

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the Offers or the contents of this document or the action you should take, you are recommended to seek immediately your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the UK or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document and any accompanying reply paid envelope, but not the accompanying personalised Forms of Acceptance, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. **However, such documents should not be forwarded, transmitted or distributed in or into any Restricted Jurisdiction.** If you have sold or otherwise transferred only part of your holding of Ordinary Shares you should retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

**This document should be read in conjunction with the accompanying Forms of Acceptance.**

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**RECOMMENDED MANDATORY CASH OFFER**

by

**DEMATIC GROUP S.A.R.L.**

for the entire issued and to be issued  
ordinary share capital  
of

**SDI GROUP LIMITED**

(other than those Ordinary Shares owned by FSU Investments Limited)

and

**recommended cash offer for the entire issued and to be issued B ordinary share capital of  
SDI Group Limited**

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Your attention is drawn to the letter of recommendation from the Independent SDI Director set out in Part 1 of this document, which explains why the Independent SDI Director is recommending that you accept the Offers.

**The procedure for acceptance of the Offers is set out in the letter from Dematic contained in Part 2 of this document, Parts B and C of Appendix I and the accompanying Forms of Acceptance.**

**To accept the Ordinary Share Offer, you must return your completed Share Offer Form of Acceptance (together with your original share certificate(s) and other documents of title (in respect of those Ordinary Shares for which you wish to accept the Ordinary Share Offer) as soon as possible by post (or, between 9.00 am and 5.00 pm (London time) Monday to Friday only, by hand), to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA so as to arrive no later than 1.00 pm (London time) on 9 March 2015.**

**To accept the B Ordinary Share Offer, you should either complete and return your completed Form of Option Exercise and Acceptance (together with your original option certificate(s)) by post (or, between 9.00 am and 5.00 pm (London time) Monday to Friday only, by hand), to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA so as to arrive no later than 1.00 pm (London time) on 9 March 2015 or follow the instructions on your Form of Option Exercise and Acceptance to request a B Ordinary Share Offer Form of Acceptance from the Company Secretary, SDI Group Limited at 11 Jarman Way, Orchard Road, Royston, Hertfordshire SG8 5HW.**

Charles Stanley Securities, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Dematic and no one else in connection with the Offers and will not be responsible to anyone other than Dematic for providing the protections afforded to clients of Charles Stanley Securities nor for providing advice in relation to the Offers, the contents of this announcement, or any transaction or arrangement referenced herein.

Cattaneo is acting exclusively for SDI and no one else in connection with the Offers and will not be responsible to anyone other than SDI for providing the protections afforded to customers of Cattaneo nor for providing advice in relation to the Offers, the contents of this announcement, or any transaction or arrangement referenced herein.

**Words and phrases used in this document shall have the meanings given to them in Appendix IV.**

## **IMPORTANT NOTICE**

Unless otherwise determined by Dematic or required by the City Code and permitted by applicable law and regulation, the Offers are not being made, and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national state or other securities exchange of any Restricted Jurisdiction and the Offers will not be capable of acceptance by any such use, means, instrumentality or facility or from within any Restricted Jurisdiction.

Accordingly, unless otherwise determined by Dematic or required by the City Code and permitted by applicable law and regulation, neither this document, nor any accompanying Form of Acceptance, is being, or may be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed, or sent in, into or from any Restricted Jurisdiction and persons receiving this document and/ or any Form of Acceptance (including without limitation, custodians, nominees or trustees) must not mail or otherwise forward, distribute or send it in, into or from such jurisdiction. Any person (including, without limitation, nominees, trustees or custodians) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this document together with any accompanying Form of Acceptance to any jurisdiction outside the UK should read the further details in this regard which are contained in paragraph 6 of Part A of Appendix I to this document before taking any action. This document is not intended to and does not constitute an offer to sell or issue, or a solicitation of an offer to buy or subscribe for, shares or other securities or a solicitation of any vote or approval in any jurisdiction in which such offer or solicitation is unlawful. This document together with any accompanying Form of Acceptance have been prepared for the purposes of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside of the United Kingdom.

### **OPENING POSITION AND DEALING DISCLOSURE REQUIREMENTS**

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of SDI must make an Opening Position Disclosure following the commencement of the Offer Period. 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 SDI. An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the Offer Period. Relevant persons who deal in the relevant securities of SDI prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of SDI must make a Dealing Disclosure if the person deals in any relevant securities of SDI. 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 SDI, 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 pm (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 SDI, they will be deemed to be a single person for the purpose of Rule 8.3.

