

## **European Islamic Investment Bank plc (the "Company")**

### **Tender Offer for up to £20 million and publication of circular**

#### **Introduction**

Further to the Company's announcement of 2 June 2014 a circular explaining the terms of a tender offer for up to £20 million (the "Tender Offer") was posted to Shareholders on 1 August 2014 (the "Circular"). The Tender Offer is expected to close on 10 October 2014. A copy of the Circular is available on the Company's website: [www.eiib.co.uk](http://www.eiib.co.uk)

The Chairman's Letter in respect of the Tender Offer, as contained in the Circular, is set out below.

Terms used and not defined in this announcement bear the meaning given to them in the Circular published and posted to shareholders on 1 August 2014.

#### **Chairman's Letter**

Dear Shareholder

### **Tender Offer by Westhouse to purchase up to 8 million Shares (representing approximately 21 per cent. of the Company's issued share capital)**

#### **Introduction**

The purpose of the Circular is to set out your Board's proposals for a tender offer. The Company is seeking to improve the value of Shareholders' investments by buying back Shares, enhancing earnings for the remaining Shareholders. The Company has recently effected a Capital Reduction, creating distributable reserves of £40,000,000. Rather than buying back Shares on an ad hoc basis when they become available through the market, the Board considers that it would be appropriate to offer all Shareholders the opportunity to realise some of their investment in the Company by means of a tender offer pursuant to which Westhouse will purchase up to 8 million Shares, representing approximately 21 per cent. of the issued share capital of the Company at the Tender Price.

The Company received Shareholder approval to effect the Capital Reduction at its Annual General Meeting held on 25 June 2014 and court approval for the Capital Reduction on 16 July 2014. The Capital Reduction was effected on 24 July 2014 upon registration of the certificate confirming effectiveness at Companies House. The Capital Reduction has created distributable reserves enabling the Company to buy back its own Shares.

Under the Repurchase Agreement, Westhouse shall sell and the Company shall buy the Tendered Shares at the Tender Price pursuant to the Tender Offer. Shares that are purchased from Westhouse by the Company will be cancelled.

The Circular sets out the terms and conditions of and the procedure for participating in the Tender Offer, details of which can be found in the accompanying Tender Offer Application Form.

#### **Key points to the Tender Offer**

The key points to the Tender Offer are as follows:

- The Tender Offer is for up to 8,000,000 Shares, representing approximately 21 per cent. of the Company's issued share capital. Under the Tender Offer, each Shareholder is entitled to have up to 21 per cent. of his or her shareholding purchased by Westhouse at the Tender Price.
- The Tender Offer is being made at £2.50 per Share, which represents a premium of 52 pence to the closing price of 198 pence per Share on 31 July 2014, being the latest practicable date prior to the date of publication of the Circular.
- Shareholders will be able to decide whether to tender none, some or all of their Shares within the overall limits of the Tender Offer.
- Tenders in excess of a Shareholder's Basic Entitlement will only be accepted to the extent that other Shareholders tender less than their Basic Entitlement or do not tender any Shares and will, if necessary, be scaled back on a pro rata basis to their Shares tendered.
- The Company intends to publish its Interim Results towards the end of September 2014. The Tender Offer shall remain open until the Closing Date, therefore enabling Shareholders to make an informed decision as to whether or not to participate in the Tender Offer in light of the Company's recent performance. Shareholders should note that whilst they have the opportunity to tender their Shares until 1.00 pm on 10 October 2014, they will not have the option to withdraw any tenders once they are made, even if Shareholders decide to tender their Shares prior to publication of the Company's Interim Results around the end of September 2014.

Any Shares purchased by Westhouse under the Tender Offer which Westhouse subsequently requires the Company to purchase under the terms of the Repurchase Agreement will be cancelled. The Tender Offer is subject to the conditions set out in the Repurchase Agreement being fulfilled. Following completion of the Repurchase Agreement, the Company's issued share capital will be reduced to approximately 31,441,784 Shares, assuming the Tender Offer is taken up in full. The Tender Offer is open to Shareholders on the register of the Company at the close of business on 10 October 2014.

There is no guarantee that the Tender Offer will take place. The Tender Offer will not proceed if any of the conditions specified in paragraph 2 of Part III of the Circular are not satisfied or if it is withdrawn by the Company at any point prior to the announcement of the results of the Tender Offer. The non-fulfilment of the specified conditions would mean that the Tender Offer could not be implemented and that the Company would have to bear the abortive costs of making the Tender Offer.

### **Options for Shareholders**

Under the Tender Offer, Shareholders can choose:

- to do nothing and to retain in full their investment in the Company; or
- to tender some or all of their Shares for purchase and to receive cash in consideration of such purchase (subject to scaling back of tenders in excess of the Basic Entitlement).

Shareholders, other than Shareholders in Restricted Jurisdictions, will be entitled to have up to 21 per cent. of their respective holdings purchased under the Tender Offer. Such Shareholders will be able to tender additional Shares, but such tenders will only be satisfied, on a pro rata basis, to the extent that other Shareholders tender less than their Basic Entitlement or do not submit a tender.

### **Material Terms of Repurchase Agreement**

In accordance with the terms and subject to the conditions of the Repurchase Agreement, Westhouse shall sell and the Company shall buy the Tendered Shares at the Tender Price

pursuant to the Tender Offer. All of the Shares purchased by the Company pursuant to the Repurchase Agreement will be cancelled.

