

**THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended (FSMA), if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or otherwise transfer, or have sold or otherwise transferred, all your Ordinary Shares in Consort, please forward this document, but not the accompanying personalised Form of Proxy, as soon as possible to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or the transferee. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part II of this document and which contains a recommendation from the Board that you vote in favour of the Disposal Resolution to be proposed at the General Meeting referred to below. Your attention is also drawn to the risk factors which are set out in Part III of this document.

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## **Consort Medical plc**

(Incorporated under the laws of England and Wales with registered number 406711)

### **Proposed Disposal of King Systems**

#### **Circular to Shareholders**

**and**

#### **Notice of General Meeting**

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Notice of a General Meeting of the Company, to be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD at 10 a.m. on 15 February 2013, is set out at the end of this document. Whether or not you intend to be present at the General Meeting, you are asked to complete and return the Form of Proxy in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received by Capita Registrars at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 10 a.m. on 13 February 2013 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Shareholders wishing to appoint a proxy online should visit [www.capitashareportal.com](http://www.capitashareportal.com) and follow the instructions.

A summary of the actions to be taken by Shareholders is set out on page 8 of this document and in the Notice of General Meeting set out at the end of this document.



This document is a circular relating to the Proposed Disposal which has been prepared in accordance with the Listing Rules of the Financial Services Authority (FSA) made under section 73A of FSMA. This document has been approved by the FSA.

Evercore Partners International LLP (**Evercore**), which is authorised and regulated in the United Kingdom by the FSA, is acting exclusively for the Company as sponsor and financial adviser and for no one else in connection with the Proposed Disposal, the content of this document and other matters described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Evercore, nor for providing advice to any other person in relation to the Proposed Disposal, the content of this document or any other matters described in this document.

Save for the responsibilities and liabilities, if any, of Evercore under FSMA or the regulatory regime established thereunder, Evercore assumes no responsibility whatsoever and makes no representations or warranties, express or implied, in relation to the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by the Company, or on the Company's behalf, or by Evercore or on Evercore's behalf and nothing contained in this document is, or shall be, relied on as a promise or representation in this respect, whether as to the past or the future, in connection with the Company or the Proposed Disposal. Evercore disclaims to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this document or any such statement.

#### **FORWARD-LOOKING STATEMENTS**

The statements contained in this document that are not historical facts are "forward-looking" statements. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates", "plans", "assumes" or "anticipates" or the negative of such words or other variations on them or comparable terminology, or by discussions of strategy that involve risks and uncertainties. In addition, from time to time, the Company or its representatives have made or may make forward-looking statements orally or in writing. Such forward-looking statements may be included in, but are not limited to, press releases or oral statements made by or with the approval of one of the Company's authorised executive officers. These forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing the Company and its subsidiaries. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Important risk factors which may cause actual results to differ include, but are not limited to, those described in Part III of this document. The forward-looking statements contained in this document speak only as at the date of this document. Except to the extent required by applicable law, the Listing Rules or the Disclosure and Transparency Rules, the Company will not necessarily update any of them in light of new information or future events and undertakes no duty to do so. Shareholders should note that this paragraph is not intended to qualify the statements as to working capital set out in Part VI of this document.

#### **DEFINITIONS AND GLOSSARY**

Capitalised and certain technical terms contained in this document have the meanings set out in Part VII of this document.

#### **DATE**

This document is dated 30 January 2013.

## CORPORATE DETAILS AND ADVISERS

<b>Registered Office</b>	Suite D, Ground Floor Breakspear Park Breakspear Way Hemel Hempstead Hertfordshire HP2 4TZ
<b>Company Secretary</b>	John Slater
<b>Sponsor and Financial Adviser</b>	Evercore Partners International LLP 15 Stanhope Gate London W1K 1LN
<b>Corporate Broker</b>	Jefferies International Limited 68 Upper Thames Street London EC4V 3BJ
<b>Legal Adviser to the Company</b>	Allen & Overy LLP One Bishops Square London E1 6AD
<b>Auditor and Reporting Accountants</b>	PricewaterhouseCoopers LLP Abacus House Castle Park Cambridge CB3 0AN
<b>Registrar</b>	Capita Registrars PXS 34 Beckenham Road Beckenham Kent BR3 4TU

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**PART I**

**EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

Latest time and date for receipt of Form of Proxy and receipt of electronic proxy appointments by registered Shareholders for the General Meeting .....	10 a.m. on 13 February 2013
General Meeting .....	10 a.m. on 15 February 2013
Expected date of Completion .....	15 February 2013

**Notes:**

- (1) This timing is indicative only and is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement through the London Stock Exchange and will be available on [www.consortmedical.com](http://www.consortmedical.com).
- (2) All references to time in this document are, unless the context otherwise requires, to Greenwich Mean Time.

PART II  
LETTER FROM THE CHAIRMAN



**Consort Medical plc**

(Incorporated under the laws of England and Wales with registered number 406711)

**Directors**

Dr Peter Fellner (Chairman)  
Jonathan Glenn (Chief Executive Officer)  
Richard Cotton (Chief Financial Officer)  
Nicolas Higgins (Corporate Development Director)  
Stephen Crummett (Non-Executive Director)  
Dr Lynn Drummond (Non-Executive Director)  
Dr William Jenkins (Non-Executive Director)  
Ian Nicholson (Non-Executive Director)

**Registered office**

Suite D, Ground Floor  
Breakspear Park  
Breakspear Way  
Hemel Hempstead  
Hertfordshire  
HP2 4TZ

30 January 2013

Dear Shareholder

**Proposed Disposal of King Systems**

**1. Introduction**

On 20 December 2012, the Company announced the proposed disposal of its King Systems division (**King**) to Ambu for a maximum consideration of US\$170 million (the **Proposed Disposal**).

The consideration comprises an initial payment of US\$120 million (adjusted to take into account the estimated net debt and estimated working capital of the King Group) and further contingent payments of up to US\$50 million, payable by Ambu over the next three years. This initial payment is payable in cash and is subject to adjustment in respect of the actual working capital and actual net indebtedness of the King Group at Completion. The terms and conditions of the Proposed Disposal are contained in the Sale and Purchase Agreement which is summarised in Part IV of this document.

In accordance with the Listing Rules, due to the size of the Proposed Disposal in relation to the size of the Company, the Proposed Disposal is subject to the approval by Shareholders of the Disposal Resolution at the General Meeting, which is expected to take place on 15 February 2013. The notice of the General Meeting is set out in Part VIII of this document.

I am writing to give you further details of the Proposed Disposal, including the background to and reasons for it, to explain why the Board considers the Proposed Disposal to be in the best interests of Consort and its Shareholders as a whole and to recommend that you vote in favour of the Proposed Disposal.

**2. Background to and reasons for the Proposed Disposal**

Consort has two business divisions: Bepak, a global market leader in the design and manufacture of a range of drug delivery devices for pharmaceutical partner companies; and King, which manufactures and markets airway management products.

Consort's strategy is to focus increasingly on pharmaceutical services and drug delivery opportunities that complement the Bepak division's core competencies and capabilities. The contract with Nicoventures, for an innovative nicotine inhalation product, and the investment in the Point-of-Care diagnostics market through Atlas Genetics, are both recent examples of such strategic growth opportunities.

Consort has made significant progress in recent years to position King for growth, through transformation of its core manufacturing processes (resulting in a forecast reduction in its cost base)

and the development and launch of new products. However, the Board recognises that there has been recent consolidation in the global anaesthesia sector, and that this is likely to continue.

Following interest in King from a number of parties, Consort initiated a sale process which resulted in the announcement of the Proposed Disposal on 20 December 2012. The Board believes that Ambu is well placed over the medium to long term to maximise the potential value of King, as part of Ambu's broader anaesthesia and cardiology offering.

### **3. Information on King**

Founded in 1977, King is a leading US supplier of disposable airway management products, based in Indianapolis, Indiana. The business manufactures and markets a wide range of disposable face masks, breathing circuits and laryngeal tubes used to maintain the patient's airway in critical care settings, such as during general anaesthesia or in intensive care units. King receives approximately 87 per cent. of its revenue from the US market, where it sells through a sales force of approximately 40 persons calling on anaesthetists, hospitals and hospital purchasing networks. It also has distributors in Canada, Mexico, South America, Europe and the Asia Pacific region.

King has entered the final year of a transformation programme to increase margins through the automation and improvement of its core manufacturing processes. In October 2010, King launched the King Vision Video Laryngoscope and, in June 2011, sold the first commercial King Vision product.

As at 31 October 2012, the King Group had gross assets of £85.9 million and, for the year ended 30 April 2012, generated a loss before tax and after special items of £0.8 million.

Further financial information on the King Group is set out in Part V of this document.

Bespak LLC, a company which was previously a subsidiary of the Target, was transferred to Bespak Holdings, a member of the Continuing Group, on 17 December 2012. H&M Rubber Company, Inc. (**H&M Rubber**) will be transferred to Bespak Holdings pursuant to the H&M Restructuring before Completion. H&M Rubber operated as a manufacturing subsidiary of King Systems Corporation and has ceased trading.

