

The directors of Tawa plc accept responsibility for the information contained in this letter. To the best of the knowledge and belief of the directors of Tawa plc (who have taken all reasonable care to ensure that such is the case) the information contained in this letter is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

### **ANNOUNCEMENT OF FORMAL SALE PROCESS**

Pursuant to Rule 2.12 of the City Code on Takeovers and Mergers ("Takeover Code") please find enclosed a copy of an announcement published by Tawa plc ("Tawa") on 10 September 2012 for your information.

Please note that addresses, electronic addresses and certain other information provided by Tawa shareholders and persons with information rights and other relevant persons for the receipt of communications from Tawa may be provided to an offeror during the offer period as required under section 4 of appendix 4 of the Takeover Code.

Yours sincerely

C G Bird  
Chairman, Tawa plc

11 September 2012

**Final: 09/09/12**

## **POTENTIAL OFFER**

The Board of Tawa plc announces that it is seeking potential offerors by means of a formal sale process in accordance with Rule 2.6 of the Takeover Code. There can be no certainty that an offer will be made or as to the terms of any such offer. A further announcement will be made as and when appropriate.

The Takeover Panel has granted a dispensation from the requirements of Rules 2.4(a), 2.4(b) and 2.6(a) of the Code such that any interested party participating in the formal sales process will not be required to be publicly identified as a result of this announcement (subject to note 3 on Rule 2.2 of the Code) and will not be subject to the 28 day deadline referred to in Rule 2.6(a) for so long as it is participating in the formal sales process. Interested parties should note Rule 21.2 of the Code, which will prohibit any form of inducement fee or other offer related arrangement and that Tawa has not requested any dispensation from this prohibition at this stage.

Following this announcement the Company is in an offer period as defined in the Code and the dealing disclosure requirements below will apply.

In accordance with Rule 2.10 of the Code, the Company confirms that it has 113,375,177 ordinary shares of 10p each in issue and admitted to trading on AIM under the UK ISIN GB00B1Z5KB73.

This process is being initiated alongside the business review announced in June. The aim is to benchmark the shareholder value creation of the other strategic options available against the potential immediate value to our shareholders of a bid for the entire company

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Peel Hunt, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Tawa (as financial adviser and broker) and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Tawa for providing the protections afforded to its customers or for providing advice in relation to the matters referred to in this announcement.

Willis Capital Markets, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Tawa (as financial adviser and broker) and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Tawa for providing the protections afforded to its customers or for providing advice in relation to the matters referred to in this announcement.

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 paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant

securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 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 paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

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

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

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. 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."

Capitalised terms under this heading are defined in the Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to make a disclosure under Rule 8, you should consult the Panel.