

PART I

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY RESTRICTED JURISDICTION OR OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

EMBARGOED FOR RELEASE AT 9.30 AM

19 January 2015

RECOMMENDED CASH OFFER
FOR
BEALE PLC ("Beales" or the "Company")
BY
ENGLISH ROSE ENTERPRISES LIMITED ("English Rose")

Summary

The boards of Beales and English Rose, a company controlled by Andrew Perloff, announce that they have reached agreement on the terms of a recommended cash offer by English Rose for the entire issued and to be issued ordinary share capital of Beales (the "Offer").

Under the terms of the Offer, Beales Shareholders who accept the Offer will be entitled to receive 6p in cash for each Beales Share.

The Offer values the entire issued ordinary share capital of Beales at approximately £1.23 million. The Offer Price represents a discount of approximately 48 per cent. to the Closing Price of 11.5p per Beales Share on 16 January 2015, being the last business day prior to the date of this announcement.

The Board of Beales believes that the Offer Price is disappointing and that in different circumstances it could have achieved a price that would value the business and assets of Beales more fully. However, the complex capital structure inherited by the current Beales Board imposes a number of restrictions on Beales' ability to fund its activities, including the requirement for the Concert Party to agree to any of the alternative funding options the Beales Board has identified. As a result, Beales may be unable to generate sufficient cash flows to meet its financial commitments in the future. Accordingly, the Beales Board believes that Beales Shareholders should carefully consider the future risks facing the Beales Group and may wish to accept the Offer, depending on their own individual circumstances and appetite for risk. The Beales Board has sought to summarise the risks associated with declining the Offer and retaining Beales Shares in paragraph 3 of Part II of this announcement.

In addition, if the Offer becomes or is declared wholly unconditional, Portnard has committed to support the Beales business with additional capital which is expected to improve the future security of the business, its employees and the Beales pension schemes

Therefore the Board of Beales, which has been so advised by Smith Square Partners, considers the terms of the Offer to be fair and reasonable taking account of the circumstances (which are set out in more detail in Part II of

this announcement), and intends to unanimously recommend that Beales Shareholders accept the Offer, as the Beales Directors have irrevocably undertaken to do in respect of their entire legal and beneficial holdings, which, in aggregate, amount to 20,000 Beales Shares, representing approximately 0.10 per cent. of the issued ordinary share capital of Beales. In providing advice to the Board of Beales, Smith Square Partners has taken into account the commercial assessments of the Beales Directors.

English Rose, which is incorporated in England and Wales, is a company wholly-owned by Portnard, which is owned by Andrew Perloff and family trusts of Andrew and Harold Perloff, Andrew Perloff's brother. English Rose does not hold any Beales Shares at the date of this announcement. Panther, which is controlled by Andrew Perloff and members of his family, holds approximately 19.85 per cent. of Beales' issued ordinary share capital. Andrew Perloff is also the sole beneficiary of the Maland Pension Fund, which holds approximately 8.71 per cent. of Beales' issued ordinary share capital. Andrew Perloff and his wife hold approximately 1.16 per cent. of Beales' issued ordinary share capital. The Concert Party is therefore interested in 6,100,000 Beales Shares, representing approximately 29.72 per cent. of the issued ordinary share capital of Beales.

In addition to the irrevocable undertakings to accept the Offer received from the Beales Directors, English Rose has also received irrevocable undertakings to accept the Offer from all the members of the Concert Party, in respect of, in aggregate, 6,100,000 Beales Shares. Accordingly, English Rose has received irrevocable undertakings to accept the Offer in respect of, in aggregate, 6,120,000 Beales Shares, representing approximately 29.82 per cent. of the issued ordinary share capital of Beales.

The Offer is conditional, inter alia, upon valid acceptances being received (and not, where permitted, withdrawn) by not later than 1.00 pm on the date which is 21 days after the date on which the Offer Document is circulated to Beales Shareholders (or such later times and/or dates as English Rose may, subject to the rules of the Code or with the consent of the Panel, decide) in respect of not less than 75 per cent. (or such lower percentage as English Rose may decide in its absolute discretion) in nominal value of the Beales Shares, as further detailed in paragraph 1 of Appendix I. The Offer will also be subject, inter alia, to the satisfaction or waiver (if permitted) of the Conditions and certain further terms set out in Appendix I to this announcement and to be set out in the Offer Document and, in respect of Beales Shares held in certificated form, the Form of Acceptance.

Commenting on the Offer, William Tuffy, Chairman of Beales, said:

"English Rose's proposal offers the certainty of a cash exit for shareholders today and improves the medium term financial security of the Beales business. Despite the significant progress made by the current management team in first stabilising and then greatly improving operating performance, the business continues to face significant challenges and financial constraints. The Board of Beales has explored all other realistic alternatives to raise additional capital to address these challenges and constraints but none could be delivered without the Concert Party's agreement and consequently, we believe that this proposal represents a better alternative for all stakeholders than the business continuing with its current capital structure, given the level of risk this would entail."

Terms used in this summary but not defined herein shall have the meaning given to them in the full text of the announcement.

This summary should be read in conjunction with, and is subject to, the full text of the following announcement (including the Appendices). The Offer will be subject to the conditions and the further terms set out in Appendix I of the following announcement, the full conditions and further terms which will be set out in the Offer Document being issued shortly and, in respect of Beales Shares held in certificated form, the Form of Acceptance. Any response in respect of

the Offer or other response in relation to the Offer should be made only on the basis of the information contained in the forthcoming Offer Document, documents incorporated into it by reference and, in respect of Beales Shares held in certificated form, the accompanying Form of Acceptance.

Appendix II contains the sources and bases of certain information used in this summary and in the following announcement. Appendix III contains definitions of certain terms used in this summary and the following announcement.

A copy of this announcement will be available, subject to certain restrictions in relation to persons resident in Restricted Jurisdictions, on English Rose's parent company's website at www.portnard.co.uk and on Beales' website at www.beales.co.uk until the end of the Offer Period.

In accordance with Rule 2.10 of the Code, Beales confirms that as at the date of this announcement, it has in issue 20,524,797 ordinary shares of 5p each.

The International Securities Identification Number (ISIN) of the ordinary shares is GB0002559291.

Enquiries

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This announcement does not constitute or form part of any offer or invitation to sell or purchase any securities or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, pursuant to the Offer or otherwise, nor shall there be any sale, issue or transfer of the securities referred to in this announcement in or into any jurisdiction in contravention of any applicable law. The Offer will be made solely by the Offer Document (together with, in the case of Beales Shares in certificated form, the Form of Acceptance), which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. Beales Shareholders should carefully read the Offer Document (and, if they hold their Beales Shares in certificated form, the Form of Acceptance) in its entirety before making a decision with respect to the Offer.

Sanlam Securities, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for English Rose and no-one else in relation to the Offer and will not be responsible to anyone other than English Rose for providing the protections afforded to the customers of Sanlam Securities or for providing advice in relation to the Offer or in relation to the contents of this announcement or any transaction or arrangement referred to herein, save as imposed by the Financial Services and Markets Act 2000 or the regulatory regime

established thereunder.

Smith Square Partners, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Beales and no-one else in relation to the Offer and will not be responsible to anyone other than Beales for providing the protections afforded to the customers of Smith Square Partners or for providing advice in relation to the Offer or in relation to the contents of this announcement or any transaction or arrangement referred to herein.

Smith Square Partners has given and not withdrawn its consent to the publication of this announcement with the inclusion of the recommendation and opinions provided by Smith Square Partners in the form and context in which they are included.

The Offer shall be made solely by English Rose and neither Sanlam Securities nor any of its affiliates are making the Offer.

To the extent permitted by applicable law, in accordance with, and to the extent permitted by, the Code and normal UK market practice, English Rose or its nominees or brokers (acting as agents) or their respective affiliates may from time to time make certain purchases of, or arrangements to purchase, Beales Shares, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Such purchases, or arrangements to purchase, will comply with all applicable UK rules, including the Code and the rules of the London Stock Exchange to the extent applicable. In addition, in accordance with, and to the extent permitted by, the Code and normal UK market practice, Sanlam Securities and its affiliates may engage in purchasing activities consistent with their respective normal and usual practice and applicable law. Any information about such purchases will be disclosed on a next day basis to the Panel and will be available from any Regulatory Information Service, including the Regulatory News Service on the London Stock Exchange website, www.londonstockexchange.com.

The distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

The availability of the Offer to Beales Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of those jurisdictions.