### **4. Principal terms and conditions of the Proposed Disposal**

Pursuant to and conditional upon the terms of the Sale and Purchase Agreement, Bespak Holdings, a wholly-owned subsidiary of the Company, has agreed to sell the entire issued capital stock of the Target, the holding company of King Systems Corporation, to Ambu. The initial payment for the Proposed Disposal is US\$120 million (adjusted to take into account the estimated net debt and estimated working capital of the King Group), subject to adjustment in respect of the actual working capital and actual net indebtedness of the King Group at Completion.

In addition, Ambu will pay Bespak Holdings contingent payments of up to US\$50 million related to the success in the development and sales progression of the King Vision products. The contingent payments comprise a payment of US\$10 million upon the first commercial sale of the Next Generation Product, expected in the first half of the 2013 calendar year. The remaining contingent payments of up to US\$40 million are based on an earn-out mechanism, US\$20 million of which is dependent upon the King Vision products achieving sales in line with the current business plan, over a three year period.

The Sale and Purchase Agreement contains representations and warranties given to Ambu by Bespak Holdings which are customary for a transaction of this nature.

The Proposed Disposal, which is expected to be completed in the first quarter of the 2013 calendar year, is conditional upon, among other things, the approval of the Disposal Resolution by Shareholders at the General Meeting.

The principal terms of the Sale and Purchase Agreement are described in more detail in Part IV of this document.

### **5. Use of proceeds and financial effects of the Proposed Disposal**

Following Completion, the Continuing Group plans to use the proceeds to pay down all of its existing bank debt (approximately £52 million when converted into pounds sterling at current exchange rates) and to strengthen its balance sheet, which will result in a net cash position. In the near term, it is



intended that this net cash position will be used to finance current capital expenditure commitments, including those connected to the Nicoventures contract announced on 3 December 2012. If the Proposed Disposal does not occur, the Company's existing bank debt facilities would be used to finance current capital expenditure commitments. To maintain flexibility, the Continuing Group will retain its existing bank debt facilities following Completion.

The Proposed Disposal is expected initially to be dilutive to earnings for the Continuing Group. This statement does not constitute a profit forecast and should not be interpreted to mean that the Continuing Group's earnings per share for the 2013 financial year will necessarily match, or be greater or less than, historical published earnings per share.

Following the Proposed Disposal, the Continuing Group will be a focused pharmaceutical services business and will consider organic and inorganic investments to expand into growth opportunities that complement the Bepak division and continue to move its activities up the value chain. These opportunities will be complementary to Consort's strategy of leveraging the Bepak division's world class competencies of design for manufacture and high volume manufacturing of medical devices in regulated markets. All opportunities considered will be subject to Consort's strict financial appraisal criteria.

An unaudited pro forma statement of the net assets of the Continuing Group is set out in Part V of this document. This has been prepared to illustrate the effect of the Proposed Disposal on the net assets of the Existing Consort Group as if it had taken place as at 31 October 2012.

## 6. Current trading and future prospects

On 5 December 2012, the Company released consolidated interim results of the Existing Consort Group for the six months ended 31 October 2012.

The performance of the Company was described in the Chief Executive Officer's statement as follows:

*"Both of Consort's businesses have delivered on trading expectations, at the same time as achieving success on a broad range of our business development programmes. The Nicoventures contract award is a significant achievement, and a number of other important milestones have also been achieved on other programmes in the development portfolio. The continuing strength of our business and development pipeline gives us confidence for the future. We are delivering on our strategy."*

The outlook for the Company was described in the interim results press release as follows:

*"The [Consort] Group's strategy continues to be to grow organically through new product development and to diversify into adjacent market areas where we can leverage our core competencies and adopt higher value business models. In Bepak, higher value business models would include taking a greater piece of the value chain, through drug handling and pharmaceutical packaging. In King Systems we are looking to grow through new product launches with higher value and margin, whilst increasing international expansions. We have made good progress in all these areas across both Bepak and King Systems, and have laid a platform for growth in the medium term. Additionally we seek to augment our organic growth plan with selective investments and acquisitions.*

*Execution on our strategic initiatives continues at both businesses, underpinning a strong portfolio of sustainable growth opportunities:*

*At Bepak, the Nicoventures contract opens up significant potential future growth and represents diversification in both service offering and sector. Bepak's remaining broad portfolio has expanded further, with many significant milestones passed.*

*At King, the King Vision Laryngoscope continues to fulfil our expectations, with an exciting pipeline of further developments, the first of which is scheduled to launch in calendar H1 2013. The transformation programme will complete in mid-2013, delivering productivity and fixed cost improvements.*

*Performance across the [Consort] Group was in line with our expectations during the first half. Our expectations for the full year remain unchanged."*

There has been no change in the Board's assessment of the matters described above since 5 December 2012.

## 7. Risk factors

For a discussion of the risks and uncertainties which you should take into account when considering whether to vote in favour of the Disposal Resolution, please refer to Part III of this document.

## 8. Action to be taken

Please vote on the Disposal Resolution by instructing a proxy to vote at the meeting on your behalf, by post, through CREST or electronically or by attending the General Meeting in person.

*By post:* please complete and return the enclosed postage prepaid Form of Proxy by post or in person (during normal business hours only) so that it is received by Capita Registrars as soon as possible and, in any event, by 10 a.m. (London time) on 13 February 2013.

*CREST:* if you are a corporate or individual member of CREST, please vote through CREST in accordance with the procedures set out in the CREST Manual. Your vote must be received before 10 a.m. (London time) on 13 February 2013.

*Electronically:* please register the appointment of a proxy electronically by logging on to [www.capitashareportal.com](http://www.capitashareportal.com) so that the appointment is received by no later than 10 a.m. (London time) on 13 February 2013. To use this service you will need to log in to your share portal account or register for the share portal if you have not already done so. To register for the share portal you will need your Investor Code (**IVC**) which can be found on your share certificate. Full details of the procedure are given on the website, [www.capitashareportal.com](http://www.capitashareportal.com).

*In person:* please attend (or ensure that your duly appointed proxy attends) the General Meeting at 10 a.m. on 15 February 2013 at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD.

Full details of how to vote or appoint a proxy to vote on your behalf are set out in the Notice of General Meeting on pages 31 to 32 of this document. The completion of your Form of Proxy (or electronic appointment of a proxy, or any CREST proxy instruction) will not preclude you from attending the General Meeting in person. Even if you intend to attend the meeting, please complete and return a Form of Proxy or vote through CREST or electronically. A proxy need not be a member of the Company.

## 9. Importance of the Shareholder vote

As noted in paragraph 1 above, the Disposal Resolution must be passed by the Shareholders in order for the Proposed Disposal to proceed.

## 10. Further information

Your attention is drawn to the further information set out in Part VI (Additional Information) of this document. **Shareholders should read the whole of this document and not just rely on the summarised information set out in this letter.**

## 11. Financial advice

Evercore Partners International LLP is acting as sponsor and financial adviser to Consort in relation to the Proposed Disposal. In providing its financial advice to the Board, Evercore Partners International LLP has relied upon the Board's commercial assessment of the Proposed Disposal.

Jefferies International Limited is acting as corporate broker to Consort.

## 12. Recommendation to Shareholders

**The Board considers that the Proposed Disposal and the Disposal Resolution are in the best interests of Shareholders as a whole. Accordingly, the Board unanimously recommends Shareholders to vote in favour of the Disposal Resolution set out in the Notice of General Meeting, as each Director intends to do in respect of his or her own beneficial holdings. In aggregate, these amounted to 33,015 Ordinary Shares as at 29 January 2013 (the latest practicable date prior to the publication of this document), representing approximately 0.11 per cent. of the entire issued share capital of the Company.**

Yours faithfully,  
for and on behalf of Consort Medical plc

Dr Peter Fellner  
*Chairman*

**PART III**  
**RISK FACTORS**

*All the information set out in this document should be carefully considered and, in particular, those risks described below. If any or a combination of the following risks actually materialise, the business, results of operations, financial condition or prospects of the Continuing Group could be materially and adversely affected to the detriment of the Company, the Continuing Group and the Shareholders and you may lose all or part of your investment. All risks of which the Directors are aware at the date of this document and which they consider material are set out in this Part III; however, further risks and uncertainties which are not presently known to the Directors, or that the Directors currently deem immaterial, may also have a material effect on the Company's and the Continuing Group's business, financial condition, operating results or prospects. In such case, the market price of Ordinary Shares could decline and you may lose all or part of your investment.*

**1. RISKS RELATING TO THE PROPOSED DISPOSAL**

**1.1 *Completion of the Proposed Disposal is conditional and the conditions may not be satisfied***

Completion of the Proposed Disposal is conditional upon the passing of the Disposal Resolution to be proposed at the General Meeting and certain other conditions as set out in more detail in Part IV of this document. There can be no assurance that these conditions will be satisfied (or waived, if applicable). If these conditions are not satisfied or waived, the Proposed Disposal will not take effect.

Any delay in Completion could diminish the anticipated benefits of the Proposed Disposal or result in additional transaction costs or other effects associated with uncertainty about the Proposed Disposal.

If Completion does not occur, any of the risks and uncertainties set out in paragraphs 2.3 and 2.4 of this Part III may affect the Existing Consort Group's business and results.

