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***This announcement is not a prospectus and any purchase of or application for shares in the Capital Raising should only be made on the basis of information contained in the formal prospectus to be issued in connection with the Capital Raising and any supplement thereto, copies of which will be made available at the Company's registered office: Pinesgate, Lower Bristol Road, Bath, BA2 3DP and, except in certain Restricted Jurisdictions, on the Company's website at [www.helphire.co.uk](http://www.helphire.co.uk)***

## **HELPHIRE GROUP PLC**

### **PROPOSED REFINANCING**

#### **AND**

### **PROPOSED DELISTING FROM THE OFFICIAL LIST AND ADMISSION TO AIM**

#### **HIGHLIGHTS**

The Board of Helphire is pleased to announce a substantial refinancing of the Group, which it considers will improve the position of Shareholders significantly and strengthen the Group's trading position. The Refinancing involves raising equity finance and using the net proceeds, together with an issue of new shares to the Banks, to settle in full the Group's senior debt facilities, leaving the Group ungeared save for certain fleet and property facilities.

The Proposals include:

- A Firm Placing and a Placing and Open Offer to raise £25.6 million (before expenses)
- The repayment of approximately £23 million of existing debt owed to the Banks and the issue of 187,396,364 Debt for Equity Shares to the Banks to extinguish approximately £64.6 million of existing debt owed to the Banks
- The restatement of the terms of the remaining debt owed to the Banks
- Delisting from the Official List and moving to AIM

A circular relating to the Refinancing, including a Prospectus and a notice of General Meeting, is expected to be posted to shareholders today.

Avril Palmer-Baunack, Chairman of Helphire said:

*"I am very pleased that we have been able to announce the Refinancing, which completes the restructuring of Helphire. The Group is now performing well at the operating level and the refinancing of all of the Group's debt (other than asset finance) puts us in a strong position to consolidate and improve the Group's financial performance. We are grateful to the investors who have supported our fundraising and to our lenders for their constructive role in the Refinancing and we look forward to rewarding their commitment to the Group."*

#### **ENQUIRIES:**

##### **Helphire Group**

Avril Palmer-Baunack, Chairman

01225 321 134

Martin Ward, Chief Executive Officer

Stephen Oakley, Chief Financial Officer

##### **Cenkos Securities**

020 7397 8900

Ian Soanes

Max Hartley

##### **Square1 Consulting**

020 7929 5599

David Bick

Mark Longson

#### **IMPORTANT NOTICE**

*Cenkos Securities plc, which is authorised and regulated by the Financial Services Authority, is acting for Helphire Group plc and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Helphire Group plc for providing the protections afforded to its customers or for providing advice to any other person in relation to the matters referred to in this announcement.*

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*Certain statements in this announcement are forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties and assumptions because they relate to events and/or depend on circumstances that may or may not occur in the future and could cause actual results to differ materially from those expressed in, or implied by, the forward looking statements. These include, among other factors: the effects of continued or increasing volatility in international financial markets, economic conditions both internationally and in individual markets in which Helphire operates, and other factors affecting the level of Helphire's business activities and the costs and availability of future financing for its activities. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Forward looking statements contained in this announcement based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under the Listing Rules of the UK Listing Authority, neither the Company nor Cenkos Securities plc undertakes any obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward looking statements, which speak only as of the date of this announcement.*

*You are advised to read this announcement and, once available, the Prospectus and the information incorporated by reference therein in their entirety for a further discussion of the factors that could affect the Group's future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this announcement may not occur.*

*No statement in this announcement is intended to be a profit forecast or to imply that earnings of the Company for the current year or future years will necessarily match or exceed the historical or published earnings of the Company.*

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*affect the Group's future performance and the industry in which it operates. Persons needing advice should consult an independent financial adviser.*

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## **HELPHIRE GROUP PLC**

### **PROPOSED REFINANCING AND**

### **PROPOSED DELISTING FROM THE OFFICIAL LIST AND ADMISSION TO AIM**

#### **INTRODUCTION**

The Board of Helpfire is pleased to announce a substantial refinancing of the Group, which it considers will improve the position of Shareholders significantly and strengthen the Group's trading position. The Group has made considerable progress in recent months and has achieved stability after a challenging period. The Board considers that the business has the potential to achieve further improvements in its trading performance if changes are made to give it a sound, sustainable funding platform. The Board is pleased that, through discussions with the Company's debt providers and major Shareholders, it has been able to agree a set of refinancing proposals which it considers to be beneficial to the Company, its Shareholders and its lenders. The Refinancing involves raising equity finance and using the net proceeds, together with an issue of new shares to the Banks, to settle in full the Group's senior debt facilities, leaving the Group ungeared save for certain fleet and property facilities.

