

- If the Scheme becomes Effective, the Acquisition will result in Scheme Shareholders holding approximately 17.9 per cent. of the issued share capital of Matchtech and the existing Matchtech Shareholders holding approximately 82.1 per cent. of the issued share capital of Matchtech.
- Following completion of the Acquisition, Matchtech Shares will continue to be admitted to trading on AIM.
- The Matchtech Directors and Networkers Directors consider that the Acquisition represents an opportunity to create a specialist recruiter of scale in the UK and internationally. The Matchtech Board believes this will lead to enhanced value for the shareholder base of the Combined Group.
- The Matchtech Board believes the Acquisition will accelerate its vision to become the market leading specialist recruiter in engineering and technology, in the UK and internationally, as it can assist to:
 - sharpen focus on key niche markets in the white collar recruitment space, adding Networkers' Telecoms and Technology expertise to Matchtech's existing strength in Engineering and Technology, and enabling the Combined Group to capitalise on the convergence of the skill sets demanded by these markets;
 - continue improvements in gross profitability as Networkers' higher price points and percentage gross margins are added to Matchtech's improving performance in this area;
 - allow Matchtech to internationalise its existing service offering by leveraging Networkers' existing global infrastructure, thereby lowering the cost, time and risk of Matchtech's planned geographic expansion and allowing Matchtech to better address the skill shortage issues reported by its clients worldwide; and
 - improve opportunities for candidates by enhancing Matchtech's international capability; for example, UK qualified engineers are increasingly seeking to gain experience globally.
- The Matchtech Directors expect the Acquisition to be earnings enhancing in the first full financial year¹.
- The Matchtech Board has separately announced this morning that Adrian Gunn, the current Chief Executive Officer of Matchtech believes that this is the appropriate time to bring forward his retirement from the business (which he originally planned for 2016), and is stepping down with immediate effect. In consequence, Brian Wilkinson will move from being Executive Chairman to being Chief Executive Officer; and Ric Piper, currently Senior Independent Non-Executive Director of Matchtech, will assume the role of Interim Non-Executive Chairman until a permanent replacement is identified.
- It is intended that, following completion of the Acquisition, a new management board will be formed to develop the strategy for the Combined Group going forward led by

¹ This statement should not be construed as a profit forecast or interpreted to mean that the future earnings per share, profits, margins or cash-flows of the Combined Group will necessarily be greater than the historic published figures.

Brian Wilkinson and including Tony Dyer as Group Chief Financial Officer and Keith Lewis as Chief Operating Officer of the existing Matchtech businesses, along with the current Networkers Chief Executive, Spencer Manuel, and Networkers Chief Financial Officer, Jon Plassard.

- It is also intended that Roger Goodman, currently Non-Executive Chairman of Networkers, will join the Matchtech Board as a Non-Executive Director.
- It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (or, if Matchtech elects and the Takeover Panel consents, an Offer). The Acquisition is conditional on, among other things, (i) the approval of Scheme Shareholders at the Court Meeting and the passing of the Resolutions by Networkers Shareholders at the General Meeting and (ii) the sanction of the Scheme and confirmation of the Capital Reduction by the Court.
- The Networkers Directors, who have been so advised by Liberum, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the Networkers Directors, Liberum has taken into account the commercial assessments of the Networkers Directors. The Networkers Directors intend to recommend unanimously that Networkers Shareholders vote (or procure votes) in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting, or in the event that the Acquisition is implemented by way of an Offer, Networkers Shareholders accept (or procure acceptance of) the Offer, as Networkers Directors who hold Networkers Shares have irrevocably undertaken to do in respect of their entire beneficial holdings in Networkers amounting to, in aggregate, 41,597,703 Networkers Shares, representing approximately 49.5 per cent. of the Networkers issued share capital.
- Matchtech has also received irrevocable undertakings to vote or procure votes in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or in the event that the Acquisition is implemented by way of an Offer, to accept the Offer) from Jon Moulton, Hargreave Hale and Dowgate Capital in respect of 19,688,328 Networkers Shares, in aggregate, representing approximately 23.4 per cent. of Networkers' issued share capital.
- As a result, holders of a total of 61,286,031 Networkers Shares, representing approximately 72.9 per cent. of Networkers' issued share capital have committed to vote in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or in the event that the Acquisition is implemented by way of an Offer, accept (or procure acceptance of) the Offer).
- Further details of the Acquisition will be contained in the Scheme Document which is intended to be posted to Networkers Shareholders along with notices of the Court Meeting and General Meeting and the Forms of Proxy as soon as practicable and, unless the Panel consents otherwise, within 28 days of the date of this Announcement.
- Commenting on the Acquisition, Brian Wilkinson, Chief Executive Officer of Matchtech, said:

“We’re delighted to have reached agreement with the Networkers board of directors and are very excited with the prospects of the enlarged group. We continue to see major opportunities in our core markets of white collar engineering and technology recruitment. Both digitization and converging technology is creating further

opportunities in these areas and the addition of telecoms recruitment to our portfolio creates an even stronger specialist Group. In addition, Networkers' long-standing, substantial and profitable overseas operations will enable us to accelerate the introduction of our Engineering services to our international customers with a considerably reduced cost, risk and time profile."

- Commenting on the Acquisition, Spencer Manuel, Chief Executive Officer of Networkers, said:

"Networkers has enjoyed loyal support from its shareholders as an independent company since it was admitted to AIM in 2006. The Acquisition provides Networkers Shareholders with an opportunity to realise part of their investment at a premium for cash today and the Board believes the compelling characteristics of the combined business will be positive for its shareholders, customers and employees."

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This summary should be read in conjunction with the full text of the following Announcement and its Appendices.

The Conditions to, and certain further terms of, the Acquisition, are set out in Appendix I. Appendix II to this Announcement contains certain sources of information and bases of

calculation contained in this Announcement. Information in respect of the Irrevocable Undertakings is set out in Appendix III to this Announcement. Certain terms used in this Announcement are defined in Appendix IV to this Announcement.

Important disclaimers (including in relation to securities laws restrictions)

Numis, which is authorised and regulated by the Financial Conduct Authority, has been Networkers' nominated adviser and corporate broker. In addition, Numis is nominated adviser to Matchtech and is acting as its broker and financial adviser in connection with the offer referred to above. Upon release of this Announcement, Numis is stepping down as nominated adviser to Networkers and is being replaced by Liberum Capital Limited but will continue to act as corporate broker to Networkers. Numis will not be responsible to any other parties other than Matchtech in connection with the contents of this Announcement or for providing the protections afforded to clients of Numis, or for providing advice in relation to the contents of this Announcement or any matters referred to herein.

Liberum, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Networkers as adviser for the purposes of Rule 3 of the Code in connection with the Acquisition and no one else and will not be responsible to anyone other than Networkers for providing the protections afforded to customers of Liberum or for providing advice in relation to the Acquisition or any matter referred to herein.

This Announcement is for information purposes only and is not intended to and does not constitute, or form any part of, an offer to sell or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely by means of the Scheme Document (or, if applicable, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any decision in respect of, or other response to, the Acquisition, should be made only on the basis of the information contained in the Scheme Document (or, if applicable, the Offer Document).

This Announcement does not constitute a prospectus or a prospectus equivalent document.

This Announcement has been prepared for the purpose of complying with English law and the Code 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 of England.

Overseas Shareholders

The availability of New Matchtech Shares and the release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable requirements. Networkers Shareholders who are in any doubt regarding such matters should consult an appropriate independent adviser in the relevant jurisdiction without delay.

The laws of the relevant jurisdictions may affect the availability of the Acquisition to persons who are not resident in the United Kingdom. Persons who are not resident in the United Kingdom or who are subject to laws of any jurisdiction other than the United Kingdom, should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Scheme disclaim any responsibility and liability for

the violation of such restrictions by any person.

The Acquisition will not be made available, directly or indirectly, in a Restricted Jurisdiction, and the Acquisition will not be capable of acceptance from within a Restricted Jurisdiction. Accordingly, copies of this Announcement and all other documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded or distributed in, into or from a Restricted Jurisdiction and persons receiving this Announcement (including custodians, nominees and trustees) must not distribute or send it into or from a Restricted Jurisdiction. Further details in relation to overseas Networkers Shareholders will be contained in the Scheme Document.

The Acquisition relates the shares in an English company and it is proposed to be made by means of a scheme of arrangement provided for under English company law. The scheme of arrangement will relate to the shares of an English company that is a "foreign private issuer" as defined under Rule 3b-4 under the US Securities Exchange Act of 1934, as amended (the "Exchange Act"). A transaction effected by means of a scheme of arrangement is not subject to the shareholder vote, proxy and tender offer rules under the Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the UK to scheme of arrangement, which differ from the disclosure requirements and practices of US shareholder vote, proxy and tender offer rules. Financial information included in the relevant documentation will have been prepared in accordance with accounting standard applicable in the UK and may not be comparable to the financial statement of US companies.

This Announcement is not an offer of securities for sale in the United States. The New Matchtech Shares which will be issued in connection with the Acquisition have not been, will not be and are not required to be registered with the US Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "US Securities Act") or under the securities laws of any state, district or other jurisdiction of the United States, and may not be offered, sold, delivered or transferred except pursuant to an available exemption from or in a transaction not subject to the registration requirements of the US Securities Act and applicable US state securities laws.

Neither the SEC nor any other US federal or state securities commission or regulatory authority has approved or disapproved the New Matchtech Shares or passed an opinion upon the fairness or merits of such securities or upon the accuracy or adequacy of the disclosures contained in this document. Any representation to the contrary is a criminal offence in the United States.

In the event that Matchtech extends the Acquisition into the U.S. at some future time, it will do so in satisfaction of the procedural and filing requirements of the U.S. securities laws at that time, to the extent applicable thereto.

Forward Looking Statements

This Announcement contains certain forward-looking statements with respect to Matchtech and Networkers. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "aim", "will", "may", "would", "could" or "should" or other words of similar meaning or the negative thereof. Forward-looking statements include, without limitation, statements relating to the following: (i) future capital expenditures, expenses, revenues, economic performance, financial conditions, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the operations of the Matchtech Group or the Networkers Group; and (iii) the effects of government regulation on the business of the Matchtech Group or the Networkers Group.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements which refer only to the position as at the date of this Announcement. All subsequent oral or written forward-looking statements attributable to Matchtech or Networkers or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. None of Matchtech or Networkers 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 one 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 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any 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% 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 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

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

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure

Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

No profit forecasts or estimates

No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per ordinary share, for Matchtech or Networkers, respectively for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per ordinary share for Matchtech or Networkers, respectively.

Right to switch to an Offer

Matchtech reserves the right to elect (with the consent of the Takeover Panel) to implement the Acquisition by way of an Offer for the entire issued and to be issued share capital of Networkers as an alternative to the Scheme. In such an event, the Offer will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendment referred to in Appendix I to this Announcement.

Publication on website

In accordance with Rule 26.1 of the Code, a copy of this Announcement will be made available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions), free of charge, at www.matchtechgroupplc.com and <http://info.networkersplc.com> by no later than 12 noon on 29 January 2015.