**1.2 *Warranties and indemnities in the Sale and Purchase Agreement***

The Sale and Purchase Agreement contains certain warranties and indemnities given by Bepak Holdings, as set out in more detail in Part IV of this document. These warranties and indemnities could cause Bepak Holdings and the Company to incur liabilities and obligations to make payments which would not have arisen but for the Proposed Disposal. If such liabilities were incurred, this may have an adverse effect on the Continuing Group's business, financial condition and results of operations.

The aggregate liability of Bepak Holdings and the Company for breaches of warranties under the Sale and Purchase Agreement will not exceed US\$40,000,000 (subject to exceptions for claims under the tax warranties and the Tax Covenant which, together with all other claims under the warranties, are subject to a cap of US\$80,000,000 and claims under the Basic Warranties which are not subject to a cap). Further details of the limitations on the liability of Bepak Holdings and the Company for breaches of these warranties are set out in Part IV of this document.

**1.3 *The payment of Deferred Consideration is not certain***

The total consideration for the Proposed Disposal is comprised of an initial payment of US\$120,000,000 (subject to adjustment at Completion to take into account the estimated net indebtedness and estimated working capital, and further subject to a post-Completion adjustment in respect of actual net indebtedness and working capital) plus up to US\$50,000,000 of Deferred Consideration.

The amount of Deferred Consideration payable by Ambu is directly related to the sales performance of the King Vision products for the three year period ending 30 April 2016. Save for certain provisions of the Sale and Purchase Agreement which govern Ambu's conduct during this period, the Continuing Group will have no influence over the sales performance of the King Vision products. Further, the Continuing Group will not benefit from any security or similar arrangement in relation to any Deferred Consideration that may become payable. Accordingly, there is a risk that Bepak Holdings does not receive some or all of the Deferred Consideration.

In addition, the contingent payments that may become payable under the Sale and Purchase Agreement would be payable in US\$. Therefore, the pound amount that Bepak Holdings could

receive from the contingent payments pursuant to the Sale and Purchase Agreement will be affected by the changes to the value of the pound against the US\$.

## **2. RISKS RELATING TO THE CONTINUING GROUP AS A RESULT OF THE PROPOSED DISPOSAL**

### ***2.1 The Continuing Group's operations will be less diversified***

The Company's business currently comprises two divisions: Bepak and King. The two divisions operate in different markets and the financial performance of the two businesses is impacted by different and unrelated factors. Following Completion, the Continuing Group will be less diversified, resulting in a greater risk of share price volatility and a reduced scope to mitigate existing risks.

### ***2.2 The Continuing Group might be unable to invest retained cash attractively through acquisitions and any acquisitions may not produce the anticipated benefits***

Although Consort maintains a pipeline of potential acquisition targets which complement its businesses, products and technologies, it is possible that Consort's plans for acquiring these businesses using its retained cash may not be successful. Acquisitions may not be possible or desirable if, for example: (a) the potential acquisition can no longer be made as a result of unforeseen circumstances; or (b) the due diligence carried out on the target company highlights matters which would make it unattractive for Consort to proceed with the potential acquisition. If Consort's plans for acquiring some or all of these businesses are not successful, it may have to invest its retained cash in a less attractive way and one which results in smaller investment returns than might otherwise have been the case. In any event, any acquisition may pose regulatory and anti-trust risks, as well as integration risks, which may significantly affect the benefit or anticipated benefit of such acquisitions or investments. Furthermore, any new acquisitions may require significant time and resources of management and may require the diversion of resources from other activities. In addition, any businesses acquired or invested in may not achieve levels of profitability or revenue that justify the original investment made by Consort. The occurrence of any of these risks could have a material adverse effect on the Continuing Group's prospects, business, financial condition or results of operations.

### ***2.3 Potentially disruptive effects on the business of the Consort Group***

If the Proposed Disposal does not proceed, King's management and employees may be affected and key management or employees may choose to leave King. This may have a negative effect on the performance of King under the ownership of the Company. To maintain Shareholder value, the management of the Company would need to continue to allocate time and cost to the ongoing supervision and development of King.

### ***2.4 Inability to realise shareholder value***

The Board believes that the Proposed Disposal is in the best interests of Shareholders taken as a whole and that it currently provides the best opportunity to realise an attractive and certain value for King. If, for whatever reason, the Proposed Disposal does not complete, the value of King to the Company may be lower than the value that would be realised by way of the Proposed Disposal.

## PART IV

### PRINCIPAL TERMS OF THE SALE AND PURCHASE AGREEMENT

#### 1. Introduction

On 19 December 2012, Bepak Holdings, the Company and Ambu entered into the Sale and Purchase Agreement pursuant to which Bepak Holdings agreed to sell to Ambu the entire issued capital stock of the Target (the **Target Shares**). The Sale and Purchase Agreement is governed by English law.

#### 2. Conditions to Completion

2.1 The Proposed Disposal is conditional on:

- (a) the Company obtaining the approval of its Shareholders at the General Meeting;
- (b) the Basic Warranties remaining true up to Completion;
- (c) completion of the H&M Restructuring; and
- (d) there not having been any Material Adverse Effect.

2.2 Ambu is entitled to waive any of the conditions described in (b) to (d) above. The Sale and Purchase Agreement will terminate if any condition is not satisfied or waived on or before 31 March 2013.

2.3 If the Sale and Purchase Agreement is terminated as a result of condition (d) above not being satisfied, Ambu shall pay Bepak Holdings a break fee of US\$2,000,000. Pursuant to an exclusivity agreement entered into between Ambu and the Company before execution of the Sale and Purchase Agreement, the Company has agreed to pay a break fee of US\$2,000,000 to Ambu if: (a) within three months after the date of the Sale and Purchase Agreement the Company enters into an agreement with a third party for the sale of King to that third party (an **Alternative Transaction**); and (b) this Alternative Transaction subsequently completes.

#### 3. Consideration

3.1 **Initial Consideration** – the initial consideration for the sale of the Target Shares is US\$120,000,000 (the **Initial Consideration**) payable at Completion adjusted at that time to take into account estimated net indebtedness and estimated working capital.

3.2 **Intra-Group Debt** – Ambu will pay Bepak Holdings a sum equal to the amount of any outstanding intra-group debt owed to the Existing Consort Group, subject to Bepak Holdings using reasonable endeavours to agree such amendments to the Sale and Purchase Agreement as are necessary to enable Ambu to purchase the creditor rights to any such intra-group debt.

3.3 **Adjustment to Initial Consideration** – the estimated figures for net indebtedness and working capital will be tested as part of a post-Completion adjustment mechanism and, to the extent appropriate, adjustments will be made to the Initial Consideration figure following Completion.

3.4 **Deferred Consideration** – in addition to the Initial Consideration and the adjustments described above, there are the following deferred consideration elements to the Proposed Disposal:

- (a) a “milestone” payment of US\$10,000,000 upon the first commercial sale of the Next Generation Product;
- (b) in the financial years ending 30 April 2014, 30 April 2015 and 30 April 2016, an earn-out payment of up to US\$6,666,666 each year will be payable if sales of the “King Vision” product reach 33 per cent. of the 2014 Sales Target, 2015 Sales Target or 2016 Sales Target (as applicable), such payment to increase pro rata from US\$2,200,000 up to US\$6,666,666 in the event that sales reach 100 per cent. of the relevant Sales Target (the Sale and Purchase Agreement provides for “catch-up” payments being made in respect of any prior year where the maximum earn-out payment is not achieved, subject to the relevant threshold Sales Target being met in that prior year); and
- (c) accumulated deferred consideration of up to US\$20,000,000 which would be paid if actual sales outperform targets by 100 per cent. for the three year period ending 30 April 2016.



3.5 During the earn-out period (i.e. until 30 April 2016), Ambu shall:

- (a) not sell or transfer any material part of the “King Vision” business (except to another member of its group);
- (b) use commercially reasonable efforts to develop, obtain regulatory approvals for and sell King Vision products; and
- (c) provide monthly and annual sales updates to Bepak Holdings.

#### **4. Conduct of business prior to Completion**

The Sale and Purchase Agreement contains customary provisions requiring Bepak Holdings to ensure that, prior to Completion, the King Group carries on its business and activities in the ordinary and usual course. These provisions do not apply: (a) to the extent that Ambu has given its prior written consent to any action; or (b) to actions relating to the H&M Restructuring and the Sales Organisation Restructuring.

#### **5. Post-Completion obligations**

Bepak Holdings has undertaken that it will not, and no member of the Continuing Group will, subject to customary exceptions:

- (a) for a period of three years from Completion carry on any business that sells: (i) any product currently sold or sold at any time within the one year period before Completion, by King; or (ii) any product contemplated to be sold by King, as indicated in its management presentation dated 8 November 2012; or
- (b) for a period of two years from Completion employ or seek to employ any of King’s key staff.

#### **6. Warranties**

Bepak Holdings has given commercial warranties to Ambu of a type normally given in a transaction of this nature. These include warranties relating to Bepak Holdings’ ability to sell the Target Shares, accounting and financial matters, taxation, the assets of the King Group, real property, the material agreements of the King Group, litigation, employees, intellectual property matters, insurance and environmental matters.