#### **BACKGROUND TO AND REASONS FOR THE REFINANCING**

During a period of substantial development from 2004 to 2007, which included a number of acquisitions, the Company funded growth by way of debt obtained from the Banks. Besides funding acquisitions, debt was also used to provide working capital to enable the Company to increase the scale of its operations. In early 2008, and leading into the global economic downturn, the Company faced a number of trading difficulties and early in 2009, the Company embarked on a significant restructuring of its business which, over a three year period, included reducing overhead costs by almost £70 million, reducing the workforce by approximately 2,000 employees and reorganising its operational footprint. The Company also reduced its working capital requirements significantly and continued to service the Group's remaining debt.

Since the completion of the restructuring, the size of the Group's operations, its financial performance and its working capital requirements have stabilised, giving the Board far greater visibility of the likely future

performance and capital requirements of the business. The Board and the Banks share the view that the repayment of the remaining senior bank debt would take many years to achieve and that, during that time, the business would be exposed to considerable risk if its borrowing levels remained high.

## **PRINCIPAL TERMS AND CONDITIONS OF THE REFINANCING**

The Refinancing comprises the Share Capital Reorganisation (and consequent amendments to the Articles), a Firm Placing and Placing and Open Offer to raise £25.6 million (before expenses, approximately £23 million after expenses) and the Debt Repayment and Restructuring.

The key terms of the Refinancing are as follows:

- the Share Capital Reorganisation (and consequent amendments to the Articles) by virtue of which the 331,347,667 Existing Ordinary Shares of 5 pence each will be subdivided into 331,347,667 New Ordinary Shares of 0.01 pence each and 331,347,667 Deferred Shares of 4.99 pence each. The Share Capital Reorganisation is not conditional upon completion of the Refinancing.
- a Placing and Open Offer of 861,503,935 Placing and Open Offer Shares at a subscription price of 2.5 pence per New Ordinary Share to raise approximately £21.5 million (before expenses);
- a Firm Placing of 164,000,000 Firm Placing Shares at a subscription price of 2.5 pence per New Ordinary Share to raise approximately £4.1 million (before expenses)
- a repayment of approximately £23 million of existing debt (subject to adjustment depending upon the amount drawn under certain of the Existing Facilities on the Business Day prior to First Admission) owed to the Banks using the net proceeds of the Capital Raising and a restatement of the terms of the remaining debt owed to the Banks;
- a debt for equity swap with the Banks, resulting in the issue of 187,396,364 Debt for Equity Shares to the Banks; and
- the extinguishing of approximately £64.6 million of existing debt (subject to adjustment depending upon the amount drawn under certain of the Existing Facilities on the Business Day prior to First Admission) owed to the Banks.

The Share Capital Reorganisation (and related amendment to the Articles), the Capital Raising and the Debt Repayment and Restructuring are all conditional upon the approval of all of the Refinancing Resolutions by Shareholders at the General Meeting.

The Share Capital Reorganisation is necessary to allow the Capital Raising to be carried out at the Issue Price (which is below the current nominal value of the Existing Ordinary Shares). Each Shareholder's proportionate interest in the Company's issued ordinary share capital will remain unchanged as a result of the proposed Share

Capital Reorganisation. Aside from the change in nominal value, the rights attaching to the New Ordinary Shares (including voting and dividend rights and rights on a return of capital) will be identical in all respects to those of Existing Ordinary Shares. The proposed Share Capital Reorganisation will not affect the Group's or the Company's net assets.

## **CAPITAL RAISING**

Centkos has entered into the Placing Agreement with the Company pursuant to which it has, on the terms and subject to the conditions set out therein, procured placees to subscribe for the Capital Raising Shares at the Issue Price subject to clawback of the Placing and Open Offer Shares by Qualifying Shareholders in order to satisfy valid applications made under the Open Offer.

### ***Firm Placing***

Centkos has procured placees for the Firm Placing Shares pursuant to the Placing Agreement. The Firm Placing Shares will not be subject to clawback by Qualifying Shareholders under the Open Offer. The Directors consider it necessary to issue Firm Placing Shares that are not subject to clawback under the Open Offer in order to ensure sufficient support for the Capital Raising.

### ***Placing and Open Offer***

In order to provide Shareholders who have not taken part in the Firm Placing or the Placing with an opportunity to participate in the Refinancing, the Company is providing all Qualifying Shareholders with the opportunity to subscribe at the Issue Price for all of the Placing and Open Offer Shares.

