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SIG plc
Proposed Acquisition of Larivière SAS for €296.6 million
Placing to raise up to £150 million

Introduction

SIG plc ("SIG"), the leading international specialist supplier in insulation, roofing, commercial interiors and specialist construction and safety products, is pleased to announce that it has agreed to acquire the entire issued share capital of Larivière SAS ("Larivière"), the largest specialist distributor of roofing products in France, for €296.6 million (approximately £202 million) from AXA Private Equity ("AXA"). Completion is conditional upon formal approval by the competition authorities in France.

In addition, SIG is today announcing an increase in its planned acquisition activity. Total spend on acquisitions was £110m in 2005 and £109m in 2006. In 2007, excluding Larivière, acquisition spend is expected to be significantly higher and may be up to £200m. Thereafter, it is expected that the level of acquisition spend will be over £100m per annum and may be up to £200m in some future years. The phasing of this spend cannot be predicted with any great accuracy and the above figures should not be taken to be a forecast of future acquisition spend.

Further to the acquisition of Larivière, and SIG's increase in acquisition activity, the Company also announces the placing of new ordinary shares with institutional and other investors, to raise gross proceeds of up to £150 million (the "Placing"). The Placing will not exceed 9.9 per cent. of SIG's current issued share capital.

The Placing is intended to fund the acquisition of Larivière and the increase in acquisition spend, to maintain financial flexibility to allow SIG to move quickly and to take advantage of other acquisition opportunities as they are identified, and to ensure that SIG continues to drive its organic growth through ongoing investment in its businesses.

The Placing has been fully underwritten by Panmure Gordon, subject to certain terms and conditions set out in a placing agreement between Panmure Gordon and SIG.

Lazard & Co., Limited acted as financial adviser to SIG in relation to the acquisition of Larivière.

Highlights

- SIG considers the acquisition to be an attractive opportunity to acquire the largest specialist distributor of roofing products in France.
- SIG expects sales and EBITDA of Larivière for the year ending 30 June 2007 to be c.€340m and c.€23m respectively.
- Larivière is an excellent strategic fit with SIG's existing operations. In France, where SIG has a proven track record of profitable growth and expansion, the acquisition of Larivière will more than double SIG's sales.
- In the roofing market, again where SIG has a proven track record of profitable growth and expansion in the UK, Ireland and, more recently, in Germany and Poland, the acquisition of Larivière makes SIG the largest specialist supplier of roofing products in Europe.

- Larivière presently operates from 83 trading sites in France, and SIG plans to expand the trading site network significantly to increase market share and expand the customer base.
- The Acquisition provides SIG with exciting growth opportunities for the expansion of Larivière's product range and also gives it the opportunity to benefit from purchasing synergies with its existing operations in the UK, Ireland, Germany and Poland.
- SIG expects the acquisition to be immediately earnings enhancing.
- The Company is also raising up to £150 million by way of a placing of new ordinary shares of up to 9.9 per cent. of the Company's current issued share capital, to fund the acquisition of Larivière, to give it financial flexibility to fund its pipeline of ongoing acquisition opportunities and organic growth.
- Subject to regulatory approval, completion is expected in June 2007.

David Williams, Chief Executive of SIG, commented:

"This is a great deal for Larivière and SIG. The combination of our existing expertise in the roofing industry and that of the number one specialist supplier in France means that we can provide our backing and support to the expansion and growth plans already well developed by the very impressive Larivière management team."

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SIG PLC PROPOSED ACQUISITION OF LARIVIÈRE FOR €296.6 MILLION (£202 MILLION)
PROPOSED PLACING OF UP TO £150M OF NEW ORDINARY SHARES

1. Introduction

SIG plc ("SIG"), the leading international specialist supplier in insulation, roofing, commercial interiors and specialist construction and safety products, is pleased to announce that it has entered into an agreement to acquire the entire issued share capital of Larivière SAS ("Larivière"), the largest specialist distributor of roofing products in France, for €296.6 million (£202 million), including net debt of €126.6m (approximately £86.5 million), from AXA Private Equity.

Further to the acquisition of Larivière, and SIG's increase in acquisition activity, the Company also announces the placing of new ordinary shares with institutional and other investors, to raise gross proceeds of up to £150 million (the "Placing"). The Placing will not exceed 9.9 per cent. of SIG's current issued share capital.

The Placing is intended to fund the acquisition of Larivière and the increase in acquisition spend, to maintain financial flexibility to allow SIG to move quickly and to take advantage of other acquisition opportunities as they are identified, and to ensure that SIG continues to drive its organic growth through ongoing investment in its businesses.

The Placing has been fully underwritten by Panmure Gordon, subject to certain terms and conditions set out in a placing agreement between Panmure Gordon and SIG.

Lazard & Co., Limited acted as financial adviser to SIG in relation to the acquisition of Larivière.

2. Background to and Reasons for the Acquisition

Larivière is the largest specialist distributor of roofing products in France, currently operating from 83 trading sites. It is a cash generative business, which is led by an experienced management team and has excellent growth prospects.

SIG has previously identified that significant opportunities exist for the roll-out of SIG's roofing business model. SIG, which has a proven track record in both France and the roofing sector, believes that Larivière is an excellent strategic fit with its existing operations.

- In France, SIG is the largest supplier of industrial insulation materials and has a substantial position in commercial interiors. It entered the insulation market in 1994, with the acquisition of 16 trading sites, and the commercial interiors market in 1997, with the acquisition of 3 trading sites. As of December 2006, the Company had grown the combined number to 51 trading sites, and sales had grown to £132 million from £20 million in 1994.
- In roofing, SIG first entered this market in 1997, and had grown to be the biggest specialist supplier of roofing products in the UK and Ireland, and has more recently added trading sites in both Germany and Poland, giving it very wide experience of the roofing market.