Bepak Holdings’ liability under the warranties is, with certain exceptions, subject to the following financial thresholds and limitations:

- (a) de minimis on claims (other than in respect of a breach of Basic Warranties, Special Warranties, tax warranties or claims under the Tax Covenant) of US\$25,000;
- (b) threshold on claims (other than in respect of a breach of Basic Warranties, Special Warranties, tax warranties or claims under the Tax Covenant) of US\$3,500,000;
- (c) threshold on claims in respect of the Special Warranties of US\$2,000,000;
- (d) cap on all claims (excluding claims in respect of a breach of Basic Warranties, tax warranties or claims under the Tax Covenant) of US\$40,000,000;
- (e) cap on all claims (excluding claims in respect of a breach of Basic Warranties) of US\$80,000,000; and
- (f) no cap on claims in respect of the Basic Warranties.

The liability of Bepak Holdings under the warranties expires 18 months after Completion except in respect of the tax warranties set out in the Sale and Purchase Agreement, which expire seven years after the date of the Sale and Purchase Agreement, and the Basic Warranties, which survive indefinitely.

#### **7. Indemnities**

Bepak Holdings has given specific indemnities in relation to all losses which Ambu may suffer arising out of: (a) the business carried on by H&M Rubber prior to Completion or as a result of the

H&M Restructuring; (b) the business carried on by the Target prior to Completion; and (c) the business carried on by Bepak LLC prior to Completion.

**8. Guarantee**

The Company has guaranteed Bepak Holdings' obligations under the Sale and Purchase Agreement.

**9. Assignment by Ambu**

If Ambu assigns the benefit of the Sale and Purchase Agreement to another member of its group, Bepak Holdings and the Company may enforce the agreement against Ambu as if the assignment had never occurred.

**10. Tax Covenant**

The Sale and Purchase Agreement includes a tax covenant (the **Tax Covenant**) under which, in broad terms, Bepak Holdings agrees, subject to certain exceptions to indemnify Ambu against the risk of unexpected tax liabilities arising to a member of the King Group in respect of events occurring, or profits earned, on or before Completion. The Tax Covenant also provides for Bepak Holdings to have the option to assume conduct of tax matters that might give rise to a claim under the Tax Covenant, and provides for Bepak Holdings to prepare, submit and agree certain pre-Completion tax returns of the King Group. The liability of Bepak Holdings under the Tax Covenant is subject to the financial cap described in paragraph 6(e) of this Part IV and the liability of Bepak Holdings to make any payment under the Tax Covenant ceases on the seventh anniversary of Completion.

**PART V**  
**FINANCIAL INFORMATION**  
**SECTION A**

**1. Nature of financial information**

For the six months ended 31 October 2012, the unaudited financial information relating to the King Group has been extracted without material adjustment from the underlying books and records used in preparing the unaudited interim consolidated financial information of the Existing Consort Group for the six months ended 31 October 2012.

For the three years ended 30 April 2012, the financial information relating to the King Group has been extracted without material adjustment from the underlying books and records used in preparing the audited consolidated financial statements of the Existing Consort Group for the three years ended 30 April 2012.

The financial information contained in this Section A of Part V does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The consolidated statutory accounts for the Company in respect of the three financial years ended 30 April 2012 have been delivered to the Registrar of Companies. The auditors' reports in respect of the statutory accounts for each of these three periods were unqualified and did not contain statements under Section 237(2) or (3) of the Companies Act 1985 or, as the case may be, Section 498(2) or (3) of the Companies Act 2006.

The financial information contained in this Section A of Part V has been prepared using the accounting policies of the Company on a basis consistent with the accounting policies adopted in the Company's latest annual accounts. Shareholders should read the whole of this document and not rely solely on the financial information contained in this Part V.

For the purposes of this Section A of Part V, the King Group includes H&M Rubber.

**2. Income statements for the three years ended 30 April 2012 and for the six months ended 31 October 2012**

The profit and loss accounts of the King Group for the three years ended 30 April 2012 and for the six months ended 31 October 2012, on the basis set out above and in the notes below, were as follows:

	Year ended 30 April 2010	Year ended 30 April 2011	Year ended 30 April 2012	Six months ended 31 October 2012
	£m	£m	£m	£m
<b>Revenue</b> . . . . .	<b>41.1</b>	<b>43.4</b>	<b>43.3</b>	<b>22.0</b>
Operating expenses . . . . .	(36.6)	(38.6)	(40.0)	(20.6)
<b>Operating profit before special items</b> . . . . .	<b>4.6</b>	<b>4.8</b>	<b>3.3</b>	<b>1.4</b>
Special items . . . . .	(3.5)	(4.2)	(2.2)	(0.7)
<b>Operating profit</b> . . . . .	<b>1.1</b>	<b>0.6</b>	<b>1.1</b>	<b>0.7</b>
Finance costs . . . . .	(0.6)	(1.8)	(1.9)	(1.0)
<b>Profit before tax and special items</b> . . . . .	<b>4.0</b>	<b>3.0</b>	<b>1.4</b>	<b>0.4</b>
Special items . . . . .	(3.5)	(4.2)	(2.2)	(0.7)
<b>Profit before tax</b> . . . . .	<b>0.5</b>	<b>(1.2)</b>	<b>(0.8)</b>	<b>(0.3)</b>
Taxation . . . . .	(0.6)	0.6	0.2	0.0
<b>Profit for the financial year</b> . . . . .	<b>(0.1)</b>	<b>(0.6)</b>	<b>(0.7)</b>	<b>(0.3)</b>

**Notes:**

1. The income statement information presented above is after the allocation of corporate costs. Such costs will be retained within the Continuing Group after the disposal of the King Group.
2. Finance costs comprise intercompany interest paid to Consort or subsidiaries of Consort.
3. Items which do not reflect the underlying performance are presented in special items. Special items include: employee severance costs; plant restructuring and recall costs; acquisition-related expenses; accelerated amortisation of upfront loan arrangement fees; and amortisation of acquisition-related intangible assets.



4. Taxation comprises the tax charge incurred by the King Group's tax group. The King Group's tax group also contains Bepak LLC, a sales office of the Bepak division, which does not form part of the King Group. It is not possible to separate out the tax charge attributable to Bepak LLC, although the operations and financial results of Bepak LLC are immaterial to the King Group.

### 3. Balance sheets as at 30 April 2012 and 31 October 2012

The balance sheets of the King Group as at 30 April 2012 and 31 October 2012, on the basis set out above and in the note below, were as follows:

	As at 30 April 2012	As at 31 October 2012
	£m	£m
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment . . . . .	17.8	19.8
Goodwill . . . . .	43.8	44.2
Other intangible assets . . . . .	5.9	5.8
Deferred tax assets . . . . .	2.2	2.1
	<u>69.7</u>	<u>71.8</u>
<b>Current assets</b>		
Inventories . . . . .	5.9	6.4
Trade and other receivables . . . . .	5.9	5.6
Current tax assets . . . . .	1.0	0.6
Cash and cash equivalents . . . . .	3.2	1.4
	<u>16.1</u>	<u>14.1</u>
<b>TOTAL ASSETS</b> . . . . .	<b><u>85.7</u></b>	<b><u>85.9</u></b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables . . . . .	(4.9)	(5.7)
Current tax liabilities . . . . .	—	—
Provisions and other liabilities . . . . .	(1.5)	(0.7)
	<u>(6.4)</u>	<u>(6.4)</u>
<b>Net current assets</b> . . . . .	<b><u>9.7</u></b>	<b><u>7.7</u></b>
<b>Non-current liabilities</b>		
Deferred tax liabilities . . . . .	(5.1)	(4.9)
	<u>(5.1)</u>	<u>(4.9)</u>
<b>TOTAL LIABILITIES</b> . . . . .	<b><u>(11.5)</u></b>	<b><u>(11.3)</u></b>
<b>NET ASSETS</b> . . . . .	<b><u>74.3</u></b>	<b><u>74.6</u></b>

**Note:**

1. Current tax liabilities, current tax assets, deferred tax assets and deferred tax liabilities comprise the tax balances held by the King Group's tax group. The King Group's tax group also contains Bepak LLC, a sales office of the Bepak division, which does not form part of the King Group. It is not possible to separate out the tax balances attributable to Bepak LLC, although the operations, financial results and balances of Bepak LLC are immaterial to the King Group.

## SECTION B

### UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE CONTINUING GROUP

#### 1. Pro forma financial information

Set out below is an unaudited pro forma statement of net assets of the Continuing Group as at 31 October 2012.

It has been prepared on the basis set out in the notes below to illustrate the effect of the Proposed Disposal on the consolidated net assets of the Existing Consort Group had the Proposed Disposal occurred on 31 October 2012. It has been prepared for illustrative purposes only. Because of its nature, the pro forma statement addresses a hypothetical situation and, therefore, does not represent the Continuing Group's actual financial position or results. It is based on the unaudited interim consolidated financial information of the Company as at 31 October 2012 and from the financial information of the King Group as at 31 October 2012 contained in Section A of this Part V.

Shareholders should read the whole of this document and not rely solely on the summarised financial information contained in this Part V.