Neither the contents of the websites nor the content of any other website accessible from hyperlinks on such websites is incorporated into, or forms part of, this Announcement.

You will not be sent a hard copy of this announcement unless you request one. You may request a hard copy of this announcement, free of charge, by contacting Freddie Naylor-Leyland of Numis at f.naylor-leyland@numis.com or by submitting a request in writing to Freddie Naylor-Leyland at Numis Securities Limited, 10 Paternoster Square, London, EC4M 7LT. Networkers Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.

- 20.4 per cent. to the average Closing Price per Networkers Share for the 12 month period up to and including 27 January 2015 (being the latest practicable date prior to this Announcement).

If the Scheme becomes Effective, it will result in the allotment and issue of approximately 5.4 million New Matchtech Shares to Scheme Shareholders, which would result in former Networkers Shareholders holding approximately 17.9 per cent. of the enlarged issued share capital of Matchtech and Matchtech's issued share capital increasing by approximately 21.8 per cent. If the Scheme becomes Effective and New Matchtech Shares are issued to Networkers Shareholders, the holdings of existing Matchtech Shareholders will be diluted such that they will hold approximately 82.1 per cent. of the enlarged issued share capital of Matchtech.

Following completion of the Acquisition, Matchtech Shares will continue to be admitted to trading on AIM.

The Networkers Shares will be acquired by Matchtech (or its nominee) with full title guarantee, fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights or interests whatsoever and together with all rights existing at the date of this Announcement or thereafter attaching thereto, including (without limitation) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the date of this Announcement in respect of the Networkers Shares.

If any dividend or other distribution in respect of the Networkers Shares is declared, paid or made on or after the date of this Announcement, Matchtech reserves the right to reduce the consideration payable for each Networkers Share under the terms of the Acquisition by the amount per Networkers Share of such dividend or distribution.

3. Background to and reasons for the Acquisition

The Acquisition will enable Matchtech to accelerate the 2017 Vision referenced in the Chairman's Statement in Matchtech's 2014 Annual Report. This sets out Matchtech's ambition to become the market leading specialist recruiter in engineering and technology; the employer of choice in the recruitment industry; and the best partner to its clients and candidates; whilst developing a strong international business and delivering increased value for investors.

The Matchtech Directors believe that the Acquisition is strategically compelling, addressing all aspects of Matchtech's stated strategy:

Sharpening focus – both Matchtech and Networkers follow market segmentation principles, with recruitment teams aligned to clearly defined industry sectors/segments and skill sets. The Acquisition consolidates Matchtech's position as the UK's largest white collar engineering recruitment firm and through the proposed combination it would become the fifth largest UK technology recruitment business.

Sector convergence – Engineering, Technology and Telecoms skill sets are converging rapidly and the Combined Group is well placed to capitalise on the opportunities this presents.

Moving up the value chain – Matchtech has achieved organic improvement in gross profit margin in recent years, to 10.0% in the year to 31 July 2014 (2013: 9.4%), and expects this trend to continue. Networkers operates at higher price points than Matchtech, achieving a

gross profit margin of 17.0% in the interim period to 30 June 2014, and Matchtech believes that the business combination will allow for the sharing of best practice in this area.

Going global – the Acquisition will enable Matchtech to further internationalise the service it currently provides to its clients by leveraging Networkers’ existing international infrastructure. This global footprint will lower both the costs and risks of Matchtech’s planned geographical expansion and will enable faster implementation of Matchtech’s existing plans. The Acquisition will bring a previously missing competence in multi-site, multi-jurisdiction management to Matchtech. In addition, the combination of Networkers’ international candidate database with Matchtech’s largely UK contractor base will allow the Matchtech Group to better address the skill shortage issues reported by its clients worldwide.

Improved opportunities for candidates – by enhancing Matchtech’s international capability Matchtech will increase its attractiveness to UK qualified engineers, who are highly valued throughout the world and are increasingly seeking to gain experience on the largest and most prestigious global projects.

Overall the Acquisition creates a more geographically balanced business with scale in fast growing international markets whilst maintaining a healthy contract: permanent NFI split. Based on an illustrative combination of Matchtech’s results for the year to 31 July 2014 and Networkers’ performance in the 12 month period to 30 June 2014 (based on its interim results to 30 June 2014 plus H2 results for the year ending 31 December 2013), the combined NFI of the businesses would be split 73% Contract, 27% Permanent (in line with the existing Matchtech business) and 72% UK, 28% Rest of World (compared to 98% UK, 2% Rest of World for Matchtech in the year to 31 July 2014).

In summary, the Matchtech Board believes that the Acquisition will generate enhanced value for Matchtech Shareholders.

4. Recommendation

The Networkers Directors, who have been so advised by Liberum, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the Networkers Directors, Liberum has taken into account the commercial assessments of the Networkers Directors.

Accordingly, the Networkers Directors unanimously recommend that Networkers Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or in the event that the Acquisition is implemented by way of an Offer, to accept or procure acceptance of such Offer), as they have each irrevocably committed to do in respect of the 41,597,703 Networkers Shares which they control, representing approximately 49.5 per cent. of Networkers’ issued share capital.

5. Background to and reasons for the recommendation

Networkers was admitted to trading on AIM in May 2006 via the reverse takeover of Streetnames PLC by Networkers, with the acquisition shares being issued at a price of 26 pence per share.

Since its admission to trading on AIM, Networkers has successfully executed its strategy of supplying clients locally, regionally and internationally with highly skilled staff on a permanent and temporary basis, in the Telecoms, IT and Energy and Engineering sectors. Networkers has increased its international footprint with offices in Canada, Malaysia and Singapore. In addition it has acquired and successfully integrated three companies into its three core sectors - MSB in 2006 (IT), Comms Group in 2009 (Telecom) and Cppo in 2014

(Oil & Gas). The acquisition of Cappo increased the international footprint further with an office into Qatar.

Profits before tax have grown from £3.6 million for the 13 month period ended 31 December 2006 to £7.1 million in the year ended 31 December 2013. This has been achieved without the need by Networkers to raise any significant additional equity finance since its admission to trading on AIM in 2006.

While Networkers Shareholders have enjoyed significant value accretion since its admission to trading on AIM as a result of Networkers pursuing this strategy, the market for Networkers Shares has remained relatively illiquid. Matchtech made a proposal to the Networkers Directors in December 2014 of offer terms which represented a compelling strategic combination of the two businesses and an exit for Networkers Shareholders at a premium. Whilst the Networkers Directors anticipate a period of continuing organic growth, and the markets in which Networkers operates present acquisition opportunities, the Networkers Directors are conscious of the potential risks and timescales involved with achieving material strategic scale from which Networkers Shareholders could derive the associated benefits.

After due consideration, the Networkers Directors have concluded that Matchtech's proposal substantially recognises Networkers' growth prospects and provides a degree of certainty in the form of a partial cash exit to Networkers Shareholders today. In addition, the element of consideration in the form of Matchtech shares gives Networkers Shareholders exposure to the future growth prospects of the enlarged Matchtech entity which, the Networkers Directors believe, is capable of deriving the benefits of strategic scale and improved stock market liquidity from which Networkers Shareholders do not currently benefit.

Accordingly, the Networkers Directors have concluded that the Acquisition is fair and reasonable and intend to recommend unanimously that Networkers Shareholders vote in favour of the resolutions at the Court Meeting and the General Meeting to approve and implement the Scheme as the Networkers Directors have irrevocably undertaken to do in respect of the Networkers Shares they control, amounting to, in aggregate, 41,597,703 Networkers Shares, representing approximately 49.5 per cent. of the Networkers issued share capital.

6. Financial effects of the Acquisition

The Matchtech Directors have carefully reviewed the business and prospects of the Combined Group following the Acquisition and expect the Acquisition to be earnings enhancing in the first full financial year².

7. Irrevocable undertakings

Matchtech has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or in the event that the Acquisition is implemented by way of an Offer, to accept the Offer) from the following Networkers Shareholders:

- (a) Networkers Directors, in respect of the 41,597,703 Networkers Shares, in aggregate, which they control, representing approximately 49.5 per cent. of the issued share capital of Networkers; and

² This statement should not be construed as a profit forecast or interpreted to mean that the future earnings per share, profits, margins or cash-flows of the Combined Group will necessarily be greater than the historic published figures.

- (b) Jon Moulton, Hargreave Hale and Dowgate Capital in respect of 19,688,328 Networkers Shares, in aggregate, representing approximately 23.4 per cent. of the issued share capital of Networkers.

In aggregate, therefore, Matchtech has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or in the event that the Acquisition is implemented by way of an Offer, to accept the Offer) in respect of a total of 61,286,031 Networkers Shares, representing approximately 72.9 per cent. of the entire issued share capital of Networkers.

Further details of these irrevocable undertakings are set out in Appendix III of this Announcement.

8. Information on Matchtech

Matchtech

Matchtech was established in 1984 and admitted to trading on AIM in 2006. Matchtech has become one of the UK's top specialist recruitment companies and generated annual revenue in excess of £450m in the year to 31 July 2014.

Matchtech offers permanent and contracting recruitment solutions and is expanding its international offering in line with its strategic vision to 2017. Matchtech is split into two business units, Engineering and Professional Services.

The Engineering business unit operates under the Matchtech brand in six key markets, Aerospace, Automotive, Energy, Infrastructure, Maritime and General Engineering.

Engineering is predominantly a contract focused brand with 80% of its NFI in the interim period to 31 January 2015 generated from contract recruitment and 20% from permanent placements.

The Professional Services business unit operates under four brands in the Technology and Professional Staffing markets.

Professional Services generated 58% of its NFI in the interim period to 31 January 2015 from contract recruitment and 42% from permanent placements.

In the year to 31 July 2014, Matchtech generated 98% of NFI in the UK.

Current trading, trends and prospects

For the year ended 31 July 2014, Matchtech reported revenue of £451.6m, NFI of £45.0m (including a £1.8m contribution from the Provanis acquisition made during the year), EBITA of £13.6m, adjusted profit before tax of £12.6m and adjusted EPS of 39.1 pence. As at 31 July 2014, Matchtech had net debt of £3.1m.

Matchtech has also today released its Pre-close Trading Update for the six months ending 31 January 2015.

Since Matchtech's last update on 14 November 2014, Matchtech has continued to see strong demand in the UK and worldwide for skilled engineers. The Matchtech Board believes that the Matchtech Group is well placed to continue to benefit from this demand due to its market leading position, balanced business model of contract and permanent recruitment and Matchtech's niche focus within the engineering and technology sectors.

The Matchtech Board expects the results for the full year to be in line with its expectations.

9. Information on Networkers

Networkers was established in 2000 before being admitted to trading on AIM in 2006 via a reverse takeover. It is a global recruitment company specialised in delivering bespoke recruitment services to some of the world's leading organisations. Working within specialist market sectors, Networkers' focus is on supplying clients with high skilled staff on a permanent and temporary basis locally, regionally and internationally.

Networkers specialises in the Telecoms, IT and Energy and Engineering sectors, with NFI for the six month period ended 30 June 2014 split as to 46% Telco, 38% IT and 16% Energy and Engineering. The Energy and Engineering division is the newest division within the group having been established five years ago.