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

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 Panel's website at [www.thetakeoverpanel.org.uk](http://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. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

The defined terms used in this section "Opening Position and Dealing Disclosure Requirements" are defined in the Code which can be found on the Panel's website.

## **RULE 26.1 DISCLOSURE**

In accordance with Rule 26.1 of the Code, a copy of this document will be published on the SDI website: [www.sdigroup.com/announcements](http://www.sdigroup.com/announcements)

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This document, including information included or incorporated by reference in this document, may contain 'forward looking statements' concerning Dematic and SDI. Generally, the words 'will', 'may', 'should', 'continue', 'believes', 'expects', 'intends', 'anticipates' or similar expressions identify forward looking statements. The forward looking statements involve risks and uncertainties that could cause actual results to differ materially from those suggested by them. Many of these risks and uncertainties relate to factors that are beyond the companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore they are not guarantees of future performance and undue reliance should not be placed on such statements that speak only as of the date of this document.

No forward-looking statements have been reviewed by auditors of Dematic or SDI. Dematic and SDI assume no obligation and do not intend to update these forward looking statements, except as required pursuant to applicable law. However, all subsequent oral or written forward looking statements attributable to Dematic or SDI or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above.

## **PROFIT FORECASTS**

Nothing in this document is intended, or is to be construed, as a profit forecast or to be interpreted to mean that earnings per share for the current or future financial years, or those of the combined group, will necessarily match or exceed the historical published earnings per share.

## **HELPLINE**

If you require assistance on the completion of your Form of Acceptance or how to accept either Offer, please telephone Neville Registrars on 0121 585 1131 (from within the UK) or +44 121 585 1131 (from outside the UK). Calls to the shareholder helpline may be monitored or recorded and you should be aware that such shareholder helpline cannot provide any financial, legal or tax advice in connection with the Offers.

**THE CLOSING DATE OF THE OFFERS IS 1.00 PM (LONDON TIME) ON 9 MARCH 2015**

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## **ACTION TO BE TAKEN TO ACCEPT THE OFFERS**

To accept the Ordinary Share Offer:

- You should complete the accompanying Share Offer Form of Acceptance in accordance with the instructions printed thereon. The completed Share Offer Form of Acceptance, together with your original share certificate(s) and/or other document(s) of title should be returned as soon as possible by post (or, between 9.00 am and 5.00 pm (London time) Monday to Friday only, by hand) to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA and in any event so as to arrive no later than 1.00 pm (London time) on 9 March 2015. A reply paid envelope is enclosed for use in the United Kingdom.

To accept the B Ordinary Share Offer:

- If you wish to exercise your SDI Option(s), become a B Ordinary Shareholder and accept the B Ordinary Share Offer in accordance with the SDI Option Proposal, you should complete the accompanying Form of Option Exercise and Acceptance in accordance with the instructions printed thereon. The completed Form of Option Exercise and Acceptance, together with your original option certificate(s), should be returned as soon as possible by post (or, between 9.00 am and 5.00 pm (London time) Monday to Friday only, by hand) to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA and in any event so as to arrive no later than 1.00 pm (London time) on 9 March 2015. A reply paid envelope is enclosed for use in the United Kingdom.
- If you wish to exercise your SDI Option(s), become a B Ordinary Shareholder and accept the B Ordinary Share Offer otherwise than in accordance with the SDI Option Proposal, please read paragraphs 9 and 13(b) of Part 2 of this document for further information on how to do so.

All references to time in this document and in the Forms of Acceptance are to London time. Settlement for those Ordinary Shareholders and B Ordinary Shareholders who have validly accepted the Offers will be effected within 3 business days of the Closing Date.

This page should be read in conjunction with the rest of this document and the Forms of Acceptance. Ordinary Shareholders and B Ordinary Shareholders are encouraged to seek financial advice from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if they are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

### **THE CLOSING DATE OF THE OFFERS IS 1.00 PM ON 9 MARCH 2015**

If you are in any doubt as to the action you should take in order to accept either Offer, please telephone the Receiving Agents, Neville Registrars, on 0121 585 1131 (from within the UK) or +44 121 585 1131 (from outside the UK). Calls to the shareholder helpline may be monitored or recorded and you should be aware that such shareholder helpline cannot provide any financial, legal or tax advice in connection with the Offers.

