THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN OR SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

THIS ANNOUNCEMENT IS AN ADVERTISEMENT AND DOES NOT CONSTITUTE A PROSPECTUS OR PROSPECTUS EQUIVALENT DOCUMENT. NOTHING HEREIN SHALL CONSTITUTE AN OFFERING OF NEW ORDINARY SHARES. NOTHING IN THIS ANNOUNCEMENT SHOULD BE INTERPRETED AS A TERM OR CONDITION OF THE RIGHTS ISSUE. ANY DECISION TO PURCHASE, SUBSCRIBE FOR, OTHERWISE ACQUIRE, SELL OR OTHERWISE DISPOSE OF ANY NIL PAID RIGHTS, FULLY PAID RIGHTS OR NEW ORDINARY SHARES MUST BE MADE ONLY ON THE BASIS OF THE INFORMATION CONTAINED IN AND INCORPORATED BY REFERENCE INTO THE PROSPECTUS EXPECTED TO BE PUBLISHED TODAY IN CONNECTION WITH THE PROPOSED ACQUISITION AND RIGHTS ISSUE. COPIES OF THE PROSPECTUS WILL, FOLLOWING PUBLICATION, BE AVAILABLE FROM THE REGISTERED OFFICE OF JOHN MENZIES PLC AND ON ITS WEBSITE WWW.JOHNMENZIESPLC.COM.

PLEASE SEE THE IMPORTANT NOTICE AT THE END OF THIS ANNOUNCEMENT.

16 September 2016

John Menzies plc ("Menzies" or the "Group")

Proposed $202m Acquisition of ASIG to significantly enhance the scale and service offering of Menzies Aviation
Fully underwritten £75m equity rights issue

- Proposed acquisition of ASIG Holdings Ltd and ASIG Holdings Corp (together, ''ASIG'') for $202 million from BBA Aviation plc ("BBA Aviation") (the "Acquisition")
- A strategically and financially compelling transaction for Menzies
- Transformational acquisition for Menzies Aviation, strengthening its position as a leading player in the global aviation services market
- Enlarged growth platform in attractive markets
- Significant synergy potential
- Adds new scalable product line to the Menzies Aviation portfolio – fuelling capability will create a comprehensive service provider in key markets
- Expected to be materially earnings enhancing for Menzies in the first full year
- Return on invested capital expected to exceed weighted average cost of capital in 2017
- Acquisition funded through £75 million fully underwritten equity rights issue and new debt package comprising a $250 million term loan and a £150 million RCF, which will also replace existing indebtedness of the Group

Dr Dermot Smurfit, Chairman of Menzies, said:

"This is a transformational deal for Menzies and will significantly increase Menzies Aviation's footprint globally while also adding fuelling to our operations. The transaction will create one of the largest aviation services businesses in the world, doubling the size of our North American operations, while strengthening Menzies Aviation's service offering at major international gateways such as London Heathrow, San Francisco, Denver and Los Angeles. The Board is confident of realising significant cost synergies following the Acquisition and it is expected to deliver material enhancement in underlying earnings per share in its first full financial year of ownership."

Summary

Menzies, the logistics and support specialist providing services to the international airline sector and the UK print media, travel and parcel markets, announces the proposed acquisition of ASIG, an aviation services provider and a leading independent fuelling services provider, for an enterprise value of $202 million (approximately £153.0 million at the current exchange rate of $1.3202:£1) from ASIG's owner BBA Aviation.

ASIG is one of the largest independent providers of commercial airline services in the world. Headquartered in Orlando, Florida, it currently has operations in 88 locations across seven countries and is one of the market leaders for into plane ("ITP") fuelling and fuel farm management ("FFM") services in North America and the UK, where it also has ground handling operations in high-traffic airports as well as small and medium sized airports. For the year ended 31 December 2015, ASIG achieved revenues of $415.8 million (£272.0 million).

The Acquisition will be funded through a mixture of equity (by way of a fully underwritten rights issue (the "Rights Issue")) and debt. The Rights Issue at a price of 343 pence per share will raise gross proceeds of approximately £75.2 million. The Rights Issue will be on the basis of 5 New Ordinary Share for every 14 Existing Ordinary Shares held on the Record Date. The balance will be funded through drawings on a new Acquisition Facilities Agreement comprising a $250 million term loan and £150 million RCF, which will also be used to (i) refinance existing financial indebtedness of the Group and following completion, the Enlarged Group and (ii) in relation to the revolving credit facility only, the general corporate purposes of the Group and, following completion, the Enlarged Group.

Highlights of the Acquisition

The Board believes that the strategic rationale for the Acquisition is compelling and in strong alignment with Menzies' stated strategic priorities for Menzies Aviation, representing an excellent opportunity to accelerate Menzies' strategy for growth in the aviation sector.

- The combination of ASIG and Menzies Aviation will create one of the largest aviation services businesses globally, substantially enhancing the Group's network, doubling the size of Menzies Aviation's existing North American operations and adding significant scale at major international gateways. ASIG currently operates at eight of the ten busiest United States airports, four of the five busiest Canadian airports, and eight of the ten busiest UK airports. In particular, the Acquisition will strengthen the Menzies Aviation service offering at major intercontinental gateways such as London Heathrow, San Francisco, Denver and Los Angeles.

- The Acquisition will enhance the Menzies Aviation product offering, principally through entry into the fuelling services market. ASIG is a leader in ITP fuelling and FFM in the United States and UK, bringing significant revenue streams which are both predictable and scalable. In addition, ASIG's business gives greater scale and diversification to Menzies Aviation's complementary services such as equipment maintenance and de-icing.

- The Acquisition will deepen Menzies Aviation's position with key customers, including Delta Airlines, United Airlines and IAG, through provision of more services in more locations, allowing existing customer relationships to be leveraged further to accelerate growth.

- ASIG achieved revenue of $415.8 million (£272.0 million) and underlying EBITDA (excluding BBA Aviation central cost allocations) of $27.7 million (£18.1 million) for the year ended 31 December 2015. Menzies estimates that the cost to replace these central functions will be approximately £5.5 million per annum ($7.3 million at current exchange rate).

- Furthermore, the Acquisition is anticipated to deliver pre-tax cost synergies of approximately £10.5 million in the financial year ending 31 December 2018, with one-off integration costs of the Acquisition expected to be approximately £14.3 million.

- The Acquisition is expected by the Board to deliver material enhancement in underlying earnings per share for Menzies for the financial year ending 31 December 2017.

The Acquisition constitutes a Class 1 transaction under the Listing Rules as a result of the size of ASIG relative to Menzies. The Acquisition is therefore conditional upon the approval of Shareholders. In addition, completion of the Acquisition is conditional upon obtaining certain regulatory clearances such as by the CMA. The End Date of Completion per the Acquisition Agreement is 31 May 2017.

A combined Class 1 circular and prospectus (the "Prospectus") containing further details of the Acquisition and the Rights Issue and containing the notice convening the General Meeting (to be held at 11.00 am on 11 October 2016 at the offices of DLA Piper Scotland LLP, Collins House, Rutland Square, Edinburgh, EH1 2AA) will be sent to Menzies' Shareholders (other than, subject to certain exceptions, to those with registered addresses in the United States or the Excluded Territories) as soon as practicable.

