

ARGO Group Limited

Waiver of obligation to make a general offer

RNS Number : 8624L

ARGO Group Limited

05 August 2011

Argo Group Limited ('AGL')

Waiver of obligation to make a general offer under Rule 9 of the City Code

Argo Real Estate Opportunities Fund Limited ('AREOF'), a closed-ended investment company, has today announced the acquisition of Huincas Properties Limited and Omelit Limited ("the Cypriot Companies") from Argo Capital Management (Cyprus) Limited ('ACMCL') (a wholly-owned subsidiary of AGL) as agent for certain funds managed by ACMCL (the "Funds"). In consideration for the transfer of the Cypriot Companies, AREOF will issue 298,041,718 shares to the Funds. As a consequence, the shareholding of the Funds in AREOF will increase from 142,444,891 shares, or 46.0 per cent of AREOF's share capital, to 440,486,609 shares, or 72.4 per cent of AREOF's share capital.

The Panel on Takeovers and Mergers has confirmed the existence of a concert party across the AGL Group and has agreed, subject to the passing of a resolution on a poll by independent shareholders of AREOF, to waive the obligation that would otherwise arise on the concert party to make a general offer to shareholders pursuant to Rule 9 of the City Code as a result of the issue of the 298,041,718 shares to the Funds.

Furthermore, subject to approval by AREOF shareholders, the Investment Policy of AREOF will be amended in order to extend the life of AREOF by 5 years from the current termination date of 31 July 2013 to 31 July 2018 and the Performance Fee Hurdle of the Investment Manager of AREOF, Argo Capital Management Property Limited (a wholly-owned subsidiary of AGL), will be rebased to a Net Asset Value Per Share of €0.15. As a consequence of the extension of the life of AREOF to 31 July 2018, the Investment Management agreement between Argo Capital Management Property Limited and AREOF will also be extended to run until that date.

Enquiries

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