The Offer is not intended to be made, directly or indirectly, in, into or from any Restricted Jurisdiction and the Offer will not be capable of acceptance from or within any 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, into or from any Restricted Jurisdiction and persons receiving this announcement (including custodians, nominees and trustees) must not mail or otherwise distribute or send it in, into or from any Restricted Jurisdiction, as doing so may invalidate any purported acceptance of the Offer. Further details in relation to overseas Beales Shareholders will be contained in the Offer Document.

This announcement has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the UK.

Forward-looking statements

This announcement, including information included in this announcement, contains "forward-looking statements" concerning English Rose and Beales and the Beales Group that are subject to risks and uncertainties. Certain information in this announcement relating to Beales has been compiled from published sources. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond English Rose's ability to control or estimate precisely, such as future market conditions, changes in regulatory environment and the behaviour of other market participants. English Rose cannot give any assurance that such forward-looking statements will prove to have been correct. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this announcement. English Rose does not undertake any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except to the extent legally required.

Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of English Rose or any member of the Beales Group following completion of the Offer unless otherwise stated.

No profit forecast

No statement in this announcement is intended as a profit forecast or a profit estimate, and no statement in this announcement should be interpreted to mean that the future earnings per Beales Share for current or future financial years will necessarily match or exceed the historical or published earnings per Beales Share.

Disclosure requirements under the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities

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

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

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

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

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

You should note that, for the purposes of the above summary of Rule 8 of the Code, English Rose is not treated as a securities exchange offeror and therefore there is no requirement to disclose interests or dealings in shares of English Rose or any other members of the Concert Party under Rule 8 of the Code. English Rose will be disclosing later today the details required to be disclosed by it under Rules 8.1(a) and 8.3(a) and any further disclosure in respect of all persons acting in concert with English Rose in accordance with Rules 8.1(a) and 8.3(a) and Notes 2(a)(i) and 2(b)(i) on Rule 8 will be made as soon as possible thereafter.

Information relating to Beales Shareholders

Addresses, electronic addresses and certain information provided by Beales Shareholders, persons with information rights and other relevant persons for the receipt of communications from Beales may be provided to English Rose during the Offer Period as requested under Section 4 of Appendix 4 of the Code.

Publication on websites

In accordance with Rule 26.1 of the Code, a copy of this announcement will be made available, subject to certain restrictions relating to persons resident in a Restricted Jurisdiction, free of charge, on English Rose's parent company's website at www.portnard.co.uk and on Beales' website at www.beales.co.uk by no later than 12 noon (London time) on 20 January 2015.

For the avoidance of doubt, neither the content of the websites referred to above nor the contents of any website accessible from hyperlinks on any such website (or any other website) is incorporated into, or forms part of, this announcement nor, unless previously published by means of a Regulatory Information Service, should any such content be relied upon in reaching a decision regarding the matters referred to in this announcement.

In accordance with Rule 30.2, a person may request a copy of the announcement in hard copy form. A person may also request that all future documents, announcements and information in relation to the Offer should be in hard copy form.

A hard copy of the announcement will not be sent unless so requested. A hard copy may be obtained by sending a request to Sanlam Securities, 10 King William Street, London EC4N 7TW or by contacting Sanlam Securities on +44 (0)20 7628 2200.

PART II

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19 January 2015

RECOMMENDED CASH OFFER
FOR
BEALE PLC ("Beales" or the "Company")
BY
ENGLISH ROSE LIMITED ("English Rose")

1. Introduction

The boards of Beales and English Rose, a company controlled by Andrew Perloff, announce that they have reached agreement on the terms of a recommended cash offer by English Rose for the entire issued and to be issued ordinary share capital of Beales (the "Offer").

2. Terms of the Offer

Under the terms of the Offer, which will be subject to the conditions and further terms set out below and in Appendix I and the full terms and conditions which will be set out in the Offer Document and, in respect of Beales Shares held in certificated form, the Form of Acceptance, Beales Shareholders who accept the Offer will be entitled to receive:

for each Beales Share

6p in cash

The Offer values the entire issued ordinary share capital of Beales at approximately £1.23 million.

The Offer Price represents a discount of approximately 48 per cent. to the Closing Price of a Beales Share of 11.5p on 16 January 2015, the business day immediately preceding the date of this announcement. The Beales Shares will be acquired pursuant to the Offer fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now and hereafter attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this announcement.

The Offer Document and (in the case of Beales Shareholders who hold their Beales Shares in certificated form) the Form of Acceptance containing the full terms and conditions of the Offer will be posted to Beales Shareholders (other than Beales Shareholders in a Restricted Jurisdiction) in due course.

3. Background to the Recommendation

The Board of Beales has carefully considered the terms of the Offer. Under the Code, the Beales Directors are required to obtain independent advice on the Offer and to make the substance of such advice and its own views known to Beales Shareholders.

The Offer Price represents a discount of approximately 48 per cent. to the Closing Price of 11.5p per Beales Share on 16 January 2015, being the last business day prior to the date of this announcement. The Board of Beales believes that the Offer Price is disappointing and that in different circumstances it could have achieved a price that would value the business and assets of Beales more fully. However, the complex capital structure inherited by the current Beales Board imposes a number of restrictions on Beales' ability to fund its activities, including the requirement for the Concert Party to agree to any of the alternative funding options the Beales Board has

identified. As a result, Beales may be unable to generate sufficient cash flows to meet its financial commitments in the future. Accordingly, the Beales Board believes that Beales Shareholders should carefully consider the future risks facing the Beales Group and may wish to accept the Offer, depending on their own individual circumstances and appetite for risk. The Beales Board has summarised below what it believes are the risks associated with declining the Offer and retaining Beales Shares. The Beales Board believes that the principal factors underlying these risks have been publicly disclosed by Beales over the course of the last few years.

Balance sheet issues

In May 2011, prior to the current Beales Directors' involvement in the business, Beales acquired 19 stores from ARCS, now known as CEC. To enable it to satisfy part of the consideration owing in respect of these stores, Beales issued 8,500,000 Preference Shares, of which 7,983,953 remain unredeemed today. The Preference Shares will start to accrue dividends from May 2016 at a rate of 8 per cent. per annum, increasing to 9 per cent. per annum from May 2020. The Preference Shares are due for redemption in instalments of £500,000 made at six monthly intervals commencing on 31 May 2017.

As part of that transaction, J E Beale Plc, a wholly owned subsidiary of Beales, also entered into a £2.5 million term loan facility with ARCS, of which £1.0 million remains outstanding. A capital repayment of £125,000 was due on 31 October 2014, the payment of which has been delayed with the agreement of the lenders (see below). Further capital repayments of £125,000 are due in April and October each year until the whole loan is repaid.

On 30 April 2013, the benefit of the outstanding Term Loan was assigned to Maland Pension Fund, a pension fund established for the sole benefit of Andrew Perloff, and Harold Perloff, Andrew Perloff's brother, by CEC in an independent transaction. In addition, on that date, Portnard agreed to purchase 8,193,388 Preference Shares from CEC. Portnard completed the purchase of 7,000,000 of those shares in July 2014 and is due to complete the purchase of any unredeemed balance of those Preference Shares held by CEC on 30 April 2016.

Based on forecast trading, and in the absence of additional capital investment, Beales may experience difficulty in generating sufficient cash flows to meet its obligations to pay interest and principal owing in respect of the Term Loan and to pay dividends on, and redeem the Preference Shares, as they fall due, which could lead to additional interest charges owing on the Term Loan and the accrued dividend on the Preference Shares increasing by an additional 4 per cent. per annum.

In addition, the Beales Group has an outstanding asset-based lending facility of £12.0 million with Wells Fargo Capital Finance. As at 16 January 2015, approximately £1.5 million was drawn against the Facility, but the Beales Group's borrowings were at that date close to their annual low point and will increase significantly over the next few months as deliveries of Spring/Summer stock are made in the normal course of business and consistent with prior years.

The Facility, Preference Shares and the Term Loan all contain change of control

clauses which means that the Beales Group could (in the case of the Preference Shares, subject to the requirements of the Companies Act) be required to repay all of the outstanding amounts due on a change of control of Beales or on a sale of all, or substantially all, of the assets of the Beales Group. Such payments would need to be made prior to any future distribution to Beales Shareholders.