Numis Securities is acting as Financial Adviser in connection with the Acquisition and Sponsor, Joint Bookrunner and Joint Broker in connection with the Rights Issue and Acquisition. Shore Capital is acting as Joint Bookrunner and Joint Broker in connection with the Rights Issue.

This preceding summary should be read in conjunction with the full text of the following announcement and its appendices, together with the Prospectus which is expected to be published today.

Indicative abridged timetable

Publication of Prospectus	**16 September 2016**
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 7 October 2016
Record Date for entitlements under the Rights Issue	**close of business on 10 October 2016**
General Meeting	11.00 a.m. on 11 October 2016
Dealings in New Ordinary Shares, nil paid, commence on the London Stock Exchange	**8.00 a.m. on 12 October 2016**
Latest time and date for acceptance in CREST and payment in full and registration of renounced Provisional Allotment Letters	**11.00 a.m. on 26 October 2016**
Expected date of announcement of results of the Rights Issue	27 October 2016
Dealings in the New Ordinary Shares to commence on the London Stock Exchange fully paid	**8.00 a.m. on 27 October 2016**

For further information please contact:

John Menzies plc +44 (0) 131 459 8018
Giles Wilson, CFO, John Menzies plc
Forsyth Black, MD, Menzies Aviation
John Geddes, Group Company Secretary and Head of Corporate Affairs

Numis Securities (Financial Adviser, Sponsor, Joint Bookrunner and Joint Broker to Menzies) +44 (0) 20 7260 1000
Stuart Skinner
Christopher Wilkinson
Stuart Ord

Shore Capital (Joint Bookrunner and Joint Broker to Menzies) +44 (0) 20 7408 4090
Bidhi Bhoma

Toby Gibbs

FTI Consulting +44 (0) 20 3727 1000
Jonathon Brill
George Parker

Further information in relation to the Acquisition and Rights Issue

1. INTRODUCTION

Menzies announces that it has reached agreement on the terms of the proposed acquisition of ASIG from ASIG's ultimate owner BBA Aviation for a cash consideration of $202.0 million (approximately £153.0 million), conditional on Shareholders' approval.

ASIG is one of the largest independent providers of commercial airline services in the world. Headquartered in Orlando, Florida, it currently has operations in 88 locations across seven countries and is one of the market leaders for ITP fuelling and FFM services in North America and the United Kingdom, where it also has ground handling operations in high-traffic airports as well as in small and medium sized airports. ASIG currently operates as a standalone division of BBA Aviation.

Menzies proposes to finance the Proposed Acquisition through a combination of (a) the proceeds of a Rights Issue to raise a sum of £73.3 million, net of estimated expenses, and (b) the balance from new bank facilities following the repayment of existing bank facilities. Under the Rights Issue, 21,922,403 New Ordinary Shares at a price of 343 pence per New Ordinary Share will be issued, which represents a 42.1 per cent. discount to the closing middle market price per Ordinary Share on 15 September 2016, the latest practicable date prior to publication of this document and a discount of 34.8 per cent. to the theoretical ex-rights price on the same basis.

The Acquisition constitutes a Class 1 transaction under the Listing Rules as a result of the size of ASIG relative to Menzies. The Acquisition is therefore conditional upon the approval of Shareholders. Accordingly, a General Meeting has been convened for 11.00am on 11 October 2016 at the offices of DLA Piper Scotland LLP, Collins House, Rutland Square, Edinburgh, EH1 2AA for Shareholders to consider, and if thought fit, pass the necessary resolutions to approve the Acquisition and the Rights Issue.

2. BACKGROUND TO AND REASONS FOR THE ACQUISITION AND THE RIGHTS ISSUE

2.1 Summary Information on Menzies

Menzies is one of Scotland's largest companies, having been established in 1833 as a bookseller, stationer and printseller. The Company is a logistics and support specialist with two operating divisions, Menzies Aviation, the parent company of which is Menzies Aviation plc, and Menzies Distribution, the parent company of which is Menzies Distribution Limited, operating in distinct but related B2B sectors where success depends on providing an efficient, high quality, time-critical service to customers and partners.

Menzies Aviation is a leading global provider of passenger, ramp and cargo services, operating from 149 airports in 32 countries and is supported by a team of approximately 23,000 people. Menzies Aviation serves over 500 customers and handled approximately 1.2 million flights and 1.7 million tonnes of cargo in 2015. Key customers include easyJet, Cathay Pacific, IAG, Alaska Airlines, Qantas Group, Delta Air Lines, United Airlines, Etihad and Singapore Airlines. It also owns AMI, the world's only trade-only global airfreight and express wholesaler.

Menzies Distribution is a leading provider of added value distribution and marketing services to the newspaper and magazine supply chain in the UK (with approximately 45.0 per cent. of the newspaper and magazine wholesale distribution market in the UK by volume). The division employs approximately 3,500 people at 43 sites throughout the UK and handles approximately 4.3 million newspapers and 1.4 million magazines (covering some 3,000 magazine titles) each day, with deliveries to around 25,000 customers.

The Company was admitted to trading on the London Stock Exchange in 1962 and at that time consisted of retail and logistics businesses. The main retail activities were divested during the 1990s and the first steps into the aviation services market were also taken at this time. In 2000, the Group acquired Ogden Ground Services, an international aviation services business which transformed Menzies Aviation from a UK-focused cargo handler to a comprehensive-service, international aviation services business. Since then a drive to expand the Menzies Aviation services business has continued and subsequent growth has come through further acquisitions and organic growth.

2.2 Menzies' Strategy

In 2015, Menzies launched its strategy to optimise returns on existing investments whilst opening pathways to new growth. Both of Menzies Aviation and Menzies Distribution are well-placed to take advantage of market opportunities.

Whilst the landscapes of the UK print media and parcel markets have altered in recent years, Menzies Distribution is well-placed to take advantage of the opportunities afforded from working in both sectors.

Its current operational and IT networks, alongside its property and vehicle asset base, give Menzies Distribution substantial presence and capacity to grow in daylight hours. By offering neutral consolidation solutions to existing territories, it can increase its asset utilisation and provide a compelling proposition to parcel carrier networks. This new strategic direction is still at an early stage of implementation but does offer access to growing markets. Menzies Distribution also intends to use this neutral consolidation offering to build customer relationships in new territories.

Menzies Aviation is a leader in the global aviation services market with a strong reputation for both services and safety. The Group intends to take advantage of and promote these credentials to win contracts at existing and new airports and to strengthen existing customer relationships. Menzies Aviation concentrates on airlines and airports where location and product line density can be achieved to ensure it delivers sustainable margins to Shareholders.