Networkers has operations in the UK and internationally, with its last interim results statement announced in September 2014 showing Networkers as having 387 employees as at 30 June 2014, of which 173 were based outside of the UK. In the same period, NFI was split between contract and permanent placements as to 72% contract and 28% permanent.

Current trading, trends and prospects

For the six months ending 30 June 2014, Networkers reported revenue of £81m, NFI of £13.8m, adjusted profit before tax of £2.7m and adjusted EPS of 2.13 pence. As at 30 June 2014, Networkers had net debt of £5.7m.

Networkers has also today released its Pre-close Statement and Trading Update covering the year ended 31 December 2014.

Trading activity during the second half of the year was much improved compared with H1. This was driven by improved market conditions in the Networkers Group's Telecoms division as well as continued strong growth in the Energy and Engineering division. The second half of the year's trading also showed an improvement compared to H2 last year.

On a full year basis, the Networkers Group expects NFI and underlying business performance to be in line with Networkers management's expectations.

10. Networkers Share Schemes

Appropriate proposals will be made in due course to participants in the Networkers Share Schemes. The Acquisition will extend to any Networkers Shares (including any Treasury Shares) which are unconditionally allotted, issued or transferred, on or prior to the Scheme Record Time to satisfy the exercise of existing options under the Networkers Share Schemes on or prior to the Scheme Record Time. The Acquisition will not extend to any Networkers Shares allotted, issued or transferred from Treasury to satisfy such options exercised at any time after the Scheme Record Time. In the event that the Scheme is sanctioned by the Court, the Networkers Shares held in Treasury by Networkers will be cancelled prior to the Scheme Record Time. Any Networkers Shares allotted, issued or transferred after the Scheme Record Time to satisfy such options will, subject to the Scheme becoming effective, be immediately transferred to Matchtech (or its nominee) in exchange for the same consideration as Networkers Shareholders will be entitled to receive under the terms of the Acquisition. The terms of this exchange are to be set out in the proposed amendments to the Networkers' articles of association which will be considered at the General Meeting.

Participants in the Networkers Share Schemes will be contacted separately regarding the effect of the Acquisition on their options under the Networkers Share Schemes and the actions they may take in respect of those options.

11. Financing of the Acquisition

The cash consideration payable under the terms of the Acquisition (together with part of the costs and expenses payable in connection with the Acquisition) will be funded by the proceeds of a facility agreement (the “**HSBC Facility Agreement**”) which Matchtech has entered into with HSBC Bank plc (“**HSBC**”). The HSBC Facility Agreement is comprised of a term loan facility of £30 million.

Under the HSBC Facility Agreement, Matchtech has agreed, among other things:

- (a) except as required by law or regulation (including the Code), the Panel, an order of the Court, or with the consent of HSBC, not to waive, amend, declare or treat as satisfied any condition of the Announcement where to do so would be materially prejudicial to the interests of HSBC;
- (b) (if Matchtech elects to make the Acquisition by way of an Offer), not declare the Offer unconditional as to acceptances until Matchtech has received valid acceptances (which have not been withdrawn) in respect of not less than 90 per cent. of the shares in Networkers to which the Offer relates.

Numis, financial adviser to Matchtech, is satisfied that resources are available to Matchtech to enable it to satisfy in full the cash consideration payable under the terms of the Acquisition.

12. Management, employees and location of the business

The Matchtech Board has separately announced this morning that Adrian Gunn, the current Chief Executive Officer of Matchtech believes that this is the appropriate time to bring forward his retirement from the business (which he originally planned for 2016) and is stepping down with immediate effect. In consequence, Brian Wilkinson will move from being Executive Chairman to being Chief Executive Officer; and Ric Piper, currently Senior Independent Non-Executive Director of Matchtech, will assume the role of Interim Non-Executive Chairman until a permanent replacement is identified.

It is intended that, following completion of the Acquisition, a new management board will be formed to develop the strategy for the Combined Group going forward led by Brian Wilkinson in his new role as Group Chief Executive, Tony Dyer as Group Chief Financial Officer and Keith Lewis as Chief Operating Officer of the existing Matchtech businesses, along with the current Networkers Chief Executive, Spencer Manuel, and Networkers Chief Financial Officer, Jon Plassard.

It is also intended that Roger Goodman, currently Non-Executive Chairman of Networkers, will join the Matchtech Board as a Non-Executive Director.

Matchtech attaches great importance to the skills, knowledge and expertise of Networkers’ existing management and employees and believes that they will be well placed to benefit from enhanced career and business opportunities as part of the Combined Group. Matchtech also recognises the strength of the Networkers brand and intends to retain it at an operating level.

The Matchtech Board recognises that in order to achieve some of the expected benefits of the Acquisition, it will be necessary to perform a detailed review of how best to integrate

Networkers into the Combined Group. This review will be carried out by the new management board to identify integration and market opportunities. The analysis carried out to date has indicated the potential to generate cost-savings for the Combined Group in areas where there is an overlap of functions, which could involve some headcount reductions, although Matchtech has not yet developed proposals as to how such headcount reductions will be implemented. Following completion of the Acquisition, Matchtech will seek to reduce costs where appropriate which have historically been related to Networkers' status as a publicly traded company and otherwise.

The review will also consider the Combined Group's operations and resources in order to ensure that they are optimal for the Combined Group's business. The number of employees and locations actually affected by the Acquisition will depend on the outcome of the detailed review.

Matchtech has given assurances to the Networkers Directors and confirms that the existing contractual and statutory employment rights of all Networkers employees – including rights to participate in applicable pension and retirement plans, or comparable plans – will be fully respected following completion of the Acquisition. In addition, Matchtech intends to put in place appropriate retention plans for those individuals who are identified as key to the ongoing success of the Combined Group.

The Combined Group's headquarters and registered office will be located at Matchtech's office at 1450 Parkway, Solent Business Park, Whiteley, Fareham, Hampshire PO15 7AF.

13. Accounting considerations

The Combined Group will adopt Matchtech's accounting policies. Matchtech's financial year ends on 31 July and Networkers' financial year ends on 31 December. It is currently intended that the Combined Group will have a 31 July financial year end. For accounting purposes, it is expected that Networkers will be consolidated into Matchtech's balance sheet. It is intended that Networkers' assets and liabilities will be fair valued following completion of the Acquisition resulting in the fair valuation of Networkers' net assets being included on the Combined Group's balance sheet.

14. Dividends and dividend policy

The Matchtech Board intends to continue Matchtech's current progressive dividend policy and will decide the absolute level of any future dividends taking into account the Combined Group's underlying earnings, cash flows, capital investment plans and the prevailing market outlook.

15. Acquisition related arrangements

Confidentiality Agreement

Matchtech and Networkers entered into a confidentiality agreement dated 12 December 2014 pursuant to which each of Matchtech and Networkers have agreed to keep confidential information about the other party and not to disclose to third parties (other than permitted recipients) confidential information exchanged by them unless required by law or regulation (the "**Confidentiality Agreement**"). The Confidentiality Agreement also contains customary provisions relating to non-solicitation of the other party's senior employees, customers and suppliers. The Confidentiality Agreement will remain in force until completion of the Acquisition, or for a period of two years from the date of the Confidentiality Agreement.

Lock-Up Agreements

Jon Plassard, Spencer Manuel, Scott Simons and Saul Penhallow have entered into lock-up agreements dated 27 January 2015 with Matchtech pursuant to which they have each agreed, subject to certain customary exceptions, not to dispose of any of their respective interests in all or any of the New Matchtech Shares which they are to receive pursuant to the Acquisition for a period of two (2) years from the Effective Date or, if earlier, until the date such relevant individual has his position as a director or employee of Matchtech or Networkers terminated by the Company or Networkers other than for misconduct, misfeasance, gross negligence or serious breach of any material condition of employment (the “**Lock-Up Agreements**”).

16. Structure of the Acquisition

Scheme

It is intended that the Acquisition will be effected by a Court-sanctioned scheme of arrangement between Networkers and the Scheme Shareholders under Part 26 of the Companies Act, and will involve, among other things, a reduction of capital under section 641 of the Companies Act. The purpose of the Scheme is to provide for Matchtech to become the owner of the whole of the issued and to be issued share capital of Networkers. Under the Scheme, the Acquisition is to be principally achieved by:

- (a) the cancellation of the Scheme Shares held by Scheme Shareholders in consideration for which the Scheme Shareholders will receive consideration on the basis set out in paragraph 2 of this Announcement;
- (b) amendments to Networkers’ articles of association to ensure that any Networkers Shares issued or transferred from Treasury (other than the New Networkers Shares to be issued to Matchtech or any subsidiaries or nominees of Matchtech) (for example as a result of the exercise of options granted under the Networkers Share Schemes) between the approval of the Scheme at the Court Meeting and the Scheme Record Time will be subject to the Scheme or after the Scheme Record Time will automatically be acquired by Matchtech (or its nominee); and
- (c) the issue of New Networkers Shares to Matchtech (or its nominee) provided for in the Scheme.

Approval by Court Meeting and General Meeting

In order to become Effective, the Scheme requires:

- (a) the satisfaction (or, where applicable, waiver) of the Conditions (see below);
- (b) the approval of a majority in number of the Scheme Shareholders present and voting at the Court Meeting either in person or by proxy, representing not less than 75 per cent. in value of the Scheme Shares voted by those Scheme Shareholders. At the Court Meeting, voting will be by poll and not on a show of hands and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held; and
- (c) the approval of the Resolutions by not less than 75 per cent. of the votes cast, either in person or by proxy, at the General Meeting.

Application to Court to sanction the Scheme and confirmation of the Capital Reduction

Once the approval of the Scheme Shareholders to the Scheme has been obtained at the Court Meeting and the approval of the Networkers Shareholders to the Resolutions relating to the Acquisition at the General Meeting, the Scheme (including, confirmation of the Capital Reduction) must be sanctioned by the Court at the Court Hearings.

In the event that the Scheme is sanctioned by the Court, the Networkers Shares still held in Treasury by Networkers will be cancelled prior to the Scheme Record Time.

The Scheme will become Effective in accordance with its terms on delivery of the Scheme Court Order, the Reduction Court Order and the Statement of Capital giving details of Networkers' share capital, as altered by the Capital Reduction, attached thereto to the Registrar of Companies, and, in relation to the Capital Reduction, the Reduction Court Order and attached minutes being filed with and registered by the Registrar of Companies. Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or General Meeting, or whether they voted in favour of or against the Scheme and the consideration due under the Acquisition will be dispatched by Matchtech to Scheme Shareholders no later than 14 days after the Effective Date.

Full details of the Scheme to be set out in the Scheme Document

The Scheme is subject to the satisfaction (or, where applicable, waiver) of the Conditions and the full terms and conditions to be set out in the Scheme Document. The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the General Meeting and the expected timetable, and will specify the action to be taken by Scheme Shareholders.

The Scheme will be governed by English law. The Scheme will be subject to the applicable requirements of the Code, the Takeover Panel, the London Stock Exchange, the FCA and the AIM Rules.