The Concert Party

The Concert Party holds, in aggregate, approximately 29.72 per cent. of the issued ordinary share capital of Beales. In addition, Portnard holds 7,000,000 of the 7,983,953 of outstanding Preference Shares with an agreement to purchase the balance; Maland Pension Fund and Harold Perloff hold the benefit of the £1.0 million Term Loan; and Panther is the landlord of 10 of Beales' 29 stores, some of which have landlord break options, with an option to acquire one other store from its current third party owner.

Given the size of the Concert Party's interests in the ordinary share capital of Beales, the Concert Party has the ability to block any special resolution proposed by the Board of Beales. In addition, any alternative offeror would be required to redeem the Preference Shares (subject to the requirements of the Companies Act) and repay the Term Loan in full on a change of control. This severely restricts the ability of the Beales Board to deliver any alternative offer from a third party which provides any additional value for Beales Shareholders.

It should also be noted that, upon the Offer becoming or being declared unconditional in all respects, Portnard may exercise its right under the Beales Articles to convert some or all of the Preference Shares held by it into a maximum of 9.99 per cent. of the fully-diluted issued ordinary share capital of Beales, increasing the Concert Party's holding accordingly.

Capital requirement and review of alternatives

As was seen in early Autumn/Winter 2014 when the UK retail sector suffered a period of weak trading given the unseasonably warm weather, the Beales Group's trading remains volatile and difficult to predict. Importantly, the Board of Beales, giving consideration to its statutory and regulatory obligations to consider the medium to long term prospects of the Beales Group, believes that the business requires additional capital to maintain and accelerate the pace of the turnaround of the business, so as to ensure that it is robust in the event of further negative market dynamics and/or future balance sheet commitments which could otherwise have a significantly detrimental impact on the Beales Group.

In this context, the Board of Beales appointed PwC in October 2014 to review the Beales Group's financial position and to consider options to raise additional capital. As part of this exercise, Beales and PwC held discussions with the two largest shareholders of Beales and with Wells Fargo Capital Finance. A number of options were considered, but the Beales Board believed that none could realistically deliver greater value to Beales Shareholders without the agreement of the Concert Party. As an alternative, English Rose has put forward the Offer.

Employees and the ongoing business

If the Offer becomes or is declared wholly unconditional, the Concert Party has committed to support the Beales business with additional capital which is expected to improve the future security of the business, its employees and the Beales pension schemes.

Conditional upon the Offer becoming or being declared unconditional in all respects and on no event of default having arisen (save where such event of default has been waived by Wells Fargo Capital Finance) under the Facility, Portnard has agreed that it will procure the lodging of a £2.0 million deposit with Wells Fargo Capital Finance. On receipt of such deposit, under the terms of the Collateralised Term Loan Facility, Wells Fargo Capital Finance will make £1.0 million available for immediate use by Beales (subject to the Facility continuing to be available for drawdown at that time and in addition to any current ability to draw down on the Facility), with a further amount up to a maximum of £1.0 million potentially being made available to Beales by Wells Fargo Capital Finance (through the Collateralised Term Loan Facility) subject to the re-registration of Beales as a private company and to further conditions which may be agreed and which may include recommendations arising from English Rose's detailed operational and strategic review with Beales' management.

As set out in more detail in paragraph 12 below, English Rose has indicated its intention to work closely with management to assess the options available to Beales to protect, promote and develop its business. English Rose has confirmed that, following completion of the Offer, the existing employment rights of all Beales employees will be honoured, that no changes are proposed with regard to the accrual of pension benefits for existing members or the admission of new members, and that no changes to the terms and conditions of employment of any Beales' employees or to pension contributions are currently envisaged.

Trading and outlook

Since the current CEO, Michael Hitchcock, joined the business in May 2012 as interim CFO, considerable progress has been made to generate and secure value for Beales Shareholders during a period of uncertainty for secondary and tertiary high street retailers and at a time when material risks have faced the business. In particular, initiatives were put in place to refinance the business and to rebuild and refocus the brand with material consequential improvements to gross margin and operating performance.

Beales expects to publish its preliminary results for the year ended 1 November 2014 on 27 February 2015.

Total Beales Group sales including concessions and VAT were 1.1% lower for the 26 weeks to 1 November 2014 and 3.7% lower for the 52 weeks to 1 November 2014, compared to the same periods in the prior year.

These sales decreases include the impact of the decision taken by the Board of Beales to close certain loss making stores on cessation of leases and the forced exit from stores by landlords on cessation of leases due to site

redevelopment.

Like-for-like sales including concessions and VAT were 1.0% higher for the 26 weeks to 1 November 2014 and 1.1% lower for the 52 weeks to 1 November 2014, compared to the same periods in the prior year.

The cessation of 'mega' promotions which, in the prior year, generated increased sales at little or no margin, the exit from the loss-making TV/Audio category and the slow start to the current financial year on the back of lower real disposable incomes, all had a depressive effect on sales.

In common with most general retailers selling seasonal products across various categories, trading over the 9 weeks to 3 January 2015 has proven to be both challenging and variable, with a weak Autumn followed by a strong Christmas and New Year period. However, the underlying net positive momentum generated through the mildly improving macro-economic environment, more positive consumer sentiment and operational improvements, continues.

Tactical store closures meant that total Beales Group sales including concessions and VAT were 1.1% lower for the 9 weeks to 3 January 2015 compared to the same period in the prior year. However, like-for-like sales including concessions and VAT were 1.5% higher for the 9 weeks to 3 January 2015 compared to the same period in the prior year, on an improved margin.

Intention to de-list

Beales Shareholders should note that English Rose has stated its intention to cancel the standard listing of Beales Shares on the Official List and the trading of Beales Shares on the London Stock Exchange's main market for listed securities (which will only require a board resolution rather than a special resolution of Beales Shareholders) and to re-register Beales as a private limited company (which requires the approval of a special resolution at a general meeting of Beales), should the Offer be successful. If Beales is de-listed and re-registered as a private company, this will significantly reduce the liquidity and marketability of any Beales Shares not assented to the Offer at that time and the value of any such shares may be affected as a consequence.

Beales Shareholders should note that, as minority shareholders of a private and unlisted company, they would not be afforded the same level of protection and disclosure as was afforded to them whilst Beales was a listed public company.

The Board of Beales believes that these factors should be taken into consideration by Beales Shareholders when deciding whether or not to accept the Offer. However, there may also be other factors relevant to Beales Shareholders' personal circumstances which will need to be considered.

If you are in any doubt about the Offer or the action you should take with regard to the Offer, you should consult with your own appropriate independent professional adviser.

4. Recommendation

Taking all of the factors set out above into account, in particular the complex capital structure inherited by the current Beales Board and the restrictions this imposes on Beales' ability to fund its activities, including the requirement for the Concert Party to agree to any of the alternative funding options the Beales Board has identified (which means that Beales may be unable to generate sufficient cash flows to meet its financial commitments in the future), the Board of Beales, which has been so advised by Smith Square Partners, considers the terms of the Offer to be fair and reasonable. Accordingly, the Beales Board intends to unanimously recommend that Beales Shareholders accept the Offer, as the Beales Directors have irrevocably undertaken to do in respect of their entire legal and beneficial holdings, which, in aggregate, amount to 20,000 Beales Shares, representing approximately 0.1 per cent. of the issued ordinary share capital of Beales. In providing advice to the Board of Beales, Smith Square Partners has taken into account the commercial assessments of the Beales Directors.

5. Background to the Offer

As set out above, the Beales Board approached the Concert Party in late November 2014, in light of its significant interests in Beales, and both sought and made proposals seeking the Concert Party's support and assistance to help the Beales Group move forward, particularly with regard to the Preference Shares and Term Loan. In order to protect its investment, the Concert Party instead made a proposal to the Board of Beales broadly on similar terms to those represented by the Offer.

Conditional upon the Offer becoming or being declared unconditional in all respects and on no event of default having arisen (save where such event of default has been waived by Wells Fargo Capital Finance) under the Facility, Portnard has committed to Beales to procure the lodging of a £2.0 million deposit with Wells Fargo Capital Finance to provide additional collateral security in respect of the Facility. On receipt of such deposit, Wells Fargo Capital Finance will make £1.0 million available for immediate use by Beales (subject to the Facility continuing to be available for drawdown at that time and in addition to any current ability to draw down on the Facility), with a further amount up to a maximum of £1.0 million potentially being made available to Beales by Wells Fargo Capital Finance subject to the re-registration of Beales as a private company and to further conditions which may be agreed and which may include recommendations arising from English Rose's detailed operational and strategic review with Beales' management. It is intended that such review will be completed within four months of the Offer becoming or being declared unconditional in all respects.