The Board will also seek to expand the Group acquisitively, where the market dynamics are strong and acquisitions are earnings-enhancing. The Board is currently considering a pipeline of minor acquisitions that present further growth investment opportunities. The strategic priorities for Menzies Aviation are as follows:

- Focus on Key Customers (Customer Ethos) — Menzies Aviation focusses on key customers in order to nurture and deepen the relationships, while understanding their needs and outlook in as much detail as possible. This focus allows Menzies Aviation to design and deliver services tailored to deliver value to its customers. By consistently and innovatively supporting customers' success, Menzies Aviation will enhance the value and lifespan of these partnerships.
- Expand Emerging Markets (Emerging Opportunities) — Menzies Aviation invests both time and expertise in those regions which promise to yield rapid air traffic expansion over the coming decades, such as Africa, the Middle East and Asia, so that it is best placed to benefit from this positive expansion trend.
- Re-focus Geographical Investment (Optimised Investment) — The Board takes a disciplined approach to assessing the impacts of the Group's spending, prioritising those markets with the highest growth potential and drawing its resources away from areas which do not perform strongly.
- Accelerate Complementary Services (Diversified Offer) — The Group has dedicated resources within Menzies Aviation used to develop new ancillary service offerings and their roll-out at key locations across its global network. It is through this programme that the Board aims to deepen customer relationships and improve overall margins at these locations.
- Pursue Hubs and Bases (Growth Agenda) — The Board believes that the outsourcing of ground handling duties at dense, strategically important locations by major airlines presents one of the biggest opportunities to grow Menzies Aviation's earnings and to channel its investments appropriately.

The Acquisition is strongly aligned to the strategy for Menzies Aviation, meeting all of the five strategic priorities discussed above. The strategy will not change following Completion and will therefore apply to the Enlarged Group.

The Board, led by the Chairman, intends to review the structure of the Group with a view to maximising shareholder value. This will include looking at whether the Group's two operating divisions are best placed to prosper while they are part of one group of companies. The situation is complex, particularly with regard to the Group's pension schemes. The Board has already engaged with specialist advisers and the pension trustees to progress with the structuring of the pension scheme in such a way as to give the Board the maximum amount of flexibility in the future. The Board expects this work to take up to twelve months and it will update Shareholders when appropriate.

2.3 Reasons for the Acquisition

The Board believes that the strategic rationale for the Acquisition is compelling and in strong alignment with all of Menzies' stated strategic priorities for Menzies Aviation. The combination of Menzies Aviation and ASIG will create a comprehensive airline service provider covering key elements of airline services at airports and the Enlarged Group will be a strong strategically placed player in the majority of the markets in which it will operate.

The principal strategic and financial benefits of the Acquisition include:

Enlarged Platform with Significant Scale in North America and at major international gateways

The combination of ASIG and Menzies Aviation will create one of the largest aviation services businesses globally. It will substantially enhance the Group's network, doubling the size of Menzies Aviation's existing North American operations and adding significant scale at major international gateways. ASIG currently operates at eight of the ten busiest United States airports, four of the five busiest Canadian airports, and eight of the ten busiest UK airports. In particular, the Acquisition will strengthen the Menzies Aviation service offering at major international gateways such as London Heathrow, San Francisco, Denver and Los Angeles.

Enlarged Product Offering

ASIG is a leader in ITP fuelling and FFM in the United States and the UK and is recognised as a strong brand in these markets. Its fuelling operations are of a significant size with predictable and scalable revenue streams. In addition, ASIG's business gives greater scale and diversification to Menzies Aviation's complementary services, such as equipment maintenance and de-icing, increasing the density and diversity of the Enlarged Group's offering at new and existing stations. Based on the turnover of Menzies Aviation and ASIG for the financial year ended 31 December 2015, the Board expects that ITP fuelling will contribute 12.0 per cent. to the Menzies Aviation business going forward.

By adding the product lines incumbent within ASIG, Menzies is able to offer more services to airlines at those airports where the Enlarged Group will operate. This is particularly relevant to ground handling activities, which can be added to existing ITP only stations operated by ASIG. This offering, together with Menzies' reputation for safe and secure operations, could be compelling to both existing and potential airline customers.

Deepening Customer Relationships

The Acquisition would deepen Menzies Aviation's position with key customers, including Delta Air Lines, United Airlines and IAG, through provision of more services in more locations. The Enlarged Group's comprehensive service offering will be used to leverage existing customer relationships and accelerate growth by also building new customer relationships with oil companies, such as Shell, Air BP and Exxon.

Expansion Opportunities

Following the integration of ASIG, there are a number of further expansion opportunities that the Board intends to explore, including:

- a focus on gaining market share in ITP fuelling and FFM as pure fuelling companies in the United States have retrenched, and outside the United States continue to retrench, to refineries, which will allow Menzies Aviation to grow ahead of the wider airport services market;
- the roll-out of ASIG fuelling services to Menzies Aviation locations across the network where ASIG does not currently operate so as to gain market share through organic expansion;
- further bolt-on acquisition opportunities, including to expand ASIG's geographic reach; and
- entry into attractive new geographical markets in which ASIG already operates, including Thailand, Guam and Puerto Rico.

Delivery of Shareholder Value

The opportunity to rationalise the operations and duplicate cost bases of Menzies Aviation and ASIG will enable the Group to deliver significant cost synergies (see paragraph 4.1 below for more detail).

After taking into account the forecasted synergy benefits and based (amongst other things) on current economic assumptions, the Board expects the Acquisition to deliver material enhancement in underlying earnings per share for Menzies for the financial year ending 31 December 2017, the first full financial year following Completion.

2.4 Financial Effects of the Acquisition

The Board has carefully reviewed the expected business and prospects of the Enlarged Group, as well as the expected synergy benefits and the associated costs of achieving them. The Acquisition meets Menzies' criteria for acquisitions and, after taking into account the forecast synergy benefits, and based on *inter alia* current economic assumptions, the Acquisition is expected by the Board to deliver material enhancement in underlying earnings per share for Menzies for the financial year ending 31 December 2017, the first full financial year following Completion. Based on the foregoing, the Board expects the leverage ratio for the Enlarged Group to be reduced to below 2.0 times net debt/underlying EBITDA within 18 months of Completion of the Acquisition.

After taking account of the net present value of the tax benefits, the Acquisition is expected to deliver a Return on Invested Capital in excess of Menzies' weighted-average cost of capital in the first full financial year following Completion (ending 31 December 2017).

3. SUMMARY INFORMATION ABOUT ASIG

ASIG is an aviation services provider and a leading independent fuelling services provider, providing ground, fuel and airport facility services to airlines, airports, oil companies and industry partners in the commercial aviation sector. It delivers comprehensive service solutions including ITP fuelling, FFM, ground handling, aircraft technical support services, facilities equipment maintenance and de-icing at 88 airports across seven countries in North America, Central America, Europe and Asia (with a presence in seven of the top ten global airports by 2014 flight activity). ASIG is currently ultimately owned by BBA Aviation, and is run as a standalone division with its president reporting to the ASIG president of Flight Support and being part of the ASIG Flight Support management team reporting directly to the BBA Aviation board.

ASIG was established in 1947 and is headquartered in Orlando, Florida with an experienced management team and in depth expertise across many disciplines. The business directly employs over 8,000 people globally, servicing over 600 customers (with longstanding relationships with the largest of those), including American Airlines, IAG, Delta Air Lines, Shell and United Airlines. In 2015, ASIG fuelled over 4.0 million flights, transporting and pumping more than 10.0 billion gallons of fuel whilst its ground handling operations serviced over 100,000 flights and events (including cleaning events).

