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This announcement is not an announcement of a firm intention to make an offer under Rule 2.7 of the City Code on Takeovers and Mergers (the "Code") and there can be no certainty that an offer will be made, nor as to the terms on which any offer will be made.

19 September 2011

FOR IMMEDIATE RELEASE

Alexon Group plc

Commencement of formal sale process for the purposes of the Code and update on other proposals

On 5 September 2011, Alexon Group plc (the "Company" or, together with its subsidiaries, the "Group") announced that it continued to explore a number of options to put in place a more appropriate capital structure and that one of those options included a possible offer for the issued share capital of the Company. The Company also announced that it was in discussions with more than one party.

Whilst the Company continues to explore a number of options, it has agreed with the Panel that its process to seek potential offerors for the entire issued and to be issued share capital of the Company can be conducted by way of a formal sale process for the purposes of the Code.

Accordingly, the Panel has granted a dispensation from the requirements of Rules 2.4(a), 2.4(b) and 2.6(a) of the Code as they will apply from 19 September 2011 such that any interested party participating in the formal sale process will not be required to be publicly identified as a result of this announcement and will not be subject to the 28 day deadline referred to in Rule 2.6(a), for so long as it is participating in the formal sale process. Interested parties should note Rule 21.2 of the Code as it will apply from 19 September 2011, which will prohibit any form of inducement fee or other offer-related arrangement, and that the Company has not requested any dispensation from this prohibition under Note 2 of Rule 21.2 at this stage.

The Company is conducting the formal sale process in the following manner. Interested parties who have approached the Company have been required to enter into a non-disclosure agreement with the Company on reasonable terms satisfactory to the Board before being permitted to participate in the process. Information on the Company has been made available to all participants who have entered into such non-disclosure agreements by way of access to a dataroom. Indicative proposals to acquire the issued share capital of the Company were requested by Friday 16 September and as at that date one such proposal was received which the Board is currently reviewing before determining the next stage of the sale process. This proposal is at a significant discount to the current share price. Interested parties taken forward to the next stage will be given access to additional information and management before being asked to submit a final proposal as soon as possible.

Interested parties are invited to contact Investec Investment Banking (contact details are set out below). The Board reserves the right to alter any aspect of the sale process as outlined above or to terminate it at any time and in such cases will make an announcement as appropriate.

The Board reserves the right to reject any approach or terminate discussions with any interested party or participant at any time. There can be no certainty that any offer will be made for the Company, or even proposed, or as to the level of any proposal or offer that may be made.

As at 16 September 2011, the Group's net debt was £12.9 million. Whilst the Group is exploring its options to put in place a more appropriate capital structure, the Group is currently operating with limited headroom against its existing facilities and accordingly there is a clear requirement for additional funding in the short term as it enters the seasonal peak in working capital requirements.

In the light of this, the Company has also invited and received indicative proposals to acquire one or more of the Group's brands or provide alternative debt financing from a number of trade and financial parties. These proposals are currently being considered by the Board and the Company's advisers.

The Company is in constructive discussions with its lender, Barclays, who are supportive of the Company's process and timetable to address the capital structure.

Further announcements will be made as appropriate.

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A copy of this announcement will be available at www.alexongroup.co.uk. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

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