The Directors of SIG believe that the market dynamics for roofing products in France is characterised by a demand bias toward essential repairs and maintenance projects, which is very similar to SIG's existing roofing distribution operations. Larivière's main customer category is the small, independent contractor who relies heavily on access to local supplies. There is a wide diversity of roofing products in use in France. The Directors of SIG believe this means that specialist distributors with a wide range of stock and technical expertise generally outperform general merchants. The market structure, customer characteristics and supply channels experienced in France are very similar in most countries throughout Europe.

3. SIG acquisition activity

In addition to the acquisition of Larivière, SIG is today announcing an increase in its planned acquisition activity. Total spend on acquisitions was £110m in 2005 and £109m in 2006. In 2007, excluding Larivière, acquisition spend is expected to be significantly higher and may be up to £200m. Thereafter, it is expected that the level of acquisition spend will be over £100m per annum and may be up to £200m in some future years. The phasing of this spend cannot be predicted with any great accuracy and the above figures should not be taken to be a forecast of future acquisition spend.

SIG has completed 9 transactions to date in 2007, for a total enterprise value of £42 million and with total annualised sales of c.£58 million. For the same period in 2006, SIG had completed 5 transactions, for a total enterprise value of £11.4m and with total annualised sales of c.£14m.

4. Information on SIG

SIG is a leading international specialist supplier to the construction and building industries. It currently operates from over 640 locations in the United Kingdom, Ireland, Germany, France, Poland, Benelux, the Czech Republic, Slovakia and Austria through its four core business sectors of insulation, roofing, commercial interiors and specialist construction and safety products.

Its businesses are engaged in:

- the fabrication and distribution of insulation, dry lining and related products to the building and manufacturing industries;
- the distribution of roofing materials and related products;
- the design, development and supply of partition systems, performance door sets and suspended ceiling products, together with other products for commercial interiors;
- the supply of personal protective equipment; and
- the distribution of specialist construction products for infrastructure and civil engineering.

It operates in two main geographic regions:

- UK and Ireland, where it is the leading supplier in all four of its core business sectors; and
- Mainland Europe, where it supplies insulation, commercial interiors and roofing products in countries across the continent, including Germany, France, Poland, Benelux, Czech Republic, Slovakia and Austria.

For the year ended 31 December 2006, SIG disclosed an underlying profit before tax^{*1} of £108.3 million from sales of £1,860 million (all from continuing operations). Net assets at 31 December 2006 were £352.7 million.

*1 Underlying profit before tax excludes amortisation of acquired intangibles, goodwill impairment, hedge ineffectiveness and the profit on disposal of discontinued operation.

5. Information on Larivière

Larivière is the largest specialist distributor of roofing products in France, with 83 trading sites providing a strong footprint across the whole of France. It was established in 1946 and was owned by the French industrials group Imerys before being acquired by AXA Private Equity in April 2005. Larivière provides a comprehensive range of roofing products including natural slates, tiles, roof windows, zinc and wood, together with a wide range of accessories and ancillary products.

The acquisition provides SIG with exciting growth opportunities in terms of expanding both the trading site network and the product range. SIG also believes that it will be able to gain purchasing synergies with its existing operations in the UK, Ireland, Germany and Poland.

Larivière's last audited results to 30 June 2006 disclosed a pre-tax loss of €4.4 million on sales of €327.2 million. Gross assets at 30 June 2006 were €252 million. Larivière's EBITDA and EBITA for the year ended 30 June 2006 was €19.1 million and €15.6 million respectively.

6. Employees

It is the intention of SIG that Larivière's senior management team and current employees remain with Larivière following Completion. Larivière will be run as a separate division under its current managing director Pascal Metayer. Pascal will report into Chris Davies, SIG Head of Europe. Larivière currently employs over 770 people.

7. Principal terms and conditions of the Acquisition

Under the terms of the Acquisition Agreement the consideration payable for Larivière is €296.6 million (approximately £202 million) in cash.

The Acquisition Agreement is conditional only upon the receipt of clearance from the French competition authorities.

SIG has complied with its obligation under French law to undertake the Workers' Consultation procedure. Following the Workers' Consultation, the requisite opinion of Larivière's Workers' Council has been duly issued. The opinion has been given in favour of the Acquisition.

Assuming the competition condition is satisfied, Completion is expected to occur in June 2007.

The Acquisition Agreement contains the following key provisions:

- SIG will acquire 100 per cent. of the Larivière Equity, thereby acquiring control of the entire issued share capital and all of the voting rights of Larivière;
- the Proposed Acquisition will be made by France Isolation SAS, a wholly owned subsidiary of the SIG Group;
- the enterprise value agreed for Larivière amounts to €296.6 million comprising (i) consideration for the acquisition of the Larivière Equity (excluding the Financière Larivière convertible bonds) of €170 million, and (ii) the repayment of Larivière's outstanding indebtedness as at the date of Completion;
- all payments made pursuant to the Acquisition Agreement will be made in cash, on Completion; and
- Completion is conditional upon, and is to take place following, the receipt of clearance from the French competition authorities. Completion is to take place no later than 120 days following the

date on which the French authorities acknowledge receipt of the competition clearance notification. On or prior to such date, SIG and AXA may jointly agree to postpone the date of Completion, provided that such date is no later than 28 September 2007.

