

Sports Direct Intl.

Mandatory Offer for Findel plc

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Sports Direct International Plc
04 March 2019

Sports Direct International plc

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This announcement contains inside information

SPORTS DIRECT INTERNATIONAL PLC

MANDATORY CASH OFFER

for

FINDEL PLC

1. Introduction

Sports Direct International plc ("**Sports Direct**") has today unconditionally agreed to acquire 6,000,000 Findel Shares at a price of 161 pence per Findel Share from a single shareholder, City Financial Absolute Equity Fund (the "**Acquisition**"). It is expected that the Acquisition will settle on 6 March 2019. Following the Acquisition Sports Direct will, in aggregate, hold 31,850,000 Findel Shares, representing 36.8 per cent. of the existing issued share capital, and voting rights, of Findel.

As a result of the Acquisition, under Rule 9 of the Takeover Code, Sports Direct is required to make a mandatory cash offer (the "**Offer**") for the Findel Shares not already held by Sports Direct (or any persons acting in concert with it), at a price of 161 pence per Findel Share (such price being no less than the highest price paid by Sports Direct (or any persons acting in concert with it) for any Findel Share during the 12 months prior to the date of this announcement).

Sports Direct will make the Offer through the despatch of the Offer Document and Form of Acceptance, both of which will be posted to Findel Shareholders (or made available electronically in accordance with the Takeover Code) no sooner than 14 days nor no later than 28 days after the date of this announcement (unless agreed otherwise with the Panel). The Offer Document will contain the formal terms of the Offer.

2. The Offer

Under the terms of the Offer, which will be subject to the Condition and further terms set out in Appendix I to this announcement and to the full terms and condition to be set out in the Offer Document and, in respect of Findel Shares held in certificated form, the Form of Acceptance, Findel Shareholders shall be entitled to receive:

161 pence in cash for each Findel Share

The Offer will extend to all issued Findel Shares which are not held by Sports Direct (or any persons acting in concert with it) and any further Findel Shares which are unconditionally allotted or issued and fully paid before the Offer closes. The Offer values the entire issued and to be issued share capital of Findel (not taking into account the exercise of any outstanding options which may have vested under the Findel PSP or the Findel COS) at approximately £139.2 million.

The Offer is subject to valid acceptances of the Offer being received (and not, where permitted, withdrawn) by no later than 1.00 p.m. (London time) on the First Closing Date of the Offer (or such later time(s) and/or date(s) as Sports Direct may, in accordance with the Takeover Code or with the consent of the Panel, decide) in respect of such number of Findel Shares which, when aggregated with the Findel Shares held by Sports Direct (and any persons acting in concert with it) at the date of the Offer and any Findel Shares acquired or agreed to be acquired by Sports Direct or any person acting in concert with Sports Direct on or after such date, carry more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Findel including for this purpose any such voting rights attaching to Findel Shares that are unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise.

Findel Shares will be acquired fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and other third party rights or interests together with all rights attaching thereto including, without limitation, the right to receive all dividends and other distributions (if any) announced, declared, made or paid thereafter.

Sports Direct reserves the right to reduce the Offer consideration by the amount of any dividend (or other distribution) which is paid or becomes payable by Findel to the holders of Findel Shares.

There are no agreements or arrangements to which Sports Direct is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a precondition or a condition to the Offer.

There are no inducement fees or similar arrangements between Sports Direct and Findel.

3. Background to and reasons for the Offer

Sports Direct has been an investor in Findel since 25 September 2015, currently holds a 29.9 per cent. interest in Findel and is Findel's largest shareholder. Following the Acquisition, Sports Direct will, in aggregate, hold 31,850,000 Findel Shares, representing 36.8 per cent. of the existing issued share capital, and voting rights, of Findel. As a result of the Acquisition, and pursuant to Rule 9 of the Takeover Code, Sports Direct is therefore required to make an offer for all the Findel Shares not already owned by it or by persons acting in concert with it.

