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**For immediate release**

**19 December 2014**

**International Personal Finance plc**  
**Recommended cash acquisition**  
**of all of the issued and to be issued share capital of**  
**MCB Finance Group plc**

**Introduction**

The Boards of International Personal Finance plc (“**IPF**”) and MCB Finance Group plc (“**MCB**”) are pleased to announce that they have agreed the terms of a recommended cash offer through which IPF will acquire the entire issued and to be issued share capital of MCB.

It is intended that the Acquisition will be effected by means of a court-sanctioned cancellation scheme of arrangement (with associated reduction of capital) under Part 26 of the 2006 Act but the Acquisition may, if IPF determines (subject to the consent of the Panel and, if required, MCB’s Consent) be effected by way of a Takeover Offer or a transfer scheme of arrangement.

**Summary**

- Under the terms of the Acquisition, MCB Shareholders will be entitled to receive 125 pence in cash for each Scheme Share.
- The Acquisition represents a premium of approximately:
  - 138 per cent. to the Closing Price per MCB Share of 52.5 pence on 17 November 2014 (being the last Business Day prior to the commencement of the Offer Period);
  - 138 per cent. to the average Closing Price per MCB Share of 52.5 pence in the one month to 17 November 2014 (being the last Business Day prior to the commencement of the Offer Period);
  - 122 per cent. to the average Closing Price per MCB Share of 56.3 pence in the three months to 17 November 2014 (being the last Business Day prior to the commencement of the Offer Period); and
  - 50 per cent. to the Closing Price per MCB Share of 83.5 pence on 18 December 2014 (being the last Business Day prior to the date of this announcement).
- The Acquisition values the entire issued and to be issued share capital of MCB at approximately £23.8 million.
- The Scheme will be subject to the satisfaction or waiver of the Conditions which are set out in Appendix 1 to this announcement and which will be set out in the Scheme Document.
- It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and the General Meeting, together with the Forms of Proxy, will be posted to MCB Shareholders as soon as practicable and, in any event, within 28 days of this announcement.
- The Board of IPF believe that MCB’s business would benefit greatly from ownership by a strongly capitalised and well-funded parent. Within IPF’s Group, IPF believes that MCB’s prospects will be

greatly enhanced by the provision of the necessary investment in the business and by the broader market development support IPF can deliver.

### **Recommendation**

The MCB Directors, who have been so advised by Torch Partners, consider the terms of the Acquisition to be fair and reasonable. In providing advice to the MCB Directors, Torch Partners has taken into account the commercial assessment of the MCB Directors. Torch Partners is providing independent financial advice to the MCB Directors for the purposes of Rule 3 of the Code. Sanlam is Nominated Adviser and broker to MCB.

Accordingly, the MCB Directors intend unanimously to recommend that MCB Shareholders vote in favour of the Scheme at the Court Meeting and in favour of the General Meeting Resolution.

### **Irrevocable undertakings**

IPF has received irrevocable undertakings from Directors of MCB, and from certain related parties, to vote in favour of the Scheme at the Court Meeting and in favour of the General Meeting Resolution in respect of a total of 2,157,725 MCB Shares, representing approximately 12.2 per cent. of the existing issued share capital of MCB.

In addition, IPF has received irrevocable undertakings from certain other MCB Shareholders to vote in favour of the Scheme at the Court Meeting and in favour of the General Meeting Resolution in respect of a total of 12,464,265 MCB Shares, representing approximately 70.5 per cent. of the existing issued share capital of MCB.

In total, therefore, IPF has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and in favour of the General Meeting Resolution in respect of 14,621,990 MCB Shares, representing approximately 82.7 per cent. of MCB's existing issued share capital.

### **Information relating to IPF**

IPF is a UK public limited company traded on the main market of the LSE under ticker IPF. Through its subsidiaries, IPF operates a leading international home credit business serving 2.6 million customers in eight countries (Poland, the Czech Republic, Slovakia, Hungary, Mexico, Romania, Lithuania and Bulgaria), with plans to commence trading in Spain in 2015. The IPF Group provides small sum unsecured cash loans ranging from approximately £100 to approximately £2,000. Loans are in local currency and are typically delivered to the customer's home, with repayments being collected from the customer's home weekly by the IPF Group's agents. IPF primarily operates using the Provident brand and has approximately 7,000 employees and approximately 30,000 agents. IPF reported profit before tax and exceptional items of £118.1 million for the year ended 31 December 2013 and £47.1 million for the half year ended 30 June 2014.

### **Information relating to MCB**

MCB is a UK public limited company traded on the AIM market of the LSE under ticker MCRB. MCB is a consumer finance company providing fast, convenient and flexible credit products under the *Credit24* brand to retail customers in Finland, Estonia, Latvia and Lithuania and, more recently, in Australia. MCB is a provider of unsecured consumer loans and credit lines up to €3,000 to qualifying customers with maturities of up to two years. Loans provided to customers are designed to have simple and transparent terms with flexible repayment schedules. MCB operates in a segment of the market that is typically under-served by larger financial institutions. Loans are currently offered online through MCB's *Credit24* branded websites in each market, as well as through selected distribution partners. In addition, MCB offers credit lines and online sales financing to retail customers under the *Sving* brand.

Commenting on the Acquisition, Gerard Ryan, CEO of IPF, said:

*"MCB brings new digital products, distribution channels and an experienced management team, all of which complement IPF's existing business."*

Commenting on the Acquisition, Dr. Anton Mayr, Chairman of MCB, said:

*“The Directors believe that IPF’s offer represents good value for MCB Shareholders, striking an attractive balance between the future opportunities and risks facing the business, and the Directors have therefore decided unanimously to recommend the offer. We believe IPF’s management, industry experience and balance sheet strength will increase the options available to MCB and enhance its future growth prospects”*

IPF is being advised by Evercore in relation to the Acquisition. MCB is being advised by Torch Partners. Sanlam is Nominated Adviser and broker to MCB.

*This summary should be read in conjunction with, and is subject to, the full text of this announcement and the Appendices. The Acquisition will be subject to the Conditions which are set out in Appendix 1 to this announcement and which will be set out in the Scheme Document, which will be posted to MCB Shareholders as soon as practicable and, in any event, within 28 days of this announcement. Appendix 2 to this announcement contains the sources and bases of certain information used in this announcement. Appendix 3 to this announcement contains particulars of the irrevocable undertakings referred to in paragraph 4 of this announcement. Appendix 4 to this announcement contains a list of the documents which, in accordance with Rule 26.1 of the Code, will be published on the websites the addresses of which are referred to in Appendix 4. Appendix 5 to this announcement contains definitions of certain terms used in this announcement.*

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### **Further information on the Acquisition**

*Evercore, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for IPF and no one else in connection with the Acquisition and will not be responsible to anyone other than IPF for providing the protections afforded to clients of Evercore nor for giving advice in relation to the Acquisition or any other matters referred to in this announcement.*

*Torch Partners, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority is acting for MCB and no one else in connection with the Acquisition and will not be responsible to anyone other than MCB for providing the protections afforded to clients of Torch Partners nor for giving advice in relation to the Acquisition or any other matters referred to in this announcement.*

*Sanlam, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for MCB and no one else in connection with the Acquisition and will not be responsible to anyone other than MCB for providing the protections afforded to clients of Sanlam nor for giving advice in relation to the Acquisition or any other matters referred to in this announcement.*

*This announcement is not intended to, and does not, constitute, or form part of, an offer to sell, purchase, exchange or subscribe for, or an invitation to purchase or subscribe for, any securities or the solicitation of an offer to sell, purchase, exchange or subscribe for any securities or of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any such sale, purchase, exchange or subscription of securities in MCB, or any such offer or solicitation, in any jurisdiction in contravention of applicable law. The Scheme Document and Forms of Proxy will be made available to all MCB Shareholders at no cost to them. MCB Shareholders are advised to read the Scheme Document and the accompanying Forms of Proxy when they are sent to them because they will contain important information.*

