



- Mandatory Cash Offer for Bonmarché Holdings plc
Released 07:00 02-Apr-2019

RNS Number : 7624U
Spectre Holdings Limited
02 April 2019

ANNOUNCEMENT - FOR IMMEDIATE RELEASE

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2 April 2019

RULE 2.7 ANNOUNCEMENT: MANDATORY CASH OFFER

by

Spectre Holdings Limited

to acquire the entire issued share capital

of

Bonmarché Holdings plc

1. Introduction

Today, Spectre Holdings Limited ("**Spectre**") unconditionally acquired 26,213,390 Bonmarché Holdings plc ("**Bonmarché**") Shares from BM Holdings S.A.R.L, at a price of 11.445 pence per Bonmarché Share (the "**Acquisition**").

Following completion of the Acquisition, Spectre holds 26,213,390 Bonmarché Shares, representing 52.4 per cent. of the existing issued share capital, and voting rights, of Bonmarché.

As a result of the Acquisition, under Rule 9 of the Takeover Code, Spectre is required to make a mandatory cash offer (the "**Offer**") for the Bonmarché Shares not already held by Spectre at a price of 11.445 pence per Bonmarché Share (such price being no less than the highest price paid by Spectre (or any persons acting in concert with it) for any Bonmarché Share during the 12 months prior to the date of this announcement).

Spectre will make the Offer through the despatch of the Offer Document and Form of Acceptance, both of which will be posted to Bonmarché Shareholders (or made available electronically in accordance with the Takeover Code) as soon as practicable. The Offer Document will contain the formal terms of the Offer.

Certain terms used in this announcement are defined in Appendix III to this announcement.

2. Summary of the Offer

Following the Acquisition, Spectre holds more than 50 per cent. of the existing issued share capital of Bonmarché. Therefore the Offer will be wholly unconditional.

Under the Offer, further terms of which are set out in Appendix I of this announcement and which will be set out in full in the Offer Document and Form of Acceptance, Bonmarché Shareholders will receive:

11.445 pence in cash for each Bonmarché Share

The Offer will extend to all issued Bonmarché Shares which are not held by Spectre (or any persons acting in concert with it) and any further Bonmarché Shares which are unconditionally allotted or issued and fully paid before the Offer closes.

The Offer will remain open for acceptance, subject to the provisions of Appendix I of this announcement and the terms of the Offer Document, until 1.00 p.m. on the First Closing Date of the Offer (or such later time(s) and or date(s) as Spectre may, in accordance with the Takeover Code or with the consent of the Panel, decide).

The Offer values the entire issued and to be issued share capital of Bonmarché (not taking into account the exercise of any outstanding options which may have vested) at approximately £5.7 million.

Bonmarché 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.

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

There are no agreements or arrangements to which Spectre is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer.

There are no inducement fees or similar arrangements between Spectre and Bonmarché.

3. Background to and reasons for the Offer

Spectre is a Dubai registered entity incorporated in March 2017 and is 100 per cent. owned by Philip Day. Prior to making the Acquisition, Spectre has not traded.

Bonmarché is a women's value retailer with a footprint of over 300 stores and concessions across the UK. Bonmarché was admitted to AIM in November 2013 and moved to a Main Market listing in October 2015.

Bonmarché has recently released several negative trading updates, including the announcement on the 19 March 2019 when the board announced an estimated underlying PBT loss of between £5.0m - £6.0m for the year ending 31 March 2019. The estimated loss has increased materially from the announcement made in December 2018 when the board announced it estimated underlying PBT for the year to range from breakeven to a £4.0m loss.

Against the backdrop of the significant decline in Bonmarché's profitability, Spectre believes it is well positioned to provide advice, guidance and support to secure the long term future of the Bonmarché business, its stores and employees. The owner of Spectre, Philip Day, has a successful track record within the retail sector, especially in turnaround and distressed situations.

Rule 9 of the Takeover Code requires that where a person acquires an interest in shares which, together with shares in which persons acting in concert with it are interested, carry 30 per cent. or more of the voting rights of a company, such person is required to make a mandatory cash offer for the entire issued equity share capital of the company not already owned by it and persons acting in concert with it. As a result of the Acquisition, and pursuant to Rule 9 of the Takeover Code, Spectre is therefore required to make an offer for all the Bonmarché Shares not already owned by it or by persons acting in concert with it.