The Scheme will contain a provision for Networkers and Matchtech jointly to consent, on behalf of all persons concerned, to any modification of or addition to the Scheme or to any condition that the Court may approve or impose. Networkers has been advised that the Court would be unlikely to approve any modification of, or addition to, or impose a condition to the Scheme which might be material to the interests of the Scheme Shareholders unless the Scheme Shareholders were informed of such modification, addition or condition. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of the Scheme Shareholders should be held in these circumstances.

It is expected that the Scheme Document will be dispatched to Networkers Shareholders and, for information only, to participants in the Networkers Share Schemes as soon as practicable and, in any event, within the next 28 days (or such later date as may be agreed with the Panel).

Conditions to the Acquisition

The Conditions to the Acquisition are set out in full in Appendix I to this Announcement.

The Scheme is conditional, among other things, upon:

- (a) the Scheme becoming Effective by the Long Stop Date or such later date as Networkers and Matchtech may, with the consent of the Takeover Panel, agree and (if required) the Court may approve, failing which the Scheme will lapse;

- (b) the approval of the Scheme by a majority in number of the Scheme Shareholders voting, either in person or by proxy, at the Court Meeting, representing not less than 75 per cent. in value of the Scheme Shares voting, either in person or by proxy, at the Court Meeting;
- (c) the passing of all Resolutions by the requisite majority at the General Meeting; and
- (d) the sanction of the Scheme and subsequent confirmation of the Capital Reduction by the Court (in either case, with or without modification on terms agreed by Networkers and Matchtech) and the delivery of office copies of the Court Orders and the Statement of Capital to the Registrar of Companies and, if the Court so orders for the Scheme to become Effective, registration of the Reduction Court Order confirming the Capital Reduction and Statement of Capital with the Registrar of Companies.

Scheme timetable/further information

A full anticipated timetable will be set out in the Scheme Document. At this stage, subject to the approval and availability of the Court (which is subject to change), Matchtech's expected timetable for the implementation of the Acquisition is as follows:

Dispatch of Scheme Document, together with the Forms of Proxy	12 February 2015 (or as soon as reasonably practicable thereafter)
Court Meeting to approve Scheme	9 March 2015 (or as soon as reasonably practicable thereafter)
General Meeting to approve Resolutions	9 March 2015 (or as soon as reasonably practicable thereafter)
Scheme Court Hearing to approve Scheme	30 March 2015 (or as soon as reasonably practicable thereafter)
Reduction Court Hearing to approve the Reduction of Capital	1 April 2015 (or as soon as reasonably practicable thereafter)
Effective Date	2 April 2015 (or the Business Day following the Reduction Court Hearing)
Dispatch of cash consideration	Within 14 days after the Effective Date

If the Acquisition does not become Effective by the Long Stop Date, the Acquisition will lapse except where the approval of Scheme Shareholders at the Court Meeting and the Networkers Shareholders at the General Meeting is obtained before this date, in which case the Long Stop Date for the Acquisition may be extended to such later date as Networkers and Matchtech may agree and, if appropriate, the Court and the Takeover Panel may approve.

Right to switch to an Offer

Matchtech reserves the right to elect (with the consent of the Takeover Panel) to implement the Acquisition by way of an Offer for the entire issued and to be issued share capital of Networkers as an alternative to the Scheme. In such an event, the Offer will be implemented

on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendment referred to in paragraph 4 of Part 2 of Appendix I to this Announcement.

17. De-listing and re-registration as a private limited company

De-listing

It is intended that Matchtech will procure that Networkers cancels the admission of the Networkers Shares to trading on AIM on or shortly after the Effective Date.

It is intended that dealings in Networkers Shares shall be cancelled at close of business in London on 2 April 2015 and that no transfers of Networkers Shares (other than to Matchtech and/or its nominee(s)) will be registered after that time.

Re-registration as a private limited company

It is also intended that Networkers be re-registered as a private limited company as soon as practicable after the Effective Date.

18. New Matchtech Shares

The New Matchtech Shares will, when issued, be ordinary shares in the capital of Matchtech with a nominal value of £0.01 each, will be fully paid and rank *pari passu* in all respects with the Matchtech Shares then in issue.

The aggregate number of New Matchtech Shares to which a Scheme Shareholder will be entitled shall, in each case, be rounded down to the nearest whole number of New Matchtech Shares. Fractions of New Matchtech Shares will not be allotted or issued to Scheme Shareholders. Fractional entitlements will be aggregated and sold in the market after the Effective Date and the net proceeds (after dealing costs) of sale will be paid in cash to the Scheme Shareholders entitled thereto as nearly as practicable in accordance with what would otherwise have been their respective fractional entitlements.

Once the Scheme becomes Effective, New Matchtech Shares will be allotted to Scheme Shareholders. Application will be made for the New Matchtech Shares to be admitted to trading on AIM. It is expected that admission to trading on AIM will become effective, and that dealings in the New Matchtech Shares will commence, on the date on which the Scheme becomes Effective.

The existing Matchtech Shares are already admitted to CREST. It is expected that all of the New Matchtech Shares, when issued and fully paid, will be capable of being held and transferred by means of CREST. It is expected that the New Matchtech Shares will trade under ISIN GB001B1FMDQ43.

Further details on admission to trading, dealing and settlement will be included in the Scheme Document.

19. Disclosure of interests in Networkers

Matchtech confirms that it is making on the date of this Announcement an Opening Position Disclosure, setting out the details required to be disclosed by it under Rule 8.1(a) of the Code.

As at the close of business on 27 January 2015, being the latest practicable date prior to this Announcement, save for the irrevocable undertakings referred to in paragraph 7 above, none

of Matchtech or any Matchtech Directors or, so far as Matchtech is aware, any person acting, or deemed to be acting, in concert with Matchtech:

- (a) had an interest in, or right to subscribe for, relevant securities of Networkers;
- (b) had any short position in (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, relevant securities of Networkers;
- (c) had procured an irrevocable commitment or letter of intent to accept the terms of the Acquisition in respect of relevant securities of Networkers; or
- (d) had borrowed or lent any Networkers Shares.

Furthermore, save for the irrevocable undertakings described in paragraph 7 above, no arrangement exists between Matchtech or Networkers or a person acting in concert with Matchtech or Networkers in relation to Networkers Shares. For these purposes, an arrangement includes any indemnity or option arrangement, any agreement or any understanding, formal or informal, of whatever nature, relating to Networkers Shares which may be an inducement to deal or refrain from dealing in such securities.

20. Rule 2.10 disclosure

In accordance with Rule 2.10 of the Code:

- (a) Networkers confirms that as at the close of business on 27 January 2015, being the last Business Day before this Announcement, it had 84,056,832 Networkers Shares in issue with voting rights. This number excludes 8,446,155 Networkers Shares held in Treasury. The ISIN for the Networkers Shares is GB00B1319W10; and
- (b) Matchtech confirms that as at the close of business on 27 January 2015, being the last Business Day before this Announcement, it had 24,966,817 Matchtech Shares in issue with voting rights. The ISIN for the Matchtech Shares is GB001B1FMDQ43.

21. General

The Acquisition will be subject to the Conditions and other terms set out in this Announcement and to the full terms and conditions which will be set out in the Scheme Document. The Conditions to, and certain further terms of, the Acquisition, are set out in Appendix I. Appendix II to this Announcement contains certain sources of information and bases of calculation contained in this Announcement. Information in respect of the Irrevocable Undertakings is set out in Appendix III to this Announcement. Certain terms used in this Announcement are defined in Appendix IV to this Announcement.

Numis and Liberum have each given and not withdrawn their consent to the publication of this Announcement with the inclusion herein of the references to their names in the form and context in which they appear.

22. Documents on display

Copies of the following documents required to be published pursuant to Rules 26.1 and 26.2 of the Code will be published, subject to certain restrictions relating to persons resident in any Restricted Jurisdiction, on Matchtech's website at www.matchtechgroupplc.com and on Networkers' website at <http://info.networkersplc.com> by no later than noon on the Business

Day following this Announcement:

- (a) a copy of this Announcement;
- (b) the Confidentiality Agreement;
- (c) the Lock-Up Agreements;
- (d) the irrevocable undertakings listed in Appendix III; and
- (e) the Finance Documents.

Neither the contents of Networkers' website or the contents of Matchtech's website, nor the content of any other website accessible from hyperlinks on either such website, is incorporated into or forms part of, this Announcement.

You will not be sent a hard copy of this Announcement unless you request one. You may request a hard copy of this announcement, free of charge, by contacting Freddie Naylor-Leyland of Numis at f.naylor-leyland@numis.com or by submitting a request in writing to Freddie Naylor-Leyland at Numis Securities Limited, 10 Paternoster Square, London, EC4M 7LT. Networkers Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.

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Important disclaimers (including in relation to securities laws restrictions)

Numis, which is authorised and regulated by the Financial Conduct Authority, has been Networkers' nominated adviser and corporate broker. In addition, Numis is nominated adviser to Matchtech and is acting as its broker and financial adviser in connection with the offer referred to above. Upon release of this Announcement, Numis is stepping down as nominated adviser to Networkers and is being replaced by Liberum Capital Limited but will continue to act as corporate broker to Networkers. Numis will not be responsible to any other parties other than Matchtech in connection with the contents of this Announcement or for providing the protections afforded to clients of Numis, or for providing advice in relation to the contents of this Announcement or any matters referred to herein.

Liberum, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Networkers as adviser for the purposes of Rule 3 of the Code in connection with the Acquisition and no one else and will not be responsible to anyone other than Networkers for providing the protections afforded to customers of Liberum or for providing advice in relation to the Acquisition or any matter referred to herein.

This Announcement is for information purposes only and is not intended to and does not constitute, or form any part of, an offer to sell or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely by means of the Scheme Document (or, if applicable, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any decision in respect of, or other response to, the Acquisition, should be made only on the basis of the information contained in the Scheme Document (or, if applicable, the Offer Document).

This Announcement does not constitute a prospectus or a prospectus equivalent document.

This Announcement has been prepared for the purpose of complying with English law and the Code 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.

Overseas Shareholders

The availability of New Matchtech Shares in and the release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable requirements. Networkers Shareholders who are in any doubt regarding such matters should consult an appropriate independent adviser in the relevant jurisdiction without delay.

The laws of the relevant jurisdictions may affect the availability of the Acquisition to persons who are not resident in the United Kingdom. Persons who are not resident in the United Kingdom or who are subject to laws of any jurisdiction other than the United Kingdom, should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Scheme disclaim any responsibility and liability for the violation of such restrictions by any person.

The Acquisition will not be made available, directly or indirectly, in a Restricted Jurisdiction, and the Acquisition will not be capable of acceptance from within a Restricted Jurisdiction. Accordingly, copies of this Announcement and all other documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded or distributed in, into or from a Restricted Jurisdiction and persons receiving this Announcement (including custodians, nominees and trustees) must not distribute or send it into or from a Restricted Jurisdiction. Further details in relation to overseas Networkers Shareholders will be contained in the Scheme Document.

