

16 May 2019

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THE FOLLOWING ANNOUNCEMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS OR PROSPECTUS EQUIVALENT DOCUMENT AND INVESTORS SHOULD NOT MAKE ANY INVESTMENT DECISION IN RELATION TO BONMARCHÉ SHARES EXCEPT ON THE BASIS OF THE INFORMATION IN THE OFFER DOCUMENT.

MANDATORY UNCONDITIONAL CASH OFFER

by

Spectre Holdings Limited ("Spectre")

to acquire the entire issued share capital

of

Bonmarché Holdings plc ("Bonmarché")

**FIRST CLOSING DATE ANNOUNCEMENT AND RESPONSE TO
BONMARCHÉ CIRCULAR**

On 2 April 2019, Spectre announced, pursuant to Rule 2.7 of the Takeover Code, that it had unconditionally acquired 26,213,390 Bonmarché Shares and as a result was required under Rule 9 of the Takeover Code to make a mandatory unconditional cash offer for the issued and to be issued share capital of Bonmarché not already held by Spectre and persons acting in concert with it (the "Offer"). The full terms of the Offer, together with the procedures for acceptance of the Offer, were set out in the Offer Document issued by Spectre on 25 April 2019 (the "Offer Document"), and in respect of certificated Bonmarché Shares, the accompanying Form of Acceptance. The Offer was made on an unconditional basis, including as to acceptances.

Capitalised terms used in this announcement, unless otherwise defined, have the same meanings as set out in the Offer Document.

Spectre's response to the Bonmarché response circular dated 7 May 2019

Spectre has reviewed the circular sent by the board of Bonmarché to Bonmarché Shareholders on 7 May 2019. Spectre will keep its Offer to Bonmarché shareholders open until further notice, allowing any Bonmarché Shareholder to accept the Offer if they decide to. Spectre will now take a step back and see if the Bonmarché board can deliver on the plans and strategy it has set out.

At this point in time, Spectre does not believe these plans will deliver value for Bonmarché Shareholders in the medium term.

In particular, Spectre would like to highlight the following points;

- In the Offer Document Spectre stated "*...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.*"

Spectre notes the cost saving strategy set out by the Bonmarché board, which conveniently followed Spectre's views in the Offer Document and announcement of the Offer under Rule 2.7 of the Takeover Code. Spectre will monitor this carefully and the performance of the Bonmarché business. Unfortunately, Spectre does not believe the cost saving plan announced by the Bonmarché board will be sufficient to return Bonmarché to profitability.

Spectre expects the Bonmarché board to keep shareholders updated on progress with the cost saving strategy.

- Spectre notes the Bonmarché board's view that trading in the new financial year has been in line with their expectations. Spectre expects Bonmarché Shareholders to be kept updated on current trading and for the Bonmarché board to keep Bonmarché Shareholders updated on the outlook for the full year
- Spectre re-confirms it is unwilling to support proposals for any dividend payments for the foreseeable future in order to rebuild the cash reserves of the Bonmarché business back to historical levels and to ensure it is not reliant on bank debt.
- Spectre also does not feel it is appropriate for Bonmarché to take on additional bank debt in light of its recent trading performance and continuing challenging market conditions.
- Spectre looks forward to the Bonmarché board keeping Bonmarché Shareholders updated on delivering their strategy for improved operational and financial performance for Bonmarché. Spectre believes the Bonmarché board now needs to demonstrate what they are doing is working and they are delivering on their plans. Spectre will continue to monitor the progress being made and the overall performance of Bonmarché.

Level of acceptances

Spectre announces that as at 1.00 p.m. on 16 May 2019, being the first closing date of the Offer, it had received valid acceptances under the Offer in respect of 159,581 Bonmarché Shares, representing approximately 0.31 per cent. of the existing issued ordinary share capital of Bonmarché. So far as Spectre is aware, no acceptances have been received from persons acting in concert with Spectre or in respect of shares which were subject to an irrevocable commitment or a letter of intent procured by Spectre or any person acting in concert with Spectre.

Accordingly, by virtue of such acceptances and the Bonmarché Shares already owned by Spectre, as at 1.00 p.m. on 16 May 2019, Spectre has acquired or agreed to acquire, whether pursuant to the Offer or otherwise, 26,372,971 Bonmarché Shares, representing approximately 52.72 per cent. of the existing issued ordinary share capital of Bonmarché.

The percentages specified in this announcement are based on a current issued share capital of 50,018,150 Bonmarché Shares.

The Offer, which remains subject to the terms set out in the Offer Document, will remain open for acceptance until further notice.

Not less than 14 calendar days' notice will be given before the closing of the Offer by or on behalf of Spectre to those Bonmarché Shareholders who have not accepted the Offer.

Settlement

Settlement of the consideration to which any Bonmarché Shareholder is entitled under the Offer will be despatched (in the manner set out in, and subject to the provisions of, paragraph 13 of Part I of the Offer Document) to validly accepting Bonmarché Shareholders or credited to CREST accounts as appropriate in the case of acceptances received prior to 1.00 p.m. on 16 May 2019, no later than 30 May 2019, or in the case of acceptances received, valid and complete in all respects, after 1.00 p.m. on 16 May 2019 but while the Offer remains open for acceptance, within 14 days of such receipt.

If you hold your Bonmarché Shares in certificated form (that is, not in CREST), and wish to accept the Offer, the Form of Acceptance (enclosed with the Offer Document) must be completed and returned, together with the relevant share certificate(s) and/or other documents of title, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS13 8AE as soon as possible.

If your Bonmarché Shares are held in uncertificated form (that is, in CREST), acceptances should be made electronically through CREST so that the TTE Instruction settles as soon as possible by following the procedure set out in paragraph 12(b) of Part I of the Offer Document. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your sponsor will be able to send the necessary TTE Instruction to Euroclear.

Interests in Bonmarché Shares

Save for the interests of Spectre described under "Level of acceptances" 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:

(a) 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;

(b) has borrowed or lent any Relevant Bonmarché Shares (save for any borrowed Relevant Bonmarché Shares which have been either on-lent or sold); or

(c) has procured any irrevocable commitment or letter of intent in respect of any Relevant Bonmarché Shares.

Enquiries:

Zeus Capital Limited

(Financial Adviser to Spectre)

+44 (0) 161 831 1512

Tremayne Ducker

Nick Cowles

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 is made solely through the Offer Document, which contains 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 is available for public inspection and is also available on the website of Spectre (www.spectredxb.com).

Unless otherwise determined by Spectre and permitted by applicable law and regulation, the Offer is not being 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 is it being made directly or indirectly in or into Canada, Australia or Japan and the Offer is not 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 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 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 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.

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.

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

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