

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.**

If you sell or have sold or otherwise transferred all of your Ordinary Shares in Universe Group plc you should deliver this document together with the enclosed Form of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Application will be made for the Placing Shares to be admitted to trading on the AIM market of the London Stock Exchange plc ("AIM"). It is expected that admission to AIM will become effective and that dealings in the Placing Shares will commence on 29 January 2007.

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# **UNIVERSE GROUP PLC**

*(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 2639726)*

## **Sale of Bellword S.a.r.l.**

### **Placing of 6,225,000 new Ordinary Shares at 6.0 pence per new Ordinary Share**

### **Board Changes**

### **Trading Update**

### **Notice of Extraordinary General Meeting**

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Action to be taken by Shareholders is set out on page 7. Notice of the Extraordinary General Meeting of Universe Group plc to be held at 25 Luke Street, London EC2A 4AR on 26 January 2007 at 10.00 a.m. is set out at the end of this document. Whether or not you intend to be present at the EGM you are urged to complete and return the enclosed Form of Proxy in accordance with the instructions printed thereon so as to arrive as soon as possible and in any event not later than 10.00 a.m. on 24 January 2007.

Charles Stanley Securities which is authorised and regulated in the United Kingdom by the Financial Services Authority (the "FSA"), is acting as nominated adviser and broker to the Company in relation to the Placing and Admission. The responsibilities of Charles Stanley Securities as the Company's nominated adviser and broker under the AIM Rules are owed solely to the London Stock Exchange plc and are not owed to the Company or to any Director, shareholder or any other person, in respect of his decision to acquire shares in the Company in reliance on any part of this document, or otherwise. Charles Stanley Securities is not making any representation or warranty, express or implied, as to the contents of this document. Charles Stanley Securities will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document in respect of the Placing or any acquisition of shares in the Company.

This document does not constitute an offer of securities and accordingly is not a prospectus, nor does it constitute an admission document drawn up in accordance with the AIM Rules. This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in Universe Group plc nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with any contract therefore.

The distribution of this document in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

## CONTENTS

	<i>Page</i>
Definitions	3
Part I Letter from the Chairman	4
Part II Announcement of 5 January 2007	8
Part III Announcement of 9 January 2007	10
Part IV Additional Information	13
Notice of Extraordinary General Meeting	16

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2007
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 24 January
Extraordinary General Meeting	10.00 a.m. on 26 January
Admission and dealings in the Subscription Shares expected to commence on AIM	8.00 a.m. on 29 January

## PLACING STATISTICS

Placing Price	6p
Number of Existing Ordinary Shares in issue	65,622,396
Number of Placing Shares	6,225,000
Number of Ordinary Shares in issue immediately following Admission	71,847,396
Market capitalisation of the Company at the Placing price	£4,310,844
Gross proceeds of the Placing receivable by the Company	£373,500
Estimated net proceeds of the Placing receivable by the Company	£353,000

## DEFINITIONS

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

“Act”	Companies Act 1985, as amended
“Admission”	admission of the Placing Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	rules governing the admission to, and operation of, AIM contained in the document entitled the “AIM Rules” published by the London Stock Exchange
“Bellword”	Bellword S.a.r.l., a subsidiary of Universe Group plc
“Charles Stanley Securities”	a division of Charles Stanley & Co Limited
“Directors” or “the Board”	the directors of the Company, whose names appear on page 3 of this document
“Existing Ordinary Shares”	Ordinary Shares in issue at the date of this document
“Extraordinary General Meeting” or “EGM”	extraordinary general meeting of the Company convened for 10.00 a.m. on 26 January 2007 by the Notice of EGM and any adjournment thereof
“Form of Proxy”	the form of proxy enclosed with this document for use by Shareholders at the EGM
“Group”	Universe and its subsidiaries
“London Stock Exchange”	London Stock Exchange plc
“Notice of EGM”	notice of EGM set out at the end of this document
“Ordinary Shares”	ordinary shares of 5 pence each in the issued share capital of the Company
“Placing”	placing of the Placing Shares
“Placing Agreement”	the agreement dated 9 January 2007 entered into between the Company and Charles Stanley Securities relating to the Placing
“Placing Shares”	6,225,000 new Ordinary Shares to be issued pursuant to the Placing at a price of 6 pence per share
“Prime Bureau”	Prime Bureau Limited, a company formed for the purpose of acquiring Bellword
“Resolutions”	the resolutions set out in the Notice of EGM and “Resolution” means any one of them
“Sale”	the proposed sale of Bellword to Prime Bureau
“Sale Agreement”	the draft sale agreement to be entered into between Bellword Limited, Prime Bureau and the Company relating to the Sale
“Shareholders”	holders of Ordinary Shares
“Takeover Code”	the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers
“Universe” or “the Company”	Universe Group plc

