

PROFORMA SCHEDULE 1 PRE-ADMISSION ANNOUNCEMENT TO BE ISSUED PURSUANT TO RULE 2 OF THE AIM RULES FOR COMPANIES

Instructions and Information

Content and timing

- For full information on what information should be disclosed and what particular terms mean, please see Schedule One to the AIM Rules for Companies. In particular, underlined terms are more fully explained in those rules.
- Announcements can be submitted for release with limited information missing (e.g. number of securities to be admitted), where such information is unknown at the time, but please note right of the Exchange under rule 2 to restart the 10 day period in the case of changes it considers material and the right under rule 9 to delay admission. Such matters should be brought to the attention of AIM Regulation without delay. Where appropriate information is to follow, please state 'TBC' in the relevant reply box.
- Pursuant to rule 2 of the AIM Rules for Companies, announcements need to be released with 10 clear business days between the date of our receipt of the announcement and the date of admission. For quoted applicants, that period increases to 20 business days. Bank holidays do not count as business days. If AIM Regulation receives an announcement prior to 8am on a working day and is able to release the announcement prior to 10am, it may at its discretion count that as the first clear business day.

Format

- The **white boxes** below each heading should be completed as fully as possible. The grey boxes should not be amended or deleted in any way.
- The form should not contain any revision marking, tabs or bullets as this cannot be recognised on RNS.
- Bold should only be used where it is an Update announcement and in relation to information that has changed since the last version that was released.

Release

- In order to release the form, please email a Word version to aimregulation@londonstockexchange.com. AIM Regulation will confirm to you by email when the announcement has been released.
- If details in relation to expected market capitalisation, capital raised on admission and shares not in public hands are not included on the form please include them in your covering email (for our internal information only),
- In the case of queries please contact AIM Regulation on +44 (0) 20 7797 4154.

ANNOUNCEMENT TO BE MADE BY THE AIM APPLICANT PRIOR TO ADMISSION IN ACCORDANCE WITH RULE 2 OF THE AIM RULES FOR COMPANIES (“AIM RULES”)
COMPANY NAME:
CPPGroup Plc (also referred to in this document as “CPP” or “Group”).
COMPANY REGISTERED OFFICE ADDRESS AND IF DIFFERENT, COMPANY TRADING ADDRESS (INCLUDING POSTCODES) :
Holgate Park Holgate Road York YO26 4GA
COUNTRY OF INCORPORATION:
England and Wales
COMPANY WEBSITE ADDRESS CONTAINING ALL INFORMATION REQUIRED BY AIM RULE 26:
www.cppgroupplc.com
COMPANY BUSINESS (INCLUDING <u>MAIN COUNTRY OF OPERATION</u>) OR, IN THE CASE OF AN <u>INVESTING COMPANY</u>, DETAILS OF ITS <u>INVESTING POLICY</u>). IF THE <u>ADMISSION IS SOUGHT AS A RESULT OF A REVERSE TAKE-OVER UNDER RULE 14</u>, THIS SHOULD BE STATED:
<p>CPP is an international assistance business operating in the UK and overseas within the financial services, telecommunications and travel sectors. CPP primarily operates a business-to-business-to-consumer (B2B2C) business model providing services and retail, wholesale and packaged products to customers through Business Partners and direct to consumer. The Group’s core assistance and travel service products are designed to make everyday life easier to manage.</p> <p>CPP’s main country of operation is in the United Kingdom.</p>
<u>DETAILS OF SECURITIES TO BE ADMITTED INCLUDING ANY <u>RESTRICTIONS AS TO TRANSFER OF THE SECURITIES</u> (i.e. where known, number and type of shares, nominal value and issue price to which it seeks admission and the number and type to be held as treasury shares):</u>
<p>Number of shares to be admitted: 838,316,608 Type and nominal value of shares: Ordinary shares of 1 pence each Included in the above number of shares are 666,666,667 placing shares with an issue price of 3 pence Shares to be held in treasury: None</p>
CAPITAL TO BE RAISED ON ADMISSION (IF APPLICABLE) AND ANTICIPATED MARKET CAPITALISATION ON ADMISSION:
<p>New capital to be raised on admission to AIM: £20.0 million Anticipated market capitalisation on admission to AIM: c.£37m</p>
<u>PERCENTAGE OF AIM SECURITIES <u>NOT IN PUBLIC HANDS AT ADMISSION</u>:</u>
83%
<u>DETAILS OF ANY OTHER EXCHANGE OR TRADING PLATFORM TO WHICH THE AIM COMPANY HAS APPLIED OR AGREED TO HAVE ANY OF ITS SECURITIES (INCLUDING ITS AIM SECURITIES) ADMITTED OR TRADED:</u>
N/A