#### 2. Unaudited pro forma statement of net assets

	Existing Consort Group net assets as at 31 October 2012	King Group net asset adjustments as at 31 October 2012	Pro forma adjustments	Continuing Group pro forma net assets as at 31 October 2012
	£m	£m	£m	£m
<b>Notes</b> .....	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment .....	59.6	(19.8)	—	39.8
Goodwill .....	60.0	(44.2)	—	15.8
Other intangible assets .....	12.2	(5.8)	—	6.4
Deferred tax assets .....	2.5	(2.1)	—	0.4
	<b>134.3</b>	<b>(71.8)</b>	<b>—</b>	<b>62.5</b>
<b>Current assets</b>				
Inventories .....	16.6	(6.4)	—	10.2
Trade and other receivables .....	22.3	(5.6)	—	16.7
Current tax assets .....	0.6	(0.6)	—	—
Cash and cash equivalents .....	12.3	(1.4)	20.8	31.7
	<b>51.8</b>	<b>(14.1)</b>	<b>20.8</b>	<b>58.6</b>
<b>TOTAL ASSETS</b> .....	<b>186.1</b>	<b>(85.9)</b>	<b>20.8</b>	<b>121.1</b>

	Existing Consort Group net assets as at 31 October 2012	King Group net asset adjustments as at 31 October 2012	Pro forma adjustments	Continuing Group pro forma net assets as at 31 October 2012
	£m	£m	£m	£m
<b>Notes</b> .....	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables .....	(22.1)	5.7	—	(16.4)
Derivative financial instruments .....	(0.5)	—	—	(0.5)
Current tax liabilities .....	(3.5)	—	—	(3.5)
Provisions and other liabilities .....	(2.9)	0.7	—	(2.2)
	<b>(29.0)</b>	<b>6.4</b>	<b>—</b>	<b>(22.6)</b>
<b>Net current assets</b> .....	<b>22.9</b>	<b>(7.7)</b>	<b>20.8</b>	<b>36.0</b>
<b>Non-current liabilities</b>				
Borrowings .....	(50.8)	—	50.8	—
Deferred tax liabilities .....	(6.2)	4.9	—	(1.3)
Defined benefit pension scheme deficit .....	(4.8)	—	—	(4.8)
Provisions and other liabilities .....	(0.5)	—	—	(0.5)
	<b>(62.3)</b>	<b>4.9</b>	<b>50.8</b>	<b>(6.6)</b>
<b>TOTAL LIABILITIES</b> .....	<b>(91.3)</b>	<b>11.3</b>	<b>50.8</b>	<b>(29.2)</b>
<b>NET ASSETS</b> .....	<b>94.8</b>	<b>(74.6)</b>	<b>71.7</b>	<b>91.9</b>

**Notes:**

1. The net assets of the Existing Consort Group have been extracted without adjustment from the balance sheet contained within the unaudited interim financial statements for the six months ended 31 October 2012.
2. The net assets of the King Group have been extracted without material adjustment from Section A of this Part V.
3. Pro forma adjustments comprise the receipt of upfront cash consideration of approximately £75m (US\$120m converted into pounds sterling at an exchange rate of US\$1.6:£1), less estimated costs of disposal of £3.4m. Following repayment of the Existing Consort Group's bank debt of approximately £50.8m, the Continuing Group's cash balance will increase by approximately £20.8m. For the purposes of the pro forma statement of net assets, no contingent proceeds potentially receivable have been included. The disposal proceeds are assumed to be retained and used firstly to fully pay down the Continuing Group's external debt and estimated costs of disposal.

Pro forma adjustments exclude intra-group debt of £53.2m on the basis that such intra-group debt is eliminated on consolidation.

No adjustment for working capital at Completion is assumed within the disposal proceeds and included in the pro forma adjustments.

4. No account has been taken of the trading results of the Existing Consort Group or the King Group since 31 October 2012.

### 3. Accountants' report on the unaudited *pro forma* statement of net assets



The Directors  
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Breakspear Way  
Hemel Hempstead  
HP2 4TZ

Evercore Partners International LLP  
15 Stanhope Gate  
London  
W1K 1LN

30 January 2013

Dear Sirs and Madam

Consort Medical plc (the “**Company**”)

We report on the pro forma statement of net assets (the “**Pro forma statement of net assets**”) set out in Section B of Part V of the Company’s circular dated 30 January 2013 (the “**Circular**”) which has been prepared on the basis described in the notes to the Pro forma statement of net assets, for illustrative purposes only, to provide information about how the disposal of the King Group might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the interim financial information for the six months ended 31 October 2012. This report is required by item 13.3.3R of the Listing Rules of the UK Listing Authority (the “**Listing Rules**”) and is given for the purpose of complying with that Listing Rule and for no other purpose.

#### **Responsibilities**

It is the responsibility of the Directors of the Company to prepare the Pro forma statement of net assets in accordance item 13.3.3R of the Listing Rules.

It is our responsibility to form an opinion, as required by item 13.3.3R of the Listing Rules, as to the proper compilation of the Pro forma statement of net assets and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma statement of net assets, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to shareholders of the Company as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with item 13.4.1R(6) of the Listing Rules, consenting to its inclusion in the Circular.

*PricewaterhouseCoopers LLP, Abacus House, Castle Park, Cambridge CB3 0AN*  
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**Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma statement of net assets with the Directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma statement of net assets has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

**Opinion**

In our opinion:

- (a) the Pro forma statement of net assets has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Yours faithfully

PricewaterhouseCoopers LLP  
*Chartered Accountants*

**PART VI**  
**ADDITIONAL INFORMATION**

**1. Responsibility**

The Company and the Directors, whose names appear in paragraph 4 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

**2. Incorporation and registered office**

- 2.1 The Company was incorporated and registered in England and Wales on 22 March 1946 as a limited company under the Companies Act 1929 with the name ACOS Industries Limited and with registered number 406711. On 20 March 1959 the Company changed its name to Bepak Industries Limited and on 11 November 1982 it re-registered as a public limited company under the name of Bepak Plc. On 3 October 2007 the Company changed its name to Consort Medical plc.
- 2.2 The Company's registered office and principal place of business is Suite D, Ground Floor, Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire HP2 4TZ.
- 2.3 The principal legislation under which the Company operates are the Companies Act 2006 and the regulations made thereunder.

**3. Share capital**

The issued and fully paid share capital of the Company as at 29 January 2013 (being the latest practicable date prior to the publication of this document) was as follows:

Number of issued Ordinary Shares	Amount (£)
29,206,652 .....	2,920,665.20

There were no treasury shares held by the Company as at 29 January 2013 (being the latest practicable date prior to the publication of this document).

**4. Directors**

- 4.1 The Directors of the Company, and their positions as at the date of this document, are as follows:

Name of Director	Position
Dr Peter Fellner .....	Chairman
Jonathan Glenn .....	Chief Executive Officer
Richard Cotton .....	Chief Financial Officer
Nicolas Higgins .....	Corporate Development Director
Stephen Crummett .....	Non-Executive Director
Dr Lynn Drummond .....	Non-Executive Director
Dr William Jenkins .....	Non-Executive Director
Ian Nicholson .....	Non-Executive Director

**5. Directors' interests in the Company**

- 5.1 The interests of the Directors and their immediate families in the share capital of the Company (all of which are beneficial unless otherwise stated), which:
- (a) have been notified to the Company pursuant to 3.1.2R of the Disclosure and Transparency Rules; or
- (b) are interests of a connected person (within the meaning of the Disclosure and Transparency Rules) which would, if the connected person were a Director, be required to be disclosed under paragraph 5.1(a) above and the existence of which is known to or could with reasonable diligence be ascertained by that Director,

were as at 29 January 2013 (being the latest practicable date prior to the publication of this document) and are expected to be, immediately following Completion of the Proposed Disposal, as follows:

<u>Name of Director</u>	<u>Number of Ordinary Shares</u>
Dr Peter Fellner . . . . .	4,000
Jonathan Glenn . . . . .	17,281
Richard Cotton . . . . .	8,864
Nicolas Higgins . . . . .	1,870
Stephen Crummett . . . . .	nil
Dr Lynn Drummond . . . . .	nil
Dr William Jenkins . . . . .	1,000
Ian Nicholson . . . . .	nil
Total . . . . .	<u>33,015</u>

5.2 The interests of the Directors together represent approximately 0.11 per cent. of the issued share capital of the Company as at 29 January 2013 (being the latest practicable date prior to the publication of this document).

**5.3 Company Share Plans, options and awards**

As at the close of business on 29 January 2013 (being the latest practicable date prior to the publication of this document), the following Directors held the following interests in Ordinary Shares under the Company Share Plans<sup>(1)</sup>:

<u>Name of Director</u>	<u>Performance (LTIP) Shares</u>	<u>SAYE</u>	<u>CSOP</u>	<u>Deferred Shares (DBP)</u>
Jonathan Glenn . . . . .	227,241	1,282	6,726	53,345
Richard Cotton . . . . .	40,581	nil	4,594	nil
Nicolas Higgins . . . . .	116,566	2,357	6,726	24,537
Total . . . . .	<u>384,388</u>	<u>3,639</u>	<u>18,046</u>	<u>77,882</u>

**6. Significant interests in shares**

6.1 As at 29 January 2013 (being the latest practicable date prior to the publication of this document), in so far as it has been notified to the Company, the name of each person, other than a Director who, directly or indirectly, is or will be following Completion of the Proposed Disposal interested in three per cent. or more of the voting rights in the Company and the amount of such person's interest, is as follows:

<u>Shareholder</u>	<u>Number of Ordinary Shares</u>	<u>Percentage of issued Ordinary Shares</u>
Schroder Investment Management . . . . .	3,485,592	11.94%
Montanaro Asset Management . . . . .	1,762,983	6.07%
Aviva Investors Global Services . . . . .	1,484,102	5.08%
Artemis Investment Management . . . . .	1,464,404	5.06%
Blackrock Group . . . . .	1,453,150	5.02%
Kaupthing Bank . . . . .	1,173,532	4.05%
Legal and General Assurance (Pensions Management) . . . . .	1,126,523	3.89%

6.2 Save as disclosed in this paragraph 6, the Company is not aware of any interest (within the meaning of the Disclosure and Transparency Rules) which will represent three per cent. or more of the voting rights in the Company following Completion.