Following successful pilot-scale commercial tests of Sports Direct-licensed clothing brands on Express Gifts' Studio.co.uk website, designed to strengthen Express Gifts' product offer for the value-conscious customer, Sports Direct and Findel have further developed the commercial supply arrangements between Express Gifts and Sports Direct.

Sports Direct continues to recognise the value and quality of the Findel business, and sees the Offer as an opportunity to give increased support to Findel to maximise the value of its existing business. The Offer is as an effective way of expanding the commercial arrangements between Sports Direct and Findel, and giving Sports Direct increased exposure to the future growth of the Findel business.

4. Information about Sports Direct

Sports Direct is a public limited company incorporated in England and Wales on 21 December 2006 under the 2006 Act with registered number 11582864. Sports Direct is a subsidiary of MASH Holdings Limited, a company controlled by Mike Ashley.

Sports Direct is the UK's largest sporting goods retailer, founded as a single store in 1982. Sports Direct operates a diversified portfolio of sports, fitness, fashion and lifestyle fascias in over 20 countries. Sports Direct has approximately 26,500 staff across five business segments: UK Sports Retail, European Sports Retail, Premium Lifestyle, Rest of World Retail, and Wholesale & Licensing (formerly Brands). The Sports Retail segments supply sports and leisure equipment and apparel. The Premium Lifestyle segment offers a broad range of clothing, footwear, and accessories from global contemporary and luxury retail brands. The Wholesale & Licensing segment includes the wholesale, licensing, and distribution of the firm's own brand, as well as third party brands that are sold to sports retail and premium lifestyle products. Sports Direct's business strategy is to invest in its people, its business, and its key third party brand partners, in order to elevate Sports Direct's retail proposition across all of its channels to attain new levels of excellence. Sports Direct last reported revenues of £3,359.5m and underlying EBITDA of £306.1m, for the year ended 29 April 2018.

5. Information about Findel

Findel is a public limited company incorporated in England and Wales on 11 May 1955 under the Companies Act 1948 with registered number 00549034.

Listed on the London Stock Exchange on 1 October 1963, the Findel group contains market leading businesses in the UK online value retailing and education supplies markets. The two main trading subsidiaries in the Findel group are Express Gifts Limited and Findel Education Limited.

Express Gifts Limited, the largest company within the Findel group, sells clothing, greeting cards, gifts, home and garden items through its Studio and Ace catalogues and websites.

Findel Education Limited is a supplier of educational resources in Europe. Customers include state and independent schools from nursery to secondary level, hospitals, charities, and other educational bodies.

Findel reported revenues of £479.0 million and a profit before tax of £22.1 million for the year ended 30 March 2018.

6. Intentions of Sports Direct

Sports Direct intends to work closely with Findel to expand their existing commercial arrangements for the benefit of both companies. Sports Direct has no intention to make any changes to: (i) the future business of Findel including any research and development functions; (ii) the continued employment of Findel's employees and management (and those of its subsidiaries), including any material change in conditions of employment or the balance of skills and function of the employees and management; (iii) the strategic plans for Findel; (iv) employer contributions into Findel's pension schemes, the accrual of benefits for new members and the admission of new members; (v) the redeployment of the fixed assets of Findel; and (vi) the continuation of the Findel Shares being admitted to the Premium Listing Segment of the Official List and admitted to trading on the Main Market of the London Stock Exchange. As such it is expected that there will be no repercussions on employment or the locations of Findel's places of business, including on the location of Findel's headquarters and headquarters functions.

Sports Direct does not believe that the Offer will affect the Sports Direct Group.

Sports Direct has confirmed that there is no agreement, arrangement or understanding for the transfer of their Findel Shares to any third party.