The commitment to provide the £2.0 million deposit described above is set out in a deed signed by Portnard and English Rose and addressed to Beales and is therefore not deemed to be a post-offer undertaking for the purposes of Rule 19.7 of the Code.

6. Intentions of English Rose with regard to Beales

The Concert Party has had access to extensive information on the operational and strategic decision making of Beales historically through Panther's representation on the Board of Beales up until 21 July 2014. The Concert Party has received further information on the Beales Group since late November 2014 through discussions with Beales' management. However, in light of the important Christmas trading period the Concert Party has not had sufficient time to conduct a detailed review of the Beales management's operational and strategic plans. Accordingly, in view of the proposal to introduce further financial support to the Beales Group, the English Rose Directors consider it appropriate to satisfy themselves that the operational and strategic decisions facing the Beales Group in the near to medium term will be addressed in an optimal manner.

The English Rose Directors therefore intend to work with Beales' management in undertaking a thorough review of the operational and strategic options available to the Beales Group. The Concert Party has structured its proposed provision of additional capital backing for the benefit of the business in a way which reflects this requirement. Accordingly, Portnard has committed to Beales that it will procure the lodging of a £2.0 million deposit with Wells Fargo Capital Finance immediately upon the Offer becoming or being declared unconditional in all respects whereupon Beales will have the ability to draw down £1.0 million under the Collateralised Term Loan Facility (subject to the Facility continuing to be available for drawdown at that time and in addition to any current ability it may have to draw down funds under the Facility), with a further amount up to a maximum of £1.0 million potentially being made available to Beales by Wells Fargo Capital Finance subject to the re-registration of Beales as a private company and further conditions which may be agreed which may include recommendations arising from English Rose's detailed operational and strategic review with Beales' management.

The English Rose Directors and Beales' management are in broad alignment on a number of matters relating to the future of the business, including:

- the need for investment in selective store refurbishments;
- the availability of additional working capital to reinforce the Beales Group's trading position and to help insulate it against further market volatility;
- the need to review and address the operation of certain loss-making stores; and
- the requirement to safeguard the interests of pension scheme members.

The review will focus on these matters and on agreeing the details of how these goals should be addressed. Given that the review is yet to take place, English Rose cannot rule out the possibility of exiting stores that are not commercially or economically viable (in line with management's own ongoing strategic review, as set out in the 2013 Annual Report and Accounts).

7. Financing of the Offer

English Rose is providing the cash consideration payable under the Offer from facilities made available to it by Portnard.

Sanlam Securities, financial adviser to English Rose, is satisfied that sufficient resources are available to satisfy in full the cash consideration payable to Beales Shareholders under the terms of the Offer.

8. The Concert Party's holding of Beales Shares

Panther currently owns 4,074,493 Beales Shares, representing approximately 19.85 per cent. of the issued ordinary share capital of Beales. Maland Pension Fund owns 1,788,000 Beales Shares, representing approximately 8.71 per cent. of the issued ordinary share capital of Beales. Andrew Perloff and his wife have a beneficial interest in a further 237,507 Beales Shares, representing approximately 1.16 per cent. of the issued ordinary share capital of Beales. Therefore, in aggregate, the Concert Party holds approximately 29.72 per cent. of the issued ordinary share capital of Beales which it intends to assent to the Offer.

Upon the Offer becoming or being declared unconditional in all respects, English Rose will make an appropriate proposal to the holders of the Preference Shares. Under the terms of the Beales Articles, all the Preference Shares outstanding are redeemed upon such an event. However, as Beales is unable to effect the redemption of all the Preference Shares outstanding, the holders of the Preference Shares have the right, under the terms of the Beales Articles, to convert some or all of the Preference Shares into Beales Shares at the then existing market price (averaged over the prior ten dealing days) into a maximum of 9.99 per cent. of the fully-diluted issued ordinary share capital of Beales. Portnard, which holds 7,000,000 Preference Shares, has indicated that it may exercise its conversion rights under the Beales Articles to the extent necessary to hold an additional 9.99 per cent. of the fully-diluted issued ordinary share capital of Beales.

9. Irrevocable undertakings

English Rose has received binding irrevocable undertakings from the members of the Concert Party to accept the Offer in respect of a total of 6,100,000 Beales Shares, representing, in aggregate, approximately 29.72 per cent. of Beales' issued ordinary share capital.

Name	Number of Beales Shares	Percentage of Beales Shares in issue
Panther	4,074,493	19.85
Maland Pension Fund	1,788,000	8.71
Andrew Perloff	212,507	1.04
Kimberley Perloff	25,000	0.12
Total	6,100,000	29.72

In addition, English Rose has received binding irrevocable undertakings from the Beales Directors to accept the Offer in respect of a total of 20,000 Beales Shares, representing, in aggregate, approximately 0.10 per cent. of Beales'

issued ordinary share capital.

Name	Number of Beales Shares	Percentage of Beales Shares in issue
William Tuffy	10,000	0.05
Tony Richards	10,000	0.05
Total	20,000	0.10

These undertakings will continue to be binding even in the event of a higher offer for Beales.

10. Information relating to the Concert Party

a. English Rose

English Rose is a company registered in England and Wales with number 9327747. Its registered office is at Deneway House, 88-94 Darkes Lane, Potters Bar, Hertfordshire EN6 1AQ. English Rose is a wholly-owned subsidiary of Portnard, which is owned by Andrew Perloff and family trusts of Andrew and Harold Perloff, Andrew Perloff's brother and is incorporated in Jersey but which has elected to be UK resident for tax purposes.

b. Panther

Panther, which is quoted on AIM, is controlled by Andrew Perloff and members of his family.

c. Maland Pension Fund

Maland Pension Fund is a pension fund established for the sole benefit of Andrew Perloff.

d. Andrew Perloff

Andrew Perloff is Executive Chairman of Panther. He has over 50 years' experience in the property sector, including 40 years' experience of being a director of a public listed company, primarily as Panther's Chairman. He has significant experience of corporate activity including several takeover transactions and has also served on the board of directors of six other public listed companies.

11. Information on Beales

Beales operates 29 department stores across the United Kingdom. The Beales Group was founded in 1881 and has its flagship store and corporate headquarters in Bournemouth, UK. The Beales Group has been listed on the main market of the London Stock Exchange since 1995.

12. Management, employees and intentions regarding Beales

English Rose values the capabilities, skills and experience of Beales' management team and the work undertaken in the last two years to generate and secure value for the Beales Shareholders. English Rose also attaches great importance to the continued participation and continued commitment of Beales' employees.

Accordingly, English Rose confirms that, following completion of the Offer, the existing contractual and statutory employment rights, including in relation to pensions, of all Beales employees will be fully safeguarded. In addition, except for any potential redundancies that may arise from the operational and strategic review to be undertaken with Beales' management or as a result of exiting stores that are not commercially or economically viable (as set out in paragraph 6 above), English Rose intends to maintain the Beales head office and most of its store locations and to continue to employ its employees on the terms and conditions currently in place.

William Tuffy and Catherine Norgate-Hart have indicated their intention to resign as non-executive directors of the Beales Board conditionally upon the Offer becoming or being declared wholly unconditional and with effect from completion of the Offer. Michael Hitchcock and Tony Richards will remain on the Beales Board upon completion of the Offer. English Rose intends, upon the Offer becoming or being declared wholly unconditional, to appoint Stuart Lyons as non-executive Chairman and Andrew Perloff and Simon Peters as non-executive directors of Beales.

13. Conditions of the Offer

The Offer is conditional, inter alia, upon valid acceptances being received (and not, where permitted, withdrawn) by not later than 1.00 pm on the date which is 21 days after the date on which the Offer Document is circulated to Beales Shareholders (or such later times and/or dates as English Rose may, subject to the rules of the Code or with the consent of the Panel, decide) in respect of not less than 75 per cent. (or such lower percentage as English Rose may decide in its absolute discretion) in nominal value of the Beales Shares, as further detailed in paragraph 1 of Appendix I. The Offer will also be subject, inter alia, to the satisfaction or waiver (if permitted) of the Conditions and certain further terms and conditions set out in Appendix I to this announcement and to be set out in the Offer Document and, in respect of Beales Shares held in certificated form, the Form of Acceptance.

14. Expected timetable

The Offer Document containing further details and the terms and conditions of the Offer will be despatched to Beales Shareholders shortly and, in any event, within 28 days of this announcement pursuant to Rule 24.1(a) of the Code.