4. Information on Bonmarché

Bonmarché is one of the UK's largest women value retailers focused on selling affordable, stylish, premium quality, clothing and accessories in a wide range of sizes to mature women via their own store portfolio, website, mail order catalogues and through the Ideal World TV shopping channel.

Established in 1982, the Bonmarché business has more than 30 years of experience in the retail market, operating out of over 300 stores and concessions across the UK.

For the most recent audited financial full year ended 31 March 2018, Bonmarché reported PBT of £8.0 million on turnover of £186.0 million. The unaudited interim results to 29 September 2018 reported PBT of £2.3 million on turnover of £97.9 million.

It has become apparent that, since the interim results, trading has continued to deteriorate materially with Bonmarché estimating that the underlying loss before tax is expected to be between £5.0m - £6.0m, as announced on 19 March 2019. This is significantly worse than the breakeven to £4.0m loss range set out a few months earlier in the December 2018 announcement.

The audited annual report and accounts of Bonmarché for the 52 week period ended 31 March 2018 can be found on Bonmarché's website (www.bonmarcheplc.co.uk).

5. Information on Spectre

Spectre is a Dubai company registered with the Jebel Ali Free Zone Authority. It was incorporated in March 2017. Prior to the Acquisition, Spectre has not previously traded since its incorporation.

The board of Spectre comprises Alexander Watson and Kate Williams. Their biographies are set out below:

- Alexander Watson graduated in the UK with a degree in law and business management. He started his career in Dubai in 1999 with an Intel company distributor, helping establish their presence in the region and establishing a successful distribution channel. After four years he

joined Link Up which provided serviced offices and corporate services to expatriates wishing to establish in Dubai. In 2008, he established Davidson & Co legal consultants with founding partner Jonathon Davidson and has run the Corporate Services Department ever since. Alexander works closely with clients undertaking a wide range of corporate and commercial projects around the world and sits on the board of a diverse portfolio of businesses in many business sectors.

- Kate Williams moved to Dubai in 2005 and commenced working in Corporate Services providing residential sponsorship and company formation services for expatriates wanting to establish businesses in Dubai. In 2008 she joined Davidson & Co legal consultants and has continued to develop her knowledge of the corporate and civil legal environment supporting clients with a wide range of business interests, advising and assisting them in the areas of compliance.

Spectre is 100 per cent. owned by Philip Day, whose biography is described below:

- Philip Day is a businessman and owner of The Edinburgh Woollen Mill Group. Philip started his career at clothing manufacturers Coats Viyella and Wensum before being headhunted to join Aquascutum at the age of 28. He remained at the brand for 5 years, becoming Joint Managing Director. In 2001, Philip Day left Aquascutum and joined The Edinburgh Woollen Mill, where he led a buyout of the company backed by Rutland Fund Management, a private equity firm. In 2002 he undertook a secondary buy out of the Rutland interest. Since that time he has continued to invest in both retail and non-retail opportunities including the purchase of Peacocks, Proquip, Austin Reed, Country Casuals, Jaeger and Jacque Vert brands in the UK.

6. Financing of the Offer

It is estimated that full acceptance of the Offer by Bonmarché Shareholders will result in a maximum cash consideration payable by Spectre of approximately £2.7 million. The cash consideration payable under the Offer will be financed by a loan from Philip Day to Spectre on an interest free, no fixed repayment term basis.

Zeus Capital is satisfied that the necessary cash resources are available to Spectre to enable it to satisfy in full the consideration payable by Spectre under the terms of the Offer.

7. Management, employees and locations

Prior to completing the Acquisition, Spectre has only had access to and reviewed publicly available information on Bonmarché. Spectre has not made an approach to, or had any discussions with, Bonmarché management in relation to this Offer.

Spectre does not believe that the last detailed financial information in the public domain (being the Annual Accounts for the year ended 31 March 2018 and the interim statement for the period ended 29 September 2018) provide a meaningful basis upon which to conduct any substantive due diligence given the publicly disclosed significant change, in the financial performance and position of Bonmarché since this information became available. Spectre has not undertaken any non-public due diligence to date.

It is Spectre's intention to ensure the long-term future of the Bonmarché business as a retailer of women's clothing and accessories through a portfolio of profitable stores and concessions across the UK and via other channels (including its website).