On 6 March 2018, Findel announced that it had agreed that Mr Liam Rowley observe Findel's board meetings on behalf of Sports Direct. Mr Rowley has received board papers (redacted as appropriate to address conflict issues) and has attended, but has no right to vote at, Findel board meetings. He does not attend Committee meetings. The terms of this arrangement are set out in an exchange of letters between the Chairmen of Sports Direct and Findel and it is also regulated by a non-disclosure agreement between the two companies. Mr Rowley will not attend any Findel board meetings during the Offer Period.

7. Findel Shares to which the Offer relates

The Offer shall extend to the Findel Shares not already owned by Sports Direct or any person acting in concert with it, which represent approximately 63.2 per cent. of Findel's existing issued ordinary share capital.

In addition, the Offer shall extend to any Findel Shares which are unconditionally allotted or issued and fully paid (or credited as fully paid) on or before the date on which the Offer closes as to acceptances (or such earlier date as Sports Direct may, subject to the Takeover Code, decide) including any such Findel Shares allotted or issued pursuant to the Findel PSP or Findel's COS before the date on which the Offer closes.

The Offer may impact on the options held by the Findel Option holders. Findel Option holders and holders of Findel COS will be contacted regarding the effect of the Offer on their rights under the options and Findel COS.

8. Financing of the Offer

The Offer will be financed from the existing cash resources of Sports Direct.

Numis, as financial adviser to Sports Direct, is satisfied that sufficient cash resources are available to Sports Direct to satisfy the cash consideration payable to Findel Shareholders in the event of full acceptance of the Offer.

9. Disclosure of Interests in Relevant Securities

In this paragraph 9, "**Relevant Securities**" means Findel Shares and securities convertible into, or rights to subscribe for, options (including traded options) in respect thereof and derivatives referenced thereto.

As at the close of business on 1 March 2019 (being the last Business Day prior to the publication of this announcement), Sports Direct had the following interests in or rights to subscribe for Relevant Securities:

| Name | Nature of interest | Number of Findel Shares interested in | Interest as a percentage of issued Findel Shares |
|---------------|------------------------|---------------------------------------|--|
| Sports Direct | Owner of Findel Shares | 25,850,000 | 29.9% |

It has not been practicable, in the time available, to have made enquiries of all persons acting in concert with Sports Direct in order to include all relevant details in respect of such persons in this announcement.

As at the close of business on 1 March 2019 (being the last business day prior to the publication of this announcement), save as disclosed in this announcement:

- (a) Sports Direct does not have an interest in, or right to subscribe for, any Relevant Securities;
- (b) Sports Direct does not have any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of Relevant Securities;
- (c) Sports Direct has not borrowed or lent (including, for these purposes, entering into any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code) any Relevant Securities; or
- (d) Sports Direct does not have any outstanding irrevocable commitment or letter of intent with respect to Relevant Securities.

Furthermore, save as disclosed in this announcement, no arrangement exists with Sports Direct in relation to Relevant Securities. For these purposes, an "arrangement" includes any indemnity or option arrangement, any agreement or any understanding, formal or informal, of whatever nature, relating to Relevant Securities which may be an inducement to deal or refrain from dealing in such securities.

10. **Opening position disclosure**

Sports Direct confirms that it will make a public Opening Position Disclosure setting out all the relevant details required to be disclosed by it under Rule 8.1(a) of the Takeover Code by no later than 12 noon on the 18 March 2019.

11. **Further terms and Condition of the Offer**

The Offer is to be effected by means of a takeover offer within the meaning of Part 28 of the 2006 Act.

The Offer will be subject to the Condition and further terms set out in this announcement and to the full terms and condition to be set out in the Offer Document and, in respect of Findel Shares held in certificated form, the Form of Acceptance.

The Offer and acceptances thereof will be governed by English law and will be subject to the jurisdiction of the English courts. The Offer will be subject to the applicable requirements of the Takeover Code and the Listing Rules.