PART I

LETTER FROM THE CHAIRMAN

**UNIVERSE GROUP PLC**

*(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 2639726)*

*Directors*

John Scholes (*Chairman*)  
Paul Cooper (*Chief Executive*)  
Adrian Grinsell (*Managing Director HTEC*)  
Eddie Paul (*Finance Director*)  
Ray Mackie (*Non-Executive Director*)  
Barrie Brinkman (*Non-Executive Director*)

*Registered Office*

Southampton International Park  
Southampton  
SO18 2RX

9 January 2007

*To Shareholders and, for information only, to holders of options over Ordinary Shares*

Dear Shareholder,

**Introduction**

The Company announced on 5 January 2007 my appointment to the Board as Non-Executive Chairman and the appointment of Paul Cooper as Chief Executive. At the same time Ray Mackie has stepped down as Chairman and Chief Executive, but will remain a Non-Executive Director and significant shareholder of the Company.

At the same time the Company issued a trading update for the year to 31 December 2006 and announced the proposed sale of Bellword, the Company's subsidiary that operates Master Change, our Bureau de Change business in Paris. A copy of this announcement is reproduced for your information in Part II of this circular.

Finally it was announced earlier today that the Company is undertaking a placing of 6,225,000 new Ordinary Shares at 6 pence per share to raise £373,500 before expenses. Details of the Placing are set out below and a copy of today's announcement relating to the Placing is reproduced in Part III of this circular.

**Background to, and reasons for, the sale of Bellword and the Placing**

The Company announced on 17 November 2006 that the Board is conducting a strategic review of the business and the opportunities available to the Company, including means of improving the Company's balance sheet.

The Company's main operating subsidiary, HTEC Limited ("HTEC"), is a well-established and profitable business. HTEC's customers include a number of major supermarket and petrol retailers such as ASDA, Morrisons, Chevron, Texaco and BP.

While HTEC has continued to perform in line with or above management's expectations over recent years, the Board believes that the Group's business was not sufficiently focused to enable HTEC to exploit fully the opportunities which have presented themselves. This led to the decision announced in August 2005 to sell the Company's First Remit business to Travelex Money Transfer and the further announcement in May 2006 of the intention to dispose of Master Change, the Group's Bureau de Change business.

The Group has also continued to reduce its debt levels, which have seen our structured bank loan and overdraft reduced from a total of approximately £3.1 million at 31 December 2004 to approximately £1.9 million at 31 December 2006 – repayment of almost £1.2 million in the last two years.

The Board is pleased to have reached agreement with Prime Bureau for the sale of the entire issued share capital of Bellword as announced on 5 January 2007. The sale will provide an initial cash consideration of £500,000, of which £346,000 will be applied to the reduction of the Company's overdraft, which stands presently at £463,000 and of which £154,000 is required to be used to repay the loan due from the Company to Ray Mackie. Further details of the Bellword disposal are given below.

In order to eliminate the Company's overdraft, and to provide sufficient working capital, the Company has undertaken the Placing to raise a further £355,000, after expenses. Further details of the Placing are given below.

Both the Sale and the Placing are subject to Shareholder approval at the EGM. Upon completion of the sale of Bellword and of the Placing, the Board believes that the Company will be well-positioned to focus on the development of HTEC, which will be the sole remaining business of the Group. In addition, the Board believes that, with an improved debt position, HTEC will remain sufficiently cash generative to provide adequate funding for this development.

The strategic review will continue in order to confirm the optimum corporate structure for Universe Shareholders, customers and employees. It is anticipated that this review will be completed shortly and a further announcement will be made at that time.

### **Information on Bellword**

Bellword comprises seven Bureaux de Change, all based in Paris. In the year to December 2005 the business achieved revenues of £1,044,000 and made an operating profit of £72,000. Bellword had net assets as at 31 December 2005 of £1,379,000. Included in this figure is £1,519,000 representing the net leasehold premium of the French Bureaux de Change properties. All figures are presented under French GAAP.

### **Details of the Bellword disposal**

Bellword is to be sold by Bellword Limited, a wholly owned subsidiary of Universe, to Prime Bureau. Ray Mackie is an investor in Prime Bureau and will be a 49 per cent. shareholder in Prime Bureau upon the purchase of Bellword by Prime Bureau.