It is Spectre's intention to undertake a detailed review with the involvement of Bonmarché's existing management of all material aspects of the business and its operations including, but not limited to:

- Pricing and discount strategy
- Brand and marketing strategy
- Stores viability
- Head office and distribution centre costs and efficiencies
- Headquarters functions
- Supplier terms
- Supply chain and logistics
- Funding requirements and cost of capital
- Management and board composition

Specifically, in light of the recent trading performance and the loss making position of Bonmarché, Spectre's current intention is to reduce the cost base to a sustainable level whilst minimising the impact on operational performance.

In particular Spectre will:

- Subject to Spectre holding not less than 75 per cent. of the share capital of Bonmarché, and subject to any applicable requirements of the Listing Rules, procure that Bonmarché applies to the London Stock Exchange for the cancellation of trading in the Bonmarché Shares on the Main Market and that Bonmarché is re-registered as a private company.
- Restrict investment in capital expenditure to mandatory projects, being those associated with health and safety or other legal and regulatory obligations in order to preserve cash within the business.
- Be unwilling to support proposals for any dividend payments for the foreseeable future in order to rebuild the cash reserves of the business back to historical levels and to ensure it is not reliant on bank debt.
- Complete a store-by-store profitability assessment with the intention of identifying all current stores that do not make an acceptable contribution to the performance of the business as a result of inappropriate rent levels, staffing levels, or other factors. Those stores identified as underperforming may be closed unless reduced rents, staff reductions or other cost saving measures can be successfully implemented.
- Review the current product range (and future range plans). From Spectre's current knowledge, it believes Bonmarché would benefit from range rationalisation and a more attractive and coherent proposition for its customer, which would include reducing the number of stock keeping units (SKUs).
- Review pricing policy and discount strategy with a view to restoring the gross margin achievement of the business by implementing a "first price, right price" policy.
- Analyse all existing product supply arrangements (price and delivery) with a view to renegotiating supplier terms where it believes these are currently less commercial than available in the wider market. It is difficult to assess the potential savings available at this stage as Spectre has not had access to any supplier contracts.
- Review staffing and working practices at the UK distribution centre to ensure these are optimised. It should however be noted that it has no intention of closing this facility.

- Benchmark Bonmarché's existing logistics arrangements for deliveries to stores. If the existing pricing structure and service level agreements are not competitive, then these contracts will be renegotiated or logistics providers changed.
- Examine internet fulfilment and digital marketing processes with a view to reviewing efficiency of: handling, distribution, click and collect, returns handling processes and of the return on digital marketing spend.
- Assess the size, cost and effectiveness of the head office functions within Bonmarché. Spectre would expect, based on experience in the market in which Bonmarché operates and the potential move from being listed on the Main Market to being a private company, there will be significant opportunities for cost reduction from within the central overhead. It is not Spectre's intention to close or relocate the head office.
- Review existing banking arrangements to ensure that the business has sufficient access to funds at competitive market rates to secure its future during the turnaround period.

Spectre does not intend to redeploy any of the material fixed assets of the business.

Given Bonmarché is a retailer of women's clothing and accessories, Spectre does not believe there is an existing research and development function, and as a result Spectre has no intentions regarding research and development functions.

In carrying out its review, Spectre will call upon appropriate expertise and sector experience support from Philip Day's wider retail business interests. Spectre believes the review detailed above will take approximately three to four months following discussions with Bonmarché management and access to the relevant information.

As a result of its review, and based purely on publicly available information, Spectre expects a material reduction in headcount across Bonmarché.

Following its review, if Spectre deems that any material changes are necessary to the Bonmarché business, Spectre will work with the board to implement these measures and update Bonmarché Shareholders accordingly. It is Spectre's intention to ensure the long-term future of the Bonmarché business, its stores and employees.

Spectre recognises the importance of the Bonmarché management team and employees to the future success of the business and maintaining a balance of skills and functions. Spectre cannot however know, until it has completed its review with management what, if any, changes will ultimately be required and whether these might have an impact on the conditions of employment and the continued employment of the management and employees of Bonmarché. Spectre will however ensure that the existing statutory employment rights, including any pension rights, of the management and employees of Bonmarché will be fully safeguarded. Spectre notes that Bonmarché has a defined contribution pension plan (through which it contributes to employees' individual pension arrangements) and does not have a defined benefit pension plan.

For so long as Bonmarché is listed on the Main Market of the London Stock Exchange, Spectre will support Bonmarché in maintaining a board of directors that complies with the Corporate Governance Code and the Listing Rules. Paragraph 10 details the intentions of Spectre in relation to de-listing, compulsory acquisition and re-registration.