## PART 1

### LETTER OF RECOMMENDATION FROM THE INDEPENDENT SDI DIRECTOR

#### SDI GROUP LIMITED

*(Incorporated in England and Wales under number 06081771)*



*Directors:*

Stephen Butler (*Chief Financial Officer*)\*  
Anthony Gajadharsingh

*\*Independent Director*

*Registered office:*

11 Jarman Way  
Orchard Road  
Royston  
Hertfordshire  
SG8 5HW

5 February 2015

*To Ordinary Shareholders and SDI Optionholders*

Dear Shareholder and SDI Optionholder,

#### **Recommended Mandatory Cash Offer**

##### **1. Introduction**

On 19 January 2015, Dematic announced the acquisition of FSU Investments, the parent company of SDI, and as a result of this acquisition, Dematic is now indirectly interested in 82,607,842 Ordinary Shares, representing 75.6 per cent. of the existing issued share capital of SDI. Under Rule 9 of the City Code on Takeovers and Mergers, Dematic is now required to make a mandatory cash offer for the remaining Ordinary Shares that are not already owned by FSU Investments. Dematic is also making a similarly priced offer for any B Ordinary Shares arising from the exercise of any SDI Options.

The Offers value the entire issued and to be issued share capital of SDI at £22.9 million and, assuming the exercise of all SDI Options, the shares to which the Offers relate at approximately £6.6 million.

Dematic has received irrevocable undertakings from the SDI Executives and certain other Ordinary Shareholders to accept or procure the acceptance of the Ordinary Share Offer in respect of 24,173,618 Ordinary Shares, representing 22.1 per cent. of SDI's share capital and 90.6 per cent. of the existing Relevant Ordinary Shares. Dematic is therefore, in aggregate, interested in or has received irrevocable undertakings in respect of 106,781,460 Ordinary Shares representing 97.7 per cent. of the existing share capital of SDI.

This letter sets out the background to the Offers, the reasons why I, as the Independent SDI Director, consider the Offers to be fair and reasonable and the factors that Shareholders should consider before determining whether or not to accept the Offers.

The Offers are unconditional but the further terms of the Offers and procedures for acceptance of the Offers are set out in the letter from Dematic in Part 2 and in Appendix I to this document.

The closing date for the Offers will be 9 March 2015.

## 2. Summary of the Ordinary Share Offers

The Offers will be made on the following basis:

### **For each Relevant Ordinary Share and each B Ordinary Share: 19.65 pence in cash**

The Offers value the whole of SDI's issued and to be issued share capital at approximately £22.9 million and the Relevant Ordinary Shares to which the Ordinary Share Offer relates at approximately £5.2 million. Assuming exercise of all SDI Options, the B Ordinary Share Offer values the whole of the to be issued B Ordinary Shares at approximately £1.4 million.

The Offers value each Relevant Ordinary Share and each B Ordinary Share on the same basis as is attributed, net of costs, to each Ordinary Share held by FSU for the purposes of the FSU Acquisition, save that under the terms of the FSU Acquisition FSU's shareholders have given certain warranties and a tax covenant in favour of Dematic and have agreed to defer receipt of part of the consideration due from Dematic for their FSU Shares pending attainment of certain future financial performance targets by FSU Investments and its subsidiary undertakings.

The Ordinary Share Offer will extend to any Ordinary Shares unconditionally allotted or issued after the date of this announcement but before the date the Ordinary Share Offer closes.

The Relevant Ordinary Shares and B Ordinary Shares will be acquired by Dematic fully paid and free from all liens, equitable interests, charges, mortgages, encumbrances, rights of pre-emption and other third party rights or interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including all voting rights and the right to receive and retain in full all dividends and other distributions (if any) accrued, announced, declared, made or paid on or after the date of the announcement of the Offers.

Following the FSU Acquisition, Dematic already indirectly owns over 75 per cent. of the issued Ordinary Shares, and therefore the Ordinary Share Offer will be an unconditional offer. **The closing date of the Offers will be 9 March 2015.**

The B Ordinary Share Offer will relate to any B Ordinary Shares which may be issued after the date of this document and before the date on which the B Ordinary Share Offer closes (or such earlier date as Dematic may, in accordance with the terms and conditions of the Offers, decide) as a result of the exercise of options under the SDI Option Scheme.

As at 4 February 2015, the latest practicable date prior to the publication of this document, there were outstanding options to subscribe for a total of 7,100,000 B Ordinary Shares under the SDI Option Scheme at an exercise price of 5 pence per B Ordinary Share.

Further details of the Offers and the steps to be taken by any SDI Optionholder who wishes to exercise his options and then accept the B Ordinary Share Offer are set out in the letter from Dematic in Part 2 and in Parts C of Appendix I to this document.

