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Reference P/2013/326
Date 27 September 2013

Royal Mail Share Offer

Expected Price Range and Offer Launch

Following the announcement by Her Majesty's Government ("HM Government") on 12 September 2013 of its intention to proceed with an initial public offering (the "IPO" or "Offer") of Royal Mail plc ("Royal Mail" or the "Group"), Business Secretary Vince Cable today announces the expected Offer price range and the commencement of the Offer for institutional and retail investors once an approved price range Prospectus is published today containing full details of the Offer.

Offer Highlights

- Expected Offer price range set at 260p to 330p per Share, implying a market capitalisation on Admission of between £2,600 million and £3,300 million.
- HM Government intends to dispose of a majority of the existing Shares, taking into account Shares sold in the Offer and the 10 per cent. of Royal Mail to be made available for free to around 150,000 eligible UK-based Royal Mail employees at or around the time of Admission under an employee free Shares offer (the "Employee Free Shares Offer"), which is separate and in addition to the Employee Priority Offer referred to below.
- The Offer consists solely of existing Shares being sold by HM Government.
- The Offer comprises between 401 million Shares and 522 million Shares, representing between 40.1 per cent. and 52.2 per cent. of Royal Mail's share capital on Admission, excluding Over-allotment Arrangements (the "Base Offer").
- Shares representing up to 15 per cent. of the Base Offer are also being made available pursuant to Over-allotment Arrangements.
- Following the Offer, HM Government's holding in Royal Mail is expected to be between approximately 37.8 per cent. and 49.9 per cent. assuming no exercise of the Over-allotment Option and between approximately 30.0 per cent. and 43.9 per cent. assuming exercise in full of the Over-allotment Option.
- Institutional Offer bookbuilding commences today, and is expected to close on 8 October 2013.

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- The Retail Offer opens later today. Individuals can apply in the Retail Offer through participating Intermediaries, or direct to HM Government online (at www.gov.uk/royalmailshares) or by post. The last date for the receipt of applications by Intermediaries and by HM Government's receiving agent is 8 October 2013.
- Pricing and allocations are expected to be announced and conditional dealings in the Shares on the London Stock Exchange are expected to commence on 11 October 2013.

Institutional Offer

- The Offer includes an offer to institutional investors in certain jurisdictions (in the UK and elsewhere outside the United States under Regulation S and to QIBs in the United States in reliance on Rule 144A) (the "Institutional Offer").
- HM Government currently envisages that around 70 per cent. of the Base Offer will be allocated to institutional investors.

Retail Offer

- The Offer also includes an offer to members of the public located in the UK (the "Retail Offer"), which includes a priority offer to eligible Royal Mail employees located in the UK (the "Employee Priority Offer").
- Members of the public can apply through stockbrokers and share dealing providers who are participating as Intermediaries, who will apply for Royal Mail Shares on behalf of their clients. A list of the firms acting as Intermediaries for the Offer can be found at www.gov.uk/royalmailshares.
- Members of the public can also apply online in the Retail Offer from later today at www.gov.uk/royalmailshares, where they can find further information about the Offer, including the full Prospectus and Summary Prospectus. For those without internet access, application packs will be available in around 1,500 Post Office branches nationwide from Monday, 30 September 2013. Post Office branches stocking application packs can be found using the search tool at www.postoffice.co.uk/branch-finder, or by calling the Retail Offer helpline on 0330 123 0147.
- Minimum application size in the Retail Offer is £750 for members of the public and £500 for eligible Royal Mail employees in the Employee Priority Offer.

Further Information

- Royal Mail's implied dividend yield for the year ended 31 March 2014 would be between approximately 6.1 per cent. and 7.7 per cent. on the basis of the expected Offer price range per Share above and notional full-year dividend of £200 million intended to be proposed in respect of FYE 2014 (the amount Royal Mail believes it would have proposed if the Company had been listed throughout FYE 2014).