8. Financial effects of the Acquisition

The acquisition of Larivière is expected to be immediately earnings enhancing to SIG. SIG also expects to gain purchasing synergies with SIG's existing roofing distribution operations in the UK, Ireland and Germany.

In addition to the Placing, SIG's existing debt facilities of £480m (as at 31 December 2006) have been increased by a further £100 million facility committed in May 2007. Taking into account the acquisition of Larivière, the Placing and the increased acquisition activity, SIG's 2007 year end interest cover is expected to reduce to a range of 6-7x and its 2007 leverage ratio is expected to increase to around 2.3x.

9. Current trading and prospects for the Enlarged Group

SIG

SIG held its annual general meeting on 16 May 2007, and issued a trading statement on that day. Since 1 January 2007, SIG has traded strongly, with good like for like for like growth in all business streams and all countries in which SIG operates. In addition, the 2006 acquisitions are integrating well into the SIG network and are performing in line with expectations.

Larivière

Larivière's financial results to date for the year ending 30 June 2007 have shown good progress over 2006, and the Directors of SIG believe that Larivière's sales and EBITDA for the 2007 year are expected to be c.€340 million and c.€23 million respectively.

10. The Placing

Further to the acquisition, SIG announces that it is today placing new ordinary shares of 10 pence per share ("Placing Shares"), to raise up to £150m from institutional investors (the "Placing").

Panmure Gordon (UK) Limited ("Panmure Gordon") is acting as sole bookrunner and broker for the Placing. The Placing will be conducted in accordance with the terms and conditions set out in the Appendix to this Announcement. The Placing has been fully underwritten by Panmure Gordon, subject to certain terms and conditions set out in a placing agreement between Panmure Gordon and SIG (the "Placing Agreement"). The Placing will be effected, subject to the satisfaction of certain conditions, by way of an accelerated bookbuild placing of the Placing Shares.

The books will open with immediate effect. The timing of the closing of the books, pricing and allocations is at the discretion of Panmure Gordon and SIG. Details of the placing price in respect of the Placing Shares (the "Placing Price") will be announced as soon as practicable after the close of the accelerated bookbuilding process (the "Bookbuild Process").

The Placing Shares will be credited as fully paid and will rank pari passu in all respects with the existing ordinary shares of 10 pence each in the capital of SIG, including the right to receive all future dividends and other distributions. Placees will not be entitled to the final dividend that is to be payable to shareholders of SIG on 29 May 2007 who were on the register of members at close of business on 27 April 2007.

Application will be made for the Placing Shares to be admitted to the Official List and to be admitted to trading by the London Stock Exchange on its market for listed securities ("Admission"). Admission is expected to take place on 30 May 2007.

Attention is drawn to the detailed terms and conditions of the Placing described in Appendix I to this Announcement (which forms a part of this Announcement).

In the unlikely event that completion of the Acquisition does not take place, the Directors will assess the Group's ongoing funding needs taking account of shareholders' best interests but in the first instance intend to apply the net proceeds of the Placing to general corporate purposes and the reduction of debt.

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This Announcement has been issued by SIG and is the sole responsibility of SIG. This Announcement is for information purposes only and does not constitute an offer or invitation to acquire or dispose of any securities or investment advice in any jurisdiction.

Lazard & Co., Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser to the Company in connection with the Acquisition and will not be responsible to any person other than the Company for providing the protections afforded to customers of Lazard & Co., Limited, or for advising any such person on the contents of this announcement or any other transaction, arrangement or matter referred to herein.

Panmure Gordon, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as broker to the Company in connection with the Acquisition and the Placing and will not be responsible to any person other than the Company for providing the protections afforded to customers of Panmure Gordon, or for advising any such person on the contents of this announcement or any other transaction, arrangement or matter referred to herein.

This Announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for securities in the United States, Canada, Australia or Japan or any jurisdiction in which such offer or solicitation is unlawful and should not be relied upon in connection with any decision to acquire the Placing Shares or any other SIG securities.

The information contained in this Announcement is not for release, publication or distribution, directly or indirectly, to persons in the United States. This Announcement is not an offer of securities for sale into the United States. The Placing Shares have not been and will not be registered under the US Securities Act of 1933, as amended, or under the securities laws of any state or other jurisdiction of the United States, and absent registration may not be offered or sold, directly or indirectly, in the United States except pursuant to an exemption from, or as part of a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any state or other jurisdiction of the United States. There will be no public offering of securities in the United States. The Placing Shares have not been and will not be registered with any regulatory authority of any state or other jurisdiction within the United States.

This Announcement includes 'forward-looking statements'. All statements other than statements of historical fact included in this Announcement, including, without limitation, any regarding SIG's financial position, business strategy, plans and objectives of management for future operations, including, without limitation, discussions of SIG's business and financial plans, expected future revenues and expenditures, investments and disposals, risks associated with changes in economic conditions, the strength of the insulation, roofing and commercial interiors markets in the UK and Europe, fluctuations in product prices and changes in exchange and interest rates, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of SIG, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding SIG's present and future business strategies and the environments in which SIG will operate in the future and such assumptions may or may not prove to be correct. There are a number of factors which could cause actual results, performance of SIG, or industry results to differ materially from those expressed or implied in forward looking statements. Among the factors that could cause the actual results, performance of SIG, or industry results to differ materially from those described in the forward looking statements are changes in global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions. These forward-looking statements speak only as of the date of this Announcement. SIG expressly disclaims any obligation (except as required by the rules of the Financial Services Authority and the London Stock Exchange) or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in SIG's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

No statement in this announcement is intended to constitute a profit forecast, nor should any statements be interpreted to mean that earnings or earnings per ordinary share will necessarily be greater or lesser than those for the relevant preceding financial periods for SIG. Rather, these statements should be construed as references to potential enhancements to the earnings that might otherwise have been earned during the relevant financial period.

The distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves, and above, any applicable requirements. This announcement has been prepared for the purposes of complying with English law and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England.

Appendix I contains the terms and conditions of the Placing.

Appendix II contains the definitions of certain terms used in this announcement.

This summary should be read in conjunction with the full text of the following announcement.

Appendix I

TERMS AND CONDITIONS OF THE PLACING

THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX (TOGETHER, "THIS ANNOUNCEMENT"), IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN.

IMPORTANT INFORMATION ON THE PLACING FOR PLACEES ONLY

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT HEREIN ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND WHO FALL WITHIN ARTICLE 19(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (AS AMENDED) (THE "ORDER") OR ARE PERSONS WHO FALL WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER OR TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY. THE PLACING SHARES) ARE NOT BEING OFFERED OR SOLD TO ANY PERSON IN THE UNITED KINGDOM, OTHER THAN TO QUALIFIED INVESTORS AS DEFINED IN SECTION 86(7) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 ("FSMA"), BEING PERSONS FALLING WITHIN ARTICLE 2.1(E)(I), (II) OR (III) OF DIRECTIVE 2003/71/EC (THE "PROSPECTUS DIRECTIVE"), WHICH INCLUDES LEGAL ENTITIES WHICH ARE REGULATED BY THE FINANCIAL SERVICES AUTHORITY OR ENTITIES WHICH ARE NOT SO REGULATED WHOSE CORPORATE PURPOSE IS SOLELY TO INVEST IN SECURITIES.

THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND ABSENT REGISTRATION MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR AS A PART OF A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

This Announcement and any offer if made subsequently is only addressed to and directed at persons in member states of the European Economic Area ("EEA") who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive ("Qualified Investors").

Persons who are invited to and who choose to participate in the Placing (including individuals, funds or others) by making an oral offer to acquire Placing Shares, will be deemed to have read and understood this Announcement in its entirety and to be making such offer on the terms and conditions contained in this Appendix, and to be providing the representations, warranties, agreements, acknowledgements and undertakings, in each case as contained in this Appendix.

In particular each such Placee represents, warrants and acknowledges that:

1. it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;

2. in the case of a Relevant Person in a member state of the EEA which has implemented the Prospectus Directive (each a "Relevant Member State") who acquires any Placing Shares pursuant to the Placing:
 - (i) it is a Qualified Investor; and
 - (ii) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of Panmure Gordon has been given to the offer or resale; or (ii) where Placing Shares have been acquired by it on behalf of persons in any member state of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons; and
3. it is purchasing the Placing Shares for its own account or is purchasing the Placing Shares for an account with respect to which it exercises sole investment discretion and that it (and any such account) is outside the United States or it is a dealer or other professional fiduciary in the United States acting on a discretionary basis for non-US beneficial owners (other than an estate or trust), in reliance upon Regulation S under the US Securities Act; or if it is not outside the United States is a qualified institutional buyer ("QIB") as defined in Rule 144A under the Securities Act and has executed an investment letter in the form provided to it and has delivered the same to Panmure Gordon and the Company.

This Announcement is not an offer of securities for sale in the United States. Placing Shares may not be offered or sold in the United States absent registration under the Securities Act or an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Company has not and does not intend to offer any securities to the public in the United States. No money, securities or other consideration from any person inside the United States is being solicited and, if sent in response to the information contained in this Announcement, will not be accepted.

This Announcement does not constitute an offer to sell or issue or the solicitation of an offer to acquire Placing Shares in the United States, Australia, Canada or Japan or in any other jurisdiction in which such offer or solicitation is or may be unlawful and the information contained herein is not for publication or distribution to persons in the United States, Canada, Japan or Australia or any jurisdiction in which such publication or distribution is unlawful. Any failure to comply with these restrictions may constitute a violation of US, Canadian, Australian or Japanese securities laws. Persons receiving this Announcement (including, without limitation, custodians, nominees and trustees) must not distribute, mail or send it in, into or from the United States, or use the United States mails, directly or indirectly, in connection with the Placing, and by so doing may invalidate any related purported application for Placing Shares.

The Placing Shares referred to in this Announcement have not been and will not be registered under the Securities Act and may not be offered, sold or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Any offering to be made in the United States will be made to a limited number of QIBs pursuant to an exemption from registration under the Securities Act in a transaction not involving any public offering. The Placing Shares are being offered and sold outside the United States in accordance with Regulation S under the Securities Act. The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States.

The distribution of this Announcement and the Placing and/or issue of the Placing Shares in certain other

jurisdictions may be restricted by law. No action has been taken by the Company or by Panmure Gordon that would permit an offer of such Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and Panmure Gordon to inform themselves about and to observe any such restrictions.

In this Appendix, unless the context otherwise requires, Placee means a person (including individuals, funds or others) on whose behalf a commitment to acquire Placing Shares has been given.

Details of the Placing Agreement and the Placing Shares

Panmure Gordon has entered into a placing agreement (the "Placing Agreement") with the Company whereby Panmure Gordon has, on the terms and subject to the conditions set out therein, agreed to use its reasonable endeavours as agent for and on behalf of the Company to procure Placees for the Placing Shares and, failing which, itself to subscribe for any unplaced Placing Shares.