FULL NAMES AND FUNCTIONS OF DIRECTORS AND PROPOSED DIRECTORS (underlining the first name by which each is known or including any other name by which each is known):

Eric Edward Anstee (Non-Executive Chairman)
Brent Escott (Chief Executive Officer)
Craig Parsons (Chief Financial Officer)
Ruth Elizabeth Evans (Non-Executive Director)
Shaun Kingsley Astley-Stone (Non-Executive Director)

FULL NAMES AND HOLDINGS OF SIGNIFICANT SHAREHOLDERS EXPRESSED AS A PERCENTAGE OF THE ISSUED SHARE CAPITAL, BEFORE AND AFTER ADMISSION (underlining the first name by which each is known or including any other name by which each is known):

	Before Admission Shares Held		Following Admission Shares Held	
	#	%	#	%
Mr Hamish Ogston	96,331,789	56.1%	360,476,141	43.0%
Schroder Investment Management Ltd	22,310,544	13.0%	83,747,829	9.99%
Phoenix Asset Management Partners Ltd	-	0.0%	335,326,643	40.0%
Mr Tariq Rashid	5,500,000	3.2%	5,500,000	<3.0%

NAMES OF ALL PERSONS TO BE DISCLOSED IN ACCORDANCE WITH SCHEDULE 2, PARAGRAPH (H) OF THE AIM RULES:

None.

(i) ANTICIPATED ACCOUNTING REFERENCE DATE
(ii) DATE TO WHICH THE MAIN FINANCIAL INFORMATION IN THE ADMISSION DOCUMENT HAS BEEN PREPARED (this may be represented by unaudited interim financial information)
(iii) DATES BY WHICH IT MUST PUBLISH ITS FIRST THREE REPORTS PURSUANT TO AIM RULES 18 AND 19:

(i) 31 December
(ii) No admission document. Latest published financial information: a) Half Year Report for the six months to 30 June 2014 (incorporating the unaudited, but independently reviewed, condensed consolidated interim financial statements for the same period), announced on 29 August 2014. b) Audited Annual Report and Accounts for the year ended 31 December 2013 (incorporating the group and company financial statements for the same period), announced on 23 April 2014.
(iii) 30 June 2015 (Annual Report and Accounts for the year ended 31 December 2014), 30 September 2015 (Half Year Report for the six months to 30 June 2015), 30 June 2016 (Annual Report and Accounts for the year ended 31 December 2015).

EXPECTED ADMISSION DATE:

11 February 2015.

NAME AND ADDRESS OF NOMINATED ADVISER:

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London
EC4M 7LT

NAME AND ADDRESS OF BROKER:

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London
EC4M 7LT

OTHER THAN IN THE CASE OF A QUOTED APPLICANT, DETAILS OF WHERE (POSTAL OR INTERNET ADDRESS) THE ADMISSION DOCUMENT WILL BE AVAILABLE FROM, WITH A STATEMENT THAT THIS WILL CONTAIN FULL DETAILS ABOUT THE APPLICANT AND THE ADMISSION OF ITS SECURITIES:

Not applicable – quoted applicant.

DATE OF NOTIFICATION:

14 January 2015.

NEW/ UPDATE:

New.

QUOTED APPLICANTS MUST ALSO COMPLETE THE FOLLOWING:

THE NAME OF THE AIM DESIGNATED MARKET UPON WHICH THE APPLICANT'S SECURITIES HAVE BEEN TRADED:

Premium segment of the FCA's Official List / Main Market of the London Stock Exchange.

THE DATE FROM WHICH THE APPLICANT'S SECURITIES HAVE BEEN SO TRADED:

Admission and commencement of unconditional dealings from 24 March 2010.