8. Bonmarché Share Option Schemes

The Offer will extend to any Bonmarché Shares which are issued or unconditionally allotted whilst the Offer remains open for acceptance (or prior to

such earlier time and/or date as Spectre may, subject to the Takeover Code, determine) as a result of the exercise of options granted under the Bonmarché Share Option Schemes prior to the date of this announcement.

The Offer may impact on the options held by the Bonmarché Option holders. Bonmarché Option holders will be contacted regarding the effect of the Offer on their rights under the options and appropriate proposals will be made to participants as soon as practicable after the Offer Document is published.

9. Disclosure of interests in Bonmarché

As a result of the Acquisition, Spectre is interested in 26,213,390 Bonmarché Shares, representing 52.4 per cent. of the existing issued share capital, and voting rights, of Bonmarché.

Save for the interest of Spectre described above, as at the date of this announcement, neither Spectre, nor any directors of Spectre, nor, so far as Spectre is aware, any person acting in concert with Spectre, owns or controls any Bonmarché Shares or any securities convertible or exchangeable into Bonmarché Shares (including pursuant to any long exposure, whether conditional or absolute, to changes in the prices of securities) or any rights to subscribe for or purchase the same, or holds any options (including traded options) in respect of, or has any option to acquire, any Bonmarché Shares or has entered into any derivatives referenced to Bonmarché Shares ("**Relevant Bonmarché Shares**") which remain outstanding, nor does any such person have any arrangement in relation to Relevant Bonmarché Shares. An "arrangement" for these purposes also includes any indemnity or option arrangement, or any agreement or understanding, formal or informal, of whatever nature, relating to Relevant Bonmarché Shares which may be an inducement to deal or refrain from dealing in such securities.

Neither Spectre, nor any directors of Spectre, nor, so far as Spectre is aware, any person acting in concert with Spectre, has borrowed or lent any Relevant Bonmarché Shares (save for any borrowed Relevant Bonmarché Shares which have been either on-lent or sold).

Neither Spectre nor any of its associates (within the meaning of the Takeover Code) has procured any irrevocable commitment or letter of intent in respect of any Relevant Bonmarché Shares.

Spectre confirms that it will make an Opening Position Disclosure, setting out the details required to be disclosed by it under Rule 8.1(a) of the Takeover Code by no later than 12 noon on 16 April 2019.

10. De-listing, Compulsory acquisition and Re-registration

If Spectre has, by virtue of its shareholding and acceptances of the Offer, increased its aggregate shareholding to not less than 75 per cent. of the share capital of Bonmarché and subject to any applicable requirements of the Listing Rules, Spectre intends to procure that Bonmarché applies to the London Stock Exchange for the cancellation of trading in the Bonmarché Shares on the Main Market. It is anticipated that such cancellation will take effect no earlier than 20 business days after Spectre has reached the 75 per cent. threshold, subject to compliance with applicable requirements of the Listing Rules. The cancellation of trading of Bonmarché Shares would significantly reduce the liquidity and marketability of any Bonmarché Shares not acquired by Spectre.

If Spectre receives acceptances under the Offer in respect of, and/or otherwise acquires or contracts to acquire, 90 per cent. or more in nominal value of Bonmarché Shares to which the Offer relates and of the voting rights carried by those Bonmarché Shares, Spectre intends to exercise its rights in accordance with sections 974 to 991 of the Act to acquire compulsorily the remaining Bonmarché Shares on the same terms as the Offer.

It is also intended that, following and assuming the cancellation of trading of Bonmarché Shares on the Main Market, Bonmarché will be re-registered as a private company.

11. General

The availability of the Offer to persons not resident in the UK may be affected by the laws of the relevant jurisdiction. Any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about and observe any applicable requirements.

Appendix I sets out the principal further terms of the Offer. Appendix II contains source notes relating to certain information contained in this announcement. Certain terms used in this announcement are defined in Appendix III to this announcement.

The Offer Document, containing the full terms of the Offer, together with a Form of Acceptance, will be published and sent to Bonmarché Shareholders as soon as practicable and, for information only, to participants in the Bonmarché Share Option Schemes.

12. Documents published on website

A copy of this announcement, will by no later than 12 noon (London time) on the Business Day following the date of this announcement, be published on Spectre's website (www.spectredxb.com) 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 Spectre'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.

Enquiries:

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Terms used in this summary shall have the meaning given to them in the full announcement.