The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing issued ordinary shares of 10 pence in the capital of the Company ("Ordinary Shares") including the right to receive all future dividends and other distributions declared in respect of such Ordinary Shares after the date of issue of the Placing Shares. Placees will not be entitled to the final dividend that is to be payable to shareholders in the Company on 29 May 2007 who were on the register of members at close of business on 27 April 2007.

SIG Shares

SIG's ordinary shares are admitted to the Official List of the UK Listing Authority (the "Official List") and traded on the main market for listed securities of London Stock Exchange plc (the "London Stock Exchange"). The closing price of a SIG ordinary share on the London Stock Exchange on 23 May 2007 was 1395 pence.

SIG is headquartered at Hillsborough Works, Langsett Road, Sheffield S6 2LW, United Kingdom.

Application for listing and admission to trading

Application will be made for Admission of the Placing Shares. It is expected that Admission will take place and dealings in the Placing Shares will commence on 30 May 2007.

Bookbuild Process

Commencing today, Panmure Gordon will be conducting the Bookbuild Process to determine demand for participation in the Placing. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of their agreement to acquire any Placing Shares.

Panmure Gordon will be entitled to effect the Placing by such alternative method to the Bookbuild Process as it may, in its sole discretion, determine.

Participation in, and principal terms of, the Bookbuild Process

By participating in the Bookbuild Process and the Placing, Placees will be deemed to have read and understood this Announcement (including this Appendix) in its entirety and to be participating and making an offer for Placing Shares on the terms and conditions, and to be providing the representations,

warranties, acknowledgements and undertakings, contained in this Appendix. A further announcement will be made following the close of the Bookbuild Process detailing the Placing Price (the "Pricing Announcement").

Panmure Gordon (whether through itself or its Affiliates), is arranging the Placing as an agent of the Company.

Panmure Gordon and its respective Affiliates are entitled to participate as principal in the Bookbuild Process.

The Bookbuild Process will establish the Placing Price payable to Panmure Gordon by all Placees. Any discount to the market price of the Ordinary Shares will be determined in accordance with the Listing Rules as published by the Financial Services Authority ("FSA") pursuant to Part VI of the FSMA (the "Listing Rules") and the guidelines issued by the Association of British Insurers and the National Association of Pension Funds.

The books will open with immediate effect. The timing of the closing of the books, pricing and allocations is at the discretion of Panmure Gordon and the Company. Details of the Placing Price will be announced as soon as practicable after the close of the Bookbuild Process.

A bid in the Bookbuild Process will be made on the terms and conditions in this Appendix and will not be capable of variation or revocation after the close of the Bookbuild Process.

A person who wishes to participate in the Bookbuild Process should communicate their bid by telephone to their usual sales contact at Panmure Gordon. If successful, an allocation will be confirmed orally to such person following the close of the Bookbuild Process, and a conditional contract note will be dispatched as soon as possible thereafter. Panmure Gordon's oral confirmation will constitute a legally binding commitment upon such person (who will at that point become a Placee) to acquire the number of Placing Shares allocated to that Placee at the Placing Price set out in the Pricing Announcement and otherwise on the terms and conditions set out in this Appendix and in accordance with the Company's Memorandum and Articles of Association.

To the fullest extent permissible by law, neither Panmure Gordon nor any of their holding companies, subsidiaries, branches, affiliates or associated undertakings or any subsidiary, branch, affiliate or associated undertaking of any such holding company nor any of their respective directors, officers or employees (each an "Affiliate") nor the Company nor any subsidiary or affiliate of the Company shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither Panmure Gordon nor any of their Affiliates shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of its conduct of the Bookbuild Process or of such alternative method of effecting the Placing as Panmure Gordon may determine.

Each Placee's obligations will be owed to the Company and to Panmure Gordon. The allotment and issue of Placing Shares to the Placees by the Company will be in consideration for the transfer to the Company of certain shares in a subsidiary of the Company ("SubsidiaryCo") by Panmure Gordon. Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to Panmure Gordon, to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to acquire. Panmure Gordon will procure the allotment by the Company of such Placing Shares to each Placee by effecting the necessary transfer to the Company of shares in SubsidiaryCo following each Placee's payment to Panmure Gordon of such amount.

All obligations under the Placing will be subject to fulfilment of the conditions referred to below under "Conditions of the Placing".

Conditions of the Placing

The Placing is conditional on the Placing Agreement becoming unconditional in all respects and not

having been terminated in accordance with its terms.

The obligations of Panmure Gordon under the Placing Agreement are conditional, inter alia, upon:

1. Admission by the UK Listing Authority of the Placing Shares to the Official List of the UK Listing Authority becoming effective by the making of an announcement in accordance with Rule 7.1 of the Listing Rules for the UK, Listing Authority and the Admission of the Placing Shares to trading on the London Stock Exchange's Market for Listed Securities becoming effective in accordance with paragraph 2.1 of the Admission and Disclosure Standards produced by the London Stock Exchange by no later than 8.00am on 30 May 2007;
2. the Company complying with its obligations under the Placing Agreement to the extent that the same fall to be performed prior to Admission including the delivery immediately prior to Admission to Panmure Gordon of a certificate confirming, inter alia, that none of the warranties or undertakings referred to in the Placing Agreement has been breached or is unfulfilled or was untrue, inaccurate or misleading when made and none of such warranties will be breached or unfulfilled would be untrue, inaccurate or misleading were it to be repeated by reference to the facts and circumstances subsisting which in any case is material in the context of the Placing;
3. the Acquisition Agreement not having been terminated having lapsed in accordance with its terms at any time prior to Admission; and
4. the Company allotting the Placing Shares subject only to Admission in accordance with the terms of the Placing Agreement.