### **Overseas Shareholders**

*The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law. 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 therefore inform themselves of, and observe, any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their MCB Shares with respect to the Scheme at the Court Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdiction in which they are located. Any failure to comply with applicable requirements may constitute a violation of the securities laws of any such jurisdiction. This announcement has been prepared for the purposes of complying with the laws of England and Wales, the Code and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of any jurisdiction outside the United Kingdom. The Acquisition relates to shares of an English public limited company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the requirements of tender offer rules or the laws of other jurisdictions outside the United Kingdom. However, if IPF elects to implement the Acquisition by means of a Takeover Offer, such Takeover Offer will be made in compliance with all relevant laws and regulations to the extent applicable. Unless otherwise determined by IPF or required by the Code, and permitted by applicable law and regulation, the Scheme Document will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or form within a Restricted Jurisdiction. Accordingly, copies of this announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction, and persons receiving this announcement or any documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from any such jurisdiction. If the Acquisition is implemented by way of a Takeover Offer,*

*the Takeover Offer (unless otherwise permitted by applicable law and regulation) will and may not be made, directly or indirectly, in or into, or by the use of the mails, or by any means of instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national, state or other securities exchange of any Restricted Jurisdiction, and the Takeover Offer will not be capable of acceptance from or within any Restricted Jurisdiction or by any such use, means, instrumentality or facilities.*

*The availability of the Scheme to MCB Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements.*

### **Forward looking statements**

*This announcement includes certain “forward looking statements”. These statements are based on the current expectations of the management of MCB and/or IPF and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained herein include statements about the expected effects on IPF and MCB of the Acquisition, the expected timing and scope of the Acquisition and all other statements in this announcement other than historical facts. Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates”, “plans”, “strategy”, “will”, “should”, “may” and words of similar import. These forward looking statements are not guarantees of future performance. By their nature, forward-looking statements involve risk and uncertainty 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 and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the Conditions to the Scheme, and IPF’s ability successfully to integrate the operations and employees of the MCB Group, as well as additional factors, such as changes in economic conditions, changes in the level of capital investment, success of business and operating initiatives and restructuring objectives, costs associated with research and development, changes in the prospects for products in the research and development pipeline of IPF or MCB, customers’ strategies and stability, changes in the regulatory environment, fluctuations of interest and exchange rates, the outcome of litigation, government actions and natural phenomena such as floods, earthquakes and hurricanes. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Neither MCB nor IPF undertakes any obligation to update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.*

### **Disclosure requirements of the Code**

*Under Rule 8.3(a) of the 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 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 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, 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 p.m. (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](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.*

### **Information relating to MCB Shareholders**

*MCB Shareholders should be aware that addresses, electronic addresses and certain information provided by MCB Shareholders and other relevant persons for the receipt of communications from MCB may be provided to IPF during the Offer Period as required under Section 4 of Appendix 4 of the Code.*

### **Publication on websites**

*A copy of this announcement will be available free of charge, subject to certain restrictions relating to persons resident in any Restricted Jurisdiction, on IPF's website at [www.ipfin.co.uk](http://www.ipfin.co.uk) and on MCB's website at [www.mcbfinance.com](http://www.mcbfinance.com) by no later than 12:00 noon (London time) on the Business Day following the date of this announcement in accordance with Rule 30.4 of the Code.*

*The contents of IPF's website and MCB's website are not incorporated into and do not form part of this announcement.*

*MCB Shareholders may request a hard copy of this announcement by contacting Stanislas Chanavat of Torch Partners during business hours on +44 20 7227 8830 or by submitting a request in writing to MCB at 2nd Floor, Waverley House, 7-12 Noel Street, London, W1F 8GQ.*

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**19 December 2014**

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**Recommended cash acquisition**  
**of all of the issued and to be issued share capital of**  
**MCB Finance Group plc**

**1. Introduction**

The Boards of International Personal Finance plc (“**IPF**”) and MCB Finance Group plc (“**MCB**”) are pleased to announce that they have agreed the terms of a recommended cash offer through which IPF will acquire the entire issued and to be issued share capital of MCB.

**2. The Scheme**

It is intended that the Acquisition be implemented by means of a court-sanctioned cancellation scheme of arrangement (with the associated reduction of capital) under Part 26 of the 2006 Act. The purpose of the Scheme is to enable IPF to acquire the whole of the issued and to be issued share capital of MCB. Under the terms of the Acquisition, which will be subject to the Conditions and other terms set out in Appendix I to this announcement and to further terms to be set out in the Scheme Document, MCB Shareholders will be entitled to receive:

**for each Scheme Share 125 pence in cash**

The Acquisition represents a premium of approximately:

- 138 per cent. to the Closing Price per MCB Share of 52.5 pence on 17 November 2014 (being the last Business Day prior to the commencement of the Offer Period);
- 138 per cent. to the average Closing Price per MCB Share of 52.5 pence in the one month to 17 November 2014 (being the last Business Day prior to the commencement of the Offer Period);
- 122 per cent. to the average Closing Price per MCB Share of 56.3 pence in the three months to 17 November 2014 (being the last Business Day prior to the commencement of the Offer Period); and
- 50 per cent. to the Closing Price per MCB Share of 83.5 pence on 18 December 2014 (being the last Business Day prior to the date of this announcement).

The Acquisition values the entire issued and to be issued share capital of MCB at approximately £23.8 million.

The Acquisition will be conditional on the Conditions, which are set out in Appendix 1 and will be set out in the Scheme Document, which will be posted to MCB Shareholders as soon as practicable and, in any event, within 28 days of this announcement.

**3. Recommendation**

The MCB Directors, who have been so advised by Torch Partners, consider the terms of the Acquisition to be fair and reasonable. In providing advice to the MCB Directors, Torch Partners has taken into account the commercial assessment of the MCB Directors. Torch Partners is providing independent financial advice to the MCB Directors for the purposes of Rule 3 of the Code. Sanlam is Nominated Adviser and broker to MCB.

Accordingly, the MCB Directors intend unanimously to recommend that MCB Shareholders vote in favour of the Scheme at the Court Meeting and in favour of the General Meeting Resolution.

#### **4. Irrevocable undertakings**

IPF has received irrevocable undertakings from the Directors of MCB, and from certain related parties, to vote in favour of the Scheme at the Court Meeting and in favour of the General Meeting Resolution in respect of a total of 2,157,725 MCB Shares, representing approximately 12.2 per cent. of the existing issued share capital of MCB.

In addition, IPF has received irrevocable undertakings from certain other MCB Shareholders to vote in favour of the Scheme at the Court Meeting and in favour of the General Meeting Resolution in respect of a total of 12,464,265 MCB Shares, representing approximately 70.5 per cent. of the existing issued share capital of MCB.

In total, therefore, IPF has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and in favour of the General Meeting Resolution in respect of 14,621,990 MCB Shares, representing approximately 82.7 per cent. of MCB's existing issued share capital.

Further details of these irrevocable undertakings are set out in Appendix 3 to this announcement.

#### **5. Background to and reasons for the Acquisition**

The development of a digital lending proposition is one of IPF's key strategic priorities. The proposed acquisition of MCB would enable IPF to use the experience MCB has gained since it began operating in 2006 to accelerate the development of IPF's digital lending business and it would also expand IPF's range of new digital products and distribution channels.

IPF believes that MCB has been constrained by its capital structure in recent years and that MCB's business would benefit greatly from ownership by a strongly capitalised and well-funded parent. Within the IPF Group, IPF believes that MCB's prospects will be greatly enhanced by the provision of the necessary investment in the business and by the broader market development support IPF can deliver.

In addition, the Acquisition will expand IPF's geographical footprint into four new markets simultaneously in a manner that is consistent with IPF's declared strategy.

#### **6. Background to and reasons for the MCB Directors' recommendation**

While the MCB Directors are confident of the future growth prospects of MCB, they believe that the Acquisition Price provides for MCB Shareholders a valuation together with certainty today which is highly attractive. The MCB Directors believe that a combination with IPF will reinforce the growth prospects of MCB and ultimately provide significant further opportunities to achieve its potential, for the benefit of MCB and its employees and other stakeholders.