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- The 10 per cent. stake in Royal Mail to be made available free to eligible employees is valued at between £260 million and £331 million based on the expected Offer price range per Share above.
- Each of Royal Mail (180 days), HM Government (180 days), and the Directors of Royal Mail (365 days) have committed to lock-up arrangements post Admission, which are subject to certain customary exemptions including a waiver by the Joint Global Co-ordinators.
- Pricing and allocations are expected to be announced and conditional dealings in the Shares on the London Stock Exchange are expected to commence on 11 October 2013.
- Admission to the premium segment of the Official List and unconditional dealings in the Shares on the London Stock Exchange are expected to occur on 15 October 2013.
- It is expected that following completion of the Offer, the Company will be eligible for inclusion in the FTSE UK Index Series at the quarterly review in December 2013.

Business Secretary Vince Cable said:

"Today is an important day in the life of Royal Mail: people can now apply to buy shares in this iconic British brand.

"This will give Royal Mail access to the private capital it needs to modernise, as envisaged under successive governments, and enshrined in law by Parliament two years ago.

"We have already committed to give eligible Royal Mail staff a real stake in the company by giving them 10 per cent of company shares for free.

"Now the sale of Government shares will give others a chance to have a real stake in this important company and we are encouraged by the interest shown by potential investors so far."

Moya Greene, Chief Executive Officer of Royal Mail, said:

"Royal Mail has a unique place in the UK and that will not change as we move into the private sector.

"We will now be better able to compete in what is a fast changing and intensely competitive market.

"I'm delighted our people will own a meaningful stake in the company and that the public now have the opportunity to own a share in our future as well."

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Joint Global Co-ordinator and Joint Bookrunner

Goldman Sachs International

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Mark Sorrell

Richard Cormack

Joint Global Co-ordinator and Joint Bookrunner

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Lazard & Co., Limited
William Rucker
Charlie Foreman

020 7187 2000

Notes to editors

1 Overview of the Royal Mail Share Offer

HM Government intends to dispose of a majority of Royal Mail's issued share capital pursuant to the Offer, taking into account Shares sold in the Offer and the 10 per cent. of Shares to be made available free to eligible employees at or around the time of Admission.

The Offer comprises an Institutional Offer to institutional investors in the UK and elsewhere outside the United States under Regulation S and to QIBs in the United States in reliance on Rule 144A, and a Retail Offer to individuals located in the UK, and including the Employee Priority Offer. All Shares in the Offer will be sold at the same price.

In connection with the Offer, Goldman Sachs International and UBS Limited are Joint Global Co-ordinators and Joint Bookrunners, Barclays Bank PLC is Joint Bookrunner and Sponsor, Merrill Lynch International is Joint Bookrunner and Investec Bank plc, Nomura International plc and RBC Europe Limited are Co-Lead Managers. Lazard & Co. Limited is Financial Adviser to HM Government.

Full details of the Offer are set out in the Prospectus available from later today at www.gov.uk/royalmailshares.

The Retail Offer

With the publication of the Prospectus today, individuals located in the UK will be able to apply for Shares in the Retail Offer:

- through participating Intermediaries, who will apply for Shares on behalf of new and existing clients; or
- through direct online or postal application to HM Government.

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Eligible Royal Mail employees are able to apply for Shares direct to HM Government (online or by post) in the Employee Priority Offer.

The minimum application in the Retail Offer is £750 for members of the public and £500 for eligible Royal Mail employees under the Employee Priority Offer (which is in addition to the Employee Free Shares Offer). All applications from members of the public for Shares in the Retail Offer (except for applications under the Employee Priority Offer) will be allocated in accordance with one common allocation policy, irrespective of whether applications are received direct or through Intermediaries. Successful applicants in the Retail Offer will pay the same price per Share as institutional investors.

Direct applications can be made online from later today at www.gov.uk/royalmailshares using a debit card or by downloading and returning an application form with a cheque or bankers' draft by post. For those without access to the internet, application packs will also be available from selected Post Office branches. Post Office branches stocking application packs can be found using the search tool at www.postoffice.co.uk/branch-finder or by calling the Retail Offer helpline on 0330 123 0147. A list of the firms acting as Intermediaries for the Offer can be found at www.gov.uk/royalmailshares.

Online application for Shares and further information about Royal Mail, the Retail Offer and how to apply is available from later today at www.gov.uk/royalmailshares, HM Government's dedicated share offer website.