Centkos has agreed, as agent for the Company, to invite Qualifying Shareholders to apply to subscribe for the Placing and Open Offer Shares on the following basis:

### **2.6 Placing and Open Offer Shares at 2.5 pence per Placing and Open Offer Share for every Existing Ordinary Share**

held and registered in their name at the Record Time.

Entitlements to Placing and Open Offer Shares under the Open Offer will be rounded down to the nearest whole number of New Ordinary Shares. Fractional entitlements to Placing and Open Offer Shares will be aggregated and sold for the benefit of the Company under the Placing. It should be noted that the Open Offer is not a rights issue. The Application Form is not a document of title and cannot be traded. Unlike a rights issue, any Placing and Open Offer Shares not applied for under the Open Offer will not be sold in the market or placed for the benefit of Qualifying Shareholders.

The latest time and date for acceptance and payment in full under the Open Offer is expected to be 11.00 a.m. on 15 March 2013.

## **General**

The Capital Raising is not underwritten, but through the Firm Placing and the Placing, Cenkos has conditionally pre-placed all of the Capital Raising Shares at the Issue Price with institutional investors and certain of the Directors (subject to clawback of the Placing and Open Offer Shares by Qualifying Shareholders in order to satisfy valid applications made under the Open Offer).

Under the terms of the placing letters entered into between Cenkos and the placees, each placee has agreed to subscribe for its placing commitment at the Issue Price (amounting to an aggregate of 1,025,503,935 Capital Raising Shares). The Capital Raising and the placees' obligations under the placing letters are conditional upon the Placing Agreement having become unconditional in all respects and not having been terminated in accordance with its terms prior to First Admission.

The Placing Agreement is conditional upon, among other things:

- the Refinancing Resolutions having been passed at the General Meeting;
- the Restructuring Agreement not having been terminated in accordance with its terms and all steps required under the Restructuring Agreement to have occurred before First Admission having so occurred or been waived by the relevant parties to that agreement;
- First Admission having occurred not later than 8.00 a.m. on 26 March 2013 (or such other time and/or date as the Company and Cenkos may agree, not being later than 8.00 a.m. on 8 April 2013);
- the warranties contained in the Placing Agreement being true and accurate and not misleading in any material respect at all times before First Admission; and
- the Company having complied in all material respects with its obligations under the Placing Agreement so far as the same fall to be performed prior to First Admission.

The Capital Raising is not conditional upon Delisting having occurred (it is, however, conditional upon the resolution in respect of the Delisting having been passed at the General Meeting).

In order to attract the level of commitment required from placees under the Firm Placing and the Placing and Open Offer to ensure that sufficient funds are raised to allow the Debt Repayment and Restructuring to proceed and because of the size of the Capital Raising in relation to the Company's market capitalisation, the Capital Raising Shares are being issued below the market price of the Ordinary Shares. The Issue Price represents a discount of 35.15 per cent. to the closing middle market price of 3.855 pence per Ordinary Share on 26 February 2013 (being the latest practicable date prior to the date of this announcement). As the discount is more than 10 per cent. to the closing middle market price of the Ordinary Shares (i) at the time of announcing the Open Offer; and (ii) at the time of agreeing the Firm Placing and the Placing, the Listing Rules require that the terms of the Firm Placing and Placing and Open Offer at that discount are approved by Shareholders.

The Capital Raising Shares will, when issued, be credited as fully paid and will rank equally in all respects with the New Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of such New Ordinary Shares after the date of issue of the Capital Raising Shares.

Application will be made for the Capital Raising Shares to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market for Listed Securities. It is expected that First Admission will occur and that dealings in the Capital Raising Shares will commence on the Main Market of the London Stock Exchange at 8.00 a.m. on 26 March 2013.

## **DEBT REPAYMENT AND RESTRUCTURING**

Subject to the terms of the Restructuring Agreement, the Company has reached conditional agreement with the Banks in relation to the Debt Repayment and Restructuring.

The Company has a number of debt facilities with the Banks which have historically funded the business. Subject to the proposed amendment to the amortisation schedule, the HHFS Fleet Agreement, which funds a proportion of the Group's vehicle fleet holding costs, will continue to operate in accordance with its terms as an element of the Group's overall vehicle funding strategy.

It has been agreed that the unpaid amounts outstanding under the AIB Mortgage Agreement will be written down to the estimated current market value of the properties on which the loans are secured and that the loans will be discharged as the properties are sold with no further recourse to the Group beyond the aggregate sale proceeds of the properties to which the mortgages relate.

The BoS Bilateral ESOP Agreement and Syndicated Working Capital and Loan Agreement will be extinguished entirely by means of the Debt Repayment and Restructuring, resulting in the Banks receiving the Repayment Amount of £23 million in cash and 187,396,364 Debt for Equity Shares in consideration for extinguishing these facilities and all related rights.