The Acquisition relates the shares in an English company and it is proposed to be made by means of a scheme of arrangement provided for under English company law. The scheme of arrangement will relate to the shares of an English company that is a "foreign private issuer" as defined under Rule 3b-4 under the US Securities Exchange Act of 1934, as amended (the "Exchange Act"). A transaction effected by means of a scheme of arrangement is not subject to the shareholder vote, proxy and tender offer rules under the Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the UK to scheme of arrangement, which differ from the disclosure requirements and practices of US shareholder vote, proxy and tender offer rules. Financial information included in the relevant documentation will have been prepared in accordance with accounting standard applicable in the UK and may not be comparable to the financial statement of US companies.

This Announcement is not an offer of securities for sale in the United States. The New Matchtech Shares which will be issued in connection with the Acquisition have not been, will not be and are not required to be registered with the US Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "US Securities Act") or under the securities laws of any state, district or other jurisdiction of the United States, and may not be offered, sold, delivered or transferred except pursuant to an available exemption from or in a transaction not subject to the registration requirements of the US Securities Act and applicable US state securities laws.

Neither the SEC nor any other US federal or state securities commission or regulatory authority has approved or disapproved the New Matchtech Shares or passed an opinion upon the fairness or merits of such securities or upon the accuracy or adequacy of the disclosures contained in this document. Any representation to the contrary is a criminal offence in the United States.

In the event that Matchtech extends the Acquisition into the U.S. at some future time, it will do so in satisfaction of the procedural and filing requirements of the U.S. securities laws at that time, to the extent applicable thereto.

Forward Looking Statements

This Announcement contains certain forward-looking statements with respect to Matchtech and Networkers. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "aim", "will", "may", "would", "could" or "should" or other words of similar meaning or the negative thereof. Forward-looking statements include, without limitation, statements relating to the following: (i) future capital expenditures, expenses, revenues, economic performance, financial conditions, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the operations of the Matchtech Group or the Networkers Group; and (iii) the effects of government regulation on the business of the Matchtech Group or the Networkers Group.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements which refer only to the position as at the date of this Announcement. All subsequent oral or written forward-looking statements attributable to Matchtech or Networkers or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. None of Matchtech or Networkers 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% 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 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any 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% 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 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

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

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of

the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

No profit forecasts or estimates

No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per ordinary share, for Matchtech or Networkers, respectively for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per ordinary share for Matchtech or Networkers, respectively.

Right to switch to an Offer

Matchtech reserves the right to elect (with the consent of the Takeover Panel) to implement the Acquisition by way of an Offer for the entire issued and to be issued share capital of Networkers as an alternative to the Scheme. In such an event, the Offer will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendment referred to in Appendix I to this Announcement.

Publication on website

In accordance with Rule 26.1 of the Code, a copy of this Announcement will be made available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions), free of charge, at www.matchtechgroupplc.com and <http://info.networkersplc.com> by no later than 12 noon on 29 January 2015.

Neither the contents of the websites nor the content of any other website accessible from hyperlinks on such websites is incorporated into, or forms part of, this Announcement.

You will not be sent a hard copy of this announcement unless you request one. You may request a hard copy of this announcement, free of charge, by contacting Freddie Naylor-Leyland of Numis at f.naylor-leyland@numis.com or by submitting a request in writing to Freddie Naylor-Leyland at Numis Securities Limited, 10 Paternoster Square, London, EC4M 7LT. Networkers Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.

APPENDIX I

CONDITIONS AND FURTHER TERMS OF THE ACQUISITION

The Acquisition will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange, the AIM Rules and the FCA.

The Scheme will be governed by English law and will be subject to the exclusive jurisdiction of the English courts. In addition, it will be subject to the terms and conditions set out below and to be set out in the Scheme Document.

Matchtech reserves the right to elect (with the consent of the Panel) to implement the Acquisition by way of an Offer.

Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

PART 1: Conditions of the Acquisition

The Acquisition will be subject to the satisfaction of the following Conditions:

Scheme approval

The Acquisition will be conditional upon the Scheme becoming unconditional and becoming Effective by no later than the Long Stop Date.

- (A) The Scheme will be conditional upon:
- (i) its approval by a majority in number representing not less than 75% in value of the Scheme Shareholders who are on the register of members of Networkers at the Voting Record Time and who are present and voting, either 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 on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document (or such later date, if any, as Matchtech and Networkers may, subject to the Takeover Code or with the consent of the Panel, agree and, if required, the Court may approve);
 - (ii) all resolutions necessary to approve and implement the Scheme and Capital Reduction being duly passed by the requisite majority or majorities at the General Meeting or at any adjournment of that meeting on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document (or such later date, if any, as Matchtech and Networkers may, subject to the Takeover Code or with the consent of the Panel, agree and, if required, the Court may approve);
 - (iii) the sanction of the Scheme by the Court and the confirmation of the Capital Reduction by the Court, in each case without modification or with modification on terms acceptable to Matchtech and Networkers, on or before the 22nd day after the expected date of the Court Hearing to be set out in the Scheme Document (or such later date, if any, as Matchtech and Networkers may, subject to the Takeover Code or with the consent of the Panel, agree and, if required, the Court may approve) and:

- (a) the delivery of office copies of each of the Court Orders and of the Statement of Capital to the Registrar of Companies; and
- (b) if the Court so orders for it to become effective, the registration of the Reduction Court Order and the Statement of Capital by the Registrar of Companies;
- (iv) the London Stock Exchange having acknowledged to Matchtech or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New Matchtech Shares to trading on AIM has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject (“**admission conditions**”)) will become effective as soon as a dealing notice has been issued by the London Stock Exchange and any admission conditions having been satisfied and (ii) the London Stock Exchange having acknowledged to Matchtech or its agent (and such acknowledgement not having been withdrawn) that the New Matchtech Shares will be admitted to trading on AIM; and
- (v) the Scheme becoming effective on or before 6.00 p.m. on the Long Stop Date.

In addition, subject as stated to Part 2 of this Appendix I and to the requirements of the Panel, the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied (and continue to be satisfied pending the commencement of the Scheme Court Hearing) or, where relevant, waived in writing prior to the Scheme being sanctioned by the Court:

General anti-trust and regulatory

- (B) no Third Party having given notice of its decision or threatened to take, institute or implement any action, proceeding, suit, investigation, enquiry or reference, or having required any action or step to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order that would or might reasonably be expected to (in any case to an extent or in a manner which is material in the context of the Wider Networkers Group or the Wider Matchtech Group, as the case may be, in each case, taken as a whole):
 - (i) make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Networkers by any member of the Wider Matchtech Group, void, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prevent, prohibit, or restrain, restrict, materially delay or otherwise to a material extent interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise impede, challenge, interfere, hinder the Acquisition or its implementation or require material amendment to the terms of the Acquisition or the acquisition or proposed acquisition of any Networkers Shares, or voting control of, Networkers by any member of the Wider Matchtech Group, or otherwise challenge or interfere therewith;
 - (ii) require, prevent or materially delay the divestiture or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Matchtech Group or by any member of the Wider Networkers Group of all or

any material part 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 part thereof) or to own or voting control any of their assets or properties (or any material part thereof);

- (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Matchtech Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in Networkers or on the ability of any member of the Wider Networkers Group or any member of the Wider Matchtech Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Networkers Group;
- (iv) require, prevent or materially delay a divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Matchtech Group or the Wider Networkers Group of any shares or other securities (or the equivalent) in any member of the Wider Networkers Group or any member of the Wider Matchtech Group;
- (v) except pursuant to Chapter 3 of Part 28 of the Companies Act in the event that Matchtech elects to implement the Acquisition by way of an Offer, require any member of the Wider Matchtech Group or the Wider Networkers Group to acquire, or offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Networkers Group or any asset owned by any third party (other than in connection with the implementation of the Acquisition);
- (vi) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Matchtech Group or any member of the Wider Networkers Group to integrate all or any part of its business with all or any part of the business of any other member of the Wider Matchtech Group and/or the Wider Networkers Group;
- (vii) require any member of the Wider Networkers Group to relinquish, terminate or amend in any way that is material any contract to which any member of the Wider Networkers Group is a party;
- (viii) result in any member of the Wider Networkers Group or any member of the Wider Matchtech Group ceasing to be able to carry on business under any name under which it currently does so in any jurisdiction; or
- (ix) otherwise materially adversely affect all or any of the business, assets or liabilities, profits or prospects of any member of the Wider Networkers Group or any member of the Wider Matchtech Group;

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or the acquisition or proposed acquisition of any Networkers Shares or voting control of, Networkers or otherwise intervene having expired, lapsed or been terminated;

Notifications, waiting periods and Authorisations

- (C) all material notifications, filings or applications which are necessary having been made in connection with the Acquisition and all necessary waiting or other time periods (including any extensions thereof) under any applicable legislation or regulations of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Acquisition in each case where the absence of such notification, filing or application would have a material adverse effect on the Wider Networkers Group or the Wider Matchtech Group, as the case may be, in each case, taken as a whole and all Authorisations which are necessary in any relevant jurisdiction for or in respect of the Acquisition or the acquisition or the proposed acquisition of any shares or other securities in, or control of, Networkers or any other member of the Wider Networkers Group by any member of the Wider Matchtech Group having been obtained in terms and in a form reasonably satisfactory to Matchtech from all relevant Third Parties or (without prejudice to the generality of the foregoing) from any persons or bodies with whom any member of the Wider Networkers Group has entered into contractual arrangements and all such Authorisations necessary to carry on the business of any member of the Wider Networkers Group in any jurisdiction having been obtained and all such Authorisations remaining in full force and effect and there being no written notice of any intention to revoke, suspend, restrict, impede, modify or not to renew such Authorisations, in each such case to an extent or in a manner which is material in the context of the Wider Networkers Group or the Wider Matchtech Group, as the case may be, in each case, taken as a whole;

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

- (D) except as Fairly Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Networkers Group is a party, or by or to which any such member or any of its assets is or are or may be bound, entitled or subject or any event or circumstance, which, in each case as a consequence of the Acquisition, or the acquisition or proposed acquisition of any Networkers Shares, or because of a change in the voting control of Networkers, would or would reasonably be expected to result in (in any case to an extent that is or would be material in the context of the Wider Networkers Group taken as a whole):
- (i) any monies borrowed by, or any other indebtedness (actual or contingent) of, or any grant available to, any member of the Wider Networkers Group being or becoming repayable or being 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 being capable of becoming withdrawn;
 - (ii) any such agreement, arrangement, licence, permit or other instrument being terminated or the rights, liabilities, obligations or interest of any member of the Wider Networkers Group thereunder, being terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
 - (iii) any member of the Wider Networkers Group ceasing to be able to carry on its business under any name under which it currently does so;
 - (iv) any assets or interests of or used by any member of the Wider Networkers Group being or being required to be disposed of or charged or ceasing to be

available to any such member or any right arising under which any such asset or interest would be required to be disposed of or charged or cease to be available to such member, in each case otherwise than in the ordinary course of business;