15. Compulsory acquisition, cancellation of trading and re-registration

If English Rose receives acceptances of the Offer in respect of, and/or otherwise acquires or contracts to acquire, 90 per cent. in nominal value of the Beales Shares to which the Offer relates and assuming that all of the other Conditions have been satisfied or waived (if capable of being waived), English Rose intends to exercise its rights pursuant to the provisions of Part 28 of the Companies Act, as applicable, to acquire compulsorily any remaining Beales

Shares to which the Offer relates on the same terms as the Offer.

Following the Offer becoming, or being declared, unconditional in all respects and subject to any applicable requirements of the Listing Rules, English Rose intends to procure that Beales applies to the UK Listing Authority and to the London Stock Exchange for the cancellation of the admission of the Beales Shares to listing on the Official List and to trading on the London Stock Exchange's main market for listed securities. It is anticipated that such cancellation will take effect no earlier than 20 business days after the Offer becomes, or is declared, unconditional in all respects, subject to compliance with the applicable requirements of the Listing Rules. English Rose will notify Beales Shareholders of the anticipated date of cancellation.

The cancellation of the listing of the Beales Shares will significantly reduce the liquidity and marketability of any Beales Shares not acquired by English Rose and their value may be affected as a consequence. Any remaining Beales Shareholders would become minority shareholders in a majority controlled public limited company and may be unable to sell their Beales Shares and there can be no certainty that any dividends or other distributions would be made by Beales or that Beales Shareholders would again be offered an opportunity of selling their Beales Shares on terms which are equivalent to or no less advantageous than those available under the Offer.

It is also intended that, following the Offer becoming, or being declared, unconditional in all respects and, assuming the cancellation of the listing of the Beales Shares occurs, Beales will be re-registered as a private company under the relevant provisions of the Companies Act.

16. Preference Shares and the Beales Performance Share Plan

Upon the Offer becoming or being declared unconditional in all respects, English Rose will make an appropriate proposal to the holders of the Preference Shares.

Beales operates a Performance Share Plan. On the basis that all of the Performance Share Plan awards have expired or been forfeited, with the consent of the Panel, English Rose does not intend to make any offer or proposal to participants in the Performance Share Plan.

17. Disclosure of interests in Beales Shares

English Rose confirms that it is making, on the date of this announcement, an Opening Position Disclosure, which discloses the details required to be disclosed by it under Rule 8.1(a) of the Code.

18. Offer Document

It is expected that the Offer Document and, in respect of Beales Shares held in certificated form, Forms of Acceptance will be posted as soon as practicable and, in any event, (save with the consent of the Panel) within 28 days of this announcement. The Offer Document and Forms of Acceptance will be made available to all Beales Shareholders from the offices of Sanlam Securities, 10 King William Street, London EC4N 7TW at no charge to them.

Beales Shareholders are urged to read the Offer Document and, in respect of Beales Shares held in certificated form, the accompanying Form of Acceptance when they are sent to them because they will contain important information about the Offer.

19. Overseas Beales Shareholders

This announcement is for informational purposes only and does not constitute an offer to sell or an invitation to purchase any securities, or the solicitation of an offer to buy any securities, pursuant to the Offer or otherwise. The Offer will be made solely by means of the Offer Document and, in respect of Beales Shares held in certificated form, the Form of Acceptance, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

This announcement has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements.

Unless otherwise determined by English Rose or required by the Code, and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and the Offer will not be capable of acceptance from or within a Restricted Jurisdiction. Accordingly, copies of this announcement and all documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions as doing so may invalidate any purported acceptance of the Offer.

The availability of the Offer to Beales Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements and consult an appropriate independent professional adviser in their relevant jurisdiction without delay.

20. Offer-related arrangements

The following contracts are disclosed as offer-related arrangements for the purposes of Rule 21.2 of the Code:

- (a) a non-disclosure agreement between Beales and Panther, dated 26 November 2014, pursuant to which Panther has undertaken, subject to certain exceptions, to keep information relating to Beales confidential and not to disclose it to third parties; and
- (b) a commitment by Portnard to Beales, dated 17 January 2015, that it will procure the lodging of a £2.0 million deposit with Wells Fargo Capital Finance conditional upon the Offer becoming or being declared unconditional in all respects and on no event of default having arisen (save where such event of

default has been waived by Wells Fargo Capital Finance) under the Facility, whereupon Beales will have the ability to draw down £1.0 million under the Collateralised Term Loan Facility (subject to the Facility continuing to be available for drawdown at that time and in addition to any current ability it may have to draw down funds under the Facility), with a further amount up to a maximum of £1.0 million potentially being made available to Beales by Wells Fargo Capital Finance subject to the re-registration of Beales as a private company and further conditions which may be agreed and which may include recommendations arising from English Rose's detailed operational and strategic review with Beales' management.

These agreements are available for inspection as referred to in paragraph 21 below.

21. Documents to be published on a website

Copies of the following documents will be available by no later than 12 noon on the business day immediately following the date of this announcement on English Rose's parent company's website at www.portnard.co.uk and on Beales' website at www.beales.co.uk until the end of the Offer Period.

- (a) this announcement;
- (b) the irrevocable undertakings referred to in paragraph 9 above; and
- (c) the agreements referred to in paragraph 20 above.

22. General

The Offer will be made on the terms and subject to the conditions and further terms set out herein and in Appendix I to this announcement. The bases and sources of certain financial information contained in this announcement are set out in Appendix II to this announcement. Certain terms used in this announcement are defined in Appendix III to this announcement.

Sanlam Securities, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for English Rose and no one else in relation to the Offer and will not be responsible to anyone other than English Rose for providing the protections afforded to the customers of Sanlam Securities, or for providing advice in relation to the Offer or in relation to the contents of this announcement or any transaction or arrangement referred to herein, save as imposed by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder.

Smith Square Partners, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Beales and no one else in relation to the Offer and will not be responsible to anyone other than Beales for providing the protections afforded to the customers of Smith Square Partners, or for providing advice in relation to the Offer or in relation to the contents of this announcement or any transaction or arrangement referred to herein.

Enquiries

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Forward-looking statements

This announcement, including information included in this announcement, contains "forward-looking statements" concerning English Rose and Beales and the Beales Group that are subject to risks and uncertainties. Certain information in this announcement relating to Beales has been compiled from published sources. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond English Rose's ability to control or estimate precisely, such as future market conditions, changes in regulatory environment and the behaviour of other market participants. English Rose cannot give any assurance that such forward-looking statements will prove to have been correct. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this announcement. English Rose does not undertake any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except to the extent legally required.

Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of English Rose or any member of the Beales Group following completion of the Offer unless otherwise stated.

No profit forecast

No statement in this announcement is intended as a profit forecast or a profit estimate, and no statement in this announcement should be interpreted to mean that the future earnings per Beales Share for current or future financial years will necessarily match or exceed the historical or published earnings per Beales Share.

Disclosure requirements under the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and

(ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

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

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

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

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

You should note that, for the purposes of the above summary of Rule 8 of the Code, English Rose is not treated as a securities exchange offeror and therefore there is no requirement to disclose interests or dealings in shares of English Rose or any other members of the Concert Party under Rule 8 of the Code. English Rose will be disclosing later today the details required to be disclosed by it under Rules 8.1(a) and 8.3(a) and any further disclosure in respect of all persons acting in concert with English Rose in accordance with Rules 8.1(a) and 8.3(a) and Notes 2(a)(i) and 2(b)(i) on Rule 8 will be made as soon as possible thereafter.

Information relating to Beales Shareholders

Addresses, electronic addresses and certain information provided by Beales Shareholders, persons with information rights and other relevant persons for the receipt of communications from Beales may be provided to English Rose during the Offer Period as requested under Section 4 of Appendix 4 of the Code.

Publication on websites

In accordance with Rule 26.1 of the Code, a copy of this announcement will be made available, subject to certain restrictions relating to persons resident in a Restricted Jurisdiction, free of charge, on English Rose's parent company's website at www.portnard.co.uk and on Beales' website at www.beales.co.uk by no later than 12 noon (London time) on 20 January 2015.

For the avoidance of doubt, neither the content of the websites referred to above nor the contents of any website accessible from hyperlinks on any such website (or any other website) is incorporated into, or forms part of, this announcement nor, unless previously published by means of a Regulatory Information Service, should any such content be relied upon in reaching a decision regarding the matters referred to in this announcement.

In accordance with Rule 30.2, a person may request a copy of the announcement in hard copy form. A person may also request that all future documents, announcements and information in relation to the Offer should be in hard copy form.

