2 of the Circular.

Overseas Shareholders

Certain Overseas Shareholders may not be permitted to subscribe for Open Offer Shares pursuant to the Open Offer and should refer to paragraph 6 of Part 2 of the Circular.

Extraordinary General Meeting

An Extraordinary General Meeting of the Company will be held at Banjo Jersey, 8 Beresford Street, St Helier, Jersey JE2 4WN at 10.00 a.m. on 30 March 2016 for the purpose of considering and, if thought fit, adopting the Resolutions at the Extraordinary General Meeting or any adjournment thereof.

Resolution 1 will be proposed as a special resolution and increases the Company's authorised share capital.

Resolution 2 will be proposed as an ordinary resolution (and is conditional on the passing of Resolution 1) and authorises the Directors to allot and issue the New Ordinary Shares pursuant to the Fundraising. The authority granted by the resolution, if passed, will be in addition to, and will not revoke or supersede, the authority to allot Ordinary Shares granted to the Directors at the annual general meeting of the Company held on 29 July 2015.

Resolution 3 will be proposed as a special resolution (and is conditional on the passing of Resolution 2) and empowers the Directors to allot and issue New Ordinary Shares pursuant to the authority granted by Resolution 2 free of the pre-emption rights contained in the articles of association of the Company. The power granted by the resolution, if passed, will be in addition to, and will not revoke or supersede, the power to allot Ordinary Shares on a non pre-emptive basis granted to the Directors at the annual general meeting of the Company held on 29 July 2015.

Related Party Transactions

The following Directors and Proposed Director will be subscribing for Firm Placing Shares (the "Participating Directors"):

Director/Proposed Director	*Ordinary Shares held prior to the Fundraising*	*Ordinary Shares subscribed for in the Firm Placing*	*Ordinary Shares held following the Fundraising*	*Percentage of the Enlarged Issued Share Capital held*

Martin Bralsford	204,800	550,000	754,800	0.43%
Mike Hall	227,648	1,000,000	1,227,648	0.69%
Donal Duff	100,000	750,000	850,000	0.48%
Martin Magee	9,456	50,000	59,456	0.03%
Simon Perrée	52,400	250,000	302,400	0.17%
Clive Whiley (via Zodiac Executive Pension Scheme)	-	500,000	500,000	0.28%

The Participating Directors will not be applying for their Basic or Excess Entitlements in the Open Offer.

The Independent Director, being Clive Jones who is not subscribing for Firm Placing Shares, having consulted with finnCap, considers that the participation of the above Directors and the Proposed Director in the Firm Placing is fair and reasonable insofar as Shareholders are concerned.

Henderson Global Investors Limited ("Henderson") and Fidelity Investments Limited ("Fidelity") currently hold 8,026,772. Ordinary Shares (17.0 per cent) and 4,712,035 Ordinary Shares (10.0 per cent.) respectively, making them substantial shareholders in the Company for the purpose of the AIM Rules. Henderson and Fidelity are subscribing for 37,725,800 and 9,200,000 Firm Placing Shares respectively and therefore this constitutes a related party transaction under the AIM Rules. Following the Fundraising, Henderson will hold 52,173,990 Ordinary Shares (29.5 per cent. of the Enlarged Issued Share Capital) and Fidelity will hold 17,681,663 Ordinary Shares (10.0 per cent. of the Enlarged Issued Share Capital). The Directors consider, having consulted with finnCap, that the participation of Henderson and Fidelity in the Firm Placing is fair and reasonable insofar as Shareholders are concerned.

FUNDRAISING STATISTICS

Closing Price[1]	23.00 pence
Issue Price	10.00 pence
Number of Existing Ordinary Shares in issue on the Record Date	47,120,357
Number of Firm Placing Shares	92,300,000
Number of Open Offer Shares	37,696,286
Open Offer Basic Entitlement	8 Open Offer Shares for every 10 Existing Ordinary Shares
Number of New Ordinary Shares	129,996,286
Enlarged Issued Share Capital immediately following the Fundraising	177,116,643
Gross proceeds of the Fundraising	£13.0 million
Estimated net proceeds of the Fundraising receivable by the Company	£12.3 million
Percentage of the enlarged issued share capital of the Company that the New Ordinary Shares will represent	73.4 per cent.

Notes

(1) Closing Price on 11 March 2016, being the last practicable Business Day prior to the publication of the Circular.

(2) Statistics are prepared on the basis that no Ordinary Shares will be issued following the date of the Circular and before the completion of the Open Offer.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2016
Record Date and time for entitlements under the Open Offer	5.00 p.m. on 9 March
Announcement of the Firm Placing and the Placing and Open Offer	14 March
Dispatch of the Circular, the Forms of Proxy to Qualifying Shareholders and Application Forms to Qualifying Non-CREST Shareholders	14 March
Existing Ordinary Shares marked 'ex' entitlement by the London Stock Exchange	14 March
Basic Entitlements and Excess Entitlements credited to CREST accounts of Qualifying CREST Shareholders	15 March
Recommended latest time and date for requesting withdrawal of Basic Entitlements and Excess Entitlements from CREST	4.30 p.m. on 23 March
Latest time and date for depositing Basic Entitlements and Excess Entitlements into CREST	3.00 p.m. on 24 March
Latest time and date for splitting Application Forms (to satisfy *bona fide* market claims only)	3.00 p.m. on 28 March
Latest time and date for receipt of completed Application Forms from Qualifying Shareholders and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 30 March
Latest time and date for receipt of Forms of Proxy for the Extraordinary General Meeting	10.00 a.m. on 28 March
Extraordinary General Meeting	10.00 a.m. on 30 March
Announcement of result of the Extraordinary General Meeting	30 March
Expected date of Admission and commencement of dealings in New Ordinary Shares	1 April
Expected date for CREST accounts to be credited with New Ordinary Shares	1 April
Share certificates in relation to New Ordinary Shares (where applicable) dispatched by	8 April

Notes

Save for the date of publication of the Circular, each of the times and dates above are subject to change. Any such change, including any consequential change in the Fundraising Statistics above, will be notified to Shareholders by an announcement on a Regulatory Information Service. Certain events in the timetable above are conditional upon, *inter alia*, the approval of the Resolutions. All times are London times and each of the times is subject to change.