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23 March 2017

**Franchise Brands plc  
("Franchise Brands", "the Group", or "the Company")**

**Results of proposed placing to raise £20 million**

Further to the announcement made earlier today, the Board of Franchise Brands is pleased to announce the completion of a placing of 29,850,747 new ordinary shares of 0.5p each in the Company (the "**Placing Shares**") at a price of 67 pence per Placing Share (the "**Placing Price**") to raise a total of £20,000,000 (before expenses) (the "**Placing**").

The proceeds of the Placing will be applied towards paying part of the consideration for the acquisition of Metro Rod Limited, as announced earlier today (the "**Acquisition**").

The Placing is conditional, inter alia, on the approval of shareholders at a general meeting of the Company to be held on 10 April 2017 (the "**General Meeting**") of resolutions to provide authority to the Directors to issue and allot the Placing Shares and to approve the Acquisition for the purposes of rule 14 of the AIM Rules for Companies. The Placing is also conditional on admission of the Placing Shares (and the re-admission of the Existing Ordinary Shares) to trading on AIM ("**Admission**"). Application will be made for the Placing Shares to be admitted (and the Existing Ordinary Shares to be re-admitted) to trading on AIM and it is expected that Admission will take place on 11 April 2017.

The Placing Shares will represent, in aggregate, approximately 38.4 per cent. of the Company's issued ordinary share capital as enlarged by the issue of the Placing Shares.

The Placing Shares will rank pari passu in all respects with the Existing Ordinary Shares, including the right to receive dividends and other distributions declared, made or paid in respect of the Ordinary Shares. For the avoidance of doubt, the Placing Shares will not be eligible to receive the dividend announced in the Group's annual report and accounts for the year to 31 December 2016.

Further details regarding the background to the Acquisition and the Placing can be found in the Company's announcement made earlier today. .

**Directors' participation**

All of the Directors are participating in the Placing on identical terms to the Placees. The Directors have agreed to subscribe, in aggregate, for 16,671,459 Placing Shares at the Placing Price as follows:

	<i>Current Holding</i>		<i>At Admission</i>		
	<i>Number of Ordinary Shares held</i>	<i>Percentage of Ordinary Shares in issue</i>	<i>Number of Placing Shares</i>	<i>Number of Ordinary Shares held</i>	<i>Percentage of Ordinary Shares in issue</i>
<i>Director</i>					
Stephen Hemsley	13,000,431	27.15	7,462,686	20,463,117	26.33

Nigel Wray	14,080,434	29.41	7,462,686	21,543,120	27.71
David Poutney	606,060	1.27	1,417,910	2,023,970	2.60
Julia Choudhury	1,010,229	2.11	194,029	1,204,258	1.55
Tim Harris	999,762	2.09	59,222	1,059,284	1.36
Robin Auld	908,882	1.90	37,313	946,195	1.22
Rob Bellhouse	45,455	0.09	37,313	82,768	0.11
<b>Total</b>	<b>30,651,253</b>	<b>64.02</b>	<b>16,671,459</b>	<b>47,322,712</b>	<b>60.88</b>

The Directors are treated as related parties of the Company under the AIM Rules. The Directors' participation in the Placing is therefore treated as a related party transaction pursuant to rule 13 of the AIM Rules. Accordingly, the Company's nominated adviser, Allenby Capital, considers that the terms of the Directors' participation in the Placing are fair and reasonable insofar as Shareholders are concerned.

### **Total Voting Rights**

The Placing is conditional, among other things, upon Admission becoming effective. Following Admission, the Company's issued ordinary share capital will consist of 77,732,033 Ordinary Shares, with one voting right each. The Company does not hold any Ordinary Shares in treasury. Therefore, the total number of Ordinary Shares and voting rights in the Company will be 77,732,033. With effect from Admission, this figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

*Unless otherwise defined, the defined terms used in this Announcement shall have the same meaning (unless the context otherwise requires) as ascribed to them in the "Definitions" and "Technical Glossary" section in the Admission Document published by the Company earlier today.*

**\*\*ENDS\*\***

### **Enquiries:**

#### **Franchise Brands plc**

+ 44 (0) 800 012 6462

Stephen Hemsley, Executive Chairman

Julia Choudhury, Corporate Development Director

#### **MHP Communications (Financial PR)**

+44 (0) 20 3128 8100  
franchisebrands@mhpc.com

Katie Hunt / Hannah Winter

#### **Allenby Capital Limited (Nominated Adviser and Joint Broker)**

+44 (0) 20 3328 5656

Jeremy Porter/ James Thomas / Liz Kirchner

**Dowgate Capital Stockbrokers**

+44 (0)1293 517744

**(Joint Broker)**

James Serjeant / Neil Badger

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