A hard copy of the announcement will not be sent unless so requested. A hard copy may be obtained by sending a request to Sanlam Securities, 10 King William Street, London EC4N 7TW or by contacting Sanlam Securities on +44 (0)20 7628 2200.

APPENDIX I CONDITIONS AND FURTHER TERMS OF THE OFFER

The Offer and any acceptances thereunder will be subject to the provisions of the Code and any other applicable legal or regulatory requirements and the conditions to be set out in the Offer Document and related Form of Acceptance.

Part A - Conditions of the Offer

1. Acceptance condition

The Offer will be conditional upon: valid acceptances being received (and not, where permitted, withdrawn) by not later than 1.00 pm (London time) on the First Closing Date (or such later time(s) and/or date(s) as English Rose may, subject to the rules of the Code or with the consent of the Panel, decide) in respect of not less than 75 per cent. in nominal value of the Beales Shares (or such lower percentage as English Rose may decide). However, this Condition will not be satisfied unless English Rose has acquired, or agreed to acquire, Beales Shares carrying, in aggregate, over 50 per cent. of the voting rights then normally exercisable at general meetings of Beales. For the purposes of this Condition: (i) Beales Shares which have been unconditionally allotted but not issued before the Offer becomes, or is declared, unconditional, whether

pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights they will carry on issue; and (ii) valid acceptances shall be treated as having been received in respect of any Beales Shares that English Rose shall have acquired, or unconditionally contracted to acquire, pursuant to section 979(8) and, if applicable, section 979(9) of the Companies Act.

2. Further conditions:

In addition, subject as stated in Part B below and to the requirements of the Panel, the Offer will be conditional upon the following Conditions being satisfied or, where relevant, waived:

Notifications, waiting periods and authorisations

(a) all necessary notifications, filings or applications in connection with the Offer having been made and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Offer and its implementation and all authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions and approvals ("Authorisations") reasonably deemed necessary or appropriate by English Rose in any jurisdiction for, or in respect of, the Offer and, except pursuant to Chapter 3 of Part 28 of the Companies Act, the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, Beales having been obtained in terms and in a form reasonably satisfactory to English Rose from any appropriate central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body or authority, court, trade agency, professional association, institution, employee representative body or any other body or person whatsoever in any jurisdiction (a "Third Party") or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Beales Group has entered into contractual arrangements and all such Authorisations necessary or reasonably appropriate to carry on the business of any member of the Beales Group in any jurisdiction having been obtained and all such Authorisations remaining in full force and effect at the time at which the Offer becomes or is declared otherwise wholly unconditional, all filings necessary for such purpose having been made and there being no written notice or written intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

General antitrust and regulatory

(b) the Competition and Markets Authority indicating in terms satisfactory to English Rose that it does not intend to make a CMA Phase 2 reference of the proposed acquisition of Beales by English Rose;

(c) no material complaint or reference to any Third Party against or in respect of any member of the Beales Group having been threatened in writing, announced or instituted or remaining outstanding and no Third Party having given notice in writing of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, inquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or

otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected in the context of the Offer to:

(i) require, prevent or materially delay or affect the divestiture or materially prejudice the terms envisaged for such divestiture by any member of the Beales Group or English Rose of all or any material part of their respective businesses, assets or property or of any Beales Shares or other securities in Beales or impose any limitation on the ability of all or any of them to conduct their businesses (or any material part thereof) or to own, control or manage any of their assets or properties (or any part thereof);

(ii) except pursuant to Chapter 3 of Part 28 of the Companies Act, require English Rose to acquire, redeem or repay or offer to acquire, redeem or repay any shares, other securities (or the equivalent) or interest in and/or repay any material indebtedness of any member of the Beales Group or any material asset owned by any Third Party (other than in connection with the implementation of the Offer);

(iii) impose any limitation on, or result in a delay in, the ability of English Rose, directly or indirectly, to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Beales or on the ability of any member of the Beales Group, directly or indirectly, to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Beales Group, in each case, to an extent which is material in the context of the Beales Group, taken as a whole;

(iv) otherwise adversely affect any or all of the business, assets, financial or trading position, profits or prospects of any member of the Beales Group or English Rose to an extent which is material in the context of the Beales Group, taken as a whole, or English Rose and the Concert Party, taken as a whole (as the case may be);

(v) result in any member of the Beales Group or English Rose ceasing to be able to carry on business to the extent conducted at the date of this announcement under any name under which it presently carries on business to an extent which is material in the context of the Beales Group, taken as a whole, or English Rose and the Concert Party, taken as a whole (as the case may be);

(vi) make the Offer or its implementation, or the acquisition or proposed acquisition of any shares or other securities in, or control of, Beales by English Rose, void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly, materially prevent or prohibit, restrict, restrain or delay the same or otherwise interfere with the Offer or its implementation, or impose material additional conditions or obligations with respect to, or otherwise materially impede, interfere or require amendment of the Offer or the acquisition, or proposed acquisition, of any shares or other securities in, or control of, Beales by English Rose to an extent which is material in the context of the Offer;

(vii) require, prevent or materially delay a divestiture by English Rose of any shares or other securities (or the equivalent) in any member of the Beales Group to an extent which is material in the context of the Beales Group, taken as a whole, or English Rose and the Concert Party, taken as a whole (as the case may be); or

(vii) impose any limitation on the ability of English Rose to conduct or integrate all or any part of its business with all or any part of the business of the Beales Group to an extent which is material in the context of the Beales Group, taken as a whole, or English Rose and the Concert Party, taken as a whole (as the case may be),

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Offer having expired, lapsed or been terminated;

Certain matters arising as a result of any arrangement, agreement, etc.

(d) except as publicly announced by Beales prior to 16 January 2015 through a Regulatory Information Service or disclosed in writing to English Rose or its professional advisers or as disclosed in the annual report and accounts of Beales for the year ended 2 November 2013 there being no provision of any material arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Beales Group is a party or by or to which any such member or any of its assets is, or may be, bound, entitled or subject, or any event or circumstance which, as a consequence of the Offer or because of the change in the control of Beales or any other member of the Beales Group represented by the Offer, would, or might reasonably be expected to, result in:

(i) any monies borrowed by, or any other indebtedness, whether actual or contingent, of, or any grant available to, any member of the Beales Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;

(ii) the creation or enforcement of any mortgage, charge or other security interest over the whole, or any material part, of the business, property or assets of any member of the Beales Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;

(iii) any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the Beales Group therein being adversely modified or adversely affected, or any material obligation or liability arising or any

adverse action being taken or arising thereunder;

(iv) any liability of any member of the Beales Group to make any material severance, termination, bonus or other payment to any of its directors or other officers;

(v) the rights, liabilities, obligations, interests or business of any member of the Beales Group under any such arrangement, agreement, lease, licence, franchise, permit or other instrument, or the interests or business of any member of the Beales Group in or with any other person, body, firm or company (or any agreement or arrangement relating to any such interests or business) being, or becoming capable of being, terminated, or materially and adversely modified or affected or any onerous obligation or liability arising or any materially adverse action being taken thereunder;

(vi) any member of the Beales Group ceasing to be able to carry on business under any name under which it presently carries on business;

(vii) the value of, or the financial or trading position or prospects of, any member of the Beales Group being materially prejudiced or adversely affected;

(viii) any material asset or interest of any member of the Beales Group being or falling to be capable of being disposed of or charged (otherwise than in the ordinary course of business) or ceasing to be available to any member of the Beales Group or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Beales Group;

(ix) the creation or acceleration of any material liability (actual or contingent) by any member of the Beales Group other than trade creditors or other liabilities incurred in the ordinary course of business; or

(x) any material adverse change in the ownership or use of any intellectual property rights owned or used by any member of the Beales Group,

and no event having occurred which, under any provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Beales Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would be expected to result in any of the events or circumstances as are referred to in Conditions (d)(i) to (x) (in each case, to an extent which is material in the context of the Beales Group, taken as a whole).