The MCB Directors, in reaching their conclusion unanimously to recommend MCB Shareholders to vote in favour of the Scheme, considered the Acquisition Price in relation to the value and prospects of the underlying business segments of the MCB Group and the potential medium term stand-alone value of MCB Shares.

Prior to this announcement, MCB had for some time been engaged in discussions with its principal shareholders and with its bondholders regarding an equity fundraising and the refinancing of the MCB Group's senior and subordinated debt facilities, which mature in March 2015. In light of this announcement of the Acquisition, MCB is terminating these discussions.

#### **7. Information on IPF**

IPF, through its subsidiaries, operates a leading international home credit business serving 2.6 million customers in eight countries (Poland, the Czech Republic, Slovakia, Hungary, Mexico, Romania, Lithuania and Bulgaria), with plans to commence trading in Spain in 2015.

The IPF Group provides small sum unsecured cash loans ranging from approximately £100 to approximately £2,000. Loans are in local currency, are short-term and generally range from six months to two years, with the average loan term during 2013 being 54 weeks.

The IPF Group has two core offerings: small sum unsecured cash loans and a home collection, agent based service. Where the agent service is provided, the customer is not generally charged any default interest or fees as a result of late payments.

IPF primarily operates using the Provident brand and has approximately 7,000 employees and approximately 30,000 agents. IPF reported profit before tax and exceptional items of £118.1 million for the year ended 31 December 2013 and £47.1 million for the half year ended 30 June 2014.

IPF is a UK public limited company traded on the main market of the LSE under ticker IPF.

## **8. Information on MCB**

MCB is a consumer finance company providing fast, convenient and flexible credit products under the *Credit24* brand to retail customers in Finland, Estonia, Latvia and Lithuania (the “Fenno-Baltic Region”) and, more recently, in Australia.

Operating under the *Credit24* brand, the MCB Group commenced its business in Estonia and Finland and expanded to the other Baltic markets within a relatively short period of time in order to capitalise on the significant growth of the consumer credit sector throughout the Fenno-Baltic Region. In 2012, MCB commenced operations in Australia as well as launching an online sales finance offering in Lithuania under the brand name *Sving*. The MCB Group operates broadly the same business model across its different national markets.

MCB advanced in excess of €90 million of net loan principal during the financial year ended 31 December 2013 and has over 121,000 active customers. Customers are broadly evenly split across gender and come from a variety of socio-economic backgrounds. A significant proportion of MCB’s lending is to repeat customers.

Since being established in late 2006, MCB has become a significant provider of unsecured consumer credit in the Fenno-Baltic Region. This segment is typically under-served by larger financial institutions and attracts customers who value the flexibility and convenience of the products offered.

Under the *Credit24* brand, MCB offers one of the widest selections of unsecured consumer loans in the Fenno-Baltic Region, allowing customers to choose a product that best suits their particular needs. MCB’s products include unsecured loans and credit lines up to €3,000 to qualifying customers, with maturities up to two years. Loans provided to customers are designed to have simple and transparent terms with flexible repayment schedules.

Applications are made through MCB’s *Credit24* branded websites in each country, as well as through selected distribution partners such as Maxima, the largest food retailer in the Baltic States. The application process is designed to be straightforward, time efficient and secure, taking advantage of MCB’s highly automated credit and CRM systems.

MCB’s team has strong credit, marketing, technology, collections and customer care capabilities and its custom built technology platform has the potential to support further consumer credit products, portfolio monitoring and CRM processes. MCB works closely with local partners to handle specialist areas such as collections. This combination of operational experience, technology platform and partnerships allows MCB to deliver a high level of customer service at a relatively low cost.

MCB is a UK public limited company and the MCB Shares are admitted to trading on AIM under ticker MCRB.

## **9. Financing Arrangements of MCB**

On 18 December 2014, MCB obtained the requisite consent from the holders of the asset backed fixed rate notes and subordinated fixed rate notes, issued by MCB Treasury AB (a wholly owned subsidiary of MCB) and MCB respectively, for a conditional waiver of certain 'change of control' and similar provisions under the terms and conditions of those notes.

## **10. Management, employees and locations**

IPF attaches great importance to the skills, expertise and experience of the existing management and employees of the MCB Group and believes that they will have greater opportunities arising out of the proposed Acquisition.

Accordingly, IPF confirms that, following completion of the Acquisition, the existing contractual and statutory employment rights, including in relation to pensions, of all MCB Group's employees will be fully safeguarded.

Following the Acquisition, MCB's senior management (including some of those currently holding options over MCB Shares) will become eligible to participate in IPF's incentive arrangements, including the IPF Annual Bonus Plan, the IPF Deferred Share Plan and the IPF Performance Share Plan (the "**IPF Plans**"). Participation in the IPF Plans will be in accordance with IPF's remuneration policies and any grants will be made at a level appropriate to each individual's grade and position.

In relation to MCB Group's places of business and deployment of fixed assets, IPF intends to continue to operate and develop MCB's Established Markets businesses (consumer lending in the Fenno-Baltic Region). IPF has no current intention to make any changes in relation to the continued employment of employees and management within the Established Markets businesses (including any material change to conditions of employment or pension arrangements). Limited changes may be considered in more detail in due course as part of normal post-acquisition planning, but these would not be expected to result in significant restructuring or job losses.

IPF will continue to review its position with respect to MCB's New Businesses as they develop in line with its revenue and profitability targets. Until such review is complete, no decisions have been made in connection with the employment of those employees employed in the New Businesses, the location of the places of business, or the redeployment of the fixed assets of the New Businesses.

The non-executive directors of MCB will resign from the MCB Board on completion of the Acquisition.

## **11. MCB Share Options**

MCB has granted MCB Share Options to certain employees pursuant to individual option agreements under which they have the right to acquire MCB Shares. All of the outstanding MCB Share Options (being those that are vested and unvested, but excluding those that have lapsed) will be exercisable as a result of the Scheme.

Any MCB Shares issued pursuant to the MCB Share Options at or prior to the Scheme Record Time will be subject to the Scheme and, if MCB Shareholders approve at the General Meeting the adoption of the Amended MCB Articles, any MCB Shares issued pursuant to the MCB Share Options after the Scheme Record Time will be transferred to IPF, pursuant to the Amended MCB Articles, at the Acquisition Price.

In accordance with Rule 15 of the Code, the holders of MCB Share Options will, to the extent that they hold subsisting MCB Share Options, be given the opportunity to cancel each of their MCB Share Options in return for a cash payment equal to (i) 125 pence minus the per share exercise price that applied to that MCB Share Option, multiplied by (ii) the number of shares subject to that subsisting MCB Share Option. Cash paid to those option holders who make such an election may be subject to withholding in respect of income tax and social security liabilities.

## **12. Disclosure of Interests in MCB Shares**

Save for the irrevocable undertakings referred to in paragraph 4 above, neither IPF nor any of the directors of IPF nor, so far as IPF or the directors of IPF are aware, any person acting in concert with IPF for the purposes of the Scheme, has an interest in or right to subscribe for, or has any arrangement in relation to, MCB Shares or securities convertible or exchangeable into MCB Shares, or has any short position in relation to relevant securities of MCB, 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 the relevant securities. For these purposes, “arrangement” includes any indemnity or option arrangement, any agreement or understanding, formal or informal, of whatever nature, relating to MCB Shares which may be an inducement to deal or refrain from dealing in such shares.

IPF confirms that it made on 2 December 2014 an Opening Position Disclosure setting out the details required to be disclosed by Rule 8.1(a) of the Code.

## **13. Financing the Acquisition**

The cash consideration payable under the terms of the Acquisition will be funded from the IPF Group’s existing cash resources. Evercore, financial adviser to IPF, is satisfied that sufficient resources are available to IPF to enable it to satisfy in full the cash consideration payable to MCB Shareholders in connection with the Acquisition.