Under the terms of the Sale Agreement, Prime Bureau is to acquire the entire share capital of Bellword for an initial cash consideration of £500,000 of which £154,000 is required to be used to repay the loan due from the Company to Ray Mackie. Prime Bureau will also pay up to a further three annual cash payments dependent upon the profitability of Bellword in each of the next three years to 31 December 2007, 2008 and 2009. Bellword is required to be converted from a société à responsabilité limitée to a société par action simplifiée prior to completion of the Sale.

Ray Mackie has stepped down as Chairman and Chief Executive of Universe but will remain a non-executive director of the Company. As a result of Ray Mackie's interest in Prime Bureau the disposal of Bellword is a related party transaction for the purposes of the AIM Rules. The Directors, excluding Ray Mackie to reflect his interest in the transaction, having consulted with the Company's Nominated Adviser, Charles Stanley Securities, consider the terms of the sale of Bellword to be fair and reasonable insofar as Shareholders are concerned.

Under section 320 of the Act Universe, as the holding company of Bellword Limited, is required to obtain approval for the sale of Bellword by Shareholders in general meeting. Notice of an Extraordinary General Meeting of Universe, to be held at 10.00 a.m. on Friday 26 January 2007 is set out at the end of this circular.

### **Details of the Placing**

The Board is pleased to announce that 6,225,000 new Ordinary Shares have been placed, subject to, *inter alia*, Shareholder approval and completion of the Sale, with certain institutional investors at a price of 6 pence per share to raise £373,500 before expenses.

The Placing Shares will represent 8.66 per cent. of the issued share capital of the Company as enlarged by the Placing. The Placing is conditional on the passing of the related Resolution set out in the Notice of EGM, and on the Sale. The Placing Shares will, when issued, rank equally in all respects with the Existing Ordinary Shares, including the right to receive any dividend or other distribution declared, made or paid after the date of their unconditional allotment.

As described above, the net proceeds of the Placing, together with the initial cash proceeds from the sale of Bellword, will be applied to eliminating the Company's overdraft and to meet the Company's working capital requirements.

The Placing is not a rights issue or open offer and the Placing Shares will not be offered generally to Shareholders, whether on a pre-emptive basis or otherwise. The Directors believe that the considerable extra cost and delay involved in a rights issue or open offer would not be in the best interests of the Company and accordingly the Board considers that it is in the best interest of the Company and Shareholders as a whole for the funds to be raised by the Placing.

### **Board Changes**

John Scholes has been appointed to the Board as Non-Executive Chairman and Paul Cooper has become Chief Executive. Ray Mackie has stepped down as Chairman and Chief Executive, but will remain a non-executive director and significant shareholder of the Company. The Board changes are effective immediately.

John Scholes is Chairman and Chief Executive of The Catalyst Group International Limited, a privately owned business providing corporate development advisory services to companies across the technology industry from its offices in the UK, USA, France and Germany. He has been closely involved in advising the boards of many businesses in the last ten years, and has been working with the Board of Universe on its strategic review.

Paul Cooper was appointed as a Non-Executive Director of Universe on 8 September 2006. He has been working closely with Ray Mackie and the rest of the Universe executive management team since joining the Board. Paul is a Director of EMDigital Limited, a linear motor design and manufacturing business. Paul has held a number of Managing Director and Finance Director positions during his extensive career, including the role of Group Managing Director at Blazepoint Group Plc from June 2000 to March 2003.

### **Trading Update**

The Board confirms that trading for the year to 31 December 2006 is satisfactory. However, as a direct result of a major software sale which had been expected to be invoiced in December 2006 but which has been deferred, to the first quarter of 2007, revenue and operating profit for the year to 31 December 2006 will be lower than had been anticipated, although there will be a corresponding increase in the current year.

### **Extraordinary General Meeting**

Universe, as the holding company of Bellword Limited, being the seller of Bellword, is required to obtain Shareholder approval for the sale of Bellword to Prime Bureau, because Prime Bureau is connected to Ray Mackie for the purposes of section 320 of the Act through his shareholding in Prime Bureau. This approval is being sought by means of the first Resolution proposed at the EGM.