The results for ASIG for the three years ended 31 December 2015 were as follows:

	Financial year ended 31 December (audited)		
	2015 $m	**2014** $m	**2013** $m
Revenue	415.8	451.9	402.6
Operating profit (excluding BBA Aviation central cost allocations and joint ventures and associates)	13.3	18.7	18.8
Operating (loss)/profit after joint ventures and associates	(6.8)	0.5	4.9
(Loss)/profit before taxation	(7.9)	0.5	6.1
Gross assets	369.2	380.6	342.6

ASIG's revenue for the financial year ended 31 December 2015 decreased by 8.0 per cent. to $415.8 million (2014: $451.9 million). This revenue decline reflected net contract losses, principally the losses of the ground handling contract at Terminal One, John F. Kennedy International Airport, New York and a hotel to airport baggage handling contract with Disney Magical Express, Orlando. The operating profit impact of the net contract losses was $15.8 million in the financial year ended 31 December 2015. In the financial year ended 31 December 2014, ASIG's revenue increased by 12.2 per cent. to $451.9 million (2013: $402.6 million) reflecting the impact of the start-up of operations at London Heathrow's newly opened Terminal 2 and the acquisition of Skytanking USA, Inc. in the United States. Operating performance in 2014 was adversely impacted by start-up and operational costs associated with the new operations at London Heathrow and increased cost allocations from the parent group, partly offset by the contribution from the Skytanking USA, Inc. acquisition. By geographic region, the United States accounted for 64.0 per cent. of ASIG's total revenue, and the UK 26.9 per cent..

In order to understand the ongoing trading of the operation of ASIG, the following table reconciles underlying operating profit adding back BBA Aviation central cost allocations to calculate underlying operating profit before BBA Aviation central cost allocations then adjusting for depreciation, and software amortisation to show acquired underlying EBITDA before BBA Aviation central cost allocations. The information is presented for each of the financial years ended 31 December:

	Financial year ended 31 December (audited)		
	2015 $m	**2014** $m	**2013** $m
Operating (loss)/profit after joint ventures and associates	(6.8)	0.5	4.9
Add back: Contract amortisation	2.4	1.8	2.0
Non-underlying items	0.3	2.1	5.3
Underlying operating profit	(4.1)	4.4	12.2
Add back: BBA Aviation central cost allocations	20.3	19.3	14.7
Underlying operating profit before BBA Aviation central cost allocations	16.2	23.7	26.9
Depreciation	11.4	13.0	11.5
Computer software amortisation	0.1	0.3	0.5
Underlying EBITDA before BBA Aviation central cost allocations	27.7	37.0	38.9

ASIG was recharged selling, general and administrative expenses from BBA Aviation for certain shared services of $20.3 million (including $3.8 million exceptional costs), $19.3 million and $14.7 million for the years ended 31 December 2015, 2014 and 2013, respectively, through central cost allocations. Historically, the centralised functions have included executive senior management, finance, accounting, internal audit, shared services, information technology, tax, treasury, legal, human resources and payroll, regulatory, health safety and environment, insurance, facilities, and strategy and development. Menzies understands from BBA Aviation that these recharges reasonably reflect the utilisation of services provided and benefits received, however, these amounts are not necessarily representative of the amounts that would have been incurred had ASIG operated during this period as a separate entity, nor are they necessarily representative of the amounts expected to be incurred to provide these functions to ASIG in future. As set out in paragraph 4.1 below, the Board estimates that the cost to Menzies of providing these services to ASIG following completion of the Acquisition will be £5.5 million per annum ($7.3 million).

On this basis, the consideration for the Acquisition represents a multiple of 2015 underlying EBITDA before BBA Aviation central cost allocations of 9.9x after taking account of the estimated costs for corporate functions of $7.3 million (£5.5 million) described in paragraph 4.1 below falling to 5.9x after taking account of the estimated $13.9 million (£10.5 million) of annual cost synergies described in paragraph 4.1 below, and 5.4x after deduction from the headline consideration of the estimated $15.7 million net present value of the tax benefit described in paragraph 4.2 below.

4. SYNERGIES AND INTEGRATION OF ASIG

4.1 Cost Synergies

The Board believes that, based on its assessment of the operating expenses of the ASIG business and how it plans to integrate ASIG into Menzies Aviation, the Acquisition presents opportunities for significant cost synergies, with the Enlarged Group expected to achieve aggregate net annual pre-tax cost synergies of approximately £5.0 million by the financial year ending 31 December 2018, comprising gross cost synergies of £10.5 million and additional ongoing costs of £5.5 million. These estimated synergies are contingent on the completion of the Acquisition and could not be achieved by Menzies independently. The estimated synergies reflect both the beneficial elements and relevant costs.

The Board believes cost synergies of approximately £10.5 million (equivalent to approximately $13.9 million) can be achieved by utilising the combined Menzies and ASIG resources across the Enlarged Group more effectively, principally by removing certain duplicated costs where there is operational overlap at common hubs and in the overheads of the Enlarged Group and also through standardising systems, processes and adopting best practices. The Board has identified the following potential recurring synergistic benefits:

- Removing operational duplication, particularly at sites where Menzies and ASIG both currently provide ground handling services, which is presently expected to save some £6.3 million in the financial year ending 31 December 2018. These savings would include direct labour and operating costs; and
- Combining regional support functions and overheads (including shared services), which it is anticipated could achieve savings in the order of £4.2 million in the financial year ending 31 December 2018.

The Board has identified certain corporate functions, for example HR and IT, that will need to be expanded to replace corporate services that ASIG currently receives from its parent company. Currently, it is envisaged that these functions will cost an estimated £5.5 million (approximately $7.3 million at current exchange rates) in the financial year ending 31 December 2017 and will partially offset the beneficial elements above.

The Board also expects that the integration process and the realisation of these cost synergies will result in one-off exceptional costs of approximately £14.3 million, which is planned primarily to be incurred in the financial year ending 31 December 2017. This total comprises an estimated £5.8 million of costs to achieve the targeted cost synergies and £8.5 million of costs to undertake the integration process.

Furthermore, the Board expects there to be further opportunities for operational synergies in the future. The Board is currently of the view that the integration of ASIG can be achieved without significant disruption to the Enlarged Group.

4.2 Tax Treatment

Following Completion of the Acquisition, the Buyers will acquire the ordinary shares of ASIG UK, a company organised under the laws of England and Wales and the shares of common stock of ASIG US, a Delaware corporation.

In relation to the acquisition of the common stock of ASIG US, the intention is that a joint election will be made by Menzies Aviation Inc. and BBA Aviation USA. Inc under section 338(h)(10) Internal Revenue Code (U.S.). The effect of this election, from a U.S. federal income tax perspective, should be that the vendor is deemed to sell, and the purchaser to acquire, the assets of the ASIG US sub-group. The purchase price given for the shares of ASIG US plus the liabilities assumed within that sub-group will be apportioned over the assets acquired, including intangible assets and goodwill. It is expected that a proportion of this amount will be allocated to goodwill, which for U.S. federal income tax purposes can be amortised over a fifteen year period. As a result, the Board expects to be able to deduct approximately $5.8 million per year from the Enlarged Group's earnings for tax purposes in the United States. The Board has been advised that this tax treatment is uncontroversial and available under longstanding U.S. tax legislation, and believes that the net present value of this tax benefit is approximately $15.7 million, assuming an 8.0 per cent. post-tax discount rate.