The Restructuring Agreement will complete upon Second Admission following payment of the Repayment Amount from the Company to the Banks (which payment is expected to take place approximately one Business Day following First Admission).

Application will be made for the Debt for Equity Shares to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market for Listed Securities. It is expected that Second Admission will occur and that dealings in the Debt for Equity Shares will commence on the Main Market of the London Stock Exchange at 8.00 a.m. on 28 March 2013 (two Business Days following First Admission).

In the context of the Restructuring Agreement the Banks, the Company and certain of the Directors entered into a deed of warranty (the "Deed of Warranty") pursuant to which the Company and those Directors gave certain limited warranties, severally, to the Banks in respect of there being no currently anticipated corporate transactions, material business or asset disposals or material litigation settlements in favour of the Group. The liability of the Company under the Deed of Warranty for breach of warranty is capped at £2.94 million and the liability of the Directors is also capped. In the event of a claim by the Banks under the Deed of Warranty, the Company will bear the first loss before claims may be extended to those Directors who are a party to it.

The Restructuring Agreement terminates: (i) if Second Admission has not occurred by 8.00 a.m. on 8 April 2013; (ii) at the Banks' election, if an order of a governmental body or court of competent jurisdiction restrains or otherwise prevents the implementation of the Refinancing; (iii) if the Banks take enforcement action under the Existing Facilities before close of business on the Business Day before First Admission; (iv) if certain insolvency events occur in respect of the Company or other members of the Group; or (v) if the Placing Agreement is terminated in accordance with its terms before First Admission.

## **EFFECT OF THE REFINANCING**

1,230,288,697 New Ordinary Shares will be issued pursuant to the Capital Raising and the Debt for Equity Conversion and in part payment of Cenkos' fees under the Placing Agreement. All of the Capital Raising Shares, when issued and fully paid, will rank in full for all dividends and other distributions declared, made or paid after the date of First Admission or Second Admission (as applicable) and will otherwise rank *pari passu* in all respects with the New Ordinary Shares. No temporary documents of title will be issued.

Following Second Admission, the New Financing Shares will, in aggregate, represent approximately 78.8 per cent. of the Enlarged Share Capital and the other New Ordinary Shares (representing the Existing Ordinary Shares following the Share Capital Reorganisation) will represent approximately 21.2 per cent. of the Enlarged Share Capital.

If a Qualifying Shareholder does not take up any of his entitlement under the Open Offer, his proportionate ownership and voting interests in the Company will be diluted by 78.8 per cent. by the issue of the New Financing Shares.

Even if a Qualifying Shareholder takes up his Open Offer Entitlements under the Open Offer, his proportionate ownership and voting interests in the Company will be diluted by 23.6 per cent. by the issue of the Firm Placing Shares, the Debt for Equity Shares and the Fee Shares.

The Board believes that the Refinancing represents an opportunity for the Group to create value for Shareholders in a shorter period and with considerably less volatility than could otherwise be achieved. The Board regards the Proposals as an attractive opportunity to secure the Group's financing and capital structure, to enable it to continue to strengthen its trading performance and to recommence the payment of dividends to Shareholders in the near future.

## **PROPOSED DELISTING AND AIM ADMISSION**

The Directors believe that the Company will benefit significantly from delisting from the Official List and seeking admission to trading on AIM and that it is appropriate to carry out the move to AIM following completion of the Refinancing. AIM has the benefit of lower transactional costs, reduced on-going costs and simpler administration and regulatory requirements more appropriate to the Company's size and stage of development.

In order to effect the move to AIM, the Company will require the approval of Shareholders at the General Meeting. If the Delisting resolution is passed at the General Meeting, the Company will inform the FSA and give 20 Business Days' notice of its intention to effect the AIM Admission under AIM's streamlined process for companies that have had their securities traded on an AIM Designated Market. As the Company's shares are

currently listed on the premium segment of the Official List, the AIM Rules do not require an admission document to be published by the Company in connection with the Company's admission to AIM. However, conditional upon, and immediately following, the approval by Shareholders at the General Meeting of the Delisting and the AIM Admission (expected to be 28 March 2013) the Company will publish an announcement which complies with the requirements of Schedule One of the AIM Rules comprising information required to be disclosed by companies transferring their securities from the Official List to AIM.