The Company is in an offer period by virtue of the statement made on the 17 November 2006. Accordingly, under the provisions of Rule 21.1 of the Takeover Code the Company is obliged to obtain Shareholders' approval for any issue of new Ordinary Shares as contemplated by the Placing. This approval is being sought by means of the second Resolution to be proposed at the EGM and is within the disapplication of statutory pre-emption rights granted by Shareholders at the last annual general meeting of the Company.

Therefore, at the EGM Shareholders will be asked to consider and, if thought fit, to approve the Resolutions required to implement both the Placing and the Sale. The EGM has been convened for 10.00 a.m. on 26 January 2007. If the Resolutions are approved and the Sale completed, it is expected that the Placing Shares will be admitted to trading on AIM on 29 January 2007 and in any event no later than 7 February 2007.

#### **Action to be taken**

You will find a Form of Proxy enclosed with this document for use at the EGM. Whether or not you intend to be present at the EGM, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible. To be valid, completed Forms of Proxy must be received by Capita IRG Plc, PO Box 25, Beckenham, Kent BR3 4TU not later than 10.00 a.m. on 24 January 2007, being 48 hours before the time appointed for holding the EGM. Completion of the Form of Proxy will not preclude you from attending the meeting and voting in person if you so wish.

#### **Recommendation**

**Your Board, with the exception of Ray Mackie, who is interested in the Sale by reason of his shareholding in Prime Bureau, having consulted with the Company's Nominated Adviser Charles Stanley Securities, believe that the terms of the sale of Bellword are fair and reasonable so far as the Shareholders are concerned and that the approval of the resolution for the sale of Bellword to be considered at the EGM is in the best interests of the Company and Shareholders as a whole. Accordingly your Directors, with the exception of Ray Mackie (for the reasons set out above), recommend that you vote in favour of the first Resolution as they intend to do in respect of their own shareholdings representing, in aggregate, approximately 1.52 per cent. of the Company's issued share capital.**

**In addition, your Board also believe that the terms of the Placing are fair and reasonable so far as the Shareholders are concerned and that the approval of the Resolution relating to the Placing set out in the notice of the EGM is in the best interests of the Company and Shareholders as a whole. Accordingly, your Directors recommend that you vote in favour of the second Resolution with regard to the Placing as they intend to do in respect of their own shareholdings representing, in aggregate, approximately 14.56 per cent. of the Company's issued share capital.**

Yours faithfully

John Scholes  
*Chairman*

## PART II

The following announcement was released by the Company on 5 January 2007 and is reproduced below in full for your information.

“5 January 2007

### **Universe Group PLC** (“Universe” or “the Company”)

#### **Announcement of Board changes, trading update, proposed sale of the Bureau de Change business in Paris and Placing of New Shares**

The Company announced on 17 November 2006 that the Board was undertaking a strategic review. As part of that review, the Board today announces:

- that John Scholes has been appointed to the Board as Non-Executive Chairman and that Paul Cooper has become Chief Executive. Ray Mackie has stepped down as Chairman and Chief Executive, but will remain a Non-Executive Director and significant shareholder of the Company. Today’s Board changes are effective immediately;
- a trading update for the year to 31 December 2006;
- the proposed sale of Bellword Sarl (“Bellword”), the Company’s subsidiary that operates the Company’s Bureau de Change business in Paris; and
- that it is undertaking a placing of new ordinary shares to raise up to £360,000 (the “Placing”).

Both the sale of Bellword and the Placing will be subject to approval by the Company’s shareholders at an EGM which is expected to be held on 22 January 2007.

The strategic review continues with respect to the remainder of the Universe business.

#### **Board Appointments**

John Scholes, aged 52, is Chairman and Chief Executive of The Catalyst Group International Limited, a privately owned business providing corporate development advisory services to companies across the technology industry from its offices in the UK, USA, France and Germany. He has been closely involved in advising the boards of many businesses in the last ten years, and has been working with the Board of Universe on its strategic review. The Company confirms that no other details are required to be disclosed under paragraph (g) of Schedule 2 of the AIM Rules.

Paul Cooper was appointed as a Non-Executive Director of Universe on 8 September 2006. He has been working closely with Ray Mackie and the rest of the Universe executive management team since joining the Board. Paul is a Director of EMDigital Limited, a linear motor design and manufacturing business. Paul has held a number of Managing Director and Finance Director positions during his extensive career, including the role of Group Managing Director at Blazepoint Group Plc from June 2000 to March 2003.

#### **Trading Update**

The Board confirms that trading for the year to 31 December 2006 is satisfactory. However, as a direct result of a major software sale which had been expected to be invoiced in December 2006 but which has been deferred, to the first quarter of 2007, revenue and operating profit for the year to 31 December 2006 will be lower than had been anticipated, although there will be a corresponding increase in the current year.