4.3 Integration Plan

The Board has developed a plan for the integration of ASIG into Menzies Aviation based on their experience of successfully integrating acquired businesses into the Group and successful site consolidations at airports on the ontake of new customers. The integration plan also sets out steps proposed to be taken in order to establish adequate financial position and prospects procedures to ensure compliance with the Listing Rules and the Disclosure Guidance by the Enlarged Group following Completion, which is further supported by work undertaken by external advisors. In order to provide clarity of leadership and to provide significant focus to ensure that the deal benefits are realised, the Board established a steering committee with responsibility for the implementation of the integration plan, led by Philip Harnden, a senior Menzies Aviation manager located in the United States. The integration plan sets target deadlines for the achieving of certain milestones, ranging from executing certain urgent actions identified by the Board within 100 days of Completion to full integration within 12 months of Completion.

5. PRINCIPAL TERMS OF THE ACQUISITION

In order to implement the Acquisition, the Buyers have entered into the Acquisition Agreement. A more detailed summary of the key terms of the Acquisition Agreement is set out in Part XI of the Prospectus.

Under the terms of the Acquisition Agreement, and subject to the conditions thereunder being satisfied, Menzies has conditionally agreed to acquire ASIG UK and ASIG US for a cash consideration of $202.0 million (£153.0 million) (subject to certain adjustments).

Completion of the Acquisition is conditional on, *inter alia*, (i) the Acquisition Resolution being passed at the General Meeting; (ii) the receipt by Menzies of the proceeds of the Rights Issue; and (iii) obtaining certain regulatory clearances such as from the CMA.

The End Date of Completion pursuant to the Acquisition Agreement is 31 May 2017.

The Group will further enter into a transitional services agreement with the Sellers for the provision of certain transitional services (such as human resources, IT and finance) (the ''Transitional Services Agreement''). In addition, the Enlarged Group will also provide facilities-related services to the Sellers and their affiliates after Completion pursuant to the facilities services agreements which will be entered into between Menzies and the Sellers (the ''Facilities Services Agreement''). Entry into the Transitional Services Agreement and the Facilities Services Agreement is a condition to Completion and the respective heads of terms for these agreements will form part of the Acquisition Agreement.

6. FINANCING THE ACQUISITION

It is intended that the entire proceeds of the Rights Issue and a required proportion of the new acquisition debt facilities will be used towards funding the Proposed Acquisition and associated fees, costs and expenses, as well as refinancing the Group's existing bank facilities. The Proposed Acquisition, associated costs, fees and expenses and refinancing of the Group's existing bank facilities will be funded through:

a. £75.2 million from the proceeds of the Rights Issue; and
b. $250.0 million term loan and a required proportion of a £150.0 million revolving credit facility pursuant to the terms of the Acquisition Facilities Agreement, of which amounts will be drawn to: (i) finance the Acquisition and associated costs; (ii) refinance existing financial indebtedness of the Group and, following Completion, the Enlarged Group; and (iii) in relation to the revolving credit facility part of this Acquisition Facilities Agreement only, to use for the general corporate purposes of the Group and, following Completion, the Enlarged Group.

The Acquisition Facilities Agreement is conditional on inter alia: (i) the Rights Issue raising a minimum amount of £75.0 million; and (ii) the Acquisition Agreement having been signed and having become unconditional.

7. CURRENT TRADING AND PROSPECTS

7.1 Menzies

The Group's turnover for the six months ended 30 June 2016 was £1,002.2 million (six months ended 30 June 2015: £1,001.4 million). Underlying profit before tax rose to £18.1 million (six months ended 30 June 2015: £17.0 million) as a result of the favourable foreign exchange rates and an improvement in profitability in the Aviation division. The increase in underlying profit before tax had a consequential impact on underlying earnings per share which rose 8.5 per cent. to 20.4 pence (six months ended 30 June 2015: 18.8 pence). Profit before tax was £3.0 million (six months ended 30 June 2015: £5.8 million), with the reduction reflecting the impact of £10.0 million of exceptional costs (six months ended 30 June 2015: £6.2 million).

On a constant currency basis, the Group's turnover was down 0.6 per cent. to £995.3 million (six months ended 30 June 2015: £1,001.4 million) with underlying operating profit £0.2 million higher at £20.4 million (six months ended 30 June 2015: £20.2 million).

Menzies Aviation is performing well and continues to make progress in the formation of a joint venture in Oman with operations aimed to start later in 2016.

Menzies Distribution has benefitted from an increased volume of football related sticker sales but continues to work to mitigate volume declines and increased costs relating to the new UK national living wage legislation. Parcels and trucking operations are gaining traction with opportunities to further utilise vehicle and property assets during daylight hours.

Martinair, a subsidiary of KLM/Air France, continues to reduce its freighter volumes that pass through the Amsterdam airport where it is a key customer to Menzies Aviation. This resulted in a non-cash cost of £7.2 million relating to the impairment of assets in the six months ended 30 June 2016. The Board expects that the reductions in freighter volumes will increase further in 2017 and this will therefore continue to impact the returns of Menzies Aviation at Amsterdam Airport. The Board is considering its options on mitigating this loss of earnings.

7.2 ASIG

On an underlying basis, ASIG continued to deliver good operational improvement in the six months ended June 2016, with profit increasing as a result of the continuing operational improvements – new business wins, successful new contract and new location start-up cost savings and the benefit of the Panama acquisition – offset by adverse de-icing activity in an unusually warm first quarter in North America. The profit improvement also benefitted from a suspension of depreciation during quarter two, the required accounting treatment whilst the asset is held for sale.

8. STRUCTURE OF THE RIGHTS ISSUE

The Rights Issue has been structured in a way that is expected to have the effect of providing Menzies with the ability to realise distributable reserves approximately equal to the proceeds of the Rights Issue less the nominal value of the New Ordinary Shares issued by Menzies.

Menzies and Numis have agreed to subscribe for ordinary shares in Project Athena (Jersey) Limited ("JerseyCo"). Numis will apply the proceeds of the Rights Issue received from Qualifying Shareholders and renouncees and from acquirers of New Ordinary Shares not taken up by Qualifying Shareholders and renouncees under the Rights Issue (less any premium above the Issue Price) to subscribe for redeemable preference shares in JerseyCo.

Menzies will allot and issue the New Ordinary Shares to those persons entitled thereto in consideration for Numis transferring its holdings of ordinary shares and redeemable preference shares in JerseyCo to Menzies. Accordingly, instead of receiving cash consideration for the issue of the New Ordinary Shares, Menzies will (following completion of the Rights Issue) own the entire issued share capital of JerseyCo, whose only asset will be the cash reserves representing an amount equal to the net proceeds of the Rights Issue. Menzies should be able to access those funds by redeeming the redeemable preference shares it holds in JerseyCo or, alternatively, during any interim period prior to redemption, by procuring that JerseyCo lends the amount to Menzies. The ability to realise distributable reserves in Menzies will facilitate servicing distributions to Shareholders made by Menzies in future.