It is anticipated that the last day of dealings of the Ordinary Shares on the Main Market will be 24 April 2013. Cancellation of the listing of Ordinary Shares on the Official List is expected to take effect at 8.00 a.m. on 25 April 2013. AIM Admission is expected to take place and dealings in Ordinary Shares on AIM are expected to commence at 8.00 a.m. on 25 April 2013. The proposed Delisting and AIM Admission are not conditional upon completion of the Refinancing.

The Listing Rules require that at least 25 per cent. of the Enlarged Share Capital remains in public hands, the "Free Float Obligation". Depending upon the level of take-up by Qualifying Shareholders of their entitlements to Placing and Open Offer Shares, it is possible that there could be a breach of the Free Float Obligation. However, no such Free Float Obligation applies in respect of shares admitted to trading on AIM.

If, following Second Admission, less than 25 per cent. of the Enlarged Share Capital is held in public hands, the Company will be in breach of the Free Float Obligation until such time as Delisting and AIM Admission occur (expected to be 25 April 2012). In such circumstances, the Company will inform the FSA as soon as possible that it is in breach of the Free Float Obligation. It is the Company's understanding that the FSA would not seek to suspend or cancel the listing of the Company's shares on the Official List during the intervening period of approximately 20 Business Days, however, this decision remains at the FSA's discretion and can only be taken at the time of any breach.

## **STRATEGY**

Helphire's core accident management activity historically required high levels of working capital as the volume of business grew. Levels of business have been reduced, bringing down the Group's funding requirement and, significantly, collection of claims has improved markedly during the restructuring phase, reducing the average amount of capital tied up in each claim. Nevertheless, expansion of Helphire's core business increases working capital and therefore consumes cash so although the Board will seek opportunities to grow the business where the working capital profile of the additional business and the returns that can be earned justify such growth, it is not currently the Board's priority. The Board's near-term focus is to generate the maximum profitability from existing levels of business and continue to improve working capital management so as to generate cash and to maximise the returns to its Shareholders in the short to medium term by way of dividends.

The Board believes that the need for the services that the Group offers is firmly established with the motoring community and the provision of accident management claims services to motorists remains in demand. The principal referrers of work to the Group are insurance companies who require their policyholders, who have had an accident that was not their fault, to receive services that they would otherwise have to provide at their own cost. The quality of the service provided to the policyholder is becoming increasingly important to insurers who wish to protect their brand image. The Group regularly monitors its quality indicators, which consistently

demonstrate a high degree of satisfaction from users of the service. The Board believes that the Group is widely recognised for its quality of service and that this will become an increasingly important differentiating factor in future. The Board considers price-driven strategies to be unsustainable and sees the Group's future as being a quality provider of services both to its partners, who refer work, and to the end user of its services, whilst providing a sustainable commercial offering.

The Competition Commission is currently investigating the UK private motor insurance market, following a market referral by the OFT which was prompted by rising car insurance premiums over the last few years. Commission fees paid for referral of cases may be seen as providing the wrong motivation for the placement of work and the investigation may lead to changes in the way the Group's market operates. The underlying requirement among accident victims for mobility and related services following an accident are unlikely to change and the Board expects the Group to respond positively and successfully to any regulatory or market changes that might result from the investigation.

#### **DIVIDEND POLICY**

The payment of dividends is currently limited by the onerous debt servicing requirements under the Existing Facilities and the negative balance of the Company's distributable reserves. It is the Board's intention in due course to propose a capital reduction in order to cancel the Deferred Shares and the Company's share premium account so as to create distributable reserves to enable the payment of dividends from future free cashflow. Further details of the proposed capital reduction will be announced in due course.

Following completion of the proposed capital reduction, the Board intends to manage the Company so as to maximise its profit and cash generation and, in the absence of unforeseen circumstances, or other requirements or commitments to which the Directors should have regard to distribute as much of the profits by way of dividend as it reasonably and legitimately can, provided sufficient cash and distributable reserves are available to pay such dividends.

#### **NEW INCENTIVE SCHEMES**

With effect from Second Admission, the Board proposes to introduce new management incentive arrangements to support the implementation of its strategy. It is intended that some or all of the Directors will participate in these new schemes once they are introduced. The Board intends to cancel all subsisting awards under the Existing Incentive Schemes with the consent of the award holders.

#### **GENERAL MEETING**

For the purposes of effecting the Proposals, the Resolutions will be proposed at the General Meeting to be held at Berwin Leighton Paisner LLP, St Magnus House, Lower Thames Street, London EC3R 6HA at 10.00 a.m. on 25 March 2013.