## Sale of Bellword

Bellword is to be sold by Bellword Limited, a wholly owned subsidiary of Universe, to Prime Bureau Limited (“Prime Bureau”), a company formed for the purpose of acquiring Bellword. Ray Mackie is an investor and will be a 49 per cent. shareholder in Prime Bureau at completion of purchase of Bellword by Prime Bureau.

Under the terms of the Bellword sale, Prime Bureau is to acquire the entire share capital of Bellword for an initial cash consideration of £500,000 of which £154,000 will be used to repay the loan due from the Company to Ray Mackie. Prime Bureau will also pay up to a further three annual cash payments dependent upon the profitability of Bellword in each of the next three years to 31 December 2007, 2008 and 2009.

Bellword comprises seven Bureaux de Change, all based in Paris. In the year to December 2005 the business achieved revenues of £1,044,000 and made an operating profit of £72,000. Bellword had net assets as at 31 December 2005 of £1,379,000. Included in this figure is £1,519,000 representing the net leasehold premium of the French bureaux de change properties. All numbers are under French GAAP.

Ray Mackie has stepped down as Chairman and Chief Executive of Universe but will remain a Non-Executive director of the Company. The participation of Ray Mackie in the disposal of Bellword is a related party transaction for the purposes of the AIM Rules. The Directors, with the exception of Ray Mackie who is involved in the transaction, having consulted with the Company’s Nominated Adviser, Charles Stanley Securities, consider the terms of the sale of Bellword to be fair and reasonable insofar as Shareholders are concerned. Under section 320 of the Companies Act 1985 Bellword Limited, as seller, and Universe, as the holding company of Bellword Limited, are required to obtain approval for the sale of Bellword by shareholders in general meeting. Notice of an Extraordinary General Meeting of Universe, which is expected to be held at 10.00 a.m. on Monday 22 January 2007 has today been sent to shareholders.

## Placing

The Board announces that it is seeking to raise up to £360,000 through the placing of new ordinary shares with certain institutional shareholders. The terms of the Placing are being finalised and details are expected to be announced shortly. The proceeds of the Placing, being approximately £335,000 after expenses, and the initial cash consideration from the disposal, after repayment of the £154,000 loan to Ray Mackie, will be used to pay off entirely the Company’s overdraft, which currently stands at £463,000. The remainder will be used for the Company’s working capital requirements.

Commenting on the developments Paul Cooper said:

“On behalf of the Board I thank Ray Mackie for his contribution to Universe since its inception in 2000, and look forward to continuing to work with him in his Non-Executive capacity as we move the Company forwards. The new Board expects to complete its strategic review during the first quarter and will make further announcements at the appropriate time.”

—ends—

### *For Further Information:*

Universe Group plc	023 8068 9510
John Scholes, <i>Chairman</i>	
Paul Cooper <i>Chief Executive</i>	
Charles Stanley Securities	020 7149 6000
Russell Cook	
Bishopsgate Communications Ltd	020 7562 3350
Dominic Barretto	
Fran Read	”

## PART III

The following announcement was released by the Company on 9 January 2007 and is reproduced below in full for your information.

“9 January 2007

### Universe Group PLC (“Universe” or “the Company”)

#### Placing of 6,225,000 new ordinary shares

The Company announced on the 5 January 2007 the proposed sale of its Bureau de Change business Bellword Sarl (“Bellword”). It also announced, *inter alia*, that the Company was undertaking a placing of new ordinary shares to raise up to £360,000.

The proposed Placing has now been finalised and the Board is pleased to announce that, subject to shareholder approval, 6,225,000 new ordinary shares of 5 pence each (“Placing Shares”) have been placed with certain institutional investors, at a price of 6 pence per share (the “Placing”) to raise £373,500, before expenses.

The proceeds of the Placing, together with £346,000 received from the £500,000 initial cash proceeds through the sale of Bellword and after the £154,000 which is required for repayment of the loan to Ray Mackie, will be applied to eliminate the Company’s overdraft and to meet the Company’s working capital requirements.

Following the statement on the 17 November 2006 that the Board is undertaking a strategic review of the business, Universe is in an offer period for the purposes of The Takeover Code (the “Code”). Accordingly, the Company is obliged to obtain shareholders’ approval for any issue of new ordinary shares. An Extraordinary General Meeting (“EGM”) has been convened for 10.00 a.m. on 26 January 2007 at which shareholders will be asked to consider the resolutions required to approve the Placing and the disposal of Bellword. A Circular containing the notice of EGM (the “Circular”) has been sent to shareholders today.