If (i) any of the conditions contained in the Placing Agreement is not fulfilled or waived in whole or in part by Panmure Gordon by the respective time or date where specified (or such later time or date as Panmure Gordon and the Company may agree), (ii) any such condition becomes incapable of being fulfilled and Panmure Gordon informs the Company that it will not waive such condition or (iii) the Placing Agreement is terminated in the circumstances specified below, the Placing will lapse and the Placees' rights and obligations hereunder shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

By participating in the Bookbuild Process, each Placee agrees that its rights and obligations cease and terminate only in the circumstances described above and/or under "Right to terminate under the Placing Agreement" below and will not be capable of rescission or termination by it.

Panmure Gordon may, in its discretion and upon such terms as it thinks fit, waive compliance by the Company with, or extend the time and/or date for fulfilment by the Company of, the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement, save that the condition (b) that Admission takes place will not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

Neither Panmure Gordon nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision it may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision it may make as to the satisfaction of any condition or in respect of the Placing generally.

Right to terminate under the Placing Agreement

Panmure Gordon may, in its absolute discretion, by written notice given to the Company on or prior to Admission, terminate the Placing Agreement at any time prior to Admission if, inter alia:

1. the Company has failed to comply with any material obligation under the Placing Agreement;
2. there has been any material breach of any warranty in the Placing Agreement or an event occurs or is reasonably likely to occur which, if those representations, warranties and undertakings were repeated immediately after that event, would give rise to a material breach of any of them;
3. there has been a material adverse change in or a development involving a prospective change in or affecting the condition (financial or otherwise), prospects, management shareholders' funds, earnings, results of operations or business affairs of the Company or any group company which is likely to materially adversely affect the Placing or the delivery of the Placing Shares on the terms and the manner contemplated in the Placing Agreement; and/or
4. there has been (i) any material adverse change or development involving a prospective change, whether or not foreseeable at the date of the Placing Agreement, in financial, political (including an outbreak or escalation of hostilities or active terrorism), economic or market conditions or currency exchange rates or exchange controls in the United Kingdom or elsewhere; or (ii) any material adverse change or development involving a prospective change in taxation adversely affecting the Company or the transfer of ordinary shares of the Company (including the Placing Shares); or (iii) any other calamity or crisis, and in each case which would be likely to prejudice dealings in the ordinary shares of the Company (including the Placing Shares) ; or (iv) trading in any securities of the Company has been suspended or materially limited by the London Stock Exchange or on any other exchange or over the counter market, or if trading generally on the London Stock Exchange has been suspended or materially limited, or minimum or maximum prices for trading in securities have been fixed, or maximum ranges for prices have been required, by either of the aforesaid exchanges or by such a system or by any order of any governmental or regulatory authority.

If the obligations of Panmure Gordon under the Placing Agreement are terminated in accordance with its terms, the rights and obligations of each Placee in respect of the Placing as described in this Announcement shall cease and terminate at such time and no claim can be made by any Placee in respect thereof.

By participating in the Placing, each Placee agrees with Panmure Gordon that the exercise by Panmure Gordon of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of Panmure Gordon and that Panmure Gordon need not make any reference to any such Placee and that Panmure Gordon shall have no liability whatsoever to any such Placee (or to any other person whether acting on behalf of a Placee or otherwise) in connection with the exercise of such rights.

No Prospectus

No prospectus has been or will be submitted to be approved by the FSA in relation to the Placing and Placees' commitments will be made solely on the basis of the information contained in this Announcement and the announcement made by the Company earlier today in connection with the Proposed Acquisition. Each Placee, by participating in the Placing, agrees that the content of this Announcement, the Pricing Announcement and the announcements in connection with the Proposed Acquisition released earlier today are exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of Panmure Gordon or its Affiliates or the Company and neither Panmure Gordon nor its Affiliates nor the Company will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in participating in the Placing and with respect to the

Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Registration and settlement

Settlement of transactions in the Placing Shares following Admission will take place within the CREST system, subject to certain exceptions. Panmure Gordon reserves the right to require settlement for and delivery of the Placing Shares to Placees by such other means that it deems necessary if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

Each Placee allocated Placing Shares in the Placing will be sent a conditional contract note stating the number of Placing Shares allocated to it, the Placing Price, the aggregate amount owed by such Placee to Panmure Gordon and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions which it has in place with Panmure Gordon.

It is expected that settlement will be on 30 May 2007 on a T+3 basis in accordance with the instructions set out in the conditional contract note, unless otherwise notified by Panmure Gordon.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above the prevailing LIBOR as determined by Panmure Gordon.

Each Placee is deemed to agree that if it does not comply with these obligations, Panmure Gordon may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for Panmure Gordon's account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall between the net proceeds of such sale and the Placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placees' Placing Shares on its behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the conditional contract note is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax.