Employee Free Shares Offer

Through making available free Shares representing 10 per cent. of Royal Mail's issued share capital to eligible employees at the time of Admission, the Employee Free Shares Offer will provide the Royal Mail Group Limited's existing UK-based employees with a substantial and meaningful stake in the business, helping to align their interests with those of the Group and offering the potential for them to benefit from the growth and performance of the modernised business. More employees will be able to take part in the Employee Free Shares Offer than in any other UK privatisation for almost 30 years. Approximately 150,000 Royal Mail employees, the overwhelming majority of Royal Mail Group Limited's employees in the UK, are eligible for free Shares in Royal Mail. This is the largest free allocation of Shares of any major privatisation in the UK. The Employee Free Shares Offer is conditional on Admission and HMRC approval of the relevant share plan. The amount that will actually be allocated to each eligible employee will depend upon (amongst other factors) the closing mid-market price of the Shares on the day

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of Admission, how many eligible employees participate in that offer, and whether they work full or part time.

Employee Priority Offer

In addition to the Employee Free Shares Offer, eligible employees will be able to apply for Shares in the Retail Offer with priority allocation, under the Employee Priority Offer. HM Government considers that Royal Mail employees should share in the Group's success and have a real stake in the Group as part of the sale process. The Employee Priority Offer will give a further opportunity for eligible employees to share in the future of the Group. Eligible employees will pay the same price as other retail investors, but receive priority on up to the first £10,000 worth of Shares applied for (and with a minimum application amount of £500), subject to an overall limit of 10 per cent. of the total number of Shares allocated in the Retail Offer (above which the £10,000 priority limit will be reduced).

Reasons and Background for the Offer

The IPO follows the passage of the Postal Services Act 2011 (the "Act") which lifted restrictions on Royal Mail's ownership, allowing HM Government to sell Shares in Royal Mail. In addition, the Act established a new regulatory regime for postal services with Ofcom as the new postal market regulator and enabled Royal Mail's historic pension deficit to be transferred to HM Government. Further, Royal Mail and the Post Office Limited ("Post Office") were separated in 2012, meaning that the Post Office is not for sale and will remain, subject to the Act, in HM Government ownership. These reforms were recommendations of the independent report into the future of the postal market led by Richard Hooper, published in 2008 and updated in 2010.

The Offer represents the first stage of HM Government's intended divestment of Royal Mail from public ownership to the private sector and is designed to enable Royal Mail to become more flexible and responsive to the dynamics of the competitive markets in which it operates and safeguard the sustainable future of the UK's universal postal service. In addition, the IPO is intended to provide the Group with the opportunity for future access to private capital which can be raised more quickly once the Group is removed from HM Government control, ending the Group's dependence on competing for public resources within the constraints of public funding and borrowing limits and enabling the Group more readily to take advantage of market opportunities that may present themselves in future.

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2 Expected Timetable of Principal Events

| | <i>Time and Date</i> ^{(1) (2)} |
|--|---|
| Latest date for receipt of completed application forms by the Intermediaries in respect of the Intermediaries Offer | 8 October 2013 |
| Latest time and date for completion of Online Applications in respect of the Direct Retail Offer (including the Employee Priority Offer) | 11.59 p.m. on 8 October 2013 |
| Latest time and date for receipt of completed hard copy Application Forms in respect of the Direct Retail Offer (including the Employee Priority Offer) by the Receiving Agent | 11.59 p.m. on 8 October 2013 |
| Latest time and date for receipt of indications of interest in the Institutional Offer | 5.00 p.m. on 8 October 2013 |
| Announcement of the Offer Price and Offer Size, publication of the Pricing Statement and notification of allocations of Shares ³ | 7.00 a.m. on 11 October 2013 |
| Commencement of conditional dealings in Shares on the London Stock Exchange | 8.00 a.m. on 11 October 2013 |
| Admission and commencement of unconditional dealings in Shares on the London Stock Exchange | 8.00 a.m. on 15 October 2013 |
| CREST accounts credited in respect of Shares in uncertificated form | 8.00 a.m. on 15 October 2013 |
| Share Account Statements in respect of Shares held through the Royal Mail Nominee Share Service sent by email to Shareholders who submitted an Online Application and elected to receive this via email ⁴ | On 15 October 2013 |
| Latest date for despatch by post of Share Account Statements to all Shareholders holding Shares through the Royal Mail Nominee Share Service, other than those who are sent this by email | By 21 October 2013 |
| Latest date for despatch by post of definitive share certificates (where applicable) for Shares in certificated form | By 21 October 2013 |

