

27 February 2014

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**INCREASED AND FINAL RECOMMENDED CASH OFFER**

by

**PDJ BIDCO LIMITED**

for

**EXPANSYS PLC**

**Summary of the increased and final offer**

The board of PDJ Bidco Limited is pleased to announce the terms of an increased and final cash offer (the "**Increased and Final Offer**") to acquire the Expansys Shares to which the offer relates at a price of

**0.65 pence per Expansys share**

The Increased and Final Offer values the whole of the issued share capital of Expansys at approximately £7.55 million.

The Offer price represents a premium of approximately:

- 40 per cent. to the closing mid-market price of 0.465 pence for each Expansys Share as at the close of business on 14 January 2014 (being the last trading day before the acquisition of Expansys Shares triggering the Original Offer Announcement);
- 22 per cent. to the average closing price of 0.534 pence between 8 January 2014, when Expansys reported its interim results, and 14 January 2014;
- 20 per cent. to the average closing price of 0.542 pence between 30 July 2013, when Expansys reported its results for the financial year ended 30 April 2013, and 14 January 2014; and
- 29 per cent. to the average closing price of 0.503 pence between 21 March 2013, when Expansys gave a second half trading update in respect of expected results for the April 2013 financial year, and 14 January 2014.

**PDJ Bidco's Increased and Final Offer of 0.65 pence per Expansys Share is full and final and will not be increased.**

**Pursuant to the terms of the original offer document dated 12 February 2014 (the "Original Offer Document"), Expansys Shareholders who have previously validly accepted PDJ Bidco's original offer of 0.62 pence per Expansys Share made on 12 February 2014 (the "Original Offer") (and who have not validly withdrawn those acceptances) will automatically be deemed to have accepted the terms of the Increased and Final Offer by virtue of their prior acceptances and therefore need take no further action. Save as set out in this announcement, the Increased and Final Offer is subject to the same terms as the Original Offer. The Increased and Final Offer is a revision to the Original Offer and shall be construed accordingly.**

In accordance with Rule 32.1 of the Code, a revised offer document (the "**Increased and Final Offer Document**") containing details of the Increased and Final Offer will be posted to Expansys Shareholders shortly and, for information only, to participants in the Expansys Share Incentive Schemes and persons with information rights including employees or their representatives (other than in relation to anyone in a Restricted Jurisdiction) on or before 27 March 2014.

### **Background to the Increased and Final Offer**

Since announcing the Original Offer and posting the Original Offer Document on 12 February 2014, PDJ Bidco has received an irrevocable undertaking from Medical Debenture Investments ("**MDI**") and Paul McMahon to accept, or procure the acceptance of the Increased and Final Offer in respect of the beneficial interests of MDI in Expansys Shares amounting to 117,000,000 Expansys Shares representing approximately 10.01 per cent of the entire issued ordinary share capital of Expansys. Details of the conditions of the irrevocable undertaking from MDI are given below.

### **Recommendation to Accept the Increased and Final Offer**

The Independent Expansys Directors, having given due consideration to numerous factors set out in the Original Offer Document and having been advised by N+1 Singer, unanimously recommended that Expansys Shareholders accept the Original Offer of 0.62 pence per Expansys Share. As the Increased and Final Offer is at a higher price, the Independent Expansys Directors have taken further advice from N+1 Singer and will recommend unanimously the Increased and Final Offer for acceptance by Expansys Shareholders.

The irrevocable undertakings given by the Independent Expansys Directors in respect of their own beneficial interests in Expansys Shares (comprising in aggregate 21,270,795 Expansys Shares, representing approximately 1.83 per cent. of the existing issued share capital of Expansys) remain in effect in respect of the Increased and Final Offer. In providing advice to the Independent Expansys Directors, N+1 Singer has taken into account the commercial assessments of the Independent Expansys Directors.

### **Cash confirmation**

WH Ireland is satisfied that sufficient resources are available to PDJ Bidco to satisfy in full the cash consideration payable pursuant to the Revised and Final Offer.

### **Existing acceptance levels, disclosure of interests and irrevocable undertakings**

The aggregate of the existing holdings of PDJ Bidco, Mr Jones and their concert parties, together with the shares which are subject to irrevocable undertakings, as well as the acceptances of the Offer as at 5.00 p.m. on 26 February 2014, represent 763,944,401 Expansys Shares or 65.75 per cent. of the entire issued share capital of Expansys. This is split as follows:

- As at 5.00 p.m. on 26 February 2014, acceptances of the Original Offer had been received in respect of 12,201,761 Expansys Shares, representing approximately 1.05 per cent. of the existing issued ordinary share capital of Expansys. As set out above, Expansys Shareholders who accepted the Original Offer will automatically be deemed to have accepted the terms of the Increased and Final Offer by virtue of their prior acceptances. Of these, 7,007,942 Expansys Shares (representing approximately 0.6 per cent. of the existing issued ordinary share capital of Expansys) were in respect of irrevocable undertakings given by the Expansys Directors and none were in respect of persons acting in concert with PDJ Bidco.
- Irrevocable undertakings were given by the Independent Expansys Directors in respect of their own beneficial interests in Expansys Shares in respect of the Original Offer. These irrevocable undertakings remain in effect in respect of the Increased and Final Offer. There are 14,262,853 Expansys Shares (representing approximately

1.23 per cent. of the issued share capital of Expansys) which remain subject to irrevocable undertakings from the Independent Directors (and which have not yet been assented to the Offer).