Representations and warranties

By participating in the Bookbuild Process each Placee (and any person acting on such Placee's behalf) unless otherwise agreed by Panmure Gordon and the Company:

1. represents and warrants that it has received and read this Announcement (including this Appendix) in its entirety and that its purchase of the Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained herein;
2. represents and warrants that it has received this Announcement solely for its use and has not redistributed or duplicated it;

3. represents and warrants that it has not received a prospectus or other offering document in connection with the Placing and acknowledges that no prospectus or other offering document has been prepared in connection with the Placing;
4. acknowledges that the ordinary shares of the Company in issue at the date of this Announcement are listed on the Official List, and the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the FSA (collectively, the "Exchange Information"), which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account, and similar statements for preceding financial years;
5. acknowledges that neither Panmure Gordon, nor any of its Affiliates nor the Company nor any of its affiliates nor any person acting on behalf of any of them has provided, and will not provide it with any material regarding the Placing Shares or the Company other than this Announcement; nor has it requested Panmure Gordon, nor any of its Affiliates, the Company or any of its affiliates or any person acting on behalf of any of them to provide it with any such information;
6. acknowledges that the content of this Announcement is exclusively the responsibility of the Company and that neither Panmure Gordon, nor any of its Affiliates nor any person acting on behalf of Panmure Gordon or its Affiliates has or shall have any liability for any information, representation or statement contained in this Announcement or any information previously published by or on behalf of the Company (including, without limitation, the announcement made earlier today by the Company in connection with the Proposed Acquisition) and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or otherwise. Each Placee represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing to subscribe for the Placing Shares is contained in this Announcement and any Exchange Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has relied on its own investigation with respect to the Placing Shares and the Company in connection with its decision to subscribe for the Placing Shares and acknowledges that it is not relying on any investigation that Panmure Gordon, any of its Affiliates or any person acting on behalf of Panmure Gordon or its Affiliates may have conducted with respect to the Placing Shares or the Company and none of such persons has made any representations to it, express or implied, with respect thereto;
7. acknowledges that it has not relied on any information relating to the Company contained in any research reports prepared by Panmure Gordon, any of its Affiliates or any person acting on behalf of Panmure Gordon or its Affiliates and understands that neither Panmure Gordon, nor any of its Affiliates nor any person acting on behalf of Panmure Gordon or its Affiliates: (i) has or shall have any liability for public information or any representation; (ii) has or shall have any liability for any additional information that has otherwise been made available to such Placee, whether at the date of publication, the date of the announcement or otherwise; and (iii) makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such information, whether at the date of publication, the date of the announcement or otherwise;
8. represents and warrants that it, or the beneficial owner, as applicable, is entitled to subscribe for and/or purchase Placing Shares under the laws of all relevant jurisdictions which apply to it, or the beneficial owner, as applicable, and that it has fully observed such laws and obtained all such governmental and other guarantees and other consents in either case which may be required there under and complied with all necessary formalities;
9. represents and warrants that it has the power and authority to carry on the activities in which it is engaged, to subscribe for the Placing Shares and to execute and deliver all documents necessary for such subscription;

10. represents and warrants that it will be the beneficial owner of such Placing Shares and that the beneficial owner of such Placing Shares will not at the time the Placing Shares are acquired be a resident of Australia, Canada or Japan;
11. acknowledges that the Placing Shares have not been and will not be registered under the Securities Act or under the securities laws of any of the States of the United States, nor approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, and agrees not to reoffer, resell, pledge or otherwise transfer the Placing Shares except (i) outside the United States in offshore transactions in accordance with Regulation S under the Securities Act, (ii) in the United States to QIBs pursuant to Rule 144A under the Securities Act, or (iii) pursuant to Rule 144A under the Securities Act, and in any case in compliance with all applicable laws;
12. acknowledges that the Placing Shares have not been and will not be registered under the securities legislation of the United States, Australia, Canada or Japan and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within those jurisdictions;
13. represents and warrants that, if the Placing Shares were offered to it in the United States, in making its investment decision, (i) it has relied on its own examination of the Company and the terms of the Placing, including the merits and risks involved, (ii) it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on such information as is publicly available, (iii) it has consulted its own independent advisors or otherwise has satisfied itself concerning, without limitation, the effects of United States federal, state and local income tax laws and foreign tax laws generally and the US Employee Retirement Income Security Act of 1974, the US Investment Company Act of 1940, as amended and the Securities Act and (iv) it has received all information that it believes is necessary or appropriate in order to make an investment decision in respect of the Company and the Placing Shares;
14. acknowledges that the Placing Shares are being offered and sold to it in a transaction not involving any public offering in the United States within the meaning of the Securities Act, and represents and warrants that it is either (i) a QIB and it has duly executed an investment letter in the form provided to it, or (ii) subscribing for the Placing Shares is an "offshore transaction" in accordance with Regulation S under the Securities Act, and if it is a QIB, (i) it is subscribing for the Placing Shares for its own account, or for one or more accounts as to each of which it exercises sole investment discretion and each of which accounts is a QIB, for investment purposes, and not with a view to any distribution or for resale in connection with the distribution thereof, in whole or in part, in the United States and (ii) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Placing Shares, and it and any accounts for which it is subscribing Placing Shares (i) are each able to bear the economic risk of its or their investment in the Placing Shares, (ii) will not look to the above-mentioned names for all or part of any such loss or losses it or they may suffer, (iii) are able to sustain a complete loss on its or their investment in the Placing Shares, (iv) have no need for liquidity with respect to its or their investment in the Placing Shares and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Placing Shares;
15. acknowledges that no representation has been made as to the availability of Rule 144 or any other exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;
16. acknowledges and understands that the Placing Shares offered and sold in the United States are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and represents and warrants on its own behalf and on behalf of any accounts for which it is acting

that, so long as the Placing Shares are “restricted securities”, it will not deposit the Placing Shares into any unrestricted depository facility established or maintained by any depository bank in respect of the Ordinary Shares;