- (v) the creation, save in the ordinary course of business, 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 Wider Networkers Group or any such security (whenever created, arising or having arisen) becoming enforceable;
- (vi) except as agreed by Networkers and Matchtech any liability of any member of the Wider Networkers Group to make any severance, termination, bonus or other payment to any of its directors or other officers;
- (vii) any requirement on any member of the Wider Networkers Group to acquire, subscribe, pay up or repay any shares or other securities;
- (viii) the rights, liabilities, obligations or interests of any member of the Wider Networkers Group in, or the business of any such member under any such agreement, arrangement, licence, permit or other instrument or the interests or business of any such member in or with, any person, firm, company or body (or any arrangement or arrangements relating to any such interest or business) being or becoming capable of being terminated, or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder; or
- (ix) the financial or trading position or prospects of any member of the Wider Networkers Group being prejudiced or adversely affected;

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Networkers Group is a party or under which any of its assets are or may be bound or subject, would result in any of the events or circumstances as are referred to in subparagraphs (i) to (ix) of this Condition;

Certain events occurring since 31 December 2013

- (E) since 31 December 2013, except as Fairly Disclosed, no member of the Wider Networkers Group having:
 - (i) save, where relevant, as between Networkers and any of its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Networkers or upon the exercise of rights to subscribe for Networkers Shares pursuant to the exercise of options granted under any of the Networkers Share Schemes in the ordinary course of business and except for the issue or transfer out of treasury to the extent agreed between Matchtech and Networkers, issued or agreed to issue or authorised or announced its intention to authorise or propose the issue of additional shares (or other securities) of any class, or securities or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold, or agreed to transfer or sell or authorised the transfer or sale of any shares out of treasury or purchased, redeemed or reduced 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;

- (ii) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly-owned subsidiary of Networkers to Networkers or any of its wholly-owned subsidiaries, 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;
- (iii) save for transactions between Networkers and any of its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Networkers or pursuant to the Acquisition or otherwise in the ordinary course, disposed of or transferred, mortgaged or created any security interest over any material assets or any right, title or interest in any material asset (including shares or loan capital (or the equivalent thereof) in any undertaking or undertakings and further including trade investments) or implemented, effected, authorised or announced any intention to implement, effect or authorise any reconstruction, amalgamation, scheme, commitment, acquisition, disposal, transfer, mortgage, charge or security interest (which, in the case of any transfer, mortgage, charge or security interest, is other than in the ordinary course of business) and in any case to an extent that is or would be material in the context of the Wider Networkers Group taken as a whole;
- (iv) save for transactions between Networkers and any of its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Networkers, made or authorised or announced an intention to propose any change in its loan capital or issued or authorised the issue of any debentures;
- (v) entered into, implemented or authorised the entry into of, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities which in any case is material in the context of the Wider Networkers Group taken as a whole;
- (vi) save for transactions between Networkers and any of its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Networkers or otherwise in the ordinary course, issued or agreed to issue or authorised or announced an intention to authorise the issue of, or made a material change in or to the terms of any debentures or (save for trade credit incurred in the ordinary course of business), incurred or increased, or agreed to incur or increase, any indebtedness or become, or agreed to become, subject to any liability (actual or contingent) to an extent which is material in the context of the Wider Networkers Group taken as a whole;
- (vii) entered into or varied, or made any offer to enter into or vary, the terms of any contract, agreement or arrangement with any director or senior executive of any member of the Wider Networkers Group which in any case is material in the context of the Wider Networkers Group taken as a whole;
- (viii) entered into or varied or announced its intention to enter into or vary any material agreement, contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) other than in the ordinary course of business which is of a long-term, onerous or unusual nature or magnitude or which is or involves or could reasonably be expected to involve an obligation of a nature or magnitude which is or could be

reasonably likely to be materially restrictive or onerous on the business of any member of the Wider Networkers Group or the Wider Matchtech Group which taken together with any other such material agreement, contract, transaction, arrangement or commitment is reasonably likely to be material in the context of the Wider Networkers Group taken as a whole;

- (ix) other than in respect of a member which is dormant and was solvent at the relevant time, taken or proposed any step 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 or reorganisation or for the appointment of a receiver, administrative receiver, administrator, manager, 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 and in any case to an extent that is or would be material in the context of the Wider Networkers Group taken as a whole;
- (x) 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 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;
- (xi) waived, compromised or settled any claim which is material in the context of the Wider Networkers Group taken as a whole otherwise than in the ordinary course of business;
- (xii) terminated or varied the terms of any agreement or arrangement between any member of the Wider Networkers Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Networkers Group taken as a whole;
- (xiii) made or agreed or consented to any change in any material respect to:
 - (a) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider Networkers Group for its directors, employees or their dependants;
 - (b) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
 - (c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined;
 - (d) the basis upon which the liabilities (including pensions) of such pension schemes are funded or made, or agreed or consented to,in a manner which, in any such case, is material in the context of the Wider Networkers Group taken as a whole;
- (xiv) save as agreed in writing by Matchtech, proposed, agreed to provide or modified the terms of any share option scheme, pension scheme obligations,

incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Networkers Group, which are material in the context of the Wider Networkers Group taken as a whole;

- (xv) made any alteration to the articles of association or other incorporation documents of Networkers or any material alteration to the memorandum or articles of association of any member of the Networkers Group (in each case, other than an alteration in connection with the Scheme) which in any such case is material in the context of the Acquisition as a whole; or
- (xvi) taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Networkers Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code;

No adverse change, litigation, regulatory enquiry or similar

- (F) since 31 December 2013, except as Fairly Disclosed, there having been:
 - (i) no material adverse change in the business, assets, liabilities, financial or trading position or prospects of any member of the Wider Networkers Group which, in any such case, is material in the context of the Wider Networkers Group taken as a whole;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been initiated, announced or threatened in writing by or against any member of the Wider Networkers Group and no enquiry, or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Networkers Group (or any person in respect of which any such member has responsibility or liability) having been threatened in writing, announced, instituted by or against or remaining outstanding against or in respect of any member of the Wider Networkers Group which, in any such case, has had, or would reasonably be expected to have, a material adverse effect on the Wider Networkers Group taken as a whole;
 - (iii) no contingent or other material liability in respect of any member of the Wider Networkers Group having arisen or become apparent to Matchtech or increased which has had, or would reasonably be likely to have, a material adverse effect on the business, assets, financial or trading position or profits or prospects of any member of the Wider Networkers Group to an extent which is material in the context of the Wider Networkers Group taken as a whole; and
 - (iv) no amendment or termination of any material joint venture or material partnership to which any member of the Wider Networkers Group is a party having been agreed or permitted; and
 - (v) no action having been taken and no omissions having been made which are reasonably likely to lead to or result in the withdrawal, cancellation, termination, modification or variation of any Authorisation held by or on behalf of any member of the Wider Networkers Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which has had, or would reasonably be

expected to have, a material adverse effect on the Wider Networkers Group taken as a whole;

No discovery of certain matters regarding information and liabilities

- (G) except as Fairly Disclosed, Matchtech not having discovered:
- (i) that any financial, business or other information concerning the Wider Networkers Group as contained in the information publicly disclosed prior to the date of the Announcement at any time by or on behalf of any member of the Wider Networkers Group or disclosed at any time to any member of the Wider Matchtech Group by or on behalf of any member of the Wider Networkers Group in the context of the Acquisition is materially misleading, contains a misrepresentation of any material fact or omits to state a fact necessary to make that information not misleading in any material respect, in each case to an extent which is, in any case itself or together with other factors, material in the context of the Wider Networkers Group taken as a whole;
 - (ii) that any member of the Wider Networkers Group or any partnership, company or other entity in which any member of the Wider Networkers Group has a significant economic interest and which is not a subsidiary undertaking of Networkers is otherwise than in the ordinary course of business subject to any liability (contingent or otherwise) which, in any such case, is material in the context of the Wider Networkers Group taken as a whole;

Anti-corruption, sanctions and criminal property

- (H) except as Fairly Disclosed, Matchtech not having discovered:
- (i) any past or present member, director, officer or employee of the Wider Networkers Group, or any other person for whom any member of the Wider Networkers Group is liable or responsible, has not complied with the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and any laws implementing the same, the U.K. Bribery Act 2010 and/or the U.S. Foreign Corrupt Practices Act of 1977;
 - (ii) any past or present member of the Wider Networkers 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 U.S. or E.U. persons are prohibited from engaging in activities or doing business by U.S. or E.U. laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations or the European Union or any of their respective member states; and
 - (iii) any asset of any member of the Wider Networkers Group constitutes criminal property as defined by Section 340(3) of the Proceeds of Crime Act 2002 in circumstances that are material.

PART 2: Certain further terms of the Acquisition

1. Subject to the requirements of the Panel, Matchtech reserves the right in its sole discretion to waive (if capable of waiver) in whole or in part all or any of the above Conditions, except for Condition (A) (*Scheme approval*), which cannot be waived.
2. Conditions (B) (*General anti-trust and regulatory*) to (H) (*Anti-corruption, sanctions and criminal property*) (inclusive) must be fulfilled, be determined by Matchtech to be or remain satisfied or waived by, no later than the commencement of the Scheme Court Hearing, failing which the Acquisition will lapse. Matchtech shall be under no obligation to waive or treat as satisfied any of Conditions (B) (*General anti-trust and regulatory*) to (H) (*Anti-corruption, sanctions and criminal property*) (inclusive) by a date earlier than the latest date specified above for the fulfilment, satisfaction or waiver thereof, notwithstanding that any such Condition or the other Conditions of the Scheme and the Acquisition may at such earlier date have been waived, satisfied or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
3. If Matchtech is required by the Panel to make an offer for any Networkers Shares under the provisions of Rule 9 of the Code, Matchtech may make such alterations to the Conditions and further terms of the Acquisition as are necessary to comply with the provisions of that Rule.
4. Matchtech reserves the right to elect with the consent of the Takeover Panel (where necessary), to elect to implement the Acquisition by way of an Offer. In such event, the Acquisition will be implemented on substantially the same terms, subject to appropriate amendments, as those which would apply to the Acquisition. The acceptance condition would be set at 90 per cent. of the shares to which such Offer relates (or such lesser percentage (being more than 50 per cent.) as Matchtech may decide with the consent of the Takeover Panel). Further, if sufficient acceptances of the Offer are received and/or sufficient Networkers Shares are otherwise acquired, it is the intention of Matchtech to apply the provisions of the Companies Act to compulsorily acquire any outstanding Networkers Shares to which such Offer relates.
5. The availability of the Acquisition to Networkers Shareholders who are not resident in the United Kingdom may be affected by the laws of relevant jurisdictions. Therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom and any Networkers Shareholders who are not resident in the United Kingdom will need to inform themselves about, and observe, any applicable requirements.
6. Unless otherwise determined by Matchtech or required by the Code and permitted by applicable law and regulation, the Acquisition is not being made, and will not be made, directly or indirectly, in or into any Restricted Jurisdiction or by the use of the mails of, or by any other means or instrumentality (including, without limitation, electronic mail, fax transmission, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or any facility of a national state or other securities exchange of any other Restricted Jurisdiction and will not be capable of acceptance by any such use, means, instrumentality or facility or from any Restricted Jurisdiction.
7. Networkers Shares which will be acquired under the Acquisition will be acquired with full title guarantee, fully paid and free from all liens, equities, charges,

encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any), and any other return of capital (whether by way of reduction of share capital or share premium account or otherwise), declared, made or paid on or after the date of this Announcement.