Accordingly, by taking up New Ordinary Shares under the Rights Issue and submitting a valid payment in respect thereof, a Qualifying Shareholder or the person taking up the Rights under the Rights Issue instructs the Receiving Agent (i) to the extent of a successful application under the Rights Issue, to apply such payment on behalf of Numis solely to subscribe for redeemable preference shares in JerseyCo and (ii) to the extent of an unsuccessful application under the Rights Issue, to return the relevant payment without interest to the applicant. Further details of the documents relating to this structure are set out in paragraph 17 of Part XII of the Prospectus.

9. PRINCIPAL TERMS OF THE RIGHTS ISSUE

Pursuant to the Rights Issue, the Company is proposing to offer 21,922,403 New Ordinary Shares to Qualifying Shareholders. The offer is to be made at 343 pence per New Ordinary Share, payable in full on acceptance by no later than 11.00am on 26 October 2016. The Rights Issue is expected to raise approximately £73.3 million, net of expenses. The Issue Price represents a 42.1 per cent. discount to the closing middle market price per Ordinary Share on 15 September 2016, the latest practicable date prior to publication of this document and a discount of 34.8 per cent. to the theoretical ex-rights price on the same basis.

The Rights Issue will be made on the basis of

5 New Ordinary Shares at 343 pence per New Ordinary Share for every 14 Existing Ordinary Shares

held by Qualifying Shareholders at the close of business on the Record Date.

Entitlements to New Ordinary Shares will be rounded down to the nearest whole number and fractional entitlements will not be allotted to Shareholders but will be aggregated and issued into the market for the benefit of the Company. Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue.

The Rights Issue is fully underwritten by the Banks pursuant to the Underwriting Agreement. The principal terms of the Underwriting Agreement are summarised in Part XII of the Prospectus.

The Rights Issue will result in 21,922,403 New Ordinary Shares being issued (representing approximately 35.7 per cent. of the existing issued share capital and 26.3 per cent. of the enlarged issued share capital immediately following completion of the Rights Issue, assuming that no options under the Menzies Share Schemes are exercised between the date of this document and Admission becoming effective).

The Rights Issue is conditional, inter alia, upon:

- the Underwriting Agreement having become unconditional in all respects save for the condition relating to Admission;
- save for the Acquisition Agreement terminating or becoming incapable of completing due to the non-satisfaction of the condition therein relating to the approval of the Proposed Acquisition by Shareholders, the Acquisition Agreement having been entered into and not having been varied, modified, supplemented in any respect (other than in accordance with the terms of the Acquisition Agreement) which is in the good faith opinion of either Bank material in the context of the Rights Issue, the Acquisition and/or Admission, or terminated and not having lapsed;
- the Acquisition Facilities Agreement being entered into by the parties thereto and having, and continuing to have, full force and effect and not having been varied, modified, supplemented in any respect which is in good faith opinion of either Bank material in the context of the Rights Issue, the Acquisition and/or Admission or having been terminated or having lapsed;
- Admission becoming effective by not later than 8.00am on 12 October 2016 (or such later time and date as the Banks and the Company may agree, not being later than 8.00 am on 17 October 2016); and
- the passing of the Rights Issue Resolution.

In addition, general resolutions authorising the allotment of Ordinary Shares and the waiver of pre-emption rights in respect of Menzies' share capital as enlarged by the Rights Issue are proposed to Shareholders for approval at the General Meeting. These authorities, if passed, would give the Board authority to allot shares in the Company on a non-pre-emptive basis for general corporate purposes following the Rights Issue. The Investment Management Association's Share Capital Management Guidelines permit, and regard as routine, an authority to allot up to two-thirds of a company's existing issued share capital. They also provide that any amount in excess of one-third of a company's issued share capital should only be applied to fully pre-emptive rights issue. Resolution 3 therefore will allow the Board to allot Ordinary Shares in the Company in accordance with these guidelines after the Rights Issue on the basis of the enlarged share capital following completion of the Rights Issue. In addition, Resolution 5 will, if passed, give the Board power, pursuant to the authority to allot granted under Resolution 3, to allot Ordinary Shares or sell treasury shares for cash on a non-pre-emptive basis without first offering them to Shareholders of the Company in proportion to their existing shareholdings in limited circumstances. This power will permit the Board to allot equity securities: (a) in relation to a pre-emptive rights issue only, up to a maximum nominal amount representing approximately two-thirds of the enlarged ordinary share capital following completion of the Rights Issue; and (b) in any other case, up to a maximum nominal value representing approximately 5.0 per cent. of the enlarged ordinary share capital following completion of the Rights Issue otherwise than in connection with an offer to Shareholders of the Company. The Board has no current intention of exercising these powers and these authorities, if granted, will last until the conclusion of Menzies' next annual general meeting in 2017 or, if earlier, 30 June 2017.

The Rights Issue is not conditional on Completion. If the Rights Issue were to proceed but Completion does not take place (including because Shareholders approve the Rights Issue but not the Acquisition), the Board's current intention is that the net proceeds of the Rights Issue will be used to explore alternative acquisition opportunities, for general corporate purposes (including to manage the Group's debt and cash position on a short term basis), or otherwise be returned to Shareholders as soon as reasonably practicable. Such a return could carry costs for certain Shareholders and will have costs for the Company.

The New Ordinary Shares, when issued and fully paid, will rank pari passu in all respects with the Existing Ordinary Shares, including the right to receive dividends or distributions made, paid or declared after the date of issue of the New Ordinary Shares other than in respect of the interim dividend declared on 16 August 2016 for the six months ended 30 June 2016 of 5.4 pence per Ordinary Share (the ''Interim Dividend''), payable only to those Shareholders registered as holders of Ordinary Shares, fully paid, on 7 October 2016. Application will be made to the FCA and to the London Stock Exchange for the New Ordinary Shares to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, respectively. It is expected that Admission will become effective and that dealings on the London Stock Exchange in the New Ordinary Shares (nil paid) will commence at 8.00am on 12 October 2016.

10. CHAIRMAN'S AWARD

Whilst Dr Dermot Smurfit, the Chairman newly appointed on 25 July 2016, does not currently hold any Ordinary Shares, he intends to purchase such number of Nil Paid Rights in ordinary market trading and subsequently take up his resulting rights to New Ordinary Shares from such Nil Paid Rights so that he will own such number of Ordinary Shares as represent an aggregate value of up to £2.0 million. In addition, the Company's Remuneration Committee has determined that it would be appropriate for part of the Chairman's fee arrangement for his services to be a cash fee to be satisfied by way of issue of Ordinary Shares in the Company. The Remuneration Committee believes that this arrangement would align the Chairman's interests with those of the Company. Such arrangement would be an exception to the Company's existing remuneration policy and therefore requires the prior approval of the Shareholders by ordinary resolution. It is proposed that the Company shall be permitted to award the Chairman up to 20,000 Ordinary Shares for his services in the first year of his appointment. The Remuneration Committee intends that the number of Ordinary Shares to be awarded shall be determined on the basis of such number of Ordinary Shares as amount to an aggregate value of £100,000 on the basis of the volume weighted average price of an Ordinary Share over the five Business Days following 27 October 2016, being the date of commencement of dealings in the New Ordinary Shares, fully paid. Such number of Ordinary Shares shall be awarded to the Chairman on or around 3 November 2016 following such determination. The Remuneration Committee has also resolved that the Chairman shall be awarded that same number of Ordinary Shares on the second and third anniversaries of the initial award, provided that he has continued in office up to those dates. The awards of Ordinary Shares to the Chairman shall have no performance criteria. The awards are not pensionable. The Board does not believe that the awards would compromise the Chairman's independence.