CONFIRMATION THAT, FOLLOWING DUE AND CAREFUL ENQUIRY, THE APPLICANT HAS ADHERED TO ANY LEGAL AND REGULATORY REQUIREMENTS INVOLVED IN HAVING ITS SECURITIES TRADED UPON SUCH A MARKET OR DETAILS OF WHERE THERE HAS BEEN ANY BREACH:

Save as set out below, the Company has adhered to the legal and regulatory requirements applicable to companies admitted to the Official List (premium segment) and the regulated market of the London Stock Exchange plc.

On 10 October 2012, the Company entered into retention arrangements with certain members of management of the Group's North American business (including two directors of one of the Company's North American subsidiaries) prior to its proposed disposal, whereby in return for a retention payment such members of management agreed to sign up to notice periods and appropriate restrictive covenants. These arrangements constituted a related party transaction with the relevant directors under Listing Rule 11.

The Company entered into these arrangements having taken independent financial advice which concluded that incentivising the key senior managers at CPP North America in relation to the sale was necessary to the Company in terms of maximising the involvement and engagement of these key senior managers in the sale process, which in turn should maximise the sale proceeds to the Company and therefore be in the best interests of all of the Company's shareholders. However, the Company did not comply with the requirements of Listing Rule 11.1.10R (as it applied at the time) in connection with the entry into these arrangements and although it had obtained independent financial advice, it did not consult a sponsor in connection with the retention arrangements.

The Company notified the UK Listing Authority promptly on becoming aware of these possible breaches and subsequently entered into further agreements on 15 April 2013 amending the relevant arrangements and complied in full with LR 11.1.10R in relation to this amendment to the relevant related party transactions. Full details of the related party transactions, as so amended, were disclosed in the Company's annual report and accounts for the year ended 31 December 2013. On 21 May 2014 the Financial Conduct Authority issued a private warning to the Company in respect its apparent failure to comply with Listing Rule 8.2.3R prior to entering into the relevant retention arrangements. This private warning does not constitute a determination by the FCA that the Company breached the Financial Conduct Authority's rules (including the Listing Rules) and no further action has been taken by the Financial Conduct Authority.

While not a breach in relation to the Company's legal and regulatory requirements involved in having its securities traded, shareholders and investors are also referred to the detail on the fine levied by the FCA on Card Protection Plan Ltd in November 2012. This detail is set out in the section on significant change below and has been publicly disclosed by the Company since November 2012.

AN ADDRESS OR WEB-SITE ADDRESS WHERE ANY DOCUMENTS OR ANNOUNCEMENTS WHICH THE APPLICANT HAS MADE PUBLIC OVER THE LAST TWO YEARS (IN CONSEQUENCE OF HAVING ITS SECURITIES SO TRADED) ARE AVAILABLE:

<http://www.cppgroupplc.com/investor-relations/regulatory-announcements/>

DETAILS OF THE APPLICANT'S STRATEGY FOLLOWING ADMISSION INCLUDING, IN THE CASE OF AN INVESTING COMPANY, DETAILS OF ITS INVESTING STRATEGY:

Following admission to AIM, the Group will continue its journey to stabilise the business and build the platform to support its future, through the following measures:

- a) continued management action to reduce the Group's cost base including completing the exit of Hong Kong and Brazil and closure of two of the Group's three office sites in the UK in keeping with the reduced scale of the business;
- b) improving the operational environment including the implementation of a new cost-effective IT system which is expected to increase operational efficiency and meet the needs of customers more effectively, supporting the Group's operational environment and governance and, in turn, assisting in the Group's efforts to secure the FCA's agreement to remove the restrictions under the VVOPs in early 2016;
- c) continuing the process of further strengthening the Group's governance, risk and compliance framework alongside improving business processes across the Group; and
- d) identifying new growth opportunities to leverage existing relationships and capability.

A DESCRIPTION OF ANY SIGNIFICANT CHANGE IN FINANCIAL OR TRADING POSITION OF THE APPLICANT, WHICH HAS OCCURRED SINCE THE END OF THE LAST FINANCIAL PERIOD FOR WHICH AUDITED STATEMENTS HAVE BEEN PUBLISHED:

The Group's performance during the period since 31 December 2013 to the date of publication of this document (based on the most recent management accounts available) reflects the following:

Group revenue from continuing operations has declined approximately 38 per cent. on a constant currency basis compared to the same period in 2013, principally due to reduced Card Protection and Identity Protection renewals and the impact of Business Partner contract losses in the UK.