12. **The Acquisition**

On the date of this announcement, Sports Direct acquired the following Findel Shares:

City Financial Absolute Equity Fund: 6,000,000 Findel Shares at a price of 161 pence per share

13. **Overseas Findel Shareholders**

The availability of the Offer to Findel Shareholders who are not resident in the UK may be affected by the laws and/or regulations of their relevant jurisdiction. Therefore, such persons should inform themselves about and observe any applicable legal or regulatory requirements in their jurisdiction. Further details in relation to overseas Findel Shareholders will be set out in the Offer Document. If you are in any doubt, you should consult your professional adviser in the relevant jurisdiction without delay.

14. **Documents on display**

Copies of this announcement will, by no later than 12 noon on the Business Day following the date of this announcement, be published on Sports Direct's website at <http://www.sportsdirectplc.com/investor-relations.aspx> and will be available for inspection on such website until the end of the Offer Period.

Copies of further announcements and other documents in connection with the Offer will, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, be made available on Sports Direct's website by no later than 12 noon (London time) on the Business Day following the date of the relevant announcement or document, pursuant to Rule 26.1 of the Takeover Code.

The contents of the website referred to in this announcement are not incorporated into, and do not form part of, this announcement.

15. **Requesting hard copy documents**

Pursuant to Rule 30.3 of the Code, a person so entitled may request a copy of this Announcement in hard copy form by contacting Numis on +44 (0)20 7260 1000. A person may also request that all future documents, announcements and information to be sent to that person in relation to the Offer should be in hard copy form. For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested.

16. **Expected timetable**

It is intended that the Offer Document containing further details of the Offer and the Form of Acceptance will be dispatched to Findel Shareholders (other than to persons in a Restricted Jurisdiction) no sooner than 14 days nor no later than 28 days after the date of this announcement (unless agreed otherwise with the Panel).

17. General

Your attention is drawn to the further information contained in the Appendices, which form part of, and should be read in conjunction with, this announcement.

Please be aware that addresses, electronic addresses and certain other information provided by Findel Shareholders, persons with information rights and other relevant persons in connection with the receipt of communications from Findel may be provided to Sports Direct during the course of the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code.

Enquiries:

Numis (Financial adviser to Sports Direct)

Tel: 020 7260 1000

Luke Bordewich

Stuart Ord

George Fry

Sports Direct

Cameron Olsen, Company Secretary

Tel: 0344 245 9200

LEI: 213800JEGHHEAXIJD34

IMPORTANT NOTES

Numis Securities Limited ("**Numis**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser exclusively for Sports Direct and no-one else in connection with the matters referred to in this announcement and will not regard any other person as its client in relation to such matters and will not be responsible to anyone other than Sports Direct for providing the protections afforded to clients of Numis, nor for providing advice in relation to any matter referred to in this announcement.

The Sports Direct Directors accept responsibility for the information contained in this announcement relating to Sports Direct, save that the only responsibility accepted by the Sports Direct Directors in respect of the information in this announcement relating to the Findel Group, which has been compiled from published sources, is to ensure that such information has been correctly and fairly reproduced and presented. To the best of the knowledge and belief of the Sports Direct Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

This announcement is for information purposes only. It is not intended to and does not constitute, or form part of, any offer or invitation or the solicitation of any offer to sell or purchase any securities or the solicitation of any offer to otherwise acquire, subscribe for, sell or otherwise dispose of any security pursuant to the Offer or otherwise. The Offer will be made solely by the Offer Document (together with, in the case of Findel Shares in certificated form, the Form of Acceptance), which will contain the full terms and condition of the Offer, including details of how the Offer may be accepted. Findel Shareholders should carefully read the Offer Document (and, if they hold their Findel Shares in certificated form, the Form of Acceptance) in its entirety before making a decision with respect to the Offer.

The Offer will be subject to the Condition and further terms set out in this announcement and to the full terms and condition that will be set out in the Offer Document and, in respect of Findel Shares held in certificated form, the Form of Acceptance.

It is intended that the Offer Document and Form of Acceptance containing further details of the Offer will be despatched to Findel Shareholders (other than to persons in a Restricted Jurisdiction) no sooner than 14 days nor no later than 28 days after the date of this announcement (unless agreed otherwise with the Panel).