Notes:

- (1) Times and dates set out in the timetable above and mentioned throughout this announcement that fall after the date of publication of this announcement are indicative only and may be subject to change without further notice.
- (2) All references to time in this timetable are to UK time.
- (3) The Offer Price and Offer Size will be set out in the Pricing Statement. The Pricing Statement will be available free of charge at the Company's registered office at 100 Victoria Embankment, London EC4Y 0HQ. In addition, the Pricing Statement will (subject to certain restrictions) be published on the Company's website at www.royalmailgroup.com and the Offer Website.
- (4) Shareholders who, pursuant to the Direct Retail Offer (including the Employee Priority Offer), choose to hold their Shares in the Royal Mail Nominee Share Service will not be able to deal in Shares on a conditional basis prior to Admission but will be able to buy and sell Shares from Admission, subject to a charge. For further details on how to effect sales and purchases from Admission, and the charges payable, please refer to section 7 of Part V (Terms and Conditions of the Royal Mail Nominee Share Service) of the Securities Note part of the Prospectus.

It should be noted that, if Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned.

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3 Offer and Admission Statistics

| | |
|--|-----------------------------------|
| Price Range (per Share) ^a | 260p to 330p |
| Number of Shares in issue on Admission | 1,000,000,000 |
| Expected minimum number of Shares which may be comprised in the Offer ^a | 401,000,000 |
| Expected maximum number of Shares which may be comprised in the Offer ^a | 521,739,130 |
| Expected number of Shares in the Offer as a percentage of total number of Shares in existence on Admission ^a | Between 40.1% and 52.2% |
| Number of Shares to be transferred by the Selling Shareholder to the trustee of the Royal Mail Share Incentive Plan ^a | 100,160,000 |
| Expected maximum number of Shares subject to the Over-allotment Arrangements ^a | Between 60,150,000 and 78,260,870 |
| Market capitalisation of the Company at the mid-point | £2,950 million |

Notes:

- (1) It is currently expected that the Offer Price will be set by the Secretary of State within the Price Range. The Company expects to publish the Pricing Statement containing the Offer Price and the Offer Size on or around 11 October 2013. If the Offer Price is set above the Price Range, then prospective investors would have a statutory right to withdraw their offer to purchase Shares in the Offer pursuant to section 87Q of FSMA before the end of a period of two Business Days commencing on the first Business Day after the date on which an announcement of this is published by the Secretary of State via a Regulatory Information Service announcement. The arrangements for withdrawing offers to purchase Shares would be made clear in the announcement.
- (2) Calculated (i) on the basis that the Offer Size will be set within the Offer Size Range of between 40.1 per cent. and 52.2 per cent. of the total number of Shares in issue on Admission and (ii) before taking into account any over-allotment of Shares pursuant to the Over-allotment Arrangements. It is currently expected that the Offer Size will be set by the Secretary of State within the Offer Size Range. However, the number of Shares subject to the Offer may represent a higher or lower percentage than that indicated (subject to meeting the free float requirements set by the UK Listing Authority for Admission). If the Offer Size is set above or below the Offer Size Range, then prospective investors would have a statutory right to withdraw their offer to purchase Shares in the Offer pursuant to section 87Q of FSMA before the end of a period of two Business Days commencing on the first Business Day after the date on which an announcement of this is published by the Secretary of State via a Regulatory Information Service announcement. The Company expects to publish the Pricing Statement containing the Offer Price and the Offer Size on or around 11 October 2013.
- (3) Subject to Admission and HMRC approval of the Royal Mail Share Incentive Plan, the Secretary of State will procure that the Selling Shareholder transfers the Employee Free Shares to the trustee of the Royal Mail Share Incentive Plan on or immediately after Admission. Each Eligible Employee will then automatically be awarded a number of Employee Free Shares on or around Admission, unless the Eligible Employee completes and submits to Equiniti Limited an opt-out form by 9.00 a.m. on 7 October 2013. The Employee Free Shares Offer is not part of the Offer.
- (4) Calculated on the basis that the Offer Size is set within the Offer Size Range. The maximum number of Shares subject to the Over-allotment Arrangements is subject at all times to a maximum of 15 per cent. of the number of Shares subject to the Offer (before utilisation of the Over-allotment Arrangements). In the event that the Offer Size is set outside the Offer Size Range, the maximum number of Shares subject to the Over-allotment Arrangements would correspondingly increase or decrease.
- (5) The market capitalisation of the Company at any given time will depend on the market price of the Shares at that time. There can be no assurance that the market price of a Share will be equal to or exceed the Offer Price.