11. FINANCIAL ADVICE

The Board has received financial advice from Numis in relation to the Acquisition. In providing advice to the Board, Numis have relied upon the Board's commercial assessment of the Acquisition.

12. RECOMMENDATION AND VOTING INTENTIONS

The Board is fully supportive of the Rights Issue and the Acquisition. Each of the members of the Board who holds Ordinary Shares either intends, to the extent that he or she is able, to take up in full his or her rights to subscribe for New Ordinary Shares under the Rights Issue or to sell a sufficient number of their Nil Paid Rights during the nil paid trading period to meet the costs of taking up the balance of his or her entitlement to New Ordinary Shares.

The Board believes the Acquisition and the Resolutions to be in the best interests of Menzies and Shareholders as a whole and, accordingly, unanimously recommends that the Shareholders vote in favour of the Resolutions, as the members of the Board each intend to do in respect of their own legal and beneficial holdings, amounting to 1,761,384 Ordinary Shares (representing approximately 2.9 per cent. of the Company's existing issued share capital as at 15 September 2016, being the last practicable date prior to the date of this document).

APPENDIX – DEFINITIONS

"Acquisition" means the acquisition of ASIG UK and ASIG US by the Buyers, pursuant to the Acquisition Agreement;

"Acquisition Agreement" means the stock purchase agreement amongst the Buyers and the Sellers dated 16 September 2016, in relation to the Acquisition of ASIG UK and ASIG US and as further described in Part XI of the Prospectus;

''Admission'' means the admission of the New Ordinary Shares, nil paid, to:

a) the premium listing segment of the Official List; and
b) trading on the London Stock Exchange's main market for listed securities;

"AMI" means Air Menzies International;

"Articles" or **"Articles of Association"** means the memorandum and the articles of association of the Company which are described in paragraph 5 of Part XII of the Prospectus;

"ASIG" means ASIG UK and ASIG US taken together;

"ASIG UK" means ASIG Holdings Ltd;

"ASIG US" means ASIG Holdings Corp;

"BBA Aviation" means BBA Aviation plc;

''Banks'' means Numis Securities and Shore Capital;

"Buyers" means each of Menzies Aviation and Menzies US;

"Chairman" means the chairman of the Company;

"CMA" means Competition and Markets Authority;

"Company" or **"Menzies"** means John Menzies plc, a public limited company incorporated under the laws of Scotland with registered number SCO34970;

"Completion" means the closing of the Acquisition pursuant to the Acquisition Agreement;

''CREST'' means the relevant system (as defined in the CREST Regulations) for the paperless settlement of trades in listed securities in the United Kingdom, of which Euroclear is the operator (as defined in the CREST Regulations);

''CREST Regulations'' means the Uncertificated Securities Regulations 2001 (SI 2001/3755);

''Disclosure Guidance'' means the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority as amended from time to time;

"End Date" means the end date as defined in the Acquisition Agreement, being 31 May 2017;

"Enlarged Group" means the Group following the Acquisition;

''Euroclear'' means Euroclear & Ireland Limited;

"Existing Ordinary Shares" means the Ordinary Shares in issue immediately preceding the issue of the New Ordinary Shares;

''Facilities Services Agreement'' means one or more facilities services agreements, as described in paragraph 17.4 of Part XII of the Prospectus;

"Financial Conduct Authority" or **"FCA"** means the UK Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA;

"Form of Proxy" means the form of proxy enclosed with this document for use in connection with the General Meeting;

"FSMA" means the Financial Services and Markets Act 2000, as amended;

"General Meeting" means the general meeting of the Company to be held at the offices of DLA Piper Scotland LLP, Collins House, Rutland Square, Edinburgh, EH1 2AA at 11.00 am on 11 October 2016, notice of which is set out in the Prospectus;

"Group" means the Company and its subsidiary undertakings and, where the context requires, its associated undertakings from time to time;

''Interim Dividend'' means the interim dividend of 5.4 pence declared by the Board on 16 August 2016 for the six months ended 30 June 2016 to be paid on 18 November 2016 to the Shareholders who are on the Company's register on 7 October 2016;

''Issue Price'' means 343 pence per New Ordinary Share;

''JerseyCo'' means Project Athena (Jersey) Limited;

"Listing Rules" means the listing rules of the Financial Conduct Authority;
"London Stock Exchange" means the London Stock Exchange plc;
"Menzies Aviation" means the operating division of the Company delivering passengers, ramp and cargo services to airline operators, with parent company Menzies Aviation plc, a public limited company incorporated under the laws of England and Wales with registered number 02961404;
"Menzies Distribution" means the operating division of the Company delivering distribution and marketing services to the newspaper and magazine supply chain in the United Kingdom, with parent company Menzies Distribution Limited, a private limited company incorporated under the laws of England and Wales with registered number 01430241;
''Menzies Share Schemes'' means the schemes or plans described in paragraph 11 of Part XII of the Prospectus;
"Menzies U.S." means Menzies Aviation Inc., a Delaware Corporation;
"New Ordinary Shares" means the 21,922,403 new Ordinary Shares which the Company will allot and issue pursuant to the Rights Issue;
''Nil Paid Rights'' means the rights to acquire New Ordinary Shares, nil paid;
"Numis Securities" means Numis Securities Limited;
"Ordinary Shares" means the ordinary shares of 25 pence each in the capital of the Company having the rights set out in the Articles, as described in paragraph 5 of Part XII of the Prospectus;
"Overseas Shareholders" means the Qualifying Shareholders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside of the United Kingdom;
"Prospectus" means the prospectus and class 1 circular issued by the Company in respect of the Rights Issue, together with any supplements or amendments thereto;
"Provisional Allotment Letter" means the provisional allotment letter to be issued to Qualifying Non-CREST Shareholders (other than certain Overseas Shareholders);
"Qualifying Non-CREST Shareholders" means the Qualifying Shareholders holding Ordinary Shares in certificated form;
"Qualifying Shareholders" means the Shareholders on the register of members of the Company at the Record Date;
''Receiving Agent'' means Computershare Investor Services PLC;
"Record Date" means close of business on 10 October 2016;
''Resolutions'' means the resolutions to be proposed at the General Meeting in connection with the Proposed Acquisition and the Rights Issue, notice of which is set out in the Prospectus;
''Return on Invested Capital'' is calculated as underlying operating profit divided by invested capital. Invested capital represents the purchase consideration, transaction costs associated with the Acquisition, one-off exceptional costs for integration and realisation of cost synergies less the net present value of the tax benefit under section 338(h)(10) Internal Revenue Code (U.S.);
"Rights Issue" means the offer by way of rights to Qualifying Shareholders to subscribe for New Ordinary Shares, on the terms and conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Provisional Allotment Letter;
''Rights Issue Resolution'' means the ordinary resolution to be proposed at the General Meeting (and set out as resolution 2 in the Notice of General Meeting) to approve the allotment of the Rights Issue Shares;
"Sellers" means U.S. Seller and UK Seller;
"Shareholders" means the holders of Ordinary Shares;
"Shore Capital" means Shore Capital Stockbrokers Limited;
''Transitional Services Agreement'' means one or more transitional services agreements, as described in paragraph 17.3 of Part XII of the Prospectus;
"UK" or **"United Kingdom"** means the United Kingdom of Great Britain and Northern Ireland;
''UK Seller'' means BBA Holdings Limited, a limited company incorporated under the law of England and Wales with registered number 00546693;
''uncertificated'' or **''in uncertificated form''** means recorded on the register of members as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be

transferred by means of CREST;

''Underwriting Agreement'' means the underwriting agreement described in paragraph 17.1 of Part XII of the Prospectus;

"United States" or **"U.S."** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

''U.S. Seller'' means BBA Aviation USA Inc., a Delaware Corporation.

