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PRESS RELEASE

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Information regarding the cash or share capital reduction payment approved by the AGM

The shareholders of Arundel AG (the "Company") approved, at the Company's Annual General Meeting held on 19 September 2017 (the "AGM"), a reduction in share capital by way of a reduction of the par value of each share from CHF 9.50 to CHF 9.00. The reduction in share capital has now been registered in the Commercial Register of the Canton of Zurich as of 4 December 2017. As a result, shareholders will receive a capital repayment of CHF 0.50 per share of the Company. The repayment is payable in cash or, at the election of the shareholder, in additional existing registered shares of the Company (the "Shares") (sourced from treasury shares). Eligible Shareholders (as defined below) may elect to receive, in respect of all or part of the Shares held by them, additional Shares in satisfaction of their respective repayment entitlement, subject to the following terms and conditions.

Each shareholder will receive one election right (the "Election Right") for each Share held as of close of business on 8 December 2017. The Election Right, which is not tradeable, grants the Eligible Shareholders the right to receive the repayment either in cash or in the form of Shares (or a combination thereof) at a Conversion Ratio and Reference Share Price (both as defined below). The conversion ratio (the "Conversion Ratio") defines how many Election Rights are required in order for Eligible Shareholders to receive one Share pursuant to the repayment. The Conversion Ratio will be calculated by dividing the Reference Share Price by the repayment of CHF 0.50 per Share and rounded to 3 decimal places. The reference share price (the "Reference Share Price") will be 95% of the arithmetic mean of the daily volume weighted average prices (as reported by Bloomberg) of the Shares on the SIX Swiss Exchange during the 10 consecutive trading days starting on 19 December 2017 and ending on 5 January 2018 (such arithmetic mean the "Reference Share Price") (rounded to 2 decimal places). Fractional Share entitlements shall be ignored. Eligible Shareholders will receive the repayment in cash unless they elect, in accordance with the instructions set out below, to receive the repayment in additional Shares.

The Board of Directors has determined the terms and details for the repayment as follows:

Timetable

Last cum-repayment trading day:	Friday, 8 December 2017
First ex-repayment trading day:	Monday, 11 December 2017
Record date:	Tuesday, 12 December 2017 (close of business)
Election period:	Tuesday, 12 December 2017 – Friday, 5 January 2018 (12.00 CET)
Reference Share Price determination period:	Tuesday, 19 December 2017 – Friday, 5 January 2018
Publication of Reference Share Price and Conversion Ratio:	Friday, 5 January 2018 (after close of trading)
Publication of election result:	Monday, 8 January 2018 (after close of trading)
Payment/delivery date:	Wednesday, 10 January 2018

Election process, Eligible Shareholders

Shareholders who hold their Shares through brokers or custodian banks (whether or not registered as a shareholder with voting rights in the Company's share register) will be informed of the procedure for the election by their custodian bank or broker and must act in accordance with such instructions.

The option of electing to receive the repayment in Shares is only available (and this document, to the extent it relates to that option, is only addressed) to such shareholders (the "Eligible Shareholders") who are resident and located (i) in Switzerland, or (ii) in any other jurisdiction where it is lawful for the share election option to be made available to and exercised by such shareholders, and for this document to be distributed, and in which no consents, licences, approvals, authorizations or registrations of or with government, judicial or public bodies or authorities, no publication of a prospectus (or any other document), and no other action by the Company whatsoever, are required in connection therewith. Each shareholder is responsible itself to determine (in consultation with its own legal advisors where necessary) whether it is an Eligible Shareholder. Any shareholder making an election to receive the repayment in Shares will be taken thereby to represent to the Company that it is an Eligible Shareholder.

An Eligible Shareholder may elect to receive the repayment in Shares in respect of all Shares that it holds, or for any portion thereof (provided that fractional entitlements to Shares will be ignored). All Shares as to which no valid election has been received by the end of the election period will receive the repayment in cash. Once an election is made, it is irrevocable.

Description of Shares and rationale for cash-or-share repayment

The Shares to be delivered to Eligible Shareholders who elect to receive all or part of their repayment in Shares, are existing registered shares of the Company with a nominal value of CHF 9.00 each, currently held in treasury by companies of the Arundel group. They rank *pari passu* in all respects with all other existing registered shares of the Company.