4 Overview of Royal Mail

Royal Mail Group is the leading provider of postal and delivery services in the UK and is the UK's designated universal postal service provider

- UK Parcels, International and Letters ("UKPIL") comprises the Group's UK and international parcels and letters delivery businesses operating under the "Royal Mail" and "Parcelforce Worldwide" brands.
- Through the Royal Mail Core Network, the Group delivers a "one price goes anywhere" service on a range of parcels and letters products to more than 29 million addresses in the UK, six days a week (excluding UK public holidays).
- Parcelforce Worldwide operates a separate UK network which collects and delivers express parcels.
- Leading market shares in UK parcels and letter delivery, delivering through its UK networks, approximately 99 per cent. of letters and over one billion parcels in FYE 2013 representing around 53 per cent. volume share of the UK parcels market.

The Group also has significant operations in continental Europe through its General Logistics Systems ("GLS") business

- One of Continental Europe's largest ground-based deferred parcels delivery businesses handling 380 million parcels in FYE 2013 with a focus on deliveries within the B2B (business to business) segment, but with an increasing presence in the B2C (business to consumer) segment.
- Operates in some 37 countries and nation states through a combination of wholly-owned subsidiaries, franchisees and service partners (including Parcelforce Worldwide in the UK).

Royal Mail is one of the UK's largest employers and has a skilled workforce which is critical to its operations

- At 30 June 2013 (end of Q1 FYE 2014), the Group employed approximately 167,000 people including approximately 150,000 within UKPIL.

Revenue growth and margin expansion underpin strong cash flow generation

- For FYE 2013, reported Group revenue was £9.3 billion (£9.1 billion on an adjusted 52-week basis), up five per cent. on a like-for-like basis with UKPIL parcel revenue growing by 13 per cent. on a like-for-like basis.
- Reported operating profit after transformation costs for FYE 2013 more than doubled to £440 million (£403 million on an adjusted 52-week basis), representing a margin of 4.7 per cent. (4.4 per cent. on a like-for-like basis).

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- In FYE 2013, UKPIL accounted for approximately 83 per cent. of the Group's revenue and 73 per cent. of its operating profit after transformation costs (both on an adjusted 52-week basis). In the same period, GLS accounted for 16 per cent. of the Group's revenue and approximately 25 per cent. of its operating profit after transformation costs. In FYE 2013, on an adjusted 52-week basis 48 per cent. of the Group's revenue was generated from parcels.

Industrial Relations

- On 2 September 2013, the CWU announced that if current talks with Royal Mail do not lead to an agreement, a ballot for national industrial action would be held. On 20 September 2013, the CWU notified Royal Mail that it intended to ballot relevant Royal Mail employees who are members of the CWU, including those working in Royal Mail and Parcelforce Worldwide, for industrial action and that the ballot would open on 27 September 2013 and close on 16 October 2013. The sample ballot paper provided to Royal Mail by the CWU on 20 September 2013 indicates that industrial action will take the form of a national strike. The duration of any industrial action to be taken is unlikely to be known until 16 October 2013 at the earliest. In accordance with the notification given by the CWU, the first date on which this national strike could occur is 23 October 2013. The elements of the dispute identified by the CWU as giving rise to possible industrial action are: the settlement of the CWU's 2013 pay deal; Royal Mail's Pensions Reform; and the impact of privatisation on job security and terms and conditions.
- Negotiations between Royal Mail and the CWU are continuing, and Royal Mail remains committed to reaching an agreement with the CWU and averting industrial action. However, it should be assumed that the CWU will not settle an agreement prior to Admission.
- Royal Mail expects that the relevant members of the CWU will vote for national strike action in the ballot. It should therefore be assumed that national strike action and other forms of industrial action will take place across the whole of UKPIL's activities during the period immediately following, and may take place during, the Offer Period. In the event of national strike action, Royal Mail has contingency plans in place and will also consider its legal options.