''$'', ''US$'', ''U.S. dollars'' or **''dollars''** means the lawful currency of the United States; and

''£'', ''sterling'', ''pounds sterling'' or **''GBP''** means the lawful currency of the United Kingdom.

GLOSSARY

B2B	business to business
FFM	fuel farm management
Ground handling services	above-wing services and below-wing services
ITP fuelling	into plane fuelling

IMPORTANT NOTICE

The contents of this announcement have been prepared and issued by, and are the sole responsibility of, the Company.

This announcement is not a prospectus but an advertisement and investors should not acquire any Nil Paid Rights, Fully Paid Rights or New Ordinary Shares referred to in this announcement except on the basis of the information contained in the Prospectus. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement cannot be relied upon for any investment contract or decision. The information in this announcement is subject to change.

A copy of the Prospectus when published will be available from the registered office of John Menzies and on John Menzies' website at www.johnmenziesplc.com provided that the Prospectus will not, subject to certain exceptions, be available (whether through the website or otherwise) to John Menzies' Shareholders in the Excluded Territories.

Neither the content of John Menzies' website nor any website accessible by hyperlinks on John Menzies' website is incorporated in, or forms part of, this announcement. The Prospectus will give further details of the New Ordinary Shares, the Nil Paid Rights and the Fully Paid Rights being offered pursuant to the Rights Issue.

This announcement is for information purposes only and is not intended to and does not constitute or form part of any offer or invitation to purchase or subscribe for, or any solicitation to purchase or subscribe for, Nil Paid Rights, Fully Paid Rights or New Ordinary Shares or to take up any entitlements to Nil Paid Rights in any jurisdiction in which such an offer or solicitation is unlawful. The information contained in this announcement is not for release, publication or distribution to persons in any of the Excluded Territories and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

This announcement does not constitute, or form part of, an offer to sell or the solicitation of an offer to purchase or subscribe for any Company securities in in the United States or in any other Excluded Territory. The Provisional Allotment Letters, the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") or under any securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, taken up, exercised, resold, renounced, or otherwise transferred, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

There will be no public offering of the Provisional Allotment Letters, the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares in the United States or in any other Excluded Territory.

The distribution of this announcement into jurisdictions other than the United Kingdom may be restricted by law, and, therefore, persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of such jurisdiction. In particular, subject to certain exceptions, this announcement, the Prospectus and the Provisional Allotment Letter should not be distributed, forwarded to or transmitted in any of the Excluded Territories.

This announcement does not constitute a recommendation concerning the Rights Issue. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. The contents of this announcement are not to be construed as legal, business, financial or tax advice. Each Shareholder or prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

Numis Securities Limited ("Numis") and Shore Capital Stockbrokers Limited ("Shore Capital", and together with Numis, the "Banks") are each authorised and regulated by the FCA in the United Kingdom, are each acting solely for the Company in relation to the Rights Issue and nobody else (whether or not a recipient of this document) as a client in relation to the Proposed Acquisition, the Rights Issue and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for providing advice in relation to the Proposed Acquisition, the Rights Issue and Admission or any other matter referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed upon the Banks by the FSMA or the regulatory regime established thereunder, None of the Banks accept any responsibility whatsoever or make any representation or warranty, express or implied, concerning the contents of this document, including its accuracy, completeness or verification, or concerning any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares, the Provisional Allotment Letters, the Rights Issue or the Proposed Acquisition, and nothing in this document is, or shall be relied upon as, a promise or representation in the respect, whether as to the past or future. The Banks accordingly disclaim, to the fullest extent permitted by law, all and any responsibility and liability whether arising in tort, contract or otherwise which they might otherwise have in respect of this document or any such statement.

The Banks may, in accordance with applicable laws and regulations, engage in transactions in relation to the Provisional Allotment Letters, the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and/or related instruments for their own account for the purpose of hedging their underwriting exposure or otherwise. Except as required by applicable laws or regulations, the Banks do not propose to make any public disclosure in relation to such transactions.

The date of Admission may be influenced by factors such as market conditions. There is no guarantee that the Rights Issue and Admission will occur and you not should base your financial decisions on the Company's intentions in relation to the Rights Issue and Admission at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing the entire amount invested. The value of shares can decrease as well as increase. This announcement does not constitute a recommendation concerning the Rights Issue. Persons considering investment in such investments should consult an authorised person specialising in advising on such investments.

Certain figures in this announcement, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this announcement may not conform exactly with the total figure given.

Notice to investors in Switzerland

The Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (''SIX'') or on any other stock exchange or regulated trading facility in Switzerland. This prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares or the Rights Issue may be publicly distributed or otherwise made publicly available in Switzerland. Neither this document nor any other offering or marketing material relating to the Rights Issue, the Company, the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Nil Paid Rights, Fully Paid Rights and New Ordinary Shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the offer of Nil Paid Rights, Fully Paid Rights and New Ordinary Shares has not been, and will not be, authorised under the Swiss Federal Act on Collective Investment Schemes (''CISA''). The investor protection afforded to acquirers of interest in collective investment schemes under CISA does not extend to acquirers of Nil Paid Rights, Fully Paid Rights and New Ordinary Shares.

Cayman Islands Selling Restriction

Menzies does not intend to establish a place of business or otherwise intend to conduct business in the Cayman Islands. Accordingly, Menzies should not be subject to the supervision of any Cayman Islands authority.

Notice to investors in the British Virgin Islands

This prospectus has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered prospectus has been or will be prepared in respect of the Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares for the purposes of the Securities and Investment Business Act, 2010 (''SIBA'') or the Public Issuers Code of the British Virgin Islands. The Nil Paid Rights, the Fully Paid Rights and the New Ordinary Shares may be offered to persons located in the British Virgin Islands who are ''qualified investors'' for the purposes of SIBA. Qualified investors include (i) certain entities which are regulated by the Financial Services Commission in the British Virgin Islands, including banks, insurance companies, licensees under SIBA and public, professional and private mutual funds; (ii) a company, any securities of which are listed on a recognised exchange; and (iii) persons defined as ''professional investors'' under SIBA, which is any person (a) whose ordinary business involves, whether for that person's own account or the account of others, the acquisition or disposal of property of the same kind as the property, or a substantial part of the property of the Company; or (b) who has signed a declaration that he, whether individually or jointly with his spouse, has net worth in excess of $1.0 million and that he consents to being treated as a professional investor.