(1) The conditional awards shown in the table in paragraph 5.3 above are the maximum number of Ordinary Shares that can vest subject to the satisfaction of the relevant conditions.

## 7. Related party transactions

Except as otherwise disclosed in: (i) the Company's annual reports for the years ended 30 April 2010 (at page 84), 30 April 2011 (at pages 88 and 89) and 30 April 2012 (at pages 91 and 92); and (ii) the Company's unaudited interim financial statements for the six months ended 31 October 2012 (at page 21), the Company has not entered into any related party transactions during the current financial year or the period covered by the historical information contained in Section A of Part V of this document.

## 8. Directors' service contracts and benefits upon termination of employment

8.1 The following table sets out the key provisions of the Executive Directors' service agreements:

<u>Name</u>	<u>Position</u>	<u>Annual Salary</u>	<u>Date of Service Agreement</u>
Jonathan Glenn . . . . .	Chief Executive Officer	£408,000	15 June 2011
Richard Cotton . . . . .	Chief Financial Officer	£265,000	13 June 2012
Nicolas Higgins . . . . .	Corporate Development Director	£229,000	15 June 2011

8.2 In addition to the base salaries referred to in paragraph 8.1 above, the Executive Directors are entitled to participate in the Company's bonus scheme and long-term incentive plan. Jonathan Glenn is entitled to an annual and deferred bonus up to a maximum of 150 per cent. of his base salary, consisting of 100 per cent. cash and 50 per cent. deferred shares. Each of Richard Cotton and Nicolas Higgins is entitled to an annual and deferred bonus up to a maximum of 110 per cent. of their respective base salary, consisting of 75 per cent. cash and 35 per cent. deferred shares.

8.3 The Executive Directors are also entitled to participate in the Company's HM Revenue & Customs approved share incentive plan and the UK savings-related share option scheme.

8.4 Each Executive Director is entitled to private medical insurance for himself, his spouse and his dependent children, personal health insurance providing 50 per cent of basic salary and life assurance cover of four times basic salary. Jonathan Glenn, Richard Cotton and Nicolas Higgins are also entitled to a car allowance (Jonathan Glenn and Nicolas Higgins also receive a fuel card).

8.5 Each of the Executive Directors' service agreements is terminable by the Company on one year's notice and with earlier termination for cause. In the event of early termination, other than for cause, the relevant Executive Director's current salary and contractual benefits (principally car allowance, pension and life assurance) will be taken into account in calculating the liability of the Company. Annual bonuses and long-term incentives are discretionary and dealt with in accordance with the rules of the applicable schemes. There are no other provisions for compensation payable on early termination of the Executive Directors' service agreements.

8.6 In the event of early termination, the Company may pay the relevant Executive Director, in lieu of notice, a sum equal to the annual value of the relevant Executive Director's salary, contractual benefits, pension contributions and any bonus payment in respect of the notice period (or any unexpired part of it).

8.7 Each Executive Director has acknowledged that due to the nature of his role and particular responsibilities arising as a result of such duties he has access to confidential information and has agreed to certain restrictive covenants after termination in order to protect this confidential information.

8.8 The Company provides the Executive Directors with access to the group personal pension plan, which includes the benefit of a life assurance policy. To the extent that the Company's contributions to the group personal pensions plan would exceed the £50,000 annual allowance, a taxable cash supplement of an equivalent amount is provided. The Company's contribution to the group personal pension plan (or, if applicable, cash supplement) is, in respect of Jonathan Glenn, 20 per cent. of his base salary and, in respect of each of Richard Cotton and Nicolas Higgins, 17.5 per cent. of their respective base salaries.



8.9 Details of the Non-Executive Directors are set out below:

<u>Name</u>	<u>Position</u>	<u>Annual fee/ salary</u>	<u>Date of Appointment</u>
Dr Peter Fellner . . . . .	Non-Executive Director (Chairman)	£125,000	14 November 2005
Stephen Crummett . . . . .	Non-Executive Director	£44,000	13 June 2012
Dr Lynn Drummond . . . . .	Non-Executive Director	£44,000	9 February 2011
Dr William Jenkins . . . . .	Non-Executive Director	£44,000	6 May 2009
Ian Nicholson . . . . .	Non-Executive Director	£41,500	13 June 2012

8.10 Each Non-Executive Director is entitled to reimbursement of travel and reasonable expenses incurred in the course of performing their duties. The Company does not grant share-based incentives to the Non-Executive Directors.

8.11 Each Non-Executive Director is appointed pursuant to an appointment letter, the terms of which recognise that their appointments are subject to the Company's articles of association and their service is at the discretion of the Shareholders.

8.12 The appointments of Stephen Crummett, Dr Lynn Drummond and Ian Nicholson can be terminated on one month's written notice by either the relevant Non-Executive Director or the Company. The appointments of Dr Peter Fellner and Dr William Jenkins can be terminated at any time in accordance with the articles of association of the Company or applicable law.

## 9. Details of key individuals important to King

The following individuals are deemed key to the operation of King:

<u>Name</u>	<u>Position</u>
Barry Brainard . . . . .	Director, Quality Systems
Patrick Coleman . . . . .	Vice President, International Sales and Business Development
Steve Davis . . . . .	Chief Executive Officer
Gary DeThomas . . . . .	Vice President and Chief Financial Officer
Ian Laswell . . . . .	Controller
Christine Lucas . . . . .	Vice President, Manufacturing
Cristal Martin . . . . .	Vice President, Human Resources
Wayne Nethercutt . . . . .	Director, Regulatory Affairs
Chuck Streeter . . . . .	Director, Continuous Improvement
Tony Yeh . . . . .	Vice President, Product Development

## 10. Material contracts

### 10.1 *Continuing Group*

The following is a summary of each contract (not being a contract entered into in the ordinary course of business) to which the Company or any other member of the Continuing Group is or has been a party: (i) within the two years immediately preceding the date of this document which is, or may be, material; or (ii) at any time, which contains provisions under which any member of the Continuing Group has any obligation or entitlement which is material to the Continuing Group as at the date of this document:

#### (a) *Sale and Purchase Agreement*

A description of the principal terms of the Sale and Purchase Agreement is set out in Part IV of this document.

#### (b) *Facilities Agreement*

Consort as the original borrower, certain subsidiaries of Consort as original guarantors, National Westminster Bank plc and HSBC Bank plc as original lenders and The Royal Bank of Scotland plc as facility agent, among others, entered into a £40,000,000 and US\$56,000,000 facilities agreement dated 1 June 2012 (the **Facilities Agreement**) under which the original lenders have agreed to provide Consort with a multicurrency revolving credit facility denominated in sterling in an aggregate amount of £40,000,000 and a multicurrency revolving credit facility denominated in US dollars in an aggregate amount of US\$56,000,000 (the

**Facilities**). The Facilities replaced Consort's previous facilities dated 26 April 2010, which were repaid and cancelled as a condition precedent to the availability of the Facilities.

The Facilities Agreement provides for an accordion option under which the Facilities may be increased by up to (in aggregate) £25,000,000 or its equivalent in US dollars if Consort requests and a lender or lenders agree to assume such additional commitments.

#### Purpose

The Facilities have been provided to Consort to refinance financial indebtedness of Consort and the guarantors and for the general corporate purposes of Consort and its subsidiaries (including, but not limited to, the financing of acquisitions permitted by the Facilities Agreement).

#### Interest Rate and Fees

The interest rate payable on the Facilities for each interest period is LIBOR or EURIBOR (if the loan is to be made in euro) plus a margin and plus mandatory costs (if applicable). The margin for the Facilities is subject to a margin ratchet calculated by reference to the ratio of total debt of Consort and its subsidiaries to consolidated EBITDA. Default interest is chargeable as is customary if amounts are unpaid under the finance documents. Interest periods will be one, three or six months, unless a different period is otherwise agreed by the facility agent and Consort. Interest will be payable in arrears at the end of each interest period or at the end of each six month period where the agreed interest period is longer than six months.

A commitment fee is payable quarterly in arrears on all available undrawn and uncanceled commitments and is calculated at a fixed percentage of the applicable margin. In addition, Consort is required to pay the facility agent an agency fee.

#### Repayment

Consort must repay the loans under the Facilities at the end of each interest period, with the final repayment on the termination date of the Facilities on 1 November 2016 if any amounts are outstanding at that time.

