



ANNOUNCEMENT IN RELATION TO A TAKEOVER OFFER FOR CURTIS BANKS

This morning, we issued an announcement on the RNS (Regulatory News Service) which confirmed that Curtis Banks Group had agreed with Nucleus Clyde Acquisition Limited (a company owned by Nucleus Financial Platforms) the terms of a recommended cash offer for Curtis Banks at a price of 350 pence per ordinary share in the Company (the "Offer" and the "Announcement").

Further information on Nucleus is available in the Announcement, which is available to you on our website: www.curtisbanks.co.uk

Fuller details on the Offer will be available, in due course, when an offer document (also called a "scheme document") is published to Curtis Banks shareholders, and I will provide you with a further update at that time. As regards material progress in respect of the Offer, you will find that material announcements and documentation published in connection with the Offer (in addition to the Announcement) will be available to you on the relevant section of the company's website (www.curtisbanks.co.uk).

You should note that the Offer is still subject to the formal takeover process which requires, amongst other things, sufficient Curtis Banks shareholder support, various regulatory approvals for the deal being granted and the approval of the UK court, to allow the Offer to close. At this time, therefore, there can be no certainty that the Offer will close.

Because of the restrictions which continue to apply under UK takeover rules, I am afraid there is only so much further information I can share with you at this stage. I will, again, endeavour to update you as and when there are any further meaningful developments to share.

Again, in the event of direct contact from the media, please don't comment but refer them to Dan Cowland or Jaynie Vincent as soon as possible. For our customers and third party suppliers, the message should continue to be that it is very much business as usual at Curtis Banks and that you are unable to comment on the transaction. We are, however, centrally managing contact with our customers and suppliers to let them know of recent developments.

In accordance with our regulatory requirements, I set out below some legal and regulatory information of which we are required to make you aware. You should again contact Dan or Jaynie if you have any questions on these.

Kind regards,



David Barral
Executive Chairman

Legal and regulatory

This communication is only addressed to Curtis Banks Group employees. If you are not a Curtis Banks Group employee, you should not read its contents. This communication is not a summary of the Announcement and should not be regarded as a substitute for reading the Announcement in full.

Dealing in Curtis Banks shares

Because of the restrictions and requirements applying under our share dealing policy and under applicable law and regulation, we would remind you that if you wish to deal in Curtis Banks shares (or interests referenced to those shares), you are advised to follow our standard Share Dealing Procedure. You can obtain further details from either Dan Cowland or James Keely.

Employee representatives opinion

In accordance with the requirements of the Takeover Code, we inform you:

of the right of employee representatives of the Curtis Banks Group, under Rule 25.9 of the Takeover Code, to have a separate opinion published on the effects of a formal offer on Curtis Banks employment arrangements. Any such opinion, if prepared, would be appended to the document in relation to the offer which will, in due course, be sent to Curtis Banks shareholders (the "Offer Document"), in accordance with Rule 25.1 of the Takeover Code, provided that such opinion is received in good time before publication of the Offer Document. If the opinion of employee representatives (if any) is not received in good time, it would instead be published, promptly on receipt by Curtis Banks, on the company's website and the company would announce via a regulatory information service that it had been so published, provided the opinion is received no later than 14 days after the date on which the Offer becomes unconditional or otherwise becomes effective; and

Curtis Banks would bear responsibility for the costs of the publication of any opinion received from employee representatives and for the costs reasonably incurred by any employee representatives in obtaining advice required for the verification of the information contained in that opinion.

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Takeover Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Takeover Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Provision of certain information and right to request hard copies

Please be aware that addresses, electronic addresses and certain other information provided by you for the receipt of communications from the Company may be provided to Nucleus during the offer period as required under Section 4 of Appendix 4 of the Takeover Code. You may request a copy of this communication or the Announcement, and any information incorporated into it by reference to another source, in hard copy form by writing to Jaynie Vincent, Group People Officer, 153 Princes Street, Ipswich, IP1 1QJ or by calling Jaynie on 01473 296817 during normal business hours. A hard copy of this communication and the Announcement will not be sent to you unless you so request it. You may also request that all

future documents, announcements and information sent to you in relation to the possible offer should be sent to you in hard copy form, again by writing to the address set out above or by calling the telephone number above.

Responsibility

The directors of Curtis Banks accept responsibility for the information contained in this communication. To the best of the knowledge and belief of the directors of Curtis Banks (who have taken all reasonable care to ensure that such is the case), the information contained in this communication is in accordance with the facts and does not omit anything likely to affect the import of such information.