8. Fractions of New Matchtech Shares will not be allotted or issued to Scheme Shareholders. Fractional entitlements will be aggregated and sold in the market and the net proceeds of sale distributed to the Scheme Shareholders entitled thereto.
9. The Acquisition shall lapse (unless otherwise agreed with the Takeover Panel) if:
 - (a) in so far as the Acquisition or any matter arising from the Scheme or Acquisition constitutes a concentration with a Community dimension within the scope of the Regulation, the European Commission either initiates proceedings under Article 6(1)(c) of the Regulation or makes a referral to a competent authority of the United Kingdom under Article 9(1) of the Regulation and there is then a CMA Phase 2 Reference; or
 - (b) in so far as the Acquisition or any matter arising from the Scheme or Acquisition does not constitute a concentration with a Community dimension within the scope of the Regulation, the Scheme or Acquisition or any matter arising from or relating to the Acquisition becomes subject to a CMA Phase 2 Reference,

in each case, before the date of the Court Meeting. In such event, neither Networkers, Matchtech nor any Networkers Shareholder will be bound by any term of the Scheme.

APPENDIX II

SOURCES OF INFORMATION AND BASES OF CALCULATION

In this Announcement:

- (i) Unless otherwise stated, financial information concerning Networkers has been extracted (without material adjustment) from Networkers' 2013 Annual Report.
- (ii) Unless otherwise stated, financial information concerning Matchtech has been extracted (without material adjustment) from Matchtech's 2014 Annual Report.
- (iii) As at the close of business on 27 January 2015, being the latest practicable date before the date of this Announcement, Networkers had 84,056,832 Networkers Shares in issue and Matchtech had 24,966,817 Matchtech Shares in issue.
- (iv) The value of the Acquisition is based upon the cash consideration due under the terms of the Acquisition and on the basis of the issued and to be issued share capital of Networkers referred to in paragraph (vi) below and references to the fully diluted share capital of Networkers should be construed accordingly.
- (v) The maximum number of New Matchtech Shares to be issued pursuant to the Acquisition is 5,439,190 New Matchtech Shares. The calculation of the maximum number of New Matchtech Shares to be issued in respect of the Acquisition is based upon the average of the Closing Price per Matchtech Share for the ten (10) Business Days ending on 27 January 2015, being the last practicable date before the date of this Announcement.
- (vi) The issued and to be issued share capital of Networkers is calculated on the basis of:
 - the number of issued Networkers Shares on 27 January 2015, being the last practicable date before the date of this Announcement, being 84,056,832 Networkers Shares (excluding shares in Treasury); and
 - any further Networkers Shares which are intended to be issued (or transferred from Treasury) on or after the date of this Announcement on the exercise of options under the Networkers Share Schemes, which options have been granted on or before the date of this Announcement, amounting in aggregate to 1,930,097 Networkers Shares (excludes further options in respect of 2,972,913 Networkers Shares which are not anticipated to be exercised under the terms of the Acquisition).
- (vii) Unless otherwise stated, all prices for Networkers Shares and Matchtech Shares are the Closing Price for the relevant dates.
- (viii) The premium calculations per Networkers Share have been calculated with reference to:
 - the Closing Price of 55.0 pence per Networkers Share on 27 January 2015, being the last practicable date before the date of this Announcement;
 - the average Closing Price of 52.4 pence per Networkers Share for the one (1) month period immediately preceding 27 January 2015, being the last practicable date before the date of this Announcement; and
 - the average Closing Price of 55.9 pence per Networkers Share for the twelve

(12) month period immediately preceding 27 January 2015, being the last practicable date before the date of this Announcement.

- (ix) The statements that the Acquisition is expected to be earnings enhancing for Matchtech relates to future actions and circumstances, which, by their nature, involve risks, uncertainties and other factors. These statements do not constitute a profit forecast and should not be interpreted to mean that earnings for that year or any subsequent financial period would necessarily match or be greater than those for any preceding financial period. Earnings in this context represent net after tax earnings before non-recurring operating items and non-operating items.
- (x) “Adjusted profit before tax” means profit before tax and amortisation of acquired intangibles.
- (xi) “Adjusted EPS” means EPS excluding amortisation of acquired intangibles.

APPENDIX III

IRREVOCABLE UNDERTAKINGS

Networkers Directors' Irrevocable Undertakings

Matchtech has received irrevocable commitments from each of the members of the Networkers Board who control Networkers Shares, as listed below, representing in aggregate approximately 49.5 per cent. of the existing issued ordinary share capital of Networkers. These commitments require the relevant member of the Networkers Board to vote or procure that the registered holder votes in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or, in the event the Acquisition is implemented by means of an Offer, to accept, or procure acceptance of, the Offer).

Name of Networkers Director	Number of Networkers Shares	% of Networkers issued share capital
Nigel Wray	14,129,264	16.8%
Spencer Manuel	13,101,535	15.6%
Jon Plassard	13,099,927	15.6%
Neville Roger Goodman	1,266,977	1.5%
TOTAL	41,597,703	49.5%

These irrevocable commitments will continue to be binding in the event that a higher competing offer is made for Networkers.

These irrevocable commitments will cease to be binding on the earliest to occur of the following events:

- if the Scheme Document or Offer Document, as the case may be, is not posted within 28 days after the release of this Announcement (or such later date as Matchtech and Networkers agree in writing with the consent of the Panel);
- if the Acquisition is implemented by way of an Offer and such Offer lapses or is withdrawn without becoming or being declared unconditional in all respects;
- if Matchtech announces, with the consent of any relevant authority (if required) and before the Scheme Document (or, if applicable, the Offer Document) is posted, that it does not intend to proceed with the Acquisition; or
- if the Scheme lapses or is withdrawn or otherwise becomes incapable of becoming Effective or has not become Effective on or before 30 June 2015 (or such later date as Matchtech and Networkers agree in writing and that the Court with the consent of the Panel, if required, approves).

Shareholders' Irrevocable Undertakings

Matchtech has received irrevocable commitments from the following Networkers Shareholders in respect of their own beneficial holdings of Networkers Shares, representing in aggregate approximately 23.4 per cent. of the existing issued ordinary share capital of Networkers. These commitments are subject to certain limitations and exceptions as described below.

These commitments require each such Networkers Shareholder to vote or procure that the registered holder votes in favour of the Scheme at the Court Meeting and the Resolutions at

the General Meeting (or, in the event the Acquisition is implemented by means of an Offer, to accept, or procure acceptance of, the Offer).

Name of Networkers Shareholder	Number of Networkers Shares	% of Networkers issued share capital
Jon Moulton	8,279,128	9.8%
Dowgate Capital	6,234,200	7.4%
Hargreave Hale	5,175,000	6.2%
TOTAL	19,688,328	23.4%

Jon Moulton

The irrevocable commitments given by Jon Moulton will continue to be binding in the event that a higher competing offer is made for Networkers save as set out below. The irrevocable commitments given by Jon Moulton will cease to be binding on the earliest to occur of the following events:

- if the Acquisition is implemented by way of an Offer and the Offer lapses or is withdrawn without becoming or being declared unconditional in all respects;
- if Matchtech announces, with the consent of any relevant authority (if required) and before the Scheme Document or Offer Document is posted, that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme or Offer is announced by Matchtech in accordance with the Code at the same time or within 28 days thereafter;
- if the Scheme does not become effective by 30 June 2015 (or such later date as Jon Moulton agrees in writing); or
- if:
 - a competing offer for the entire issued and to be issued ordinary share capital of Networkers has been announced in accordance with the requirements of the Code that values each ordinary share in the capital of Networkers at a price which equals or exceeds 110% of the value of the consideration per Networkers Share available under the terms of the Acquisition, having regard to the total amount of the cash and non-cash elements of the Acquisition and the competing offer;
 - Matchtech does not, within ten days of announcement of the competing offer, announce a revised offer which Jon Moulton determines values each Networkers Share at a price equal to or greater than the value of the consideration per Networkers Share under the relevant competing offer, having regard to the total amount of the cash and non-cash elements of the revised offer and the competing offer; and
 - Jon Moulton notifies Matchtech within ten days of the expiry of such ten day period that his obligations under the irrevocable commitments have ceased to have effect.

Dowgate Capital

The irrevocable commitments given by Dowgate Capital will continue to be binding in the event that a higher competing offer is made for Networkers. The irrevocable commitments given by Dowgate Capital will cease to be binding on the earliest to occur of the following events:

- if the Acquisition is implemented by way of an Offer and the Offer lapses or is withdrawn without becoming or being declared unconditional in all respects;
- if Matchtech announces, with the consent of any relevant authority (if required) and before the Scheme Document or Offer Document is posted, that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme or Offer is announced by Matchtech in accordance with the Code at the same time or within 28 days thereafter; or
- if the Scheme does not become effective by 30 June 2015 (or such later date as Dowgate Capital agrees in writing).

Hargreave Hale

The irrevocable commitments given by Hargreave Hale will continue to be binding in the event that a higher competing offer is made for Networkers save as set out below. The irrevocable commitments given by Hargreave Hale will cease to be binding on the earliest to occur of the following events:

- if the Acquisition is implemented by way of an Offer and the Offer lapses or is withdrawn without becoming or being declared unconditional in all respects;
- if Matchtech announces, with the consent of any relevant authority (if required) and before the Scheme Document or Offer Document is posted, that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme or Offer is announced by Matchtech in accordance with the Code at the same time or within 28 days thereafter;
- if the Scheme does not become effective by 30 June 2015 (or such later date as Hargreave Hale agrees in writing); or
- if
 - a competing offer for the entire issued and to be issued ordinary share capital of Networkers has been announced in accordance with the requirements of the Code that values each ordinary share in the capital of Networkers at a price which equals or exceeds 110% of the value of the consideration per Networkers Share available under the terms of the Acquisition, having regard to the total amount of the cash and non-cash elements of the Acquisition and the competing offer;
 - Matchtech does not, within ten days of announcement of the competing offer, announce a revised offer which Hargreave Hale determines values each Networkers Share at a price equal to or greater than the value of the consideration per Networkers Share under the relevant competing offer, having regard to the total amount of the cash and non-cash elements of the revised offer and the competing offer; and

- Hargreave Hale notifies Matchtech within ten days of the expiry of such ten day period that its obligations under the irrevocable commitments have ceased to have effect.