Zeus Capital, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Spectre and no one else in connection with the Offer and will not be responsible to anyone other than Spectre for providing the protections afforded to its clients, nor for providing advice in relation to the Offer or in relation to the contents of this announcement or any transaction or arrangement referred to in this announcement.

The directors of Spectre and Philip Day accept responsibility for the information contained in this announcement. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this announcement (other than any information relating

to Bonmarché, Bonmarché's directors or their immediate families, related trusts and connected persons) for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

This announcement is not intended to and does not constitute, or form any part of, an offer or an invitation to purchase any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise, nor shall there be any sale, issuance or transfer of securities of Bonmarché in any jurisdiction in contravention of applicable law. This announcement does not constitute a prospectus or equivalent document. The Offer will be made solely through the Offer Document, which will contain the full terms of the Offer, including details of how to accept the Offer. Any acceptance or other response to the Offer should be made only on the basis of the information contained in the Offer Document. The laws of relevant jurisdictions may affect the availability of the Offer to persons not resident in the United Kingdom. Persons who are not resident in the United Kingdom, or who are subject to the laws of any jurisdiction other than the United Kingdom, should inform themselves about and observe any applicable legal and regulatory requirements. The Offer Document will be available for public inspection and also be available on the website of Spectre (www.spectredxb.com).

Unless otherwise determined by Spectre and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in or into the United States or by use of the mails of, or by any means (including, without limitation, facsimile or other electronic transmission, telex or telephone) or instrumentality of inter-state or foreign commerce of, or any facility of, a national, state or other securities exchange of, the United States, nor will it be made directly or indirectly in or into Canada, Australia or Japan and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility or from within the United States, Canada, Australia or Japan or any other such jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. Accordingly, unless otherwise determined by Spectre and permitted by applicable law and regulation, copies of this announcement are not being, will not be and must not be mailed or otherwise forwarded, distributed or sent in, into or from the USA, Canada, Australia or Japan or any other such jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction and persons receiving this announcement (including without limitation custodians, nominees and trustees) must not mail, forward, distribute or send them in, into or from the USA, Canada, Australia or Japan or any other such jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction.

This announcement, including information included or incorporated by reference in this announcement, may contain "forward-looking statements" concerning Spectre and Bonmarché. All statements other than statements of historical fact may be forward-looking statements. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward-looking statements. The 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 the companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements, which speak only as of the date of this announcement. Spectre assumes no obligation and does not intend to update these forward-looking statements, except as required pursuant to applicable law.

Please be aware that addresses, electronic addresses and certain other information provided by Bonmarché Shareholders and other relevant persons in connection with the receipt of communications from Bonmarché may be provided to Spectre during the offer period as required under Section 4 of Appendix 4 of the Takeover Code.

Disclosure requirements of the Takeover Code

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) 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 3.30pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30pm (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 Takeover Code, any person who is, or becomes, interested in 1 per cent. 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(s), 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 3.30pm (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).

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.

Purchases outside the Offer

Spectre or its nominees or brokers (acting as agents) may purchase Bonmarché 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

In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement together with all information incorporated into this announcement by reference to another source will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Spectre's website (www.spectredxb.com) by no later than 12 noon (London time) on the Business Day following the publication of this announcement. For the avoidance of doubt, the contents of the website are not incorporated by reference and do not form part of this announcement.

You may request a hard copy of this announcement (and any information incorporated by reference in this announcement) by calling Zeus Capital on +44 (0) 161 831 1512. It is important that you note that unless you make a request, a hard copy of this announcement and any such information incorporated by reference in it will not be sent to you. You may also request that all future documents, announcements and information to be sent to you in relation to the Offer should be in hard copy form.

APPENDIX I

PRINCIPAL FURTHER TERMS OF THE OFFER

1. The Offer will be wholly unconditional.
2. The Offer will extend to all issued Bonmarché Shares which are not held by Spectre (or any persons acting in concert with it) and any further Bonmarché Shares which are unconditionally allotted or issued and fully paid before the Offer closes.
3. 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. Unless otherwise determined by Spectre and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in or into, the United States, Canada, Australia or Japan, nor will it be made in or into any jurisdiction where such delivery or receipt of the Offer would contravene the applicable laws in that jurisdiction.
4. The Offer will remain open for acceptance until 1.00 p.m. on the First Closing Date of the Offer (or such later time (s) and or date(s) as Spectre may, in accordance with the Takeover Code or with the consent of the Panel, decide).
5. Bonmarché 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.
6. Spectre reserves the right to reduce the Offer consideration by the amount of any dividend (or other

distribution) which is paid or becomes payable by Bonmarché to the holders of Bonmarché Shares.