This announcement does not constitute a prospectus or prospectus equivalent document.

Overseas jurisdictions

The release, publication or distribution of this announcement in, and the availability of the Offer to persons who are residents, citizens or nationals of, jurisdictions other than the United Kingdom may be restricted by laws and/or regulations of those jurisdictions. Therefore any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements in their jurisdiction. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or

regulations of any such jurisdiction. In particular, copies of this announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Unless otherwise permitted by applicable law and regulation, the Offer may not be made, directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

This announcement has been prepared for the purpose of complying with English law, the Takeover Code and the Listing Rules, and 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 of England and Wales.

Forward-looking statements

This announcement, including the information included in this announcement, contains certain forward-looking statements. The forward-looking statements contained herein include statements about the expected effects of the Offer on Sports Direct and the Findel Group, strategic options, the expected timing and scope of the Offer, and all other statements in this announcement other than historical facts. These statements are based on the current expectations and are naturally subject to uncertainty and changes in circumstances. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "budget", "schedule", "forecast", "project", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", "subject to", or other words of similar meaning. By their nature, forward-looking statements involve known and unknown risks and uncertainties, because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results, outcomes and developments to differ materially from those expressed in, or implied by, such forward-looking statements and such statements are therefore qualified in their entirety by the risks and uncertainties surrounding these future expectations. Many of these risks and uncertainties relate to factors that are beyond the entities' ability to control or estimate precisely, such as, but not limited to, general business and market conditions both globally and locally, political, economic and regulatory forces, industry trends and competition, future exchange and interest rates, changes in government and regulation including in relation to health and safety, the environment, labour relations and tax rates and future business combinations or dispositions. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, Sports Direct cannot give any assurance, representation or guarantee that such expectations will prove to have been correct and such forward-looking statements should be construed in light of such factors and you are therefore cautioned not to place reliance on these forward-looking statements which speak only as at the date of this announcement. Sports Direct assumes no obligation to update or correct the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law or regulation.

No profit forecasts

No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Findel for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Findel.

Dealing and Opening Position Disclosure requirements

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any 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) Findel 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 Findel 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 Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of Findel or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of Findel 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) Findel 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 of the Takeover Code.

Opening Position Disclosures must also be made by Findel and by any offeror and Dealing Disclosures must also be made by Findel, 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 Takeover 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 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.

Purchases outside the Offer

Sports Direct or its nominees or brokers (acting as agents) may purchase Findel Shares otherwise than under the Offer, such as in the open market or through privately negotiated purchases. Such purchases shall comply with the Takeover Code and the rules of the London Stock Exchange.

Publication on website

A copy of this announcement and other documents in connection with the Offer will, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, be made available on Sports Direct's website at <http://www.sportsdirectplc.com/investor-relations.aspx> by no later than 12 noon (London time) on the Business Day following the date of the relevant announcement or document, pursuant to Rule 26.1 of the Takeover Code. The contents of the website referred to in this announcement are not incorporated into, and do not form part of, this announcement.

Requesting hard copy documents

Pursuant to Rule 30.3 of the Code, a person so entitled may request a copy of this Announcement in hard copy form by contacting Numis on +44 (0)20 7260 1000. A person may also request that all future documents, announcements and information to be sent to that person in relation to the Offer should be in hard copy form. For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested.

Information relating to Findel Shareholders

Please be aware that addresses, electronic addresses and certain information provided by Findel Shareholders, persons with information rights and other relevant persons for the receipt of communications from Findel may be provided to Sports Direct during the Offer Period as requested under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.12(c) of the Takeover Code.