## **14. Offer-related Arrangements**

### **14.1 *Non-Disclosure Agreement***

Each of IPF and MCB have undertaken under a non-disclosure agreement to hold the other’s confidential information in confidence and not, without the other’s prior written consent, to disclose it or make it available to any person other than to certain permitted recipients or as required by law or regulation or in the context of discussions with the Panel. Such non-disclosure agreement also includes other customary obligations on IPF, including non-solicitation of MCB’s employees and, subject to usual carve-outs, certain standstill provisions.

### **14.2 *Co-operation Agreement***

MCB and IPF have entered into a co-operation agreement in connection with the Acquisition pursuant to which IPF has agreed, among other things, to use reasonable endeavours to implement the Acquisition.

## **15. Cancellation of admission to trading on AIM of MCB Shares and re-registration**

It is intended that an application will be made to the London Stock Exchange for the cancellation of the admission of MCB Shares to trading on AIM to be effective on the Effective Date.

On the Effective Date, share certificates in respect of MCB Shares will cease to be valid and should be destroyed. In addition, entitlements to MCB Shares held within the CREST system will be cancelled.

It is also intended that, following the Effective Date and after the admission of its shares to trading on AIM has been cancelled, MCB will be re-registered as a private limited company pursuant to the relevant provisions of the 2006 Act.

## **16. General**

The Scheme will be subject to the Conditions, which are set out in Appendix 1 to this announcement and will be set out in the Scheme Document, which will be posted to MCB Shareholders as soon as practicable and, in any event, within 28 days of this announcement. The Scheme Document will be accompanied by the Forms of Proxy.

Appendix 2 to this announcement contains the sources and bases of certain information used in this announcement. Appendix 3 to this announcement contains particulars of the irrevocable undertakings referred to in paragraph 4 of this announcement. Appendix 4 to this announcement contains a list of the documents which, in accordance with Rule 26.1 of the Code, will be published on the websites the addresses of which are referred to in Appendix 4. Appendix 5 to this announcement contains definitions of certain terms used in this announcement.

## **17. Enquiries**

For further information contact:

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### **MCB**

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### **Torch Partners**

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### **Sanlam Securities UK Limited**

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### **Allerton Communications**

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Phone: +44 20 3137 2500

### **Further information on the Acquisition**

*This announcement is not intended to, and does not, constitute, or form part of, an offer to sell, purchase, exchange or subscribe for, or an invitation to purchase or subscribe for, any securities or the solicitation of an offer to sell, purchase, exchange or subscribe for any securities or of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any such sale, purchase, exchange or subscription of securities in MCB or any such offer or solicitation in any jurisdiction in contravention of applicable law.*

*The Acquisition will be made solely on the basis of information contained or referred to in, and the procedures set out in, the Scheme Document and the accompanying Forms of Proxy, which will together*

*contain the full terms and conditions of the Acquisition including details of how to vote in respect of the Scheme. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Document. Shareholders are advised to read the formal documentation in relation to the Acquisition carefully once it has been received.*

*Evercore, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for IPF and no one else in connection with the Acquisition and will not be responsible to anyone other than IPF for providing the protections afforded to clients of Evercore nor for giving advice in relation to the Acquisition or any other matters referred to in this announcement.*

*Torch Partners, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority is acting for MCB and no one else in connection with the Acquisition and will not be responsible to anyone other than MCB for providing the protections afforded to clients of Torch Partners nor for giving advice in relation to the Acquisition or any other matters referred to in this announcement.*

*Sanlam, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for MCB and no one else in connection with the Acquisition and will not be responsible to anyone other than MCB for providing the protections afforded to clients of Sanlam nor for giving advice in relation to the Acquisition or any other matters referred to in this announcement.*

## **18. Overseas Shareholders**

*The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law. 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 therefore inform themselves of, and observe, any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their MCB Shares with respect to the Scheme at the Court Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdiction in which they are located. Any failure to comply with applicable requirements may constitute a violation of the securities laws of any such jurisdiction. This announcement has been prepared for the purposes of complying with the laws of England and Wales, the Code and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of any jurisdiction outside the United Kingdom. The Acquisition relates to shares of an English public limited company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the requirements of tender offer rules or the laws of other jurisdictions outside the United Kingdom. However, if IPF elects to implement the Acquisition by means of a Takeover Offer, such Takeover Offer will be made in compliance with all relevant laws and regulations to the extent applicable. Unless otherwise determined by IPF or required by the Code, and permitted by applicable law and regulation, the Scheme Document will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or form within a Restricted Jurisdiction. Accordingly, copies of this announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction, and persons receiving this announcement or any documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from any such jurisdiction. If the Acquisition is implemented by way of a Takeover Offer, the Takeover Offer (unless otherwise permitted by applicable law and regulation) will and may not be made, directly or indirectly, in or into, or by the use of the mails, or by any means of instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national, state or other securities exchange of any Restricted Jurisdiction, and the Takeover Offer will not be capable of acceptance from or within any Restricted Jurisdiction or by any such use, means, instrumentality or facilities.*

*The availability of the Scheme to MCB Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in*

the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements.

## **19. Forward looking statements**

*This announcement includes certain “forward looking statements”. These statements are based on the current expectations of the management of MCB and/or IPF and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained herein include statements about the expected effects on IPF and MCB of the Acquisition, the expected timing and scope of the Acquisition, and all other statements in this announcement other than historical facts. Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates”, “plans”, “strategy”, “will”, “should”, “may” and words of similar import. These forward looking statements are not guarantees of future performance. By their nature, forward-looking statements involve risk and uncertainty 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 and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the Conditions to the Scheme, and IPF’s ability successfully to integrate the operations and employees of the MCB Group, as well as additional factors, such as changes in economic conditions, changes in the level of capital investment, success of business and operating initiatives and restructuring objectives, costs associated with research and development, changes in the prospects for products in the research and development pipeline of IPF or MCB, customers’ strategies and stability, changes in the regulatory environment, fluctuations of interest and exchange rates, the outcome of litigation, government actions and natural phenomena such as floods, earthquakes and hurricanes. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Neither MCB nor IPF undertakes any obligation to update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.*

## **20. Disclosure requirements of the Code**

*Under Rule 8.3(a) of the 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 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 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, 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 p.m. (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](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.*

## **21. Information relating to MCB Shareholders**

*MCB Shareholders should be aware that addresses, electronic addresses and certain information provided by MCB Shareholders and other relevant persons for the receipt of communications from MCB may be provided to IPF during the Offer Period as required under Section 4 of Appendix 4 of the Code.*

## **22. Publication on websites**

*A copy of this announcement will be available free of charge, subject to certain restrictions relating to persons resident in any Restricted Jurisdiction, on IPF's website at [www.ipfin.co.uk](http://www.ipfin.co.uk) and on MCB's website at [www.mcbfinance.com](http://www.mcbfinance.com) by no later than 12:00 noon (London time) on the Business Day following the date of this announcement in accordance with Rule 30.4 of the Code.*

*The contents of IPF's website and MCB's website are not incorporated into and do not form part of this announcement.*

*MCB Shareholders may request a hard copy of this announcement by contacting Stanislas Chanavat of Torch Partners during business hours on +44 20 7227 8830 or by submitting a request in writing to MCB at 2nd Floor, Waverley House, 7-12 Noel Street, London, W1F 8GQ.*

## Appendix 1

### Conditions and further terms of the Acquisition

The Acquisition will comply with the rules and regulations of the FCA, the AIM Rules and the Code to the extent applicable.

#### **PART A: Conditions of the Acquisition**

The Acquisition will be conditional upon the Scheme becoming unconditional and effective by no later than 6 March 2015 or such later date (if any) as IPF and MCB may, with the consent of the Panel and (if required) the Court, agree.