Standard mandatory prepayment provisions are applicable to the Facilities Agreement (including a mandatory prepayment event on a change of control of Consort or the sale of all or substantially all of the assets of Consort and its subsidiaries). Voluntary prepayments may be made upon three business days' notice, in minimum amounts of £1,000,000 or US\$1,000,000 (as applicable), subject to break costs if the prepayment does not take place on the last day of an interest period.

#### Guarantee and Indemnity

Consort, Bepak Europe Limited, Bepak Holdings, The Medical House Limited, Medical House (ASI) Limited, the Target, King Systems Corporation and Bepak LLC (together with any subsidiary of Consort which accedes to the Facilities Agreement as a guarantor) provide a continuing guarantee of the punctual performance by Consort (and any other company which becomes a borrower under the Facilities Agreement) of its obligations under the finance documents. Each guarantor also undertakes to indemnify the lenders immediately on demand against any cost, loss or liability it incurs as a result of Consort's non performance under the finance documents.<sup>(2)</sup>

Consort must ensure on an ongoing basis that the aggregate EBITDA, gross assets, net assets and turnover of the guarantors represents not less than 80 per cent. of the consolidated EBITDA, gross assets, net assets and turnover of Consort and its subsidiaries. Additional guarantors would need to accede to the Facilities Agreement if this coverage test was not met. In addition, each company which becomes a material subsidiary of Consort (i.e. it individually represents five per cent. or more of EBITDA, gross assets, net assets or turnover of Consort and its subsidiaries) is required to accede to the Facilities Agreement as a guarantor.

The Facilities are unsecured.

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(2) Please note that Bepak Holdings Inc. and King Systems Corporation will resign as Guarantors under the Facilities Agreement prior to Completion.

## Covenants, Warranties and Representations

Certain customary representations and warranties were given by Consort and the guarantors in the Facilities Agreement, a number of which will be repeated on the date of each utilisation request and on the first day of each interest period, and upon the accession of an additional borrower or guarantor to the Facilities Agreement.

In addition, the Facilities Agreement requires Consort and the guarantors to comply, and to ensure the compliance of other subsidiaries of Consort, with a number of customary undertakings (including compliance with financial covenant ratios, certain restrictions on disposals, acquisitions, financial indebtedness and the granting of security, and compliance with pension scheme requirements).

Certain customary materiality tests, carve-outs and grace periods also apply to the covenants and representations.

## Events of Default

The events of default are in the main usual for facilities and transactions of this type. Upon the occurrence of an event of default which is not remedied or waived, the lenders will not be obliged to fund further loans and the lenders may cancel the Facilities and declare all outstanding payments to be immediately due and payable.

## 10.2 King Group

The following is a summary of each contract (not being a contract entered into in the ordinary course of business) to which any member of the King Group is or has been a party: (i) within the two years immediately preceding the date of this document which is, or may be, material; or (ii) at any time, which contains provisions under which any member of the King Group has any obligation or entitlement which is material to the King Group as at the date of this document:

### (a) *Wright Industries*

King Systems Corporation and Wright Industries have entered into a series of purchase orders (POs) and engineering change orders (ECOs) pursuant to which Wright Industries has agreed to build, debug, document, and install rotocast and mask assembly machines for the King Systems facility at Noblesville. These POs and ECOs relate to King Systems Corporation's programme to automate its mask assembly operations.

The amount payable by King Systems Corporation under the POs was approximately US\$5,435,600. Since the original POs, the parties have entered into a number of ECOs to reflect minor alterations to the scope of work to be carried out by Wright Industries. The additional amount payable by King Systems Corporation pursuant to these ECOs is approximately US\$334,500 in aggregate. To date, King Systems Corporation has paid a total of approximately US\$4,847,500 under the POs and ECOs. Further payments of approximately US\$922,650 will be due over the next six months as certain milestones are completed.

### (b) *DipTech Systems*

King Systems Corporation and DipTech Systems have entered into a series of POs and ECOs pursuant to which DipTech Systems has agreed to design, build and install two breathing bag dip lines for the King Systems facility at Noblesville. These POs and ECOs relate to King Systems Corporation's programme to automate its breathing bag operations.

The amount payable by King Systems Corporation under the POs was approximately US\$4,396,760. Since the POs, the parties have entered into a number of ECOs to reflect minor alterations to the scope of work to be carried out by DipTech Systems. The additional amount payable by King Systems Corporation pursuant to these ECOs is approximately of US\$159,670 in aggregate. To date, King Systems Corporation has paid a total of approximately US\$4,154,800 under the POs and ECOs. Payment of the remaining amount outstanding, being approximately US\$401,610, is expected to be paid within 30 days of the date of this document as final acceptance is completed.

## **11. Legal and arbitration proceedings**

### **11.1 *Continuing Group***

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during a period covering at least the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the Company's and/or the Continuing Group's financial position or profitability.

### **11.2 *King Group***

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during a period covering at least the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on King Group's financial position or profitability.

## **12. Working capital**

The Company is of the opinion that, following Completion of the Proposed Disposal and taking into account the bank facilities available to the Continuing Group and the net proceeds of the Proposed Disposal, the working capital available to the Continuing Group is sufficient for its present requirements, that is for at least 12 months following the date of this document.

## **13. Significant changes**

### ***Continuing Group***

There has been no significant change in the financial or trading position of the Continuing Group since 31 October 2012, being the date to which the Consort group's interim financial statements have been drawn up.

### ***King Group***

There has been no significant change in the financial or trading position of the King Group since 31 October 2012, being the date to which the Consort group's interim financial statements have been drawn up.

## **14. Consents**

14.1 Evercore Partners International LLP has given and has not withdrawn its written consent to the inclusion in this document of its name and the references to it in the form and context in which they are included or referenced.

14.2 Jefferies International Limited has given and has not withdrawn its written consent to the inclusion in this document of its name and the references to it in the form and context in which they are included or referenced.

14.3 PricewaterhouseCoopers LLP is a member firm of the Institute of Chartered Accountants in England and Wales and has given, and not withdrawn, its written consent to the inclusion of its report on the unaudited pro forma statement of net assets in Section B of Part V of this document, in the form and context in which it appears.

## **15. Incorporation by reference**

15.1 Your attention is drawn to the following information which is incorporated by reference into this document:

- (a) the annual reports of the Company for the years ended 30 April 2010 (Note 31, Related Party Transactions at page 84), 30 April 2011 (Note 31, Related Party Transactions at pages 88 and 89) and 30 April 2012 (Note 29, Related Party Transactions at pages 91 and 92); and
- (b) the unaudited interim financial statements of the Company for the six months ended 31 October 2012 (Note 13, Related Party Transactions at page 21).

## **16. Documents on display**

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD up to and including the date of the General Meeting and for the duration of the General Meeting:

- (a) the articles of association of the Company;
- (b) the unaudited interim financial statements of the Company for the six months ended 31 October 2012;
- (c) the Company's annual reports for the years ended 30 April 2010, 30 April 2011 and 30 April 2012 which in each case include the audited consolidated accounts for the relevant years;
- (d) the written consents referred to in paragraph 14 above;
- (e) the Sale and Purchase Agreement;
- (f) the Directors' service contracts and letters of appointment; and
- (g) this document and the Form of Proxy.

**PART VII**  
**DEFINITIONS AND GLOSSARY**

The following definitions apply throughout this document unless the context requires otherwise:

<b>2014 Sales Target</b>	US\$14,150,000;
<b>2015 Sales Target</b>	US\$19,100,000;
<b>2016 Sales Target</b>	US\$22,550,000;
<b>Alternative Transaction</b>	has the meaning given to it in paragraph 2.3 of Part IV of this document;
<b>Ambu</b>	Ambu A/S, a company incorporated in Denmark with registered number CVR63644919 and having its registered office at Baltorpbakken 13, 2750 Ballerup, Denmark;
<b>Basic Warranties</b>	the warranties contained in the Sale and Purchase Agreement relating to: (i) the incorporation and capacity of Bepak Holdings; (ii) the validity of the obligations of Bepak Holdings; (iii) the incorporation of companies comprising the King Group; and (iv) the ownership of the Target Shares.
<b>Bepak Holdings</b>	Bepak Holdings Limited, a company incorporated in England and Wales with registered number 3973457 and having its registered office at Suite D, Ground Floor, Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire HP2 4TZ;
<b>Board</b>	the board of Directors of the Company;
<b>Consort or the Company</b>	Consort Medical plc, a company incorporated in England and Wales with registered number 406711 and having its registered office at Suite D, Ground Floor, Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire HP2 4TZ;
<b>Company Share Plans</b>	the Deferred Bonus Plan (the <b>DBP</b> ), the Save As You Earn (the <b>SAYE</b> ), the Company Share Option Plan (the <b>CSOP</b> ) and the Long-Term Incentive Plan (the <b>LTIP</b> );
<b>Completion</b>	completion of the Proposed Disposal in accordance with the terms of the Sale and Purchase Agreement;
<b>Continuing Group</b>	the Existing Consort Group excluding the King Group;
<b>Deferred Consideration</b>	has the meaning given to it in paragraph 3.4 of Part IV of this document;
<b>Director or Directors</b>	the directors of the Company as at the date of this document;
<b>Disclosure and Transparency Rules</b>	the Disclosure and Transparency Rules of the FSA made under Part VI of FSMA, as amended from time to time;
<b>Disposal Resolution</b>	the ordinary resolution to be proposed at the General Meeting in relation to the Proposed Disposal;
<b>EBITDA</b>	earnings before interest, tax, depreciation and amortisation;
<b>Evercore</b>	Evercore Partners International LLP;
<b>Executive Directors</b>	means Jonathan Glenn, Richard Cotton and Nicolas Higgins;
<b>Existing Consort Group</b>	the Company and its subsidiary undertakings immediately before Completion;
<b>Existing Product</b>	the product which was sold by King on the date of the Sale and Purchase Agreement and known as the “King Vision Video Laryngoscope” consisting of a reusable display and a disposable blade incorporating optical components;