Appendix I

The Condition of the Offer and Certain Further Terms of the Offer

Part A: Condition

The Offer is subject to valid acceptances of the Offer being received (and not, where permitted, withdrawn) by no later than 1.00 p.m. (London time) on the First Closing Date of the Offer (or such later time(s) and/or date(s) as Sports Direct may, in accordance with the Takeover Code or with the consent of the Panel, decide) in respect of such number of Findel Shares which, when aggregated with the Findel Shares held by Sports Direct (and any persons acting in concert with it) at the date of the Offer and any Findel Share acquired or agreed to be acquired by Sports Direct or any person acting in concert with Sports Direct on or after such date, carry more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Findel including for this purpose any such voting rights attaching to Findel Shares that are unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise.

For the purposes of this condition:

- (i) Findel Shares which have been unconditionally allotted shall be deemed to carry the voting rights they will carry upon being entered into the register of members of Findel;
- (ii) Findel Shares that cease to be held in treasury are Findel Shares to which the Offer relates; and
- (iii) the expression "Findel Shares to which the Offer relates" shall be construed in accordance with Chapter 3 of Part 28 of the 2006 Act.

Part B: Certain Further Terms of the Offer

1. Findel Shares will be acquired by Sports Direct pursuant to the Offer fully paid with full title guarantee and free from all liens, charges, encumbrances, equitable interests, pre-emption rights and other interests and rights of whatsoever nature and together with all rights now or hereafter attaching thereto, including the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made after the date of this announcement.
2. In deciding whether or not to accept the Offer in respect of their Findel Shares, Findel Shareholders should rely on the information contained in, and follow the procedures described in, the Offer Document and (if they hold their Findel Shares in certificated form) the Form of Acceptance which will be posted to Findel Shareholders in due course (other than to any Findel Shareholders with addresses in any Restricted Jurisdiction).
3. Save to the extent provided in this announcement, Sports Direct will have the right to reduce the consideration payable to Findel Shareholders under the terms of the Offer by the amount of any dividend (or other distribution) payable by Findel to Findel Shareholders.
4. The Offer will be made on the terms and will be subject to the Condition and terms which are set out in this Appendix I, those terms which will be set out in the formal Offer Document and Form of Acceptance and such further terms as may be required to comply with the Takeover Code and applicable law.
5. The Offer will comply with the applicable rules and regulations of the London Stock Exchange and the Takeover Code. The Offer and any acceptances thereunder will be governed by English law and will be subject to the jurisdiction of the English Courts.
6. 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.
7. 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.
8. The Offer will lapse if:
 - (i) in so far as the Offer or any matter arising from or relating to the Offer constitutes a concentration with a European Community dimension within the scope of the EUMR, the European Commission either initiates proceedings under Article 6(1)(c) of the EUMR or makes a referral to a competent authority in the United Kingdom under Article 9(1) of the EUMR and there is then a CMA Phase 2 reference; or
 - (ii) the Offer or any matter arising from or relating to the Offer becomes subject to a CMA Phase 2 reference,

in each case, before the later of 1:00 p.m. on the First Closing Date or the date when the Acquisition becomes or is declared unconditional as to acceptances.

Appendix II

Bases of Calculation and Sources of Information

In this announcement, unless otherwise stated or the context otherwise requires, the bases of calculation and sources of information are used as described below:

1. Unless otherwise stated, financial information relating to Findel has been extracted or derived (without any adjustment) from the Annual Report and Accounts of Findel for the year ended 30 March 2018.
2. Unless otherwise stated, financial information relating to Sports Direct has been extracted or derived (without any adjustment) from the Annual Report and Accounts of Sports Direct for the year ended 29 April 2018.
3. References to the existing issued ordinary share capital of Findel and the existing issued Findel Shares are to the number of Findel Shares in issue as at 28 February 2019. For the avoidance of doubt, none of the Findel Shares were held in treasury at that date.
4. The International Securities Identification Number for Findel Shares is GB00B8B4R053.
5. Unless otherwise stated, all Closing Prices have been derived from the London Stock Exchange Daily Official List.