1. The Scheme will be conditional upon:
  - 1.1 approval of the Scheme by a majority in number representing not less than 75 per cent. in value of the Scheme Shareholders (or, if applicable, of the relevant class or classes thereof) who are on the register of members of MCB at the Scheme Voting Record Time and who are present and voting, whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court (or at any adjournment of any such meeting) no later than 3 March 2015 (or such later date as may be agreed by MCB and IPF and the Court may allow);
  - 1.2 all resolutions necessary to approve and implement the Scheme and approve the Capital Reduction and the adoption of the Amended MCB Articles being duly passed by the MCB Shareholders by the requisite majority or majorities at the General Meeting (or any adjournment thereof) no later than 5 March 2015 (or such later date as may be agreed by MCB and IPF and the Court may allow);
  - 1.3 the sanction of the Scheme and the confirmation of the Capital Reduction (in each case with or without modification, but subject to any modification being on terms reasonably acceptable to MCB and IPF) by the Court; and
    - (a) the delivery of copies of the Sanction Court Order, the Reduction Court Order and the Statement of Capital to the Registrar of Companies; and
    - (b) if so ordered by the Court in order to take effect, the registration of the Reduction Court Order and the Statement of Capital by the Registrar of Companies.
2. Subject as stated in Part B below and to the requirements of the Panel, the Acquisition is conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme effective will not be taken unless such Conditions (as amended if appropriate) have been satisfied and continue to be satisfied, or have been waived by IPF, immediately prior to the Scheme Court Hearing:

#### **Antitrust, regulatory and Authorisations**

- 2.1 all material notifications, filings or applications which are necessary under any applicable legislation or regulation of any relevant jurisdiction in connection with the Acquisition having been made and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all material statutory and regulatory obligations in any relevant jurisdiction having been complied with, in connection with the Acquisition and the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, MCB or any other member of the MCB Group by any member of the IPF Group, and all Authorisations necessary in respect thereof having been obtained from all appropriate Regulatory Authorities or (without prejudice to the generality of the foregoing) from any person or body with whom any member of the MCB Group has entered into contractual arrangements and all such Authorisations necessary to carry on the business of any member of the MCB Group in any relevant jurisdiction which is material in the context of the MCB Group as a whole remaining in full force and effect at the time at which the Acquisition becomes

otherwise wholly unconditional and no notice of an intention to revoke, suspend, restrict, modify or not to renew any such Authorisation then having been issued;

2.2 no Regulatory Authority having (without the consent or agreement of IPF) taken, instituted or implemented any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or enacted, made or proposed any statute, regulation, decision or order (and, in each case, not having withdrawn the same), or taken any other steps which in any such case would or might reasonably be expected to:

- (a) require, prevent or materially delay the divestiture, or materially alter the terms envisaged for such divestiture, by any member of the IPF Group or by any member of the MCB Group of all or a portion of their respective businesses, assets or property or impose any material limitation on the ability of all or any of them to conduct their respective businesses (or any of them) or to own, control or manage any of their respective assets or properties (or any part thereof);
- (b) require any member of the IPF Group or the MCB Group to offer to acquire a material number of shares or other securities of, or a material interest in, any member of the MCB Group owned by any third party (other than in connection with the implementation of the Acquisition);
- (c) impose any material limitation on, or result in a material delay in, the ability of any member of the IPF Group directly or indirectly to acquire, hold or exercise effectively any rights of ownership in respect of shares or any other securities in MCB or on the ability of any member of the IPF Group or the MCB Group to exercise management control over any member of the MCB Group;
- (d) otherwise materially adversely affect any or all of the business, assets or profits of any member of the MCB Group;
- (e) result in any member of the MCB Group ceasing to be able to carry on business under any name under which it presently does so;
- (f) make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, MCB by any member of the IPF Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise prevent, prohibit, restrict, restrain or delay or otherwise interfere with the implementation of the Acquisition, or impose additional conditions or obligations with respect thereto, or otherwise challenge or interfere therewith;
- (g) require, prevent or materially delay the divestiture by any member of the IPF Group of any shares or other securities in MCB; or
- (h) impose any material limitation on the ability of any member of the IPF Group or any member of the MCB Group to integrate all or any part of its business with all or any part of the business of any other member of the IPF Group and/or the MCB Group,

to an extent which is, in any such case, material in the context of the IPF Group or the MCB Group taken as a whole, and all applicable waiting and other time periods (including any extensions thereof) during which any such Regulatory Authority could take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any relevant jurisdiction in respect of the Acquisition or the acquisition or proposed acquisition of any MCB Shares or otherwise intervene in respect thereof having expired, lapsed or been terminated;

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

2.3 save as Fairly Disclosed, there being no provision of any agreement, arrangement, lease, licence, franchise, permit or other instrument to which any member of the MCB Group is a party or by or to which any such member or any of its assets is or may be bound or be subject which, as a consequence of the Acquisition or the acquisition or the proposed acquisition by any member of the IPF Group of any shares or other securities in MCB or because of a change in the control or management of MCB,

which would or might reasonably be expected to result in, in each case to an extent which is material in the context of the MCB Group taken as a whole:

- (a) any monies borrowed by, or any other indebtedness (actual or contingent) of, or any grant available to, any member of the MCB Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- (b) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the MCB Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;
- (c) any such agreement, arrangement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the MCB Group being adversely modified or adversely affected or any obligation or liability of any member of the MCB Group arising or any action adverse to any member of the MCB Group being taken or arising thereunder;
- (d) the creation of any liability of any member of the MCB Group to make any severance, termination, bonus or other payment to any of its directors or other officers;
- (e) any member of the MCB Group ceasing to be able to carry on business under any name under which it presently does so;
- (f) any material assets or interests of, or any material assets the use of which is enjoyed by, any member of the MCB Group being or falling to be disposed of or charged or any right arising under which any such assets or interests could be required to be disposed of or charged or cease to be available to any member of the MCB Group, in any such case otherwise than in the ordinary course of business;
- (g) the rights, liabilities, obligations or interests of any member of the MCB Group in, or the business of any member of the MCB Group with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated or adversely modified or affected;
- (h) the financial or trading position of any member of the MCB Group being prejudiced or adversely affected; or
- (i) the creation of any liability (actual or contingent) by any member of the MCB Group, other than trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit, franchise, lease or other instrument to which any member of the MCB Group is a party or by or to which any such member or any of its assets is bound or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (a) to (i) above of this Condition, in each case to an extent which is material in the context of the MCB Group taken as a whole;

#### **Certain events occurring since 31 December 2013**

2.4 save as Fairly Disclosed, no member of the MCB Group having, since 31 December 2013:

- (a) issued or agreed to issue, or authorised or announced its intention to authorise or propose the issue of, additional shares of any class, or securities convertible into, or exchangeable for any such shares, or rights, warrants or options to subscribe for or acquire any such shares, securities or convertible or exchangeable securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of MCB Shares out of treasury (except, in each case,

where relevant, as between MCB and wholly owned subsidiaries of MCB or between the wholly owned subsidiaries of MCB and except for the issue or transfer out of treasury of MCB Shares on the exercise of employee share options or vesting of employee share awards in the ordinary course);