## 3. Information on SDI and FSU Investments

SDI is a specialist in the design, build and support of warehouse handling systems in the international retail and order fulfilment sectors. The SDI Group provides consultancy services and designs its customers' warehousing and distribution systems with end products including sortation and picking systems, automated retrieval systems and conveyor systems, together with the supporting IT infrastructure. The SDI Group's main operations are in the UK and Germany with a presence in France, Italy, Spain, and the Netherlands.

FSU Investments, SDI's parent company, was formed in July 2010 for the purposes of making an offer for SDI, which was at that time admitted to trading on the AIM market of the London Stock Exchange. As a result of such offer, FSU Investments acquired approximately 75 per cent. of the then issued share capital of SDI.

SDI's financial results are consolidated into FSU's results and the FSU financial report for the year ended 31 March 2014 shows turnover of £38.7 million (2013: £28.2 million), profit before tax of £1.1 million (2013: £1.6 million) and as at 31 March 2014 consolidated net assets were £3.9 million (2013: £3.3 million).

FSU Investments currently owns 75.6 per cent. of the existing issued share capital of SDI and, prior to completion of the FSU Acquisition, was owned by members of the SDI management team including Gordon Smith, Steve Butler, Andrea di Bella, John Hamilton, Jean-Marc Moulin and Darcy De Thierry, all of whom were directors of FSU Investments prior to the completion of the FSU Acquisition.

Further financial information on SDI is set out in Appendix II to this document.

#### **4. Current trading and prospects**

The following comments were made in the annual report of FSU, the parent company of SDI, for the year ended 31 March 2014 which was published on 10 November 2014:

*“The economic environment in which the Group finds itself is one of continued uncertainty, especially in its key mainland European markets. However, recent contracts gained have given a boost to future sales and profitability which are expected to have a positive impact on 2014/2015. Management are focused on continued product development and identifying new markets in which to trade.”*

The SDI Directors are pleased with the level of enquiries and SDI's current pipeline and are optimistic about 2015 particularly in relation to a number of the SDI Group's new products developed in the last 18 months. Nevertheless margins remain competitive with considerable consolidation in the industry generating aggressive pricing strategies in order to gain market share. The SDI Board believes that this trend will continue.

#### **5. Background to and reasons for recommending the Offer**

Since the acquisition of a majority shareholding in SDI by FSU in September 2010, when reported revenue was £32 million for the year ended 31 March 2010, SDI continued to suffer the effects of the worldwide recession with trading revenues declining to approximately £27 million in the year ended 31 March 2012. Since then performance has improved and revenue has increased to over £38 million in the year ended 31 March 2014.

SDI's management has been successfully growing and developing SDI, however the market for automated materials handling has become more complex, particularly on e-commerce projects where the range of order type, frequency of orders, the number of products being supplied and the level of returns has made system requirements more technically demanding. Projects have become larger requiring increased resources including people, funding, manufacturing capacity and research and development. The larger projects also create greater demands on SDI's cash resources and increased financial risk in the form of penalties for late delivery, or non-performance, of systems supplied demanding a larger scale of investment than was available to SDI.

During 2014 the board of FSU received a number of approaches from potentially interested acquirors and, given the requirement for scale noted above, was receptive to these approaches. Whilst the board of FSU were not actively looking to sell the business, the approach from Dematic was attractive and therefore was progressed resulting in the acquisition of FSU by Dematic and the requirement for the Offers.

#### **6. Factors to be considered by Shareholders in considering the Offer**

In addition to the factors mentioned above, in deciding what action to take in respect of the Offers, Ordinary Shareholders and SDI Optionholders should take into account the following factors:

- Whilst SDI has increased turnover and is trading profitably, through consolidation in the industry SDI has become one of the smallest companies in the sector. Larger groups or companies are adopting aggressive pricing policies in order to gain market share and in order to be able to grow and compete in the future the then board of SDI considered that SDI needed to be part of a larger organisation that has greater resources;