#### **OVERSEAS SHAREHOLDERS**

Due to restrictions under relevant securities laws, subject to certain exceptions, no Application Form in relation to the Placing and Open Offer Shares will be sent to Qualifying Shareholders with registered addresses in any

Restricted Jurisdiction or any other prohibited territory, no Open Offer Entitlements will be credited to a stock account of any person with a registered address in any Restricted Jurisdiction or any other prohibited territory, and the Placing and Open Offer Shares may not be transferred or sold to or renounced or delivered in any Restricted Jurisdiction or any other prohibited territory. No offer of Capital Raising Shares is being made by virtue of this document or the Application Form or otherwise in any of the Restricted Jurisdictions or any other prohibited territory.

### **IRREVOCABLE UNDERTAKINGS**

The Company has received irrevocable undertakings or letters of intent from shareholders to vote in favour of:

- a) all of the Resolutions (other than Resolutions 5 and 6) in respect of 172,408,872 Existing Ordinary Shares representing, in aggregate, approximately 52.0 per cent. of the Existing Ordinary Shares;
- b) Resolution 5 in respect of 76,762,724 Existing Ordinary Shares representing, in aggregate, approximately 23.2 per cent. of the Existing Ordinary Shares; and
- c) Resolution 6 in respect of 133,748,536 Existing Ordinary Shares representing, in aggregate, approximately 40.4 per cent. of the Existing Ordinary Shares.

In addition, the Company has received irrevocable undertakings and letters of intent to take up Open Offer Entitlements under the Open Offer in respect of an aggregate of 199,583,081 Placing and Open Offer Shares representing, in aggregate, approximately 23.2 per cent. of the Placing and Open Offer Shares, the shares so taken up to be set against such person's placing commitments.

### **RECOMMENDATION AND VOTING INTENTIONS**

The Board, who have received financial advice from Cenkos, consider the Refinancing and the passing of the Resolutions to be fair and reasonable and in the best interests of Shareholders and the Company as a whole. In providing advice to the Board, Cenkos has taken into account the commercial assessment of the Directors.

Accordingly, the Board unanimously recommends Shareholders to vote in favour of each of the Resolutions, as they intend to do in respect of their own beneficial shareholdings held at the time of the General Meeting, amounting to 182,803 Existing Ordinary Shares in aggregate as at 26 February 2013 being the latest practicable date prior to the date of this announcement (representing approximately 0.06 per cent. of the Company's existing issued share capital).

### **REFINANCING STATISTICS**

Number of Existing Ordinary Shares currently in issue	331,347,667
Number of Ordinary Shares in issue immediately following Share Capital Reorganisation	331,347,667
Issue Price for each Capital Raising Share	2.5 pence
Number of Firm Placing Shares	164,000,000

Number of Placing and Open Offer Shares	861,503,935
Number of Capital Raising Shares	1,025,503,935
Number of Debt for Equity Shares	187,396,364
Fee Shares	17,388,398
New Financing Shares	1,230,288,697
New Financing Shares as percentage of Enlarged Share Capital	78.78 per cent.
Enlarged Share Capital on Admission	1,561,636,364
Proceeds receivable by the Company under the Capital Raising (before expenses)	£25.6 million
Percentage of the enlarged issued ordinary share capital represented by the Existing Ordinary Shares	21.22 per cent.

### **TIMETABLE OF PRINCIPAL EVENTS**

The following timetable sets out the expected timing of principal events. It is subject to change and any such change will be notified via a regulatory information service.

Record Date for the Open Offer	26 February 2013
Ex-entitlement date for the Open Offer	28 February 2013
Prospectus published	28 February 2013
General Meeting	10.00 a.m. on 25 March 2013
Share Capital Reorganisation becomes effective	25 March 2013
First Admission and dealings in the Capital Raising Shares on the London Stock Exchange	8.00 a.m. on 26 March 2013
Second Admission and commencement of dealings in the Debt for Equity Shares on the London Stock Exchange	8.00 a.m. on 28 March 2013
Last day of dealings in Ordinary Shares on the Main market	8.00 a.m. on 24 April 2013
Cancellation of listing of Ordinary Shares on the Official List	8.00 a.m. on 25 April 2013
AIM Admission and commencement of dealings in the New Ordinary Shares (including the New Financing Shares) on AIM	8.00 a.m. on 25 April 2013