The Annual Renewal Rate as at 30 November 2014 has increased in the period to 70.8 per cent. As noted in the Group's announcements during 2014, cancellations through the Scheme are not included in the reported renewal rate. If Scheme cancellations were included, the annual renewal rate would be 4.9 percentage points lower at approximately 65.9 per cent. This impact will increase as further Scheme cancellations that were live policies before the Scheme commenced reach their scheduled renewal date. Live policies as at 30 November 2014 totalled 5.2 million, 2.0 million lower than reported at 31 December 2013, mainly reflecting declining retail Card Protection and Identity Protection policies in the UK, which include the impact of policies cancelled through the Scheme and a reduction in Packaged and Wholesale policies in the UK following historical Business Partner contract losses.

As announced on 5 December 2014, the provision for customer redress and associated costs in the Group's consolidated financial statements has been increased by £3.0 million, reflecting the latest estimate with respect to residual customer redress activity. This is expected to be funded from existing VVOP-restricted capital held within the Group's regulated entities in the UK and relates to certain redress obligations specific to Card Protection Plan Ltd or Homecare Insurance Ltd (which these entities may meet out of their own capital without seeking the consent of either the PRA or the FCA). The total cost provided for customer redress and associated costs at the date of this document is £72.8 million, of which £14.9 million remains available, representing £6.4 million in remaining customer redress and associated costs and £8.5 million in respect of the outstanding regulatory fine levied by the FCA on Card Protection Plan Ltd in November 2012 (the remaining instalments are expected to fall due to be paid in 2016).

The Group's net funds position (based on the most recent management accounts available) is £7.7 million. This position represents a decrease of £36.6 million from the year end position at 31 December 2013, principally as a result of the continued settlement of the customer redress provision. There is currently limited free cash at Group level and this is expected to remain the case until receipt of the proceeds of the Placing on Admission.

Save as disclosed above and announced throughout 2014, there has been no significant change in the financial or trading position of the Group since 31 December 2013 the date to which the last audited results of the Company were prepared.

A STATEMENT THAT THE DIRECTORS OF THE APPLICANT HAVE NO REASON TO BELIEVE THAT THE WORKING CAPITAL AVAILABLE TO IT OR ITS GROUP WILL BE INSUFFICIENT FOR AT LEAST TWELVE MONTHS FROM THE DATE OF ITS ADMISSION:

The Directors of CPPGroup Plc have no reason to believe that the working capital available to it and its Group will be insufficient for at least twelve months from the date of its admission.

DETAILS OF ANY LOCK-IN ARRANGEMENTS PURSUANT TO RULE 7 OF THE AIM RULES:

N/A

A BRIEF DESCRIPTION OF THE ARRANGEMENTS FOR SETTLING THE

APPLICANT'S SECURITIES:

Settlement will be through the CREST system for uncertificated shares. Shareholders can also deal based on share certificates.

A WEBSITE ADDRESS DETAILING THE RIGHTS ATTACHING TO THE APPLICANT'S SECURITIES:

<http://www.cppgroupplc.com/media/35390/cppgroup-plc-articles-of-plc.pdf>

INFORMATION EQUIVALENT TO THAT REQUIRED FOR AN ADMISSION DOCUMENT WHICH IS NOT CURRENTLY PUBLIC:

Please see the Appendix to this Schedule 1 announcement which is available on the Company's website at: www.cppgroupplc.com

A WEBSITE ADDRESS OF A PAGE CONTAINING THE APPLICANT'S LATEST ANNUAL REPORT AND ACCOUNTS WHICH MUST HAVE A FINANCIAL YEAR END NOT MORE THEN NINE MONTHS PRIOR TO ADMISSION AND INTERIM RESULTS WHERE APPLICABLE. THE ACCOUNTS MUST BE PREPARED IN ACCORDANCE WITH ACCOUNTING STANDARDS PERMISSIBLE UNDER AIM RULE 19:

www.cppgroupplc.com/investor-relations/key-financial-data/announcements-statements/

THE NUMBER OF EACH CLASS OF SECURITIES HELD IN TREASURY:

None.