- *Voting rights*: each Share entitles its holder to one vote at the Company's general meeting of shareholders, provided that the holder is registered in the Company's share register at the relevant record date as a shareholder with the right to vote. Registration in the Company's share register is subject to the rules stated in the Company's articles of association, and the Company does not give any assurance to shareholders electing to receive Shares that they will be registered as shareholders with the right to vote in respect of such Shares;
- *Entitlement to dividends/capital repayments*: each Share entitles its holder to dividends/capital repayments pursuant to the resolutions of the general meeting of shareholders relating to the allocation of profits/capital repayment, when passed. The Shares will not be entitled to the capital repayment made by the Company in January 2018, i.e. they will be delivered ex-capital repayment;
- *Liquidation proceeds in the event of the Company's liquidation*: any surplus arising out of a liquidation (after settlement of all claims of all creditors) is distributed to all shareholders in proportion to the paid-up nominal amounts of their Shares;
- *pre-emptive rights in the event of a share issue (Bezugsrechte) or in the event of the issuance of equity-linked securities (Vorwegzeichnungsrechte)*: Shareholders have pre-emptive rights in proportion to their Shares held in case of the issuance of new shares or in case of the issuance of bonds to which options or conversion rights to be sourced from conditional capital are linked. Swiss law provides that such rights may be limited or suspended in certain circumstances by the articles of association or by resolution adopted by a general meeting of shareholders with a qualified majority.

In case that all shareholders (other than the Company in respect of own Shares held in treasury) were Eligible Shareholders and elected to receive the repayment in Shares in respect of all Shares that they hold (and disregarding the effect of the rule that fractional entitlements will be disregarded) and assuming a Reference Share Price of CHF 7.00, a maximum of 1,061,957 Shares would be deliverable to shareholders in respect of the repayment.

The Shares to be delivered are in uncertificated form (*Wertrechte*, within the meaning of the Swiss Code of Obligations) and will be delivered as intermediated securities (*Bucheffekten*, within the meaning of the Swiss Federal Intermediated Securities Act) in the SIS settlement system. They are listed and admitted to trading on the SIX Swiss Exchange. Following registration in the share register, a shareholder may request the Company to issue a written statement in respect of its registered shares at any time; however, the shareholder has no entitlement to the printing and delivery of share certificates.

Shareholders should not elect to receive Shares if it would take their shareholding above 10 per cent of the issued Shares of the Company without notifying the Company in advance as the approval of the UK Financial Conduct Authority ("FCA") will be required. The Vice Chairman of the Company's Board of Directors, Dr. Srinivas, and his wife have elected to receive Shares but these Shares will not be issued to them until FCA approval has been obtained, if required.

As a result of the development of the Company's activities during 2017 and in expectation of continued developments in 2018, the Board of Directors wanted the Company to continue to make annual distributions to shareholders. At the same time, the Board of Directors wanted the Company to conserve its cash resources to the greatest extent possible, to fund further investment in its businesses and meet its ongoing working capital requirements. As a result, the Company inquired with a number of its principal shareholders whether they would be prepared to elect to receive all or part of their capital repayment in Shares. Many of the Company's principal shareholders were very supportive of this proposal and as at the date hereof, shareholders holding an aggregate number of 10,447,101 Shares of the Company (69.1% of the Company's share capital) have indicated that they will elect to receive all of their repayment in Shares.

In view of this support from principal shareholders, the cash-or-share repayment has the benefit that the amount of repayment that the Company needs to pay out in cash is significantly reduced.

DISCLAIMERS

The distribution of this document and the payment of the cash-or-share capital repayment in the form of Shares may be restricted by law in certain jurisdictions outside Switzerland. Persons into whose possession this document may come are required by the Company to inform themselves about and to observe such restrictions.

No action has been or will be taken by the Company, in any jurisdiction outside Switzerland where such action would be required, to permit a distribution of Shares or possession or distribution of this document.

This document has been prepared in connection with the Company's cash-or-share capital repayment approved by its AGM. It is not an offer to sell or a solicitation of offers to purchase or subscribe for Shares of the Company nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with any contract therefor. This document does not constitute a listing prospectus as defined in the listing rules of SIX Swiss Exchange or a prospectus under any other applicable laws. This document does not constitute a recommendation with respect to an election for purposes of the cash-or-share capital repayment or the Shares of the Company.

Copies of this document, any amendments thereto, the Company's articles of association, the Company's Annual Report and Accounts for the financial year ended 31 March 2017, and the invitation to the AGM can be ordered free of charge from the Company (see telephone number stated

below). Some of these documents and further information on the Company are also available on the Company's website (www.arundel-ag.com) ("News" section).

Arundel AG

Dr Volkert Klaucke (Chairman)

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