

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.**

**THIS IS AN ANNOUNCEMENT UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE AND THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE.**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION (EU) NO 596/2014 (MAR).**

15 October 2019

**Murgitroyd Group PLC**  
(“Murgitroyd” or the “Company”)  
**Possible Offer for the Company**

The board of Murgitroyd (the “Board”) notes the recent movement in the Company’s share price and confirms that it is in advanced discussions in relation to an indicative proposal (the “Proposal”) received from Sovereign Capital Partners LLP (“Sovereign”) to acquire the entire issued and to be issued share capital of Murgitroyd at a price of 675 pence in cash. The Proposal assumes that the recently announced final dividend of 15 pence per share will be paid to shareholders on the register as at close of business on 11 October 2019 as anticipated.

The Board notes that the Proposal is non-binding and accordingly there can be no assurances that an offer will ultimately be made for the Company.

This is an announcement falling under Rule 2.4 of the Code and does not constitute an announcement of a firm intention to make an offer for Murgitroyd under Rule 2.7 of the Code.

Rule 2.6(a) of the Code, requires that Sovereign must, by not later than 5.00 p.m. on 12 November 2019, being the 28th day following the date of this announcement, either announce a firm intention to make an offer for the Company in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline will only be extended with the consent of the Panel on Takeovers and Mergers, in accordance with Rule 2.6(c) of the Code.

This announcement is being made with the consent of Sovereign. For the purposes of Rule 2.5(a) of the Code, Sovereign reserves the right to make an offer at any time for less than 675 pence per Murgitroyd share: (i) with the agreement or recommendation of the Board of Murgitroyd; (ii) if a third party announces a firm intention to make an offer for Murgitroyd pursuant to Rule 2.7 of the Code, which at that date is valued at a price lower than 675 pence for each Murgitroyd share; or (iii) following the announcement by Murgitroyd of a whitewash transaction pursuant to the Code.

On 17 September 2019, Murgitroyd released its final results for the year ended 31 May 2019, within which the Board announced a proposed final dividend of 15.0 pence per Murgitroyd share (the "Final Dividend") payable to Murgitroyd shareholders on the register as at close of business on 11 October 2019 (the "Record Date"), which remains subject to approval by Murgitroyd shareholders at the Murgitroyd 2019 annual general meeting convened for 31 October 2019. Subject to such shareholder approval, Murgitroyd shareholders on the register at the Record Date will be entitled to receive and retain the Final Dividend.

The Proposal indicates that if any further dividend and/or other form of capital return or distribution is authorised, declared, made or paid or becomes payable in respect of Murgitroyd shares (other than the Final Dividend) on or after the date of this announcement and prior to the date on which, Sovereign having announced a firm intention to make an offer for the Company in accordance with Rule 2.7 of the Code, such offer becomes or is declared unconditional in all respects or otherwise becomes effective (the "Effective Date"), the price payable for each Murgitroyd share shall be reduced by an amount equivalent to the gross amount of all of any such dividend and/or other form of capital return or distribution.

Discussions with Sovereign are at an advanced stage with due diligence enquiries complete. The Board confirms that, should Sovereign or an entity controlled by Sovereign announce a firm intention to make an offer pursuant to Rule 2.7 of the Code on the above terms, the Board's current intention is to recommend that Murgitroyd shareholders accept the offer.

A further announcement will be made in due course.

Pursuant to Rule 2.9 of the Code, the Company confirms that there are 9,009,347 ordinary shares of 10p in issue with International Securities Identification Number GB0031067456.

As a consequence of this announcement, an 'Offer Period' has now commenced in respect of the Company in accordance with the rules of the Code and the attention of shareholders is drawn to the disclosure requirements of Rule 8 of the Code, which are summarised below.

Enquiries/for further information:

<b>Murgitroyd Group PLC</b>	(via Nplus1 Singer Advisory LLP)
<b>N+1 Singer (Nominated Adviser, Joint Rule 3 Adviser and Broker to Murgitroyd)</b> Sandy Fraser / George Tzimas / Amanda Gray	Tel. +44 (0) 20 7496 3000
<b>Deloitte LLP (Financial Adviser and Joint Rule 3 Adviser to Murgitroyd)</b> Chris Nicholls / Gavin Hood / Craig Lukins	Tel. +44 (0) 20 7936 3000
<b>Zeus Capital (Financial Adviser to Sovereign)</b> Nick Cowles / Jamie Peel / Andrew Jones	Tel. +44 (0) 16 1831 1512

Nplus1 Singer Advisory LLP ("N+1 Singer"), which is authorised and regulated by the Financial Conduct Authority, is acting for the Company as nominated adviser, Rule 3 Adviser and broker in relation to the possible offer for the Company and is not acting for any other person in relation to such possible offer for the Company. N+1 Singer will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to

the contents of this announcement or any possible offer for the Company or arrangement referred to herein.

Deloitte LLP is acting for the Company and no-one else in connection with the possible offer for the Company and will not be responsible to anyone other than the Company for providing the protections offered to clients of Deloitte LLP or for providing advice in relation to the possible offer. Deloitte LLP is authorised and regulated in the United Kingdom by the Financial Conduct Authority in respect of regulated activities. Deloitte LLP can be contacted at its principal office: 1 New Street Square, London EC4A 3HQ.

**Disclosure requirements of the Code:**

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you

are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

**Publication on website**

A copy of this announcement will be made available on the Company's website <https://murgitroydgroup.com>.

For the avoidance of doubt, the content of the website referred to above is not incorporated into and does not form part of this announcement.