Certain events occurring since 2 November 2013

except as disclosed in Beales' annual report and accounts for the year ended 2 November 2013, or as otherwise publicly announced by Beales on or prior to 16 January 2015 through a Regulatory Information Service or as disclosed in writing to English Rose or its professional advisers, no member of the Beales Group having since 2 November 2013:

(i) issued or agreed to issue, or authorised or proposed or announced its intention to authorise or propose the issue of, additional shares of any class or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold, or agreed to transfer or sell, or authorised or proposed the transfer or sale of Beales Shares out of treasury (except, where relevant, as between Beales and wholly owned subsidiaries of Beales or between the wholly owned subsidiaries of Beales);

(ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) or dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of Beales to Beales or any of its wholly owned subsidiaries;

(iii) other than pursuant to the Offer (and except for transactions between Beales and its wholly owned subsidiaries or between the wholly owned subsidiaries of Beales and transactions in the ordinary course of business) implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment, acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings;

(iv) (except for transactions between Beales and its wholly owned subsidiaries or between the wholly owned subsidiaries of Beales or otherwise in the ordinary course of business) disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised, proposed or announced any intention to do so;

(v) (except for transactions between Beales and its wholly owned subsidiaries or between the wholly owned subsidiaries of Beales) issued, authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or, except in the ordinary course of business, become subject to any contingent liability or incurred or increased any indebtedness which, in any case, is material in the context of the Beales Group, taken as a whole;

(vi) entered into or varied or authorised, proposed or announced its intention to enter into or vary any material contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) except in the ordinary course of business which is of a long term (which shall mean for a fixed term in excess of 12 months and/or not terminable by the giving of 12 months' notice or less), unusual or onerous nature or magnitude or which involves an obligation of a nature or magnitude which is likely to be restrictive on the business of any member of the Beales Group and

which, in any case, is material in the context of the Beales Group, taken as a whole;

(vii) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of, any contract, service agreement, commitment or arrangement with any director of any member of the Beales Group, save as agreed by English Rose;

(viii) proposed, agreed to provide or modified to a material extent the terms of any share option scheme, incentive scheme or other benefit relating to the employment, or termination of employment, of any employee of the Beales Group save as agreed by English Rose or which is required pursuant to the implementation of the Offer;

(ix) made, or announced any proposal to make, any change or addition to any retirement, death or disability benefit or any other employment-related benefit of or in respect of any of its directors, employees, former directors or former employees;

(x) except in relation to changes made or agreed as a result of, or arising from, changes to legislation, made or agreed or consented to:

(A) any significant change to: (aa) the terms of the trust deeds (or any other contractual documentation) or rules constituting the pension scheme(s) established for its directors, employees or their dependants; or (bb) the benefits which accrue or to the pensions which are payable thereunder; or (cc) the basis on which qualification for, or accrual or entitlement to such benefits or pensions are calculated or determined; or (dd) the basis upon which the liabilities (including pensions) of such pension schemes are funded or made; or

(B) any change to the trustees including the appointment of a trust corporation;

(xi) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital, save as agreed by English Rose or which is required pursuant to the implementation of the Offer;

(xii) waived, compromised or settled any claim (other than in the ordinary course of business or between Beales and its wholly owned subsidiaries or between the wholly owned subsidiaries of Beales) which is material in the context of the Beales Group, taken as a whole;

(xiii) terminated, or varied the terms of, any agreement or arrangement between any member of the Beales Group and any other person in a manner which

would have a material adverse effect on the financial position of the Beales Group, taken as a whole;

(xiv) other than pursuant to the Offer and as envisaged in accordance with the terms of the Offer, made any alteration to its memorandum or articles of association or other incorporation documents, in each case, which is material in the context of the Offer;

(xv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased, or threatened to cease, carrying on all, or a substantial part of, its business, in each case, to an extent which is material in the context of the Beales Group, taken as a whole;

(xvi) (other than in respect of a member of the Beales Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any material legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, striking-off, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all, or any material part of, its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;

(xvii) (except for transactions between Beales and its wholly owned subsidiaries or between the wholly owned subsidiaries of Beales) made, authorised, proposed or announced an intention to propose any change in its loan capital;

(xviii) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities, in each case, which is material in the context of the Beales Group, taken as a whole;

(xix) save as between Beales and its wholly-owned subsidiaries, granted any lease or material third party rights in respect of any of the leasehold or freehold property owned or occupied by it or transferred or otherwise disposed of any such property;

(xx) entered into any licence or other disposal of intellectual property rights of any member of the Beales Group which is material in the context of the Beales Group, taken as a whole, and outside the normal course of business;

(xxi) taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Beales Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the

Code; or

(xxii) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to, or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition (e);

No adverse change, litigation, regulatory enquiry or similar

except as disclosed in Beales' annual report and accounts for the year ended 2 November 2013, or as otherwise publicly announced by Beales on or prior to 16 January 2015 through a Regulatory Information Service or as disclosed in writing to English Rose or to its professional advisers, since 2 November 2013 there having been:

(i) no adverse change, and no circumstance having arisen which would or might be reasonably expected to result in any adverse change, in the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Beales Group which, in any case, is material in the context of the Beales Group, taken as a whole;

(ii) no litigation, arbitration proceedings, prosecution or other legal proceedings (including, without limitation, with regard to intellectual property rights owned or used by the Beales Group) having been threatened in writing, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Beales Group or to which any member of the Beales Group is, or could reasonably be expected to become, a party (whether as claimant, defendant or otherwise), in each case, which might reasonably be expected to have a material adverse effect on the Beales Group, taken as a whole, or in the context of the Offer;

(iii) no contingent or other liability having arisen or become apparent to English Rose or increased other than in the ordinary course of business which would, or might reasonably be expected to, adversely affect the business, assets, financial or trading position or profits or prospects of any member of the Beales Group to an extent which is material in the context of the Beales Group, taken as a whole, or in the context of the Offer; and

(iv) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any supplier contract or customer contract or any licence held by any member of the Beales Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which might reasonably be expected to have a material adverse effect on the Beales Group, taken as a whole, or in the context of the Offer; and

9. No discovery of certain matters regarding information, liabilities and environmental issues

except as publicly announced by Beales prior to 16 January 2015 through a Regulatory Information Service or disclosed in writing to English Rose or its professional advisers and save as disclosed in the annual report and accounts of Beales for the financial year ended 2 November 2013, English Rose not having discovered:

that any financial, business or other information concerning the Beales Group publicly announced prior to the date of this announcement or disclosed at any time in writing to English Rose or to any of its professional advisers by or on behalf of any member of the Beales Group prior to the date of this announcement is misleading, contains a misrepresentation of any fact or omits to state a fact necessary to make that information not misleading, to an extent which, in any such case, is material in the context of the Beales Group, taken as a whole;

any information which in the context of the Offer materially affects the import of any such information as is mentioned in Condition (g)(i) which is material in the context of the Beales Group taken as a whole;

that any member of the Beales Group or any partnership, company or other entity in which any member of the Beales Group has a significant economic interest and which is not a subsidiary undertaking of Beales is, otherwise than in the ordinary course of business, subject to any liability, contingent or otherwise, which is material in the context of the Beales Group, taken as a whole, or in the context of the Offer;

(iv) that any past or present member of the Beales Group has not complied in any material respect with all applicable legislation, regulations or other requirements of any jurisdiction or any authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including any property) or harm human or animal health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Beales Group which, in any case, is material in the context of the Beales Group, taken as a whole;

(v) that there has been a disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or any substance likely to impair the environment (including any property) or harm human or animal health from, any land or other asset now or previously owned, occupied or made use of by any past or present member of the Beales Group which (whether or not giving rise to non-compliance with any law or regulation), would be likely to give rise to any material liability (whether actual or contingent, civil or criminal) or cost on the part of any member of the Beales Group which in any case is material in the context of the Beales Group, taken as a whole;

(vi) that there is, or is reasonably likely to be, any material obligation or liability (whether actual or contingent) or requirement to make good,

remediate, repair, reinstate or clean up any property or asset currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Beales Group (or on its behalf), or in which any such member may have, or previously have had or be deemed to have had, an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto, which, in any case, is material in the context of the Beales Group, taken as a whole;

(vii) that circumstances exist (whether as a result of the making of the Offer or otherwise) which would be reasonably likely to lead to any Third Party instituting (or whereby any member of the Beales Group would be likely to be required to institute) an environmental audit or take any steps which would in any such case be reasonably likely to result in any actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or any asset now or previously owned, occupied or made use of by any past or present member of the Beales Group (or on its behalf) or by any person for which a member of the Beales Group is or has been responsible, or in which any such member may have, or previously have had or be deemed to have had, an interest, which, in any case, is material in the context of the Beales Group, taken as a whole;

(viii) that circumstances exist whereby a person has, or class of persons have, or are reasonably likely to have, any legitimate claim or claims against any member of the Beales Group in respect of any product or process, or materials, now or previously manufactured, sold, supplied or carried out by any past or present member of the Beales Group, which, in each case, is material in the context of the Beales Group, taken as a whole; or

(ix) any member of the Beales Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 or any other applicable anti-corruption legislation which is material in the context of the Beales Group, taken as a whole.