- (b) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of MCB to MCB or any of its wholly owned subsidiaries;
- (c) other than pursuant to the Acquisition (and except for transactions between MCB and its wholly owned subsidiaries or between wholly owned subsidiaries of MCB or in the ordinary course of business), implemented, effected, authorised or announced its intention to implement, effect or authorise any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings, in each case to an extent which is material in the context of the MCB Group taken as a whole;
- (d) except for transactions between MCB and its wholly owned subsidiaries or between the wholly owned subsidiaries of MCB, disposed of, or transferred, mortgaged or created any security interest over, any material asset or any right, title or interest in any material asset or authorised or announced any intention to do so, in each case other than in the ordinary course of business and to an extent which is material in the context of the MCB Group taken as a whole;
- (e) issued, authorised or announced an intention to authorise the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or (other than trade credit incurred in the ordinary course of business) incurred or increased any indebtedness except as between MCB and any of its wholly owned subsidiaries or between wholly owned subsidiaries of MCB, in any such case to an extent which is material in the context of the MCB Group taken as a whole;
- (f) entered into or varied or announced its intention, other than in the ordinary course of business, to enter into or vary any material contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature or magnitude or which involves an obligation of such nature or magnitude, in each case to an extent which is material in the context of the MCB Group taken as a whole;
- (g) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of any contract, service agreement, commitment or arrangement with any director or senior executive of MCB, otherwise than in the ordinary course of business;
- (h) proposed, agreed to provide or modified the terms of any incentive scheme or other benefit scheme relating to the employment or termination of employment of any employee of the MCB Group, otherwise than in the ordinary course of business;
- (i) proposed, agreed to provide or modified the terms of any share option scheme for the benefit of any employee of the MCB Group;
- (j) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or made any other change to any part of its share capital (except, in each case, where relevant, as between MCB and wholly owned subsidiaries of MCB or between the wholly owned subsidiaries of MCB and except for the issue or transfer out of treasury of MCB Shares on the exercise of employee share options or vesting of employee share awards);
- (k) otherwise than in respect of claims between MCB and its wholly owned subsidiaries, or claims between wholly owned subsidiaries of MCB, waived, compromised or settled any claim, other

than in the ordinary course of business, in each case to an extent which is material in the context of the MCB Group taken as a whole;

- (l) terminated or varied the terms of any agreement or arrangement between any member of the MCB Group and any other person, in a manner which would have a material adverse effect on the financial position of the MCB Group taken as a whole;
- (m) save as required in connection with the adoption of the Amended MCB Articles, made any alteration to its memorandum or articles of association or other incorporation documents to an extent which is material in the context of the Acquisition;
- (n) made or agreed or consented to any material change to the terms of the trust deeds and rules constituting the pension schemes established for its directors or for its employees or their dependants or to the benefits which accrue, or to the pensions which are payable, thereunder, or to the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined or to the basis upon which the liabilities (including pensions) of such pension schemes are funded or made, or the manner in which the assets of such pension schemes are invested or the basis or rate of employer contribution to such a pension scheme or agreed or consented to any change to the trustees of any such pension scheme involving the appointment of a trust corporation;
- (o) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring (other than with a view to refinancing upon expiry) any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (p) (other than in respect of a member of the MCB Group which is dormant and was solvent at the relevant time) taken any steps or corporate action or had any legal proceedings instituted or threatened in writing against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- (q) (other than for transactions between MCB and its wholly-owned subsidiaries or between the wholly owned subsidiaries of MCB), made or announced an intention to propose any change in its loan capital;
- (r) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the MCB Group, other than to a nature and extent which is normal in the context of the business concerned, in each case to an extent which is material in the context of the MCB Group taken as a whole; or
- (s) other than in the ordinary course of business, entered into any agreement, arrangement, commitment or contract, or passed any resolution or made any offer (which remains open for acceptance), with respect to, or announced an intention to effect, any of the transactions, matters or events referred to in this Condition;

**No adverse change, litigation, regulatory enquiry or similar**

2.5 since 31 December 2013 and save as Fairly Disclosed:

- (a) there having been no adverse change in the business, assets, financial or trading position or profits of any member of the MCB Group to an extent which is material in the context of the MCB Group taken as a whole;

- (b) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against or in respect of, any member of the MCB Group or to which any member of the MCB Group is or may become a party (whether as claimant, defendant or otherwise) and no investigation by any Regulatory Authority against or in respect of any member of the MCB Group having been threatened, announced, instituted or remaining outstanding, in each case to an extent which is material in the context of the MCB Group taken as a whole;
- (c) no enquiry or investigation by, or complaint or reference to, any Regulatory Authority against or in respect of any member of the MCB Group having been threatened, announced or instituted or remaining outstanding, in each case to an extent which is material in the context of the MCB Group taken as a whole;
- (d) no contingent or other liability having arisen or increased which would be likely to adversely affect any member of the MCB Group to an extent which is material in the context of the MCB Group taken as a whole; and
- (e) no steps having been taken which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the MCB Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which would have a material adverse effect on the MCB Group taken as a whole;

**No discovery of certain matters regarding information, environmental issues, liabilities, corruption and intellectual property**

2.6 save as Fairly Disclosed, IPF not having discovered:

- (a) that any financial, business or other information concerning the MCB Group Publicly Announced prior to the date of this announcement is materially misleading, contains a material misrepresentation of any fact or omits to state a fact necessary to make that information not materially misleading (and has not been corrected prior to the date of this announcement) or that any such information disclosed to any member of the IPF Group at any time prior to the date of this announcement is materially misleading or contains a material misrepresentation of any fact or omits to state a fact necessary to make that information not materially misleading, in any such case to an extent which is material in the context of the MCB Group taken as a whole;
- (b) any information which materially and adversely affects the import of any information Publicly Announced prior to the date of this announcement to an extent which is material in the context of the MCB Group taken as a whole;
- (c) that any past or present member of the MCB Group has not complied in any material respect with all applicable legislation or regulation of any jurisdiction, or any notice or requirement of any Authorisation, relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the MCB Group, in each case to an extent which is material in the context of the MCB Group taken as a whole;
- (d) that there is or is reasonably likely to be any material obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the MCB Group (or in which any such member may have or previously have had or be deemed to have had an interest), under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of

any Regulatory Authority in any jurisdiction or to contribute to the cost thereof or associated therewith or to indemnify any person in relation thereto, in each case to an extent which is material in the context of the MCB Group taken as a whole;

- (e) that any past or present member of the MCB Group has paid or agreed to pay any bribe, including any “inducement fee”, given or agreed to give any similar gift or benefit or paid or agreed to pay to a concealed bank account or fund to or for the account of, any customer, supplier, governmental official or employee, representative of a political party, or other person for the purpose of obtaining or retaining business or otherwise engaged in any activity, done such things (or omitted to do such things) in contravention of the UK Bribery Act 2010, as amended, in each case to an extent which is material in the context of the MCB Group taken as a whole; or
- (f) that any past or present member of the MCB Group has engaged in any business with or made any investments in, or made any payments to, (A) any government, entity or individual with which European Union persons are prohibited from engaging in activities or doing business by European Union laws or regulations or (B) any government, entity or individual targeted by any of the economic sanctions of the European Union or any of its member states, in each case to an extent which is material in the context of the MCB Group taken as a whole; and

2.7 since 31 December 2013 and save as Fairly Disclosed, no circumstance having arisen or event having occurred in relation to any intellectual property owned or used by the MCB Group or licensed by the MCB Group to any third party which involves:

- (a) any member of the MCB Group losing its title to any intellectual property or any intellectual property owned by the MCB Group being revoked, cancelled or declared invalid;
- (b) any agreement regarding the use of any intellectual property licensed to or by any member of the MCB Group being terminated or varied in a manner adverse to the MCB Group;
- (c) any claim being filed suggesting that any member of the MCB Group has infringed the intellectual property rights of a third party or any member of the MCB Group being found to have infringed the intellectual property rights of a third party,

in each case to an extent which is material in the context of the MCB Group taken as a whole.

#### **Part B: Certain further terms of the Acquisition**

1. The Conditions set out in paragraph 2 of Part A above must be fulfilled, be determined by IPF to be or remain fulfilled or be waived by IPF by the time immediately prior to the Scheme Court Hearing, failing which the Scheme will lapse.
2. Subject to the requirements of the Panel, IPF reserves the right in its sole discretion to waive all or any of the Conditions set out in paragraph 2 of Part A above, in whole or in part, and to proceed with the Scheme Court Hearing prior to the fulfillment or satisfaction of any of such Conditions.
3. IPF shall be under no obligation to waive (if capable of waiver), to determine to be or remain fulfilled or to treat as fulfilled any of the Conditions set out in paragraph 2 of Part A above by a date earlier than 6 March 2015, notwithstanding that the other Conditions (or any of them) may at such earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any such Condition may not be capable of fulfilment.
4. IPF reserves the right to elect, with the prior written consent of the Panel (and MCB’s Consent, if required), to implement the Acquisition by way of a Takeover Offer or by way of a transfer scheme of arrangement. In the event that the Acquisition is implemented by way of a Takeover Offer, the Acquisition will be implemented on substantially the same terms (subject to appropriate amendments, including (without limitation) an acceptance condition set at 75 per cent. (or such lesser percentage, being more than 50 per cent., as IPF may, subject to the rules of the Code and the consent of the Panel,

decide) of the MCB Shares to which such Takeover Offer relates), so far as applicable, as those which would apply to the Scheme.