The Placing Shares will represent 8.66 per cent. of the issued share capital of the Company as enlarged by the Placing. The Placing is conditional, *inter alia*, on the passing of the relevant resolution at the EGM and completion of the Bellword sale.

The Placing Shares will, when issued, rank equally in all respects with the Company’s existing ordinary shares, including the right to receive any dividend or other distribution declared, made or paid after the date of their unconditional allotment.

As at the date of this announcement, and following completion of the Placing, the Directors will have the following interests in the ordinary shares of the Company:

	<i>Number of ordinary shares as at 8 January 2007 and following the Placing</i>	<i>Percentage of existing issued share capital as at 8 January 2007</i>	<i>Percentage of enlarged share capital following completion of the Placing</i>
<i>Director</i>			
Ray Mackie	8,557,397	13.04%	11.91%
Barrie Brinkman	886,147	1.35%	1.23%
Adrian Grinsell	60,541	0.09%	0.08%
Eddie Paul	51,263	0.08%	0.07%
John Scholes	—	—	—
Paul Cooper	—	—	—

Other than the Directors referred to above, as at the date of this document and following completion of the Placing, the Directors are aware of the following interests that are or will be held directly or indirectly in 3 per cent. or more of the issued ordinary share capital of the Company:

	<i>Number of Ordinary Shares as at 8 January 2007</i>	<i>Percentage of existing issued share capital as at 8 January 2007</i>	<i>Number of Ordinary Shares following completion of the Placing</i>	<i>Percentage of enlarged issued ordinary share capital following completion of the Placing</i>
<i>Shareholder</i>				
Ennismore Fund Management Ltd	9,517,122	14.50%	12,717,122	14.70%
Singer & Friedlander Investment Management Ltd	4,448,279	6.78%	6,598,279	9.18%
F&C Asset Management Plc	4,304,559	6.56%	4,304,559	5.99%

#### **Expected Timetable of Principal Events:**

Publication of the Circular to Shareholders 9 January 2007

Latest time and date for receipt of completed Forms of Proxy  
for the EGM 10.00 a.m. on 24 January 2007

Extraordinary General Meeting 10.00 a.m. on 26 January 2007

Dealings in new ordinary shares expected to commence on AIM 8.00 a.m. on 29 January 2007

The Circular will be available from the offices of Charles Stanley Securities at 25 Luke Street, London EC2A 4AR during normal business hours on any weekday (Saturday, Sunday and public holidays excepted) until 26 January 2007.

—ends—

#### *For Further Information:*

Universe Group plc 023 8068 9510  
John Scholes, *Chairman*  
Paul Cooper *Chief Executive*

Charles Stanley Securities 020 7149 6000  
Russell Cook

Bishopsgate Communications Ltd 020 7562 3350  
Dominic Barretto  
Fran Read ”

#### **Dealing Disclosure Requirements**

Under the provisions of Rule 8.3 of the City Code on Takeovers and Mergers (the “Code”), if any person is, or becomes, “interested” (directly or indirectly) in 1 per cent. or more of any class of “relevant securities” of Universe all “dealings” in any “relevant securities” of Universe (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 pm (London time) on the London business Day (“Business Day”) following the date of the relevant transaction. This requirement will continue until the date on which the Offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of Universe, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Code, all “dealings” in “relevant securities” of Universe by Universe, or by any of its “associates”, must be disclosed by no later than 12.00 noon (London time) on the Business Day following the date of the relevant transaction. A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel’s website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk).

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotations marks are defined in the Code, which can also be found on the Takeover Panel’s website. If you are in any doubt as to the application of Rule 8 to you, please contact an independent financial adviser authorised under FSMA, consult the Takeover Panel’s website or contact the Panel on telephone number +44 (0)20 7382 9026 or fax +44 (0)20 7638 1554. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Takeover Panel.