### **ENQUIRIES:**

#### **Helphire Group**

Avril Palmer-Baunack, Chairman

01225 321 134

Martin Ward, Chief Executive Officer  
 Stephen Oakley, Chief Financial Officer

**Cenkos Securities**  
Ian Soanes  
Max Hartley

020 7397 8900

## DEFINITIONS

“2006 Act”	the Companies Act 2006 (as amended)
“AIB Mortgage Agreement”	the facility letter dated 19 September 2007 (as subsequently amended pursuant to a deed of amendment and restatement dated 29 February 2012) made between, <i>inter alia</i> , (1) Helphire and (2) AIB
“AIB”	AIB Group (UK) PLC
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Admission”	the admission of the Company’s Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM Rules”	the AIM rules for companies published by the London Stock Exchange (as updated from time to time) governing the admission to and the operation of AIM
“Application Form”	the personalised application form on which Qualifying Non-CREST Shareholders may apply for Placing and Open Offer Shares under the Open Offer
“Articles”	the articles of association of the Company in force at the date of this announcement
“Banks”	BoS, AIB and RBS
“BoS Bilateral ESOP Agreement”	the facility letter dated 15 October 2007 (as subsequently amended pursuant to a deed of amendment and restatement dated 29 February 2012) made between, <i>inter alia</i> , (1) Helphire, (2) HHFS and (3) BoS
“BoS”	Bank of Scotland PLC
“Business Day”	any day (excluding Saturdays and Sundays) on which banks are open in London for normal banking business
“Capital Raising”	the Firm Placing and the Placing and Open Offer
“Capital Raising Shares”	the Firm Placing Shares and the Placing and Open Offer Shares
“Cenkos”	Cenkos Securities plc, sponsor, broker and financial advisor, and, with effect from AIM Admission only, nominated adviser to the Company
“Company” or “Helphire”	Helphire Group plc
“Debt for Equity Conversion”	the issue of 187,396,364 New Ordinary Shares to the Banks in consideration for the extinguishing of all amounts owing by the Group to the Banks in excess of the Repayment Amount, which comprises part of the Refinancing in accordance with the terms of the Restructuring Agreement
“Debt for Equity Shares”	the 187,396,364 New Ordinary Shares to be issued to the Banks pursuant to the Debt for Equity Conversion

“Debt Repayment Restructuring”	and	the (i) repayment of the Repayment Amount to the Banks, (ii) Debt for Equity Conversion, and (iii) amendment and restatement of the AIB Mortgage Agreement and the HHFS Fleet Agreement, in accordance with the terms of the Restructuring Agreement
“Deferred Shares”		the deferred shares of 4.99 pence each in the capital of the Company resulting from the Share Capital Reorganisation
“Delisting”		the cancellation of the listing of the Ordinary Shares on the premium segment of the Official List of the UKLA and their trading on the London Stock Exchange’s Main Market for listed securities
“Directors” or the “Board”		the Directors of the Company
“Enlarged Share Capital”		the New Ordinary Shares which will be in issue following the Share Capital Reorganisation and the issue and allotment of the Capital Raising Shares, the Debt for Equity Shares and the Fee Shares
“Existing Facilities”		the AIB Mortgage Agreement, the BoS Bilateral ESOP Agreement, the HHFS Fleet Agreement and the Syndicated Working Capital and Loan Agreement
“Existing Incentive Schemes”		the Company’s Executive Share Option Scheme 2002, the Company’s 2009 Executive Share Incentive Scheme and the Company’s Save As You Earn Scheme
“Existing Ordinary Shares”		the 331,347,667 ordinary shares of 5 pence each in the capital of the Company in issue as at the date of this announcement
“Fee Shares”		17,388,398 New Ordinary Shares to be issued to Cenkos in part payment of fees payable in connection with the Proposals
“Firm Placing”		the conditional placing by Cenkos on behalf of Helphire of the Firm Placing Shares at the Issue Price pursuant to the Placing Agreement
“Firm Placing Shares”		164,000,000 New Ordinary Shares which are the subject of the Firm Placing and will not be subject to clawback to satisfy valid applications by Qualifying Shareholders under the Open Offer
“First Admission”		the admission of the Capital Raising Shares to listing on the premium segment of the Official List and to trading on the London Stock Exchange’s Main Market for listed securities
“Free Float Obligation”		the obligation pursuant to Listing Rule 6.1.19 for a company listed on the premium segment of the Official List to have not less than 25 per cent. of its shares in public hands
“FSA”		the Financial Services Authority of the United Kingdom