5. The Acquisition will lapse and the Scheme will not proceed (unless otherwise agreed with the Panel) if there is a Phase 2 CMA reference before the date of the Court Meeting.
6. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the Restricted Jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
7. The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of 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 jurisdiction where to do so would violate the laws of that jurisdiction.
8. In the event that the Acquisition is to be implemented by way of a Takeover Offer, MCB Shares will be acquired under the Acquisition free from all liens, equities, charges, encumbrances and other interests and together with all rights attaching thereto, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this announcement. Insofar as a dividend or other distribution is declared, made or paid by MCB in respect of a MCB Share on or after the date of this announcement, the price payable under the Acquisition in respect of that MCB Share will be reduced by the amount of such dividend or distribution, except insofar as the MCB Share is or will be acquired pursuant to the Acquisition on a basis which entitles IPF alone to receive and retain the dividend or distribution directly from MCB.
9. This announcement and any rights or liabilities arising hereunder, or under the Acquisition, the Scheme or the Forms of Proxy, will be governed by English law and will be subject to the jurisdiction of the English courts. The Scheme will be subject to the Conditions and to the further terms which are set out in this Appendix 1 and which will be set out in the Scheme Document and also to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FCA.

## **Appendix 2**

### **Bases and sources**

Unless otherwise stated:

- (a) the value of the fully diluted share capital of MCB is based upon 17,690,007 MCB Shares in issue on 18 December 2014 (the last Business Day prior to the date of this announcement), together with a maximum of 1,331,496 MCB Shares falling to be issued upon the exercise of MCB Share Options outstanding on such date which have an exercise price per share which is less than the Acquisition Price;
- (b) financial information relating to MCB has been extracted from the audited consolidated accounts of the MCB Group for the year ended 31 December 2013, prepared in accordance with IFRS;
- (c) financial information relating to IPF has been extracted from the audited consolidated accounts of the IPF Group for the year ended 31 December 2013 or the unaudited interim financial statement for the six months ended 30 June 2014, prepared in accordance with IFRS; and
- (d) all prices quoted for MCB Shares are Closing Prices.

## Appendix 3

### Details of Irrevocable Undertakings

The following holders of MCB Shares have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and in favour of the General Meeting Resolution:

#### MCB Directors and related parties

<i>Name</i>	<i>Number of MCB Shares</i>	<i>% of issued share capital</i>
Rami Ryhänen	46,878	0.26
Solotel Oy ( <i>owned by Rami Ryhänen</i> )	78,664	0.44
Henry Nilert	669,603	3.79
Birch Holding Limited ( <i>owned by Henry Nilert</i> )	558,619	3.16
Philippe Duleyrie	803,961	4.54
Total	<u>2,157,725</u>	<u>12.20</u>

Each of the irrevocable undertakings referred to above will lapse and cease to have any effect if:

- (a) the Scheme Document is not sent to MCB Shareholders by 5.30 p.m. (London time) on 31 December 2014 or such later time or date as IPF and MCB (with the consent of the Panel) agree;
- (b) the Scheme lapses or is withdrawn;
- (c) the Scheme has not become effective by 5.30 p.m. (London time) on 6 March 2015 or such later time as IPF and MCB (with the consent of the Panel) agree; or
- (d) the relevant MCB Shareholder is required to withdraw such irrevocable undertaking by a court of competent jurisdiction or competent regulator.

#### Other MCB Shareholders

<i>Name</i>	<i>Number of MCB Shares</i>	<i>% of issued share capital</i>
Smec Oü	5,788,070	32.72
MC Global Limited	441,389	2.50
IU Nominees Limited	4,650,785	26.29
Peter Lorange	844,021	4.77
Europanel AB	740,000	4.18
Total	<u>12,464,265</u>	<u>70.46</u>

Each of the irrevocable undertakings referred to above, save those in relation to Smec Oü, MC Global Limited and IU Nominees Limited will lapse and cease to have any effect if:

- (a) the Scheme Document is not sent to MCB Shareholders by 5.30 p.m. (London time) on 31 December 2014 or such later time or date as IPF and MCB (with the consent of the Panel) agree;
- (b) the Scheme lapses or is withdrawn;
- (c) the Scheme has not become effective by 5.30 p.m. (London time) on 6 March 2015 or such later time as IPF and MCB (with the consent of the Panel) agree; or
- (d) the relevant MCB Shareholder is required to withdraw such irrevocable undertaking by a court of competent jurisdiction or competent regulator.

The irrevocable undertakings referred to above in respect of Smec Oü, MC Global Limited and IU Nominees Limited only, will lapse and cease to have any effect if:

- (a) the Scheme Document is not sent to MCB Shareholders by 5.30 p.m. (London time) on 31 December 2014;
- (b) the Scheme lapses or is withdrawn;
- (c) the Scheme has not become effective by 5.30 p.m. (London time) on 20 February 2015;
- (d) IPF fails to obtain irrevocable undertakings in respect of at least 73.5 per cent. of all shares and securities of MCB; or
- (e) the Board of MCB does not recommend the Acquisition to the MCB Shareholders.

## **Appendix 4**

### **Documents available on a website**

Copies of the following documents will be available, subject to certain restrictions relating to persons resident in any Restricted Jurisdiction, on IPF's website at [www.ipfin.co.uk](http://www.ipfin.co.uk) and on MCB's website at [www.mcbfinance.com](http://www.mcbfinance.com) from at or before 12.00 noon on the Business Day following the date of this announcement until the Effective Date:

1. The irrevocable undertakings details of which are set out in Appendix 3;
2. The Non-Disclosure Agreement referred to in paragraph 14.1 of this announcement; and
3. The Co-operation Agreement referred to in paragraph 14.2 of this announcement.

## Appendix 5

### Definitions

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

<b>“Acquisition”</b>	the proposed acquisition by IPF of the entire issued and to be issued share capital of MCB, to be effected by means of the Scheme (or, subject to the consent of the Panel and, if required, MCB’s Consent, a Takeover Offer or a transfer scheme of arrangement), at a price of 125 pence per MCB Share and otherwise on the terms and subject to the conditions set out in this announcement and to be set out in the Scheme Document, including, where the context so requires, any subsequent variation, revision, extension or renewal thereof;
<b>“Acquisition Price”</b>	125 pence in cash for each MCB Share;
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange;
<b>“AIM Rules”</b>	the rules and guidance notes for AIM Companies issued by the London Stock Exchange from time to time related to AIM traded securities and the operation of AIM;
<b>“Amended MCB Articles”</b>	the articles of association of MCB as at the date of this announcement, as amended to include provisions, in terms approved by IPF, that avoid any person (other than IPF or its nominee(s)) remaining as a holder of MCB Shares after the Effective Date, such proposed amendments to be set out in full in the notice of the General Meeting in the Scheme Document;
<b>“Authorisations”</b>	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals;
<b>“Board”</b>	the board of directors of the relevant company;
<b>“Business Day”</b>	a day (excluding Saturdays, Sundays and bank and public holidays) on which banks are open for business in the City of London;
<b>“Capital Reduction”</b>	the proposed reduction of MCB’s share capital under the 2006 Act provided for in connection with the Scheme;
<b>“Closing Price”</b>	the closing middle-market quotation of a MCB Share on a particular trading day, as derived from the Daily Official List published by the London Stock Exchange;
<b>“Code”</b>	the City Code on Takeovers and Mergers;
<b>“Company” or “MCB”</b>	MCB Finance Group plc, incorporated in England and Wales with registered number 6032184 and having its registered office at Waverley House, 7-12 Noel Street, London W1F 8GQ;
<b>“Conditions”</b>	the conditions of the Acquisition, as set out in Appendix 1 to this announcement and to be set out in the Scheme Document;
<b>“Court”</b>	the High Court of Justice in England and Wales;
<b>“Court Meeting”</b>	the meeting of Scheme Shareholders (including any adjournment thereof) to be convened pursuant to an order of the Court under Part 26 of the 2006 Act for the purposes of considering and, if thought fit, approving the Scheme (with or without amendment);