## PART IV

### ADDITIONAL INFORMATION

#### 1. Share capital

- 1.1 The authorised and issued and fully paid share capital of the Company as the date of this document is as follows:

	<i>Authorised</i>		<i>Issued</i>	
	<i>Number</i>	<i>£</i>	<i>Number</i>	<i>£</i>
Ordinary Shares of 5p each	100,000,000	5,000,000.00	65,622,396	3,281,119.80

- 1.2 The authorised and issued and fully paid share capital of the Company immediately following the Placing will be as follows:

	<i>Authorised</i>		<i>Issued</i>	
	<i>Number</i>	<i>£</i>	<i>Number</i>	<i>£</i>
Ordinary Shares of 5p each	100,000,000	5,000,000.00	71,847,396	3,592,396.80

#### 2. Directors' and Other Interests

- 2.1 As at 8 January 2007 (being the latest practicable date prior to the publication of this document) the interests of the Directors (including their connected persons within the meaning of section 346 of the Act) in the issued share capital of the Company (both beneficial and non-beneficial) which have been notified to the Company pursuant to section 324 or 328 of the Act or are required to be entered in the register of Directors' interests maintained under the provisions of section 325 of the Act or could with reasonable diligence, be ascertained by the Directors and as they are expected to be immediately following completion of the Placing are and will be as follows:

<i>Director</i>	<i>Number of Ordinary Shares as at 8 January 2007 and following the Placing</i>	<i>Percentage of existing issued share capital as at 8 January 2007</i>	<i>Percentage of enlarged issued ordinary share capital following completion of the Placing and on Admission</i>
Ray Mackie	8,557,397	13.04%	11.91%
Barrie Brinkman	886,147	1.35%	1.23%
Adrian Grinsell	60,541	0.09%	0.08%
Eddie Paul	51,263	0.08%	0.07%
John Scholes	—	—	—
Paul Cooper	—	—	—

- 2.2 The Directors are aware of the following interests, other than those of the Directors', held directly or indirectly in 3 per cent. or more of the issued share capital of the Company (as at 8 January 2007 being the latest practicable date prior to the publication of this document):

	<i>Number of Ordinary Shares as at 8 January 2007</i>	<i>Percentage of existing issued share capital as at 8 January 2007</i>	<i>Number of Ordinary Shares following completion of the Placing and on Admission</i>	<i>Percentage of enlarged issued ordinary share capital following completion of the Placing and on Admission</i>
<i>Shareholder</i>				
Ennismore Fund Management Ltd	9,517,122	14.50%	12,717,122	14.70%
Singer & Friedlander Investment Management Ltd	4,448,279	6.78%	6,598,279	9.18%
F&C Asset Management Plc	4,304,559	6.56%	4,304,559	5.99%

Save as disclosed above the Company is not aware of any interest held directly or indirectly which as at 8 January 2007 (being the latest practicable date prior to the publication of this document) represented 3 per cent. or more of the Company's issued share capital or of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

### 3. Summary of the Sale Agreement

The Sale Agreement to be entered into between Bellword Limited, Prime Bureau and the Company provides for Prime Bureau to acquire all of the share capital of Bellword (which is required to be converted from a société à responsabilité limitée to a société par action simplifiée prior to completion of the sale) from Bellword Limited. The initial cash consideration to be paid to Bellword Limited by Prime Bureau is £500,000; however it is a requirement of the Sale Agreement that £154,000 of this consideration be used to repay on behalf of the Company the £154,000 loan owed by the Company to Ray Mackie. In addition to the initial consideration, Prime Bureau must pay to Bellword Limited deferred consideration equal to 33 per cent. of adjusted post-tax profits (if any) of the current Bellword business for the years 2007, 2008 and 2009. If Bellword or its business is sold by Prime Bureau prior to 31 December 2009, then Prime Bureau must pay to Bellword Limited further consideration equal to 33 per cent. of any sale proceeds received by Prime Bureau to the extent that, after deducting taxation and the amounts of any equity investment in Bellword made after completion of the Sale and prior to that sale by Prime Bureau, they exceed the amounts already paid by Prime Bureau to Bellword Limited for Bellword. Bellword Limited agrees to reimburse Bellword up to €14,000 per month for rent payable by Bellword in respect of a particular property during the 6 months following completion of the Sale. However, if that property is sold then Bellword Limited is entitled to be repaid out of any lease premium or rent deposit released by the landlord of that property. Bellword Limited gives certain warranties to Prime Bureau, and Bellword Limited's maximum aggregate exposure under those warranties is capped at €200,000. The Company agrees to guarantee payment by Bellword Limited of any valid claims by Prime Bureau for breach of those warranties and agrees to indemnify Prime Bureau against any costs arising from a breach of those warranties. The maximum aggregate exposure of the Company under its guarantee and indemnity obligations is also capped at €200,000. Bellword Limited also agrees to certain restrictions from competing with the Bellword business.