Appendix III

Definitions

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

| | |
|---------------------------|---|
| "2006 Act" | the Companies Act 2006, as amended from time to time; |
| "Business Day" | a day (excluding Saturdays, Sundays and public holidays) on which banks are open for business in the City of London; |
| "Closing Price" | the closing middle market price as derived from the Daily Official List of the London Stock Exchange; |
| "CMA" | the Competition and Markets Authority, a UK statutory body established under the Enterprise and Regulatory Reform Act 2013; |
| "Condition" | the Condition to the Offer set out in Part A of Appendix I to this announcement; |
| "EUMR" | means the EU Merger Regulation (No 139/2004); |
| "FCA" | the UK Financial Conduct Authority; |
| "First Closing Date" | the date which falls 21 days after the posting of the Offer Document; |
| "Findel" or the "Company" | Findel plc, a public limited company incorporated in England and Wales with registered number 00549034; |
| "Findel Group" | Findel and its subsidiary undertakings; |
| "Findel PSP" | the Findel performance share plan; |
| "Findel Shareholders" | holders of Findel Shares; |
| "Findel COS" | the unconditionally allotted or issued and fully paid up (or credited as fully paid up) convertible ordinary shares of £0.2297 pence each in the capital of Findel; |
| "Findel Shares" | the unconditionally allotted or issued and fully paid up (or credited as fully paid up) ordinary shares of £0.10 pence each in the capital of Findel, and "Findel Share" shall be construed accordingly; |
| "Form of Acceptance" | the form of acceptance and authority relating to the Offer to be dispatched to Findel Shareholders with the Offer Document; |
| "Listing Rules" | means the rules and regulations made by the UK Listing Authority under Part VI of the Financial Services and Markets Act 2000, as amended, and contained in the UK Listing Authority's publication of the same name (as amended from time to time); |
| "London Stock Exchange" | London Stock Exchange Group PLC; |
| "Numis" | Numis Securities Limited, sole financial adviser to Sports Direct; |
| "Offer" | the mandatory offer to be made by Sports Direct to acquire the whole of the issued and to be issued share capital of Findel not otherwise held by Sports Direct (or any person acting in concert with it) on the terms to be set out in the Offer Document and (in the case of Findel Shares held in certificated form) Form of Acceptance, including, where the context so requires, any subsequent revision, variation, extension or renewal of such offer; |
| "Official List" | means the official list maintained by the UK Listing Authority; |
| "Offer Document" | the document to be dispatched on behalf of Sports Direct containing the terms and conditions of the Offer and, where appropriate, any other document(s) containing terms and conditions of the Offer constituting the full terms and conditions of the Offer; |
| "Offer Period" | the offer period (as defined in the Takeover Code) relating to the Company that commenced on 4 March 2019 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 |

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| | which the Offer lapses or is withdrawn (or such other date as the Panel may decide); |
| "Offer Price" | 161 pence per Findel Share; |
| "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; |
| "Panel" | The Panel on Takeovers and Mergers; |
| "Regulatory Information Service" | any of the services authorised from time to time by the FCA for the purposes of disseminating regulatory announcements; |
| "Relevant Securities" | has the meaning given in paragraph 10; |
| "Restricted Jurisdiction" | any jurisdiction where the release, publication or distribution in whole or in part, in, into or from or where the extension of the Offer would constitute a violation of the relevant laws of the jurisdiction, in particular the United States of America, Canada, Japan or Australia; and |
| "Sports Direct" | Sports Direct International plc, a public limited company incorporated in the United Kingdom with registered number 06035106; |
| "Sports Direct Directors" | the board of directors of Sports Direct at the date of this announcement; |
| "Sports Direct Group" | Sports Direct and its subsidiary undertakings; |
| "Takeover Code" | the City Code on Takeovers and Mergers; |
| "UK" or "United Kingdom" | the United Kingdom of Great Britain and Northern Ireland; and |
| "UK Listing Authority" | means the FCA acting in its capacity as the authority for listing in the UK. |