The purchase of Shares by the Company will be funded from available cash of the Company and will be paid out of the Company's distributable reserves. If the Tender Offer is taken up in full and the associated Repurchase is completed in full, the Company's distributable reserves will be reduced by £20,000,000.

The Company's issued ordinary share capital will be reduced to approximately 31,441,784 Shares, assuming that: (i) the Tender Offer is taken up in full (assuming that the maximum number of 8,000,000 Shares are bought back and cancelled pursuant to the Repurchase Agreement); (ii) the Repurchase Agreement is completed; and (iii) there is no other change to the Company's issued ordinary share capital after 1 August 2014.

The Repurchase Agreement contains representations and warranties from the Company in favour of Westhouse and incorporates covenants in favour of Westhouse in respect of certain facts or events in relation to the Company that would affect the Tender Offer.

### **Authority for Tender Offer**

The Tender Offer is being proposed in line with the authority to purchase shares on-market that was granted by Shareholders at the Company's 2014 Annual General Meeting held on 25 June 2014 and pursuant to the court approval granted on 16 July 2014.

### **Action to be taken by Shareholders**

Shareholders who hold their shares in certificated form will find accompanying the Circular a personalised Tender Offer Application Form for use by them in connection with the Tender Offer. Shareholders who wish to make an application in respect of some or all of the Shares registered in their name on the Record Date should complete the Tender Offer Application Form in accordance with the instructions printed thereon and in the section of the Circular headed "Terms and Conditions of the Tender Offer" and return it by post to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, to arrive no later than 1.00 pm on 10 October 2014. A reply-paid envelope is enclosed for this purpose.

In addition, participating Shareholders who hold Shares in certificated form should return their share certificate(s) (at their own risk) for the Shares in respect of which they are making an application in the Tender Offer. Shareholders who hold Shares in CREST should comply with the procedures set out in the section of the Circular headed "Terms and Conditions of the Tender Offer" in respect of transferring uncertificated Shares in escrow through CREST.

**Shareholders who do not wish to sell Shares in the Tender Offer should not return their Tender Offer Application Forms. A Tender Offer Application Form, once lodged, may not be withdrawn.**

The attention of all Shareholders is drawn to paragraph 10 of Part III of the Circular.

It is the responsibility of all Shareholders to satisfy themselves as to the observance of any legal requirements in their jurisdiction, including, without limitation, any relevant requirements in relation to the ability of such Shareholders to complete and return a Tender Offer Application Form or a TTE Instruction.

If you have any questions on the Tender Offer, including questions relating to the Circular and the completion of the Tender Offer Application Form, please telephone Capita Asset Services between 9.00 am and 5.30 pm Monday to Friday on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Tender Offer nor give any financial, legal or tax advice.

## **Views of the Directors**

The Board considers that the Tender Offer:

- provides an opportunity for Eligible Shareholders to tender all, some or none of their Shares, depending on their own liquidity requirements and their view of the prospects of the Company going forward;
- allows Eligible Shareholders the opportunity to dispose of Shares in a tax efficient manner, free of dealing costs; and
- provides a return of cash now, compared to the alternative of being exposed to the financial risks of the ongoing operations of the Company.

## **Intentions of the Board**

Mohamed Abdul Aziz Ibrahim Al Sarhan, one of the Company's Non-Executive Directors, is connected to Al Faisaliah Group ("**AGF**"), a Shareholder. Mr Al Sarhan does not control AFG and the decision whether or not to participate in the Tender Offer shall be put to AFG's board for consideration.

Chase Nominees ("**Chase**") holds 110,991 shares for Mr Al Sarhan on a nominee basis. Mr Al Sarhan does not intend to instruct Chase to tender any of the shares Chase holds as his nominee.

Zulfi Caar Hydari, H.E. Abdallah Yahya Al-Mouallimi and Michael Toxvaerd are connected to HBG Holdings ("**HBG**"), a Shareholder, but do not, either individually or together, control HBG. HBG's board will consider the Tender Offer in due course and decide whether or not to tender some, all or none of HBG's Shares.

In each case acceptance by the Company of an application under the Tender Offer in excess of 21 per cent. of the applicant's holding is subject to there being capacity to purchase those Shares in accordance with the terms of the Tender Offer.

**Enquiries:**

<b>European Islamic Investment Bank plc</b>	Tel: +44 (0)20 7847 9900
Zulfi Caar Hydari, CEO	
<b>Westhouse Securities</b>	Tel: +44 (0)20 7601 6100
Antonio Bossi	

**EXPECTED TIMETABLE OF EVENTS**

Posting of Circular	1 August 2014
Record date for the Tender Offer	close of business on 10 October 2014
Latest time and date for receipt of Tender Offer Application Forms and TTE Instructions in relation to Tender Offer	1.00 pm on 10 October 2014
Announcement of take-up level under the Tender Offer	7.00 am on 13 October 2014
Trade Date	17 October 2014
Settlement date for the Tender Offer: cheques despatched and on assured payments made through CREST	24 October 2014
Balancing share certificates dispatched to Shareholders and CREST accounts settled by	31 October 2014

The above times and/or dates are indicative only and may 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 a Regulatory Information Service.

All references to times in this announcement are to London times unless otherwise stated.

This information is provided by RNS  
The company news service from the London Stock Exchange

END