“FSMA ”	Financial Services and Markets Act 2000 (as amended)
“General Meeting” or “GM”	the general meeting of the Company convened for 10.00 a.m. on 25 March 2013
“Group”	the Company and its subsidiaries from time to time
“HHFS Fleet Agreement”	the facility agreement dated 9 October 2007 (as subsequently amended pursuant to a deed of amendment and restatement dated 29 February 2012) made between, <i>inter alia</i> , (1) HHFS, (2) Helphire and others as guarantors and (3) BoS
“HHFS”	HHFS Limited
“Issue Price”	2.5 pence per New Ordinary Share
“Listing Rules”	the Listing Rules issued by the UK Listing Authority pursuant to Part VI of the FSMA Part VI of the FSMA
“London Stock Exchange”	London Stock Exchange plc
“New Financing Shares”	the Capital Raising Shares, the Fee Shares and the Debt for Equity Shares
“New Ordinary Shares”	the ordinary shares of 0.01 pence each in the capital of the Company following the Share Capital Reorganisation (excluding the B Shares)
“Official List”	the official list maintained by the UK Listing Authority pursuant to Part V of FSMA, as amended from time to time
“OFT”	Office of Fair Trading
“Open Offer Entitlement”	an entitlement of a Qualifying Shareholder, pursuant to the Open Offer, to apply for 2.6 Placing and Open Offer Shares for every 1 Existing Ordinary Shares held by the Qualifying Shareholder at the Record Time
“Open Offer”	the conditional offer made by Cenkos, as agent of the Company, to Qualifying Shareholders inviting them to apply to subscribe for the Placing and Open Offer Shares on the terms and subject to the conditions set out in this document and, in the case of Non-CREST Shareholders, in the Application Form
“Ordinary Shares”	ordinary shares in the capital of the Company from time to time (excluding the B Shares)
“Other Resolutions”	the Resolutions other than the Refinancing Resolutions, to be proposed at the General Meeting, which are set out in the Notice of General Meeting
“Placing Agreement”	the conditional firm placing and placing and open offer agreement dated 28 February 2013 between the Company

	and Cenkos, relating to the Capital Raising
“Placing and Open Offer Shares”	the 861,503,935 New Ordinary Shares to be issued pursuant to the Placing and Open Offer
“Placing”	the conditional placing by Cenkos on behalf of Helphire of the Placing and Open Offer Shares at the Issue Price pursuant to the Placing Agreement and subject to clawback to satisfy valid applications by Qualifying Shareholders under the Open Offer
“Proposals”	the Refinancing, the Delisting and AIM Admission (and associated amendments to the Articles) and the adoption of the new incentive schemes
“Qualifying Shareholders”	Shareholders whose Existing Ordinary Shares are on the register of members of the Company at the Record Time with exclusion (subject to exceptions) of persons with a registered address or located or resident in the Restricted Jurisdictions
“RBS”	the Royal Bank of Scotland PLC
“Record Time”	5.00 p.m. on 26 February 2013
“Refinancing Resolutions”	the resolutions relating to the Refinancing to be proposed at the General Meeting, which are set out in the Notice of General Meeting
“Refinancing”	the Share Capital Reorganisation (and consequential amendments to the Articles), the Capital Raising and the Debt Repayment and Restructuring
“Repayment Amount”	£23 million, subject to adjustment as follows: (i) if the amounts drawn under certain of the facilities provided under the Syndicated Working Capital and Loan Agreement exceed £26 million on the Business Day prior to First Admission, the Repayment Amount shall be increased by the amount of the excess on a pound for pound basis; or (ii) if the amounts drawn under certain of the facilities provided under the Syndicated Working Capital and Loan Agreement are less than £26 million on the Business Day prior to First Admission, the Repayment Amount shall be reduced by the amount of the deficit on a pound for pound basis
“Resolutions”	the Refinancing Resolutions and the Other Resolutions
“Restricted Jurisdiction”	each and any of Australia, Canada, Japan, the Republic of South Africa and the United States
“Restructuring Agreement”	the agreement entered into on 27 February 2013 between, amongst others, (1) the Company and (2) the Banks which provides for, <i>inter alia</i> , the conditions precedent to the Debt for Equity Conversion and Debt Repayment and Restructuring and related matters

“Second Admission”	the admission of the Debt for Equity Shares and the Fee Shares to listing on the premium segment of the Official List and to trading on the London Stock Exchange’s Main Market for listed securities
“Securities Act”	the US Securities Act of 1933, as amended
“Share Capital Reorganisation”	the sub-division of the Company’s ordinary share capital and creation of the Deferred Shares
“Shareholders”	holders of Ordinary Shares
“Syndicated Working Capital and Loan Agreement”	the facility agreement dated 23 December 1997 (as subsequently amended pursuant to deeds of amendment and restatement dated 28 September 2011 and 29 February 2012) made between, <i>inter alia</i> , (1) Helphire, (2) BoS, (3) AIB and (4) RBS
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UKLA” or “UK Listing Authority”	The UK Listing Authority, being the FSA acting as competent authority for the purposes of Part VI of the FSMA
“US”, “USA” or “United States”	the United States of America, each state thereof (including the district of Columbia), its territories, possessions and all areas subject to its jurisdiction