<b>Facilities Agreement</b>	has the meaning given to it in paragraph 10.1(b) of Part VI of this document;
<b>FDA</b>	the U.S. Food and Drug Administration;
<b>FSA</b>	the United Kingdom Financial Services Authority;
<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended;
<b>Form of Proxy</b>	the form of proxy accompanying the notice of General Meeting contained in Part VIII of this document;
<b>General Meeting</b>	the general meeting of the Company convened for 10 a.m. on 15 February 2013 (or any adjournment thereof), notice of which is contained in Part VIII of this document;
<b>H&amp;M Restructuring</b>	the transfer of all of the issued shares of capital stock of H&M Rubber Company, Inc to Bespak Holdings, a company that is part of the Continuing Group;
<b>H&amp;M Rubber</b>	H&M Rubber Company, Inc.;
<b>Initial Consideration</b>	has the meaning given to it in paragraph 3.1 of Part IV of this document;
<b>King</b>	has the meaning given to it in paragraph 1 of Part II of this document;
<b>King Group</b>	the Target and King Systems Corporation;
<b>Listing Rules</b>	the listing rules of the FSA made under Section 73A of FSMA, as amended from time to time;
<b>London Stock Exchange</b>	London Stock Exchange plc;
<b>Material Adverse Effect</b>	means: <ul style="list-style-type: none"> <li>(a) the forced closure of King’s manufacturing facility in Noblesville, Indiana as a direct result of a ruling or action by the FDA;</li> <li>(b) any act of God, flood, fire, adverse weather, explosion, civil commotion, act of terrorism, war, material change in general economic conditions or any combination of them;</li> <li>(c) any action by a third party (which is not the FDA, Ambu or a member of Ambu’s Group);</li> </ul> which, in each case, prevents the King Group from carrying on its business in the ordinary course and results, individually or in the aggregate, in a material adverse change to the financial performance or condition of the King Group;
<b>Next Generation Product</b>	the video laryngoscope currently under development by King with a reusable display and an adaptor containing reusable optics and a disposable blade which does not include any of the optical components contained within the disposable blade of the Existing Product;
<b>Non-Executive Directors</b>	Dr Peter Fellner, Stephen Crummett, Dr Lynn Drummond, Dr William Jenkins and Ian Nicholson;
<b>Notice</b>	notice of the General Meeting contained in Part VIII of this document;
<b>Ordinary Shares</b>	the ordinary shares of £0.10 each in the capital of the Company;
<b>Proposed Disposal</b>	has the meaning given to it in paragraph 1 of Part II of this document;



<b>Sale and Purchase Agreement</b>	the sale and purchase agreement dated 19 December 2012 entered into between the Company, Bepak Holdings and Ambu setting out the terms and conditions of the Proposed Disposal, as described in more detail in Part IV of this document;
<b>Sales Organisation Restructuring</b>	the establishment of a new corporate structure for King whereby sales and other related activities of King Systems Corporation will be managed through an affiliate of King Systems Corporation;
<b>Sales Target</b>	the 2014 Sales Target, 2015 Sales Target or 2016 Sales Target, as applicable;
<b>Shareholder or Shareholders</b>	a holder or holders of Ordinary Shares;
<b>Special Warranties</b>	the warranties contained in the Sale and Purchase Agreement relating to: (i) product liability; and (ii) the manufacturing processes of King;
<b>Target</b>	Bepak Holdings Inc.;
<b>Target Shares</b>	has the meaning given to it in paragraph 1 of Part IV of this document;
<b>Tax Covenant</b>	has the meaning given to it in paragraph 10 of Part IV of this document; and
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland.

All references to “£” and “pound” are to the lawful currency of the United Kingdom and all references to “US\$”, “\$” and “dollar” are to the lawful currency of the United States of America.



**PART VIII**  
**NOTICE OF GENERAL MEETING**

**Consort Medical plc (the Company)**

(Registered in England and Wales with Registered Number 406711)

**NOTICE IS HEREBY GIVEN** that a General Meeting of the Company will be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD on 15 February 2013 at 10 a.m. to consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

**ORDINARY RESOLUTION**

THAT the proposed disposal by the Company of Bepak Holdings, Inc. to Ambu A/S, as described in the circular to shareholders of the Company dated 30 January 2013 and on the terms and subject to the conditions of the sale and purchase agreement dated 19 December 2012 between the Company, Bepak Holdings Limited and Ambu A/S, be and is hereby approved and the directors of the Company (or a duly authorised committee thereof) be authorised to do or procure to be done all such acts and things on behalf of the Company and any of its subsidiaries as they consider necessary or expedient for the purpose of giving effect to such disposal and this resolution and to carry the same into effect with such modifications, variations, revisions, waivers or amendments as the directors of the Company (or any duly authorised committee thereof) may in their absolute discretion think fit, provided such variations, revisions, waivers or amendments are not of a material nature.

By order of the Board  
Dr Peter Fellner  
Chairman

30 January 2013

Consort Medical plc  
(Registered in England and Wales under number 406711)  
Suite D, Ground Floor,  
Breakspear Park,  
Breakspear Way,  
Hemel Hempstead,  
Hertfordshire HP2 4TZ

**Notes:**

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a member of the Company. Members wishing to vote by proxy should use the Form of Proxy enclosed. To appoint more than one proxy, the Form of Proxy may be photocopied and completed for each proxy holder (or you may obtain additional forms by contacting the Registrars' helpline on 0871 664 0300 for shareholders in the UK or +44 (0) 208 639 3399. Calls to the 0871 664 0300 number cost 10 pence per minute plus additional network charges. Calls to the overseas number will be charged at standard overseas call rates). The proxy holder's name should be written on the Form of Proxy together, if the proxy is being appointed in relation to less than your full voting entitlement, with the number of shares in relation to which the proxy is authorised to act. The box on the Form of Proxy must also be ticked to indicate that a proxy instruction is one of multiple instructions being given.
2. To be valid, the instrument appointing a proxy and power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of such power or authority should be received by the Company's Registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not less than 48 hours before the time of the meeting (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Completion of the Form of Proxy does not preclude a member from attending and voting at the meeting if they so wish. You must inform the Company's registrars in writing of any termination of the authority of a proxy.
3. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only shareholders registered in the Register of Members of the Company at 6 p.m. on 13 February 2013 (or, in the event of an adjournment of the general meeting, 6 p.m. on the date which is two days before the time of the adjourned meeting) shall be entitled to attend and vote, whether in person or by proxy, at the general meeting in respect of the number of shares registered in their name at that time. Changes to entries in the Register of Members after that time shall be disregarded in determining the rights of any person to attend or vote at the general meeting.
4. As an alternative to completing and returning the enclosed Form of Proxy, Shareholders wishing to vote online should visit [www.capitashareportal.com](http://www.capitashareportal.com) and follow the instructions. To use this service you will need to log in to your share portal account

or register for the share portal if you have not already done so. To register for the share portal you will need your Investor Code (IVC) which can be found on your share certificate. The use by members of the electronic proxy appointment service will be governed by the terms and conditions of use which appear on the website. Electronic proxies must be completed and lodged in accordance with the instructions on the website by no later than 48 hours before the time appointed for the meeting (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST-sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
  6. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 10 a.m. on 13 February 2013. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
  7. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
  8. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
  9. Any member attending the general meeting is entitled pursuant to section 319A of the Companies Act 2006 to ask any question relating to the business being dealt with at the meeting. The Company will cause to be answered any such questions unless:  
(i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;  
(ii) the answer has already been given on a website in the form of an answer to a question; or  
(iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
  10. As at 29 January 2013 (being the last business day prior to the publication of this Notice), the Company's issued share capital consists of 29,206,652 ordinary shares carrying one vote each. Therefore, the total voting rights in the Company as at 29 January 2013 are 29,206,652.
  11. A copy of this Notice and other information required by section 311A of the CA 2006 will be available on the Company's website and can be accessed at [www.consortmedical.com](http://www.consortmedical.com)
  12. A form to be used for appointing a proxy or proxies for this meeting to vote on your behalf has been included in this mailing.
  13. If you are a person who has been nominated under section 146 of the CA 2006 to enjoy information rights (a "Nominated Person"):
    - You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (the "Relevant Member") to be appointed or to have someone else appointed as a proxy for the general meeting.
    - If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.
    - Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.
- The statement of rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to a Nominated Person.
14. In order to attend and vote at this meeting you must comply with the procedures set out in notes 1 to 13 of this Notice by the dates specified in those notes.
  15. You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.