Pensions Reform Update

- Following the conclusion of its member consultation, Royal Mail has now implemented its proposal to change the terms of the Royal Mail Pension Plan (the Plan).
- Royal Mail continues to make significant ongoing annual contributions of around £400 million to the Plan.

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Dividend Policy

- Royal Mail have adopted a dividend policy that supports the Group's aim of generating value for Shareholders while ensuring that it retains sufficient capital to invest in growing the business.
- In respect of FYE 2014, in the absence of unforeseen circumstances, Royal Mail intends to propose a final dividend only, to be paid in July 2014, of £133 million. This amount is approximately two-thirds of the notional full-year dividend of £200 million that would have been proposed if the Company had been listed throughout FYE 2014.
- 10 per cent. of the £133 million dividend will be payable to eligible Royal Mail employees in respect of Shares allocated under the Employee Free Shares Offer (although dividends will not be paid on any Shares which could not be allocated to employees at the time of Admission or which are forfeited by employees after allocation).
- Royal Mail does not currently expect the assumed industrial action described above to reduce the amount of the final dividend for FYE 2014, provided that the financial impact of any such action does not compromise the Group's capital structure policy, including targeting financial metrics consistent with an investment grade credit profile.
- In subsequent financial years Royal Mail intends to pursue a progressive dividend policy having regard to the normalised earnings progression of the Group.
- Full details of Royal Mail's dividend policy are set out in the Prospectus.

Disclaimer

The contents of this announcement, which have been prepared by, and are the sole responsibility of, the Secretary of State for Business, Innovation and Skills (the "**Secretary of State**"), have been approved by Barclays Bank PLC solely for the purposes of section 21(2) (b) of the Financial Services and Markets Act 2000 (as amended).

This announcement is an advertisement and not a prospectus. Investors should not purchase or subscribe for any transferable securities referred to in this announcement except on the basis of information contained in the Prospectus to be published by the Company in connection with Admission. Copies of the Prospectus will, following publication, be available from the registered office of the Company and online at www.gov.uk/royalmailshares.

Neither this announcement, the publication in which it is contained nor any copy of it may be made or transmitted into the United States of America (including its territories or possessions, any state of the United States of

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In particular, this announcement does not constitute an offer for sale of, or a solicitation to purchase or subscribe for, any securities in the United States. No securities of the Company have been, or will be, registered under the US Securities Act of 1933, as amended (the “**Securities Act**”), and securities of the Company may not be offered or sold in the United States absent an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offering of the securities in the United States.

This announcement does not constitute a recommendation concerning the Offer. The price and value of securities and any income from them can go down as well as up. Past performance is not a guide to future performance. Information in this announcement or any of the documents relating to the Offer cannot be relied upon as a guide to future performance. Before purchasing any Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus. There is no guarantee that Admission will occur. Potential investors should consult a professional advisor as to the suitability of the Offer for the person concerned.

Any purchase of Shares in the proposed Offer should be made solely on the basis of the information contained in the Prospectus to be issued by the Company in connection with the Offer and Admission. The information

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In connection with the Offer, a stabilising manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The stabilising manager will not be required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the stabilising manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilising measures, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Shares above the offer price. Save as required by law or regulation, neither the stabilising manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Offer.

Certain figures contained in this announcement, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this announcement may not conform exactly with the total figure given.

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Certain statements contained in this announcement, including any information as to the Group's strategy, plans or future financial or operating performance constitute "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking

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By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future or are beyond the Group’s control. Forward-looking statements are not guarantees of future performance. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which it will operate, which may prove to be inaccurate. The Group’s actual results of operations, financial condition and the development of the business sectors in which the Group operates may differ materially from those suggested by the forward-looking statements contained in the announcement due to certain factors including, but not limited to, UK and EU domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities, market developments regarding volumes of letters and parcels handled by the Group or delivered in the UK and the other core markets of the Group, the impact of competition, currency changes, inflation, deflation, the timing impact and other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which the Group and its affiliates operate. In addition, even if the Group’s actual results of operations, financial condition and the development of the business sectors in which the Group operates are consistent with the forward-looking statements contained in the announcement, those results or developments may not be indicative of results or developments in subsequent periods.

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