- In addition, PDJ Bidco has received an irrevocable undertaking from Medical Debenture Investments Limited and Paul McMahon to accept, or procure the acceptance of, the Increased and Final Offer in respect of their beneficial interests in Expansys Shares amounting to 117,000,000 Expansys Shares (representing 10.07 per cent. of the entire issued ordinary share capital of Expansys).

The details of the irrevocable undertakings are as follows:

Name	Number of Expansys Shares committed	Percentage of entire existing share capital of Expansys	Note
MDI	117,000,000	10.07%	(1)
Bob Wigley	8,410,714	0.72%	(2)
Brian Collie	8,052,324	0.69%	(2)(3)
Graham Dawber	1,339,000	0.12%	(2)(4)
Anthony Catterson	2,046,429	0.18%	(2)
Chris Ogle	1,422,328	0.12%	(2)
<b>Total</b>	<b>138,270,795</b>	<b>11.90%</b>	

Notes:

- (1) This irrevocable undertaking is binding regardless of whether a higher offer is made.
- (2) Each of these irrevocable undertakings falls away in the event of a higher offer.
- (3) Mr Collie has accepted the Offer in respect of 5,668,942 Expansys Shares to date.
- (4) Mr Dawber has accepted the Offer in respect of 1,339,000 Expansys Shares to date.

A copy of this announcement, the Original Offer Document, the Form of Acceptance and the irrevocable undertakings referred to above will be available for inspection on Mr Jones' website at [www.peterjones.com](http://www.peterjones.com) and on Expansys' website at [www.expansys.plc.uk](http://www.expansys.plc.uk) by no later than 12 noon (London time) on the day following this announcement.

Unless otherwise stated, capitalised terms used in this announcement have the same meaning as those in the Original Offer Document.

## Enquiries

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or approval, in any jurisdiction pursuant to the Offer or otherwise. The Offer will be made solely by means of the Offer Document and the Form of Acceptance (in respect of certificated Expansys Shares), which will together contain the full terms of the Offer, including details of how the Offer may be accepted. Any acceptance or other response to the Offer should be made only on the basis of the information in the Offer Document and the Form of Acceptance (in the case of certificated Expansys Shares). This announcement does not constitute a prospectus or prospectus equivalent document.

### **CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

This announcement contains certain forward looking statements, including statements regarding Mr. Jones' and/or PDJ Bidco's intentions. Such statements relate to events and depend on circumstances that will occur in the future and are subject to risks, uncertainties and assumptions. There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements, including, among others the enactment of legislation or regulation that may impose costs or restrict activities; the renegotiation of contracts or licences; fluctuations in demand and pricing in the relevant industry; fluctuations in exchange controls; changes in government policy and taxations; industrial disputes; war and terrorism. These forward looking statements speak only as at the date of this announcement.

### **IMPORTANT INFORMATION**

The Increased and Final Offer Document and (in the case of Expansys Shares held in certificated form) the Form of Acceptance are expected to be posted to Expansys Shareholders on or before 27 March 2014.

The PDJ Bidco Board accepts responsibility for the information contained in this announcement. To the best of the knowledge and belief of the PDJ Bidco Board (which has taken all reasonable care to ensure that such is the case), the information contained in this announcement for which it is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

WH Ireland, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for PDJ Bidco and no one else in connection with the Offer and will not be responsible to anyone other than PDJ Bidco for providing the protections afforded to clients of WH Ireland nor for providing advice in relation to the Offer or any other matter or arrangement referred to in this announcement.

N+1 Singer, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Expansys and no one else in connection with the Offer and will not be responsible to any person other than Expansys for providing the protections afforded to clients of N+1 Singer nor for providing advice in relation to the Offer or any other matter or arrangement referred to in this announcement.

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. The following announcement has been prepared in accordance with English law and the Code and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

Unless otherwise determined by PDJ Bidco and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in or into, or by the use of the mails or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce, or any facility of a national securities exchange, of a Restricted Jurisdiction (including the United States, Canada, Australia or Japan) and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility or from

*within a Restricted Jurisdiction. Accordingly, copies of this announcement are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from a Restricted Jurisdiction and persons receiving this announcement (including, without limitation, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from a Restricted Jurisdiction. Doing so may render invalid any purported acceptance of the Offer. The availability of the Offer to persons who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.*

## **DEALING DISCLOSURE REQUIREMENTS**

*Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any paper 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 paper 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) an offeree company and (ii) any paper 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 p.m. (London time) on the 10th business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper 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 per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree or of any paper 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) an offeree company and (ii) any paper 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 p.m. (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 the offeree company or a paper 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 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. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.*

## **FURTHER INFORMATION**

*Please be aware that addresses, electronic addresses and certain other information provided by Expansys Shareholders, persons with information rights and other relevant persons for the*

*receipt of communications from Expansys may be provided to PDJ Bidco during the Offer Period as required under Section 4 of Appendix 4 of the Code.*

***If you are in any doubt about the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser authorised under the Financial Services and Market Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.***

***Copies of this announcement will be available free of charge on Mr. Jones' website at [www.peterjones.com](http://www.peterjones.com) and on Expansys' website at [www.expansys.plc.uk](http://www.expansys.plc.uk) by no later than noon (London time) on the business day following this announcement. For the avoidance of doubt, the contents of this website are not incorporated into and do not form part of this announcement.***