<b>“Dealing Disclosure”</b>	has the same meaning as in Rule 8 of the Code;
<b>“Effective Date”</b>	the date on which the Scheme becomes effective in accordance with its terms;
<b>“Evercore”</b>	Evercore Partners International LLP, financial adviser to IPF in connection with the Acquisition;
<b>“Fairly Disclosed”</b>	information: <ul style="list-style-type: none"> <li>(a) which has been fairly disclosed in writing by or on behalf of MCB to IPF or its advisers prior to the date of this announcement;</li> <li>(b) which has been Publicly Announced; or</li> <li>(c) which is set out in this announcement;</li> </ul>
<b>“FCA” or the “Financial Conduct Authority”</b>	the United Kingdom Financial Conduct Authority;
<b>“Forms of Proxy”</b>	the forms of proxy for use at the Court Meeting and the General Meeting;
<b>“FSMA”</b>	the UK Financial Services and Markets Act 2000, as amended;
<b>“General Meeting”</b>	the general meeting of MCB Shareholders (including any adjournment thereof) to be convened in connection with the Scheme;
<b>“General Meeting Resolution”</b>	the resolution to be proposed, as a special resolution, at the General Meeting;
<b>“IPF”</b>	International Personal Finance plc, incorporated in England and Wales with registered number 06018973 and having its registered office at Number Three, Leeds City Office Park, Meadow Lane, Leeds, West Yorkshire, LS11 5BD;
<b>“IPF Group”</b>	IPF and its subsidiary undertakings;
<b>“IFRS”</b>	International Financial Report Standards, as adopted by the European Union;
<b>“Long Stop Date”</b>	means 6 March 2015;
<b>“LSE” or “London Stock Exchange”</b>	London Stock Exchange plc;
<b>“MCB’s Consent”</b>	MCB’s consent to an election by IPF to implement the Acquisition by way of a transfer scheme of arrangement or Takeover Offer, which consent will be required in all circumstances other than where both (i) the timetable for the revised structure of the Acquisition provides for the effective date of the transfer scheme of arrangement to fall, or for the Takeover Offer to become or be declared unconditional in all respects, on or before the Long Stop Date and (ii) there is at the time of such election no reason for either IPF or MCB to believe that such timetable will not be achieved;
<b>“MCB Directors”</b>	the members of the Board of MCB;
<b>“MCB Group” or “Group”</b>	MCB and its subsidiary undertakings;
<b>“MCB Share Options”</b>	means any and all of the options over shares granted to certain employees of MCB pursuant to individual option agreements under which such employees have the right to acquire MCB Shares, with

	the aggregate number of MCB Shares subject to such options as at the date of this announcement being 1,331,496;
<b>“MCB Shareholders”</b>	holders of MCB Shares from time to time;
<b>“MCB Shares”</b>	ordinary shares of 10 pence each in the capital of MCB;
<b>“New Businesses”</b>	MCB’s operations in Australia and Sving;
<b>“Offer Period”</b>	the period commencing upon the making by MCB on 18 November 2014 of the announcement confirming that it had received a preliminary approach from IPF and expiring on the earlier of the Effective Date and the date upon which the Scheme lapses or is withdrawn (or such other date as the Panel may decide);
<b>“Opening Position Disclosure”</b>	has the same meaning as in Rule 8 of the Code;
<b>“Overseas Shareholders”</b>	means MCB Shareholders whose registered addresses are outside the UK or who are citizens or residents of countries other than the UK;
<b>“Panel”</b>	the Panel on Takeovers and Mergers;
<b>“Phase 2 CMA reference”</b>	a reference of the Acquisition to the Chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013;
<b>“pounds”, “£” or “pence”</b>	the lawful currency of the United Kingdom;
<b>“Publicly Announced”</b>	disclosed (a) in any public announcement by or on behalf of MCB made through a Regulatory Information Service prior to the date of this announcement or (b) in the annual report of MCB in respect of the year ended 31 December 2013;
<b>“Reduction Court Order”</b>	the order of the Court which confirms the Capital Reduction;
<b>“Registrar of Companies”</b>	the Registrar of Companies in England and Wales;
<b>“Regulatory Authority”</b>	each of a central bank, government or governmental, quasi governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution or any other body or person whatsoever in any jurisdiction;
<b>“Regulatory Information Service”</b>	any of the service providers set out at <a href="http://www.fca.org.uk/firms/markets/ukla/regulatory-disclosures">www.fca.org.uk/firms/markets/ukla/regulatory-disclosures</a> ;
<b>“Restricted Jurisdiction”</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory, or criminal exposure if information concerning the Acquisition is sent or made available to MCB Shareholders in that jurisdiction;
<b>“Sanction Court Order”</b>	the order of the Court sanctioning the Scheme;
<b>“Sanlam”</b>	Sanlam Securities UK Limited (Nominated Adviser and broker to MCB);
<b>“Scheme” or “Scheme of Arrangement”</b>	the proposed cancellation scheme of arrangement (with associated reduction of capital) under Part 26 of the 2006 Act between MCB and the Scheme Shareholders in order to implement the Acquisition, upon the terms and subject to the conditions set out in this announcement and to be set out in the Scheme Document (with or subject to any modification, addition or condition which IPF and

	MCB may agree, and, if required, the Court may approve or impose);
<b>“Scheme Court Hearing”</b>	the hearing of the Court to sanction the Scheme;
<b>“Scheme Document”</b>	the document to be sent by MCB to MCB Shareholders, containing and setting out the Scheme, the notices convening the Court Meeting and the General Meeting and the further particulars required by Part 26 of the 2006 Act;
<b>“Scheme Record Time”</b>	the time and date specified in the Scheme Document, expected to be 6.00 p.m. (London time) on the Business Day immediately prior to the date of the hearing of the Court to confirm the Capital Reduction;
<b>“Scheme Shareholders”</b>	the holders of Scheme Shares;
<b>“Scheme Shares”</b>	the MCB Shares: <ul style="list-style-type: none"> <li>(a) in issue at the date of the Scheme Document;</li> <li>(b) if any, issued after the date of the Scheme Document and before the Scheme Voting Record Time; and</li> <li>(c) if any, issued at or after the Scheme Voting Record Time and before the Scheme Record Time in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme,</li> </ul> in each case other than any MCB Shares held by or on behalf of IPF;
<b>“Scheme Voting Record Time”</b>	the date and time specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined, expected to be 6.00 p.m. (London time) on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. (London time) on the day which is two days before the date of such adjourned Court Meeting;
<b>“Statement of Capital”</b>	the statement of capital (approved by the Court) showing, with respect to MCB’s share capital, as altered by the Reduction Court Order, the information required by section 649 of the 2006 Act;
<b>“subsidiary”, “subsidiary undertaking” and “undertaking”</b>	shall be construed in accordance with the 2006 Act;
<b>“Takeover Offer”</b>	should the Acquisition be implemented by way of a takeover offer (within the meaning of section 974 of the 2006 Act), a takeover offer made, pursuant to the Code, by IPF to acquire the issued and to be issued share capital of MCB and, where the context so requires, any revision, variation, extension or renewal of such takeover offer;
<b>“Torch Partners”</b>	Torch Partners Corporate Finance Limited, financial adviser to MCB in connection with the Acquisition;
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“United States” or “US”</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia; and
<b>“2006 Act”</b>	the Companies Act 2006.