APPENDIX IV

DEFINITIONS

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

Acquisition	the recommended acquisition by Matchtech for the entire issued and to be issued share capital of Networkers, to be implemented by the Scheme as described in this Announcement (or Offer under certain circumstances as described in this Announcement) on the terms and subject to the conditions to be set out in the Scheme Document including, where the context requires, any subsequent revision, variation, extension or renewal of such offer and includes any election available thereunder
AIM	the AIM Market of the London Stock Exchange
AIM Rules	the AIM Rules for Companies as published by the London Stock Exchange (as amended from time to time)
Announcement	this announcement, made in accordance with Rule 2.7 of the Code, dated 27 January 2015, including its summary and Appendices
Authorisations	for the purposes of the Conditions, means authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals
Business Day	a day (other than a Saturday, Sunday or a public holiday) on which banks in the City of London are open for business generally
Capital Reduction	the proposed reduction of the current issued and to be issued ordinary share capital of Networkers pursuant to the Scheme
Code or Takeover Code	the City Code on Takeovers and Mergers
Closing Price	the middle market price for a Networkers Share or Matchtech Shares, as the case may be, at the close of business on the day to which the price relates, derived from the AIM appendix to the Daily Official List for that day
CMA Phase 2 Reference	a reference pursuant to sections 22, 33, 45 or 62 of the Enterprise Act 2002 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 (as amended)

Combined Group	following completion of the Acquisition, the combined Matchtech Group and Networkers Group
Community	the European Community
Companies Act	the Companies Act 2006, as amended from time to time
Competition and Markets Authority	the independent public body which conducts second phase, in-depth inquiries into mergers, markets and the regulation of the major regulated industries in the United Kingdom (or any successor body or bodies carrying out the same functions in the United Kingdom from time to time)
Conditions	the conditions of the Acquisition, as set out in Appendix I to this Announcement and to be set out in the Scheme Document
Confidentiality Agreement	has the meaning given to that term in paragraph 15 of this Announcement
Court	the High Court of Justice in England and Wales
Court Hearings	the Scheme Court Hearing and the Reduction Court Hearing
Court Meeting	the meeting or meetings of the Scheme Shareholders (or the relevant class or classes thereof) as may be convened pursuant to an order of the Court under section 896 of the Companies Act for the purposes of considering and, if thought fit, approving the Scheme (with or without amendment) including any adjournment thereof, notice of which is to be contained in the Scheme Document
Court Orders	the Scheme Court Order and the Reduction Court Order
CREST	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
Daily Official List	the Daily Official List published by the London Stock Exchange

EBITA	earnings before interest, tax and amortisation
Effective	in the context of the Acquisition: (i) if the Acquisition is implemented by way of a Scheme, the Scheme having become fully effective in accordance with its terms, upon the delivery of the Court Order and Statement of Capital relating to the Capital Reduction to the Registrar of Companies and, if the Court so orders, registration by the Registrar of Companies; or (ii) if the Acquisition is implemented by way of an Offer, the Offer having been declared or become unconditional in all respects in accordance with the requirements of the Code
Effective Date	the date upon which: <ul style="list-style-type: none"> (a) the Scheme becomes Effective; or (b) if Matchtech elects and the Takeover Panel consents to implement the Acquisition by way of an Offer, the Offer becomes Effective
EPS	earnings per share
Fairly Disclosed	the information which has been fairly disclosed: (i) in any document delivered prior to the date of this Announcement by or on behalf of Networkers to Matchtech or Matchtech's financial, accounting, tax or legal advisers (specifically as Matchtech's advisers in relation to the Acquisition), including not limited to minutes so delivered of any disclosure meetings and any information disclosed in electronic form by way of a data room or otherwise; (ii) in Networkers' 2013 Annual Report, Networkers' interim results for the six month period to 30 June 2014 or Networkers' trading update for the year ended 31 December 2014 as provided to Matchtech prior to the date of this Announcement; (iii) in any public announcement by Networkers published through a Regulatory Information Service prior to the date of this Announcement; or (iv) in this Announcement
FCA or Financial Conduct Authority	the U.K. Financial Conduct Authority or its successor from time to time
Finance Documents	<ul style="list-style-type: none"> (a) the HSBC Facility Agreement; (b) the floating charge between HSBC and Matchtech Group (UK) Limited;

- (c) the floating charge between HSBC and Connectus Technology Ltd;
- (d) the floating charge between HSBC and Barclay Meade Ltd;
- (e) the floating charge between HSBC and Alderwood Education Ltd;
- (f) the deed of priority between (1) HSBC, (2) HSBC Invoice Finance (UK) Limited (3) Matchtech Group UK Limited, (4) Connectus Technology Ltd, (5) Barclay Meade Ltd and (6) Alderwood Education Ltd; and
- (g) the fee letter from HSBC to Matchtech

Forms of Proxy	the forms of proxy in connection with each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document
General Meeting	the general meeting (or any adjournment, postponement or reconvention thereof) of Networkers to be convened in connection with the Scheme, notice of which is to be contained in the Scheme Document
HSBC	has the meaning given to that term in paragraph 11 of this Announcement
HSBC Facility Agreement	has the meaning given to that term in paragraph 11 of this Announcement
Irrevocable Undertakings	the irrevocable undertakings to vote (or procure votes) in favour of the Acquisition from Networkers Shareholders received by Matchtech, details of which are set out in Appendix III to this Announcement
ISIN	International Securities Identification Number
Liberum	Liberum Capital Limited
Lock-Up Agreements	has the meaning given to that term in paragraph 15 of this Announcement
London Stock Exchange	London Stock Exchange plc

Long Stop Date	30 June 2015, or such later date, if any, as Matchtech and Networkers may, subject to the Takeover Code and the consent of the Panel, agree and, if required, the Court may approve
Matchtech	Matchtech Group plc, a public limited company incorporated in England and Wales with registered number 4426322 and with its registered address at 1450 Parkway, Solent Business Park, Whiteley, Fareham, Hampshire PO15 7AF
Matchtech Board	the board of directors of Matchtech
Matchtech Directors	the directors of Matchtech and Matchtech Director means any one of them
Matchtech Group	Matchtech and its subsidiary undertakings and associated undertakings
Matchtech Shareholders	holders of Matchtech Shares
Matchtech Shares	the ordinary shares of £0.01 each in the capital of Matchtech
Matchtech's 2014 Annual Report	the Annual Report and Accounts of Matchtech for the financial year ended 31 July 2014
Meetings	the Court Meeting and the General Meeting
Networkers	Networkers International plc, a public limited company incorporated in England and Wales with registered number 03950639 and with its registered office at Hanover Place, 8 Ravensbourne Road, Bromley BR1 1HP
Networkers Board	the board of directors of Networkers
Networkers Directors	the directors of Networkers and Networkers Director means any one of them
Networkers Group	Networkers and its subsidiary undertakings and associated undertakings and, where the context permits, each of them

Networkers Share Schemes	the Networkers International plc Share Option Scheme, the Networkers International plc EMI Scheme, the Networkers International plc 2007 Approved Share Option Scheme and the Networkers International plc 2014 Unapproved Share Option Plan
Networkers Shareholders	holders of Networkers Shares
Networkers Shares	the ordinary shares of £0.01 each in the capital of Networkers
Networkers' 2013 Annual Report	the Annual Report and Accounts of Networkers for the year ended 31 December 2013
New Matchtech Shares	the new Matchtech Shares to be issued to Scheme Shareholders in connection with the Acquisition
New Networkers Shares	the new Networkers Shares to be issued credited as fully paid pursuant to and in accordance with the Scheme
NFI	Net Fee Income
Numis	Numis Securities Limited
Offer or Takeover Offer	should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the recommended offer to be made by or on behalf of Matchtech to acquire the entire issued and to be issued share capital of Networkers and, where the context admits, any subsequent revision, variation, extension or renewal of such offer
Offer Document	in the event Matchtech elects to implement the Acquisition by means of an Offer, the document containing the Offer to be sent to Networkers Shareholders
Opening Position Disclosure	has the meaning given to that term in the Code
Reduction Court Hearing	the hearing (or any adjournment thereof) at which the Reduction Court Order will be sought

Reduction Court Order	the order of the Court under section 648 of the Companies Act confirming the Capital Reduction
Registrar of Companies or Companies House	the Registrar of Companies in England and Wales
Regulation	Council Regulation (EC) No139/2004
Regulatory Information Service	any information service authorised from time to time by the FCA for the purposes of disseminating regulatory announcements
Resolutions	the resolutions to be proposed by Networkers at the General Meeting in connection with, amongst other things, the approval of the Scheme and confirmation of the Capital Reduction, the amendment of Networkers' articles of association and such other matters as may be necessary to implement the Scheme and the delisting of the Networkers Shares
Restricted Jurisdiction	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 in that jurisdiction
Scheme or Scheme of Arrangement	the scheme of arrangement under Part 26 of the Companies Act proposed to be entered into between Networkers and the Scheme Shareholders to be described in the Scheme Document, the principal terms of which are set out in this Announcement (with or subject to any modification, addition or condition which Networkers and Matchtech may agree and, if required, the Court may approve or impose)
Scheme Court Hearing	the hearing of the Court to sanction the Scheme under section 899 of the Companies Act and if such hearing is adjourned references to commencement of any such hearing shall mean the commencement of the final adjournment thereof
Scheme Court Order	the order of the Court sanctioning the Scheme under section 899 of the Companies Act
Scheme Document	the document to be dispatched to Networkers Shareholders containing the terms and conditions of the Acquisition and

the particulars required by section 897 of the Companies Act

Scheme Record Time	the time and date specified in the Scheme Document, expected to be 6.00 p.m. on the Business Day immediately prior to the date of the Reduction Court Hearing
Scheme Shareholders	holders of Scheme Shares
Scheme Shares	<p>shall mean:</p> <ul style="list-style-type: none">(i) Networkers Shares in issue at the date of the Scheme Document;(ii) any Networkers Shares issued after the date of the Scheme Document and prior to the Voting Record Time; and(iii) any Networkers Shares issued at or after the Voting Record Time but at or prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme, <p>in each case, save for any Networkers Shares legally or beneficially held by any member of the Matchtech Group</p>
Statement of Capital	the statement of capital (approved by the Court) showing, with respect to Networkers' share capital as altered by the Reduction Court Order, the information required by section 649 of the Companies Act
subsidiary undertaking, associated undertaking and undertaking	shall have the meanings given by the Companies Act
Takeover Panel or Panel	the UK Panel on Takeovers and Mergers
Third Party	a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, professional, environmental or investigative body or authority (including any anti-trust or merger control authority), court, trade agency, professional association, institution, works council, employee representative body or any other body or person whatsoever in any relevant jurisdiction

Treasury or Treasury Shares	shares held as treasury shares as provided for in section 724 of the Companies Act
U.K. , UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
U.S., US or United States	the United States of America, its possessions and territories, all areas subject to its jurisdiction or any subdivision thereof, any State of the United States and the District of Columbia
Voting Record Time	6.00 p.m. on the day prior to the day immediately before the Court Meeting
Wider Matchtech Group	Matchtech and its subsidiary undertakings, associated undertakings and any other undertaking, body corporate, partnership, joint venture or person in which Matchtech and/or such undertakings (aggregating their interests) have a direct or indirect interest in 10% or more of the voting rights or equity share capital (as defined in the Companies Act) or the equivalent
Wider Networkers Group	Networkers and its subsidiary undertakings, associated undertakings and any other undertaking, body corporate, partnership, joint venture or person in which Networkers and/or such undertakings (aggregating their interests) have a direct or indirect interest in 10% or more of the voting rights or equity share capital (as defined in the Companies Act) or the equivalent
£ or pounds sterling	pounds sterling, the lawful currency of the United Kingdom

All times referred to in this Announcement are to London time unless otherwise stated.