17. represents and warrants that if it is a pension fund or investment company, its purchase of Placing Shares is in full compliance with applicable laws and regulations;
18. represents and warrants that the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Shares are not being subscribed for by it in connection with arrangements to issue depository receipts or to transfer Placing Shares into a clearance system;
19. represents and warrants that it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2003 and the Money Laundering Regulations 2003 (the “Regulations”) and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
20. represents and warrants that it and any person acting on its behalf is a person falling within Article 19(1) and/or 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
21. represents and warrants that it has not offered or sold and, will not offer or sell any Placing Shares to persons in the United Kingdom prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA;
22. represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;
23. represents and warrants that it is a qualified investor as defined in section 86(7) of the FSMA, being a person falling within Article 2.1(e)(i), (ii) or (iii) of the Prospectus Directive;
24. represents and warrants that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving the United Kingdom;
25. represents and warrants that it and any person acting on its behalf is entitled to subscribe for the Placing Shares under the laws of all relevant jurisdictions and that it has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to participating in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consent and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations;
26. undertakes that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other subscribers or sold as Panmure Gordon may in its sole discretion determine and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may

be required to bear any stamp duty for stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placee's Placing Shares on its behalf;

27. acknowledges that neither Panmure Gordon nor any of its Affiliates nor any person acting on behalf of Panmure Gordon or its Affiliates is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing nor providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor the exercise or performance of any of Panmure Gordon's rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
28. undertakes that the person who it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither Panmure Gordon nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it agrees to indemnify the Company and Panmure Gordon in respect of the same on the basis that the Placing Shares will be credited to the CREST stock account of Panmure Gordon (CREST ID: 83801) who will hold them as nominee for the subscribers of such shares until settlement in accordance with its standing settlement instructions;
29. acknowledges that any agreements entered into by it pursuant to these terms and conditions shall be governed by and construed in all respects in accordance with English law and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the courts of England as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or Panmure Gordon in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
30. acknowledges that Panmure Gordon may (at its absolute discretion) satisfy its obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any connected or associated person to do so;
31. agrees that the Company, Panmure Gordon and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to Panmure Gordon on its own behalf and on behalf of the Company and are irrevocable; and
32. agrees to indemnify and hold the Company and Panmure Gordon harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing.

No UK stamp duty or stamp duty reserve tax should be payable to the extent that the Placing Shares are issued into CREST to, or to the nominee of, a Placee who holds those shares beneficially (and not as agent or nominee for any other person) within the CREST system and registered in the name of such Placee or such Placee's nominee provided that the Placing Shares are not issued to a person whose business is or includes issuing depositary receipts or the provision of clearance services or to an agent or nominee for any such person.

Any arrangements to issue or transfer the Placing Shares into a depositary receipts system or a clearance service or to hold the Placing Shares as agent or nominee of a person to whom a depositary receipt may be issued or who will hold the Placing Shares in a clearance service, or any arrangements subsequently to transfer the Placing Shares, may give rise to UK stamp duty and/or stamp duty reserve

tax, for which neither the Company nor Panmure Gordon will be responsible and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and Panmure Gordon in the event that any of the Company and/or Panmure Gordon has incurred any such liability to UK stamp duty or stamp duty reserve tax.

In addition, Placees should note that they will be liable to pay any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares. All times and dates in this Announcement may be subject to amendment. Panmure Gordon shall notify the Placees and any person acting on behalf of the Placees of any changes.

This Announcement has been issued by the Company and is the sole responsibility of the Company.

Panmure Gordon is acting for the Company and no-one else in connection with the Placing and other matters referred to in this Announcement, and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the Placing or any other matter referred to in this Announcement. Any prospective Placee is recommended to seek its own professional advice.

When a Placee or person acting on behalf of the Placee is dealing with Panmure Gordon, any money held in an account with Panmure Gordon on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FSA made under the FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from Panmure Gordon's money in accordance with the client money rules and will be used by Panmure Gordon in the course of its own business; and the Placee will rank only as a general creditor of Panmure Gordon.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

All times and dates in this Announcement may be subject to amendment. Panmure Gordon shall notify the Placees and any person acting on behalf of the Placees of any changes.

Appendix II

DEFINITIONS

"Acquisition"	the proposed acquisition by SIG of Larivière;
"Acquisition Agreement"	the sale and purchase agreement to be entered into between, amongst others, SIG and AXA relating to the Acquisition;
"AXA"	AXA Private Equity;
"Board"	the Board of Directors;
"SIG" or "the Company"	SIG plc;
"Completion"	completion of the Acquisition in accordance with the terms of the Acquisition Agreement;

"Directors"	the directors of the Company and "Director" means any one of them;
"EBITDA"	earnings before interest, tax, depreciation and amortisation;
"Enlarged Group"	the SIG Group as enlarged by the Acquisition;
"Lazard"	Lazard & Co., Limited;
"Panmure Gordon"	Panmure Gordon (UK) Limited;
"Placing"	the placing with institutional investors of new ordinary shares of 10 pence each in SIG;
"Larivière"	Larivière SAS;
"Larivière Equity"	equity (shares, warrants) and debt (convertible bonds) securities representing, or giving the right (by way of subscription or conversion), to 100 per cent. of the entire issued share capital and voting rights of Financière du Toit and Le Toit des Cadres, the ultimate holding companies of Larivière which hold, through a sub-holding company (Financière Larivière), 100 per cent. of the entire issued share capital and voting rights of Larivière SAS;
"Workers Consultation"	the consultation by Larivière with its workers council (<i>comité d'entreprise</i>) in connection with the Acquisition, required under French law to be carried out before the Acquisition Agreement is entered into.