Part B: Certain further terms of the Offer

Subject to the requirements of the Panel, English Rose reserves the right to waive, in whole or in part, all or any of the above Conditions 2(a) to (g) (inclusive). Each of Conditions 2(a) to (g) (inclusive) shall be regarded as a separate Condition and shall not be limited by reference to any other condition.

English Rose shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions 2(a) to (g) (inclusive) by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

If English Rose is required by the Panel to make an offer for Beales Shares under the provisions of Rule 9 of the Code, English Rose may make such alterations to any of the above Conditions and terms of the Offer as are necessary to comply with the provisions of that Rule.

The Offer will lapse, and will not proceed, if there is a Phase 2 CMA reference or if Phase 2 European Commission proceedings are initiated or if, following a referral of the Offer by the European Commission under Article 9(1) of the European Council Merger Regulation to a competent authority in the United Kingdom, there is a Phase 2 CMA reference, in any such case before 1.00 pm (London time) on the First Closing Date or the time and date on which the Offer becomes, or is declared, unconditional as to acceptances (whichever is the later).

The availability of the Offer to persons 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.

The Offer will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet or e-mail) of interstate or foreign commerce of, or of any facility of a national securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility or from within any Restricted Jurisdiction.

Beales Shares which will be acquired under the Offer will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this announcement.

Under Rule 13.5 of the Code, English Rose may not invoke a condition to the Offer so as to cause the Offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to English Rose and the Concert Party, taken as a whole in the context of the Offer. The conditions contained in paragraph 1 of Part A and the fourth paragraph of this Part B are not subject to this provision of the Code.

The Offer and any acceptances under the Offer and any dispute or claim arising out of or in connection with them or their subject matter, whether of a contractual or non-contractual nature, will be governed by and construed in accordance with the laws of England and Wales and will be subject to the exclusive jurisdiction of the English courts and to the Conditions and further terms set out in this Appendix I and to be set out in the Offer Document. The Offer will be subject to the applicable requirements of the Code, the Panel,

the London Stock Exchange, the FCA and the Listing Rules.

APPENDIX II
SOURCES OF INFORMATION AND BASES OF CALCULATION

Certain information about the Beales Group has been compiled from published sources.

Unless otherwise stated:

- (a) financial information relating to Beales has been extracted or derived without material adjustment from the relevant audited annual accounts and, for the period ended 1 November 2014, from the unaudited year end accounts;
- (b) references to the value of the Offer are based on there being 20,524,797 Beales Shares in issue; and
- (c) historical share prices are sourced from the London Stock Exchange website and represent Closing Prices for Beales Shares on the relevant dates.

APPENDIX III
DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise.

"AIM "	the AIM market, a market operated by the London Stock Exchange
"ARCS"	Anglia Regional Co-Operative Society Limited
"Beales" or the "Company"	Beale PLC, a company registered in England and Wales under company number 2755125
"Beales Articles"	the Articles of Association of Beales
"Beales Directors" or "Beales Board" or "Board of Beales"	the directors of Beales
"Beales Group"	collectively, Beales and its subsidiaries from time to time
"Beales Shareholders"	holders of Beales Shares
"Beales Shares"	ordinary shares of 5p each in the capital of Beales
"business day"	a day (excluding Saturdays, Sundays and public holidays) on which banks are open for business in the City of London
"CEC"	Central England Co-operative Limited

"certificated" or where a share or other security is not in uncertificated form
"in certificated (that is, not held in CREST)
form"

"Closing Price" the closing middle-market price of a Beales Share on a particular day as derived from the Daily Official List

"Code" the City Code on Takeovers and Mergers issued by the Panel, as amended from time to time

"Collateralised Term Loan Facility" an additional facility to be provided by Wells Fargo Capital Finance to Beales, on financial terms similar to the Facility, following the procurement by Portnard of a security deposit of £2.0 million provided as collateral for the Facility

"Companies Act" the Companies Act 2006, as amended

"Concert Party" English Rose, Portnard, Panther, Maland Pension Fund and Andrew Perloff

"Conditions" the conditions of the Offer set out in Part A of Appendix I to this announcement

"CREST" the relevant system (as defined in the CREST Regulations) of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations)

"CREST Regulations" the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended

"Daily Official List" the Daily Official List of the London Stock Exchange

"English Rose" English Rose Enterprises Limited, a company incorporated in England and Wales, with registered number 9327747

"English Rose Directors" the directors of English Rose, being Andrew Perloff and Simon Peters

"Facility" the asset-based lending facility of £12.0 million between Wells Fargo Capital Finance and Beales dated 1 February 2013

"FCA" the UK Financial Conduct Authority

"First Closing Date" the date which falls 21 days after the posting of the Offer Document

"Form of Acceptance" the form of acceptance and authority relating to the Offer which will, in the case of Beales Shareholders who hold their Beales Shares in certificated form (other than in respect of Beales Shareholders in a Restricted Jurisdiction), accompany the Offer Document

"Listing Rules" the rules and regulations made by the UK Listing Authority pursuant to Part IV of the Financial Services and Markets Act 2000, as amended from time to time

"London Stock Exchange" London Stock Exchange plc

"Maland Pension Fund" Maland Pension Fund, a pension fund for the sole benefit of Andrew Perloff

"Offer"	the recommended cash offer to be made by English Rose at the Offer Price in accordance with Part 28 of the Companies Act to acquire the entire issued and to be issued ordinary share capital of Beales on the terms and subject to the conditions set out in this announcement and to be set out in the Offer Document and, in the case of Beales Shares held in certificated form, the Form of Acceptance and, where the context admits, any subsequent revision, variation, extension or renewal of such offer
"Offer Document"	the formal offer document to be sent to Beales Shareholders (other than Beales Shareholders in a Restricted Jurisdiction) which will contain, amongst other things, the full terms and conditions of the Offer
"Offer Period"	the period commencing on 19 January 2015 and ending on the earlier of the date on which the Offer becomes or is declared unconditional as to acceptances and/or the date on which the Offer lapses or is withdrawn (or such other date as the Panel may decide)
"Offer Price"	6p per Beales Share
"Official List"	the daily official list maintained by the UK Listing Authority
"Opening Position Disclosure"	an announcement containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the Offer if the person concerned has such a position as is described in Rule 8 of the Code
"Panel" or "Takeover Panel"	the Panel on Takeovers and Mergers
"Panther"	Panther Securities plc, a company whose shares are quoted on AIM
"Portnard"	Portnard Limited, a company which is owned by Andrew Perloff and family trusts of Andrew and Harold Perloff, Andrew Perloff's brother
"Pounds Sterling" or "£"	UK pounds sterling (and references to "p" shall be construed accordingly)
"Preference Shares"	the 8,500,000 redeemable preference shares of £1 each issued by Beales in May 2011 of which 7,983,953 remain unredeemed at the date of this announcement
"PwC"	PricewaterhouseCoopers LLP
"Regulatory Information Service"	a regulatory information service approved by the FCA and that is on the list of regulatory information service providers maintained by it
"Restricted Jurisdiction"	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure for English Rose, any parties acting in concert with it, any of their respective directors or Beales if information or documentation concerning the Offer is sent or made available to Beales Shareholders in that jurisdiction
"Sanlam Securities"	Sanlam Securities UK Limited, financial adviser to English Rose
"Smith Square"	Smith Square Partners LLP, financial adviser to Beales

Partners"

"Term Loan" the £2.5 million loan facility between J E Beale Plc and ARCS, of which £1.0 million remains outstanding at the date of this announcement

"United Kingdom" or "UK" the United Kingdom of Great Britain and Northern Ireland

"UK Listing Authority" the FCA acting in its capacity as the competent authority for listing in the United Kingdom

"Wells Fargo Capital Finance" Wells Fargo Capital Finance, a trading name of Burdale Financial Limited

For the purposes of this announcement, "subsidiary", "subsidiary undertaking", "undertaking" and "associated undertaking" have the respective meanings given thereto by the Companies Act.

All the times referred to in this announcement are London times unless otherwise stated.

All references to legislation in this announcement are to English legislation unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof, save to the extent that any such amendment, modification, re-enactment or extension imposes any new or extended liability or restriction on a party.

References to the singular include the plural and vice versa.