### 4. Summary of the Placing Agreement

The Placing Agreement dated 9 January 2007 between the Company and Charles Stanley Securities provides that Charles Stanley Securities will use all its reasonable endeavours to procure places for the Placing Shares at the Placing Price. The Placing Agreement contains certain warranties and indemnities from the Company to Charles Stanley Securities. The obligations of Charles Stanley Securities under the Placing Agreement are conditional, *inter alia*, upon Admission having occurred on 29 January 2007 (or such later time and date as Charles Stanley may agree but in any event not later than 7 February 2007, there being prior to completion of the Placing no material breach of the warranties given to Charles Stanley Securities, Shareholders

passing both Resolutions at the EGM and completion of the Sale. Charles Stanley Securities may terminate the Placing Agreement in specified circumstances (including for breach of warranty at any time prior to Admission, if such breach is reasonably considered by Charles Stanley Securities to have a material prejudicial effect on the Placing or a material adverse change on the Company's financial or trading position) and in the event of a force majeure event occurring at any time prior to Admission.

5. Charles Stanley Securities has given and not withdrawn its written consent to the inclusion in this document of its letter and the references to its name in the form and context in which they appear.

9 January 2007

# UNIVERSE GROUP PLC

(Incorporated and registered in England and Wales with registered number 2639726)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of Universe Group plc (“the Company”) will be held at 25 Luke Street, London EC2A 4AR on 26 January 2007 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, which resolutions are proposed as ordinary resolutions:

1. THAT for the purposes of section 320 of the Companies Act 1985 the proposed sale by the Company’s subsidiary Bellword Limited of the entire share capital in Bellword S.a.r.l. to Prime Bureau Limited as described in the circular to shareholders of the Company dated 9 January 2007, a copy of which has been produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification only, on the terms and subject to the conditions of the draft sale agreement to be entered into between Bellword Limited, Prime Bureau Limited and the Company, a copy of which has been produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification only (the “**Sale Agreement**”), be and is hereby approved, and the directors of the Company (the “**Directors**”) (or a duly authorised committee thereof) and the directors of Bellword Limited (the “**Bellword Directors**”) (or a duly authorised committee thereof) be and are hereby authorised to take all such steps as may be necessary, expedient or appropriate in relation thereto and to carry the same into effect with such modifications, variations, revisions, waivers or amendments (providing such modifications, variations, revisions, waivers or amendments are not in the opinion of the Directors, or any such committee of the Directors, of a material nature) to such Sale Agreement or any documents relating thereto as they shall deem necessary, expedient or appropriate.
2. THAT the proposed allotment and issue of 6,225,000 ordinary shares of 5p each in the capital of the Company to certain institutional investors at the price of 6p per ordinary share on the terms and subject to the conditions of the placing agreement dated 9 January 2007 entered into between the Company and Charles Stanley Securities, a copy of which has been produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification only (the “**Placing Agreement**”), be and is hereby approved and the Directors (or a duly authorised committee thereof) be and are hereby authorised to take all such steps as may be necessary, expedient or appropriate in relation thereto and to carry the same into effect with such modifications, variations, revisions, waivers or amendments (providing such modifications, variations, revisions, waivers or amendments are not in the opinion of the Directors, or any such committee, of a material nature) to such Placing Agreement or any documents relating thereto as they shall deem necessary, expedient or appropriate.

**BY ORDER OF THE BOARD**

*Registered office*  
Southampton International Park  
Southampton  
SO18 2RX

E Paul  
*Secretary*

9 January 2007

*Notes:*

1. Only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 24 January 2007 shall be entitled to attend and vote at this Extraordinary General Meeting in respect of the number of shares registered in their name at that time. If the meeting is adjourned the time which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6.00 p.m. on the day preceding the date fixed for the adjourned meeting. Changes to entries on the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at this Extraordinary General Meeting.
2. Any shareholder who is entitled to attend and vote at this Extraordinary General Meeting is entitled to appoint a proxy to attend and, on a poll, vote on his or her behalf. A proxy need not be a shareholder of the Company. Completion and return of the form of proxy will not preclude a shareholder from voting in person at this Extraordinary General Meeting.
3. A form of proxy is enclosed which to be effective must be deposited at the offices of Capita IRG Plc, PO Box 25, Beckenham, Kent BR3 4TU by no later than 48 hours before the time of the Extraordinary General Meeting.
4. In the case of joint holders the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder(s) and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.