7. The Offer is subject to the applicable requirements of the Takeover Code. The Offer and any acceptances under the Offer will be governed by English law and will be subject to the jurisdiction of the courts of England.

APPENDIX II

BASES AND SOURCES OF INFORMATION

1. The value placed by the Offer on the existing issued and to be issued ordinary share capital of Bonmarché, taking into account statements made by reference to the existing issued and to be issued share capital of Bonmarché (but not taking into account the value of all outstanding options), is based upon 50,018,150 Bonmarché Shares in issue on 1 April 2019 (being the latest practicable date prior to publication of this announcement).

APPENDIX III

DEFINITIONS

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

"Acquisition"	has the meaning given in paragraph 1 of this announcement
"AIM"	the AIM Market operated by the London Stock Exchange
"Australia"	the Commonwealth of Australia, its possessions, states and territories and all areas subject to its jurisdiction and any political sub-division thereof
"Business Day"	a day, not being a Saturday or Sunday nor any other day which is a public holiday in England and Wales
"Bonmarché" or the "Company"	Bonmarché Holdings plc, a company incorporated in England & Wales with registration number 08638336
"Bonmarché Option holders" or "Option holder"	a holder of options under the Bonmarché Share Option Schemes
"Bonmarché Share Option Schemes"	the Bonmarché Long Term Incentive Plan and the Bonmarché Company Share Option Plan
"Bonmarché Share(s)"	the existing issued or unconditionally allotted and paid (or credited as fully paid) ordinary shares of 1 pence each in the capital of Bonmarché and, where the context so permits, any further shares which are unconditionally allotted or issued fully paid (or credited as fully paid) on or prior to the date on which the Offer closes (excluding, for the avoidance of doubt, treasury shares)

"Bonmarché Shareholders"	the holders of Bonmarché Shares
"Canada"	Canada, its possessions, provinces and territories and all areas under its jurisdiction or any political sub-divisions thereof
"Corporate Governance Code"	the Combined Code on Corporate Governance published by the Financial Reporting Council (as amended from time)
"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 to be despatched to Bonmarché Shareholders with the Offer Document
"Japan"	Japan, its cities, prefectures, territories and possessions
"Listing Rules"	means the rules and regulations made by the UKLA under Part VI of the Financial Services and Markets Act 2000, as amended, and contained in the UKLA's publication of the same name (as amended from time to time)
"London Stock Exchange"	London Stock Exchange plc or its successor
"Offer"	the mandatory cash offer by Spectre to acquire all the Bonmarché Shares not already owned by Spectre (or any person acting in concert with it) on the terms to be set out in the Offer Document and (in the case of Bonmarché Shares held in certificated form) the Form of Acceptance and, where the context permits, any subsequent revision or variation of such offer or any extension or renewal thereof
"Offer Document"	the formal document to be sent to Bonmarché Shareholders setting out the full terms of the Offer
"Offer Period"	the offer period (as defined by the Takeover Code) relating to Bonmarché, which commenced on 2 April 2019
"Offer Price"	11.445 pence per Bonmarché Share
"Official List"	the Official List of the UKLA
"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
"person"	a person (including an individual, partnership, unincorporated syndicate, limited liability company, unincorporated organisation, trust, trustee, executor, administrator, or other legal representative)
"Pound Sterling" or "£"	UK pound sterling (and references to "pence" shall be construed accordingly)
"Relevant Bonmarché Shares"	has the meaning given in paragraph 9 of this announcement
"Restricted Jurisdiction"	subject always to the requirements of Rule 23.2 of the Takeover Code in relation to the distribution of offer documentation to jurisdictions outside the UK, any jurisdiction

	where extension of the Offer would violate the law of that jurisdiction
"Spectre"	Spectre Holdings Limited, a company incorporated in Dubai with registered number 187570
"Takeover Code"	the City Code on Takeovers and Mergers
"UKLA"	the Financial Conduct Authority exercising its functions under Part VI of the Financial Services and Markets Act 2000
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland and its dependent territories
"United States", "US" or "USA"	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political subdivision thereof
"Zeus Capital"	Zeus Capital Limited, financial adviser to Spectre

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