- Since the cancellation of admission to trading of SDI on AIM in September 2010 there has been no dealing facility for Shareholders to trade their Ordinary Shares;
- The Offers value each Ordinary Share and each B Ordinary Share at the same price per share as is attributed to each Ordinary Share, net of costs, held by FSU for the purposes of the FSU Acquisition, save that under the terms of the FSU Acquisition the FSU Shareholders have given certain warranties and a tax covenant in favour of Dematic and have agreed to defer receipt of part of the consideration due from Dematic for their FSU Shares pending attainment of certain future financial performance targets by FSU Investments and its subsidiary undertakings;
- Dematic has received irrevocable undertakings to accept the Ordinary Share Offer from certain Ordinary Shareholders amounting to 24,173,618 Ordinary Shares in aggregate which represents 22.1 per cent. of the existing Ordinary Shares in issue. This taken together with Dematic's indirect interest in Ordinary Shares gives Dematic an interest in 106,781,460 Ordinary Shares in aggregate which represents 97.7 per cent. of the existing Ordinary Shares in issue and 91.8 per cent. of SDI's enlarged share capital assuming that all SDI Options are exercised;
- Dematic indirectly holds more than 75 per cent. of the existing Ordinary Shares in issue and will be able to pass ordinary and special resolutions without the need for any votes from any other Shareholders at shareholder meetings; and
- Following the completion and closing of the Offers Dematic will own or control sufficient Ordinary Shares to be able to use authorities either under the Companies Act or under SDI's drag along rights in SDI's Articles to compulsorily acquire all shares not accepted under the Offers. Therefore Shareholders should accept the Offers to receive their consideration at the earliest opportunity. Shareholders who do not accept the Offers will have their shares compulsorily acquired but will have to wait until that process has concluded before they receive their consideration. This document contains a drag along notice under SDI's articles of association.

The sale of FSU has completed and the mandatory offers by Dematic provide Ordinary Shareholders and SDI Optionholders with the opportunity to receive value for their Ordinary Shares or SDI Options now rather than wait for Dematic to either compulsorily acquire their shares or use the drag along provisions.

**If you are in any doubt about the action you should take you should contact your own independent financial adviser.**

## **7. Directors, management and employees and Dematic's intentions for SDI**

The letter from Dematic in Part 2 of this document sets out Dematic's intentions for the SDI Group.

Dematic has stated it intends to finalise its integration plan and strategy for SDI by 30 June 2015 and has no intention of making material changes in connection with SDI Group's employees, locations or the deployment of its fixed assets before such review is completed. This review may, however, result in changes which affect SDI's employees, locations or the deployment of its fixed assets.

Dematic has also stated that it recognises the skills, technical ability and experience of the existing management and employees of the SDI Group. Dematic has given assurances that the existing employment rights, including pension rights, of all management and employees of the SDI Group will be observed at least to the extent required by applicable laws.

Further details are set out in paragraph 8 of the letter from Dematic in Part 2 of this document.

## **8. Information on Dematic**

Dematic specialises in the provision of intelligent logistics and materials handling solutions. Dematic serves its customers through a global network of more than 4,000 logistics professionals and has manufacturing plants in the USA, Europe, China and Australia. Dematic has developed and implemented more than 4,000 integrated systems for a customer base including some of the world's biggest companies.

## **9. Irrevocable undertakings to accept the Offer**

The SDI Executives have given Dematic irrevocable undertakings to accept, or (where applicable) to procure the acceptance of, the Ordinary Share Offer in respect of all of their respective beneficial and connected holdings of Ordinary Shares, amounting, in aggregate, to 511,200 Ordinary Shares, representing approximately 0.5 per cent. of the existing Ordinary Shares in issue and 1.9 per cent. of the existing Relevant Ordinary Shares in issue. These undertakings will continue to be binding even in the event of a higher competing offer for SDI, unless the Ordinary Share Offer lapses or is withdrawn.

Dematic has also received irrevocable undertakings to accept the Ordinary Share Offer in respect of a further 23,662,418 Ordinary Shares in aggregate, representing a further 88.7 per cent. of the existing Relevant Ordinary Shares in issue. These undertakings will continue to be binding even in the event of a higher competing offer for SDI, unless the Ordinary Share Offer lapses or is withdrawn.

In summary, Dematic has received, in aggregate, irrevocable undertakings to accept the Ordinary Share Offer in respect of 24,173,618 Ordinary Shares, representing 22.1 per cent. of the existing Ordinary Shares in issue. In aggregate, Dematic is interested in, or has received irrevocable undertakings in respect of, 106,781,460 Ordinary Shares representing 97.7 per cent. of the existing share capital of SDI.

Further details of all of the irrevocable undertakings given in relation to the Offer are set out in paragraph 4 of Appendix III to this document.

## **10. Compulsory acquisition**

Dematic intends to use the drag-along provisions set out in SDI's articles of association to compulsorily acquire any Relevant Ordinary Shares and any B Ordinary Shares not acquired or agreed to be acquired pursuant to the Offers or otherwise. Dematic also reserves the right to exercise its entitlement pursuant to the provisions of sections 979 to 991 (inclusive) of the Companies Act to acquire compulsorily the Relevant Ordinary Shares or B Ordinary Shares (as the case may be) on the same terms as the Offers.

Further details are set out in paragraph 12 of Part 2 of this document.

## **11. United Kingdom Taxation**

Your attention is drawn to paragraph 10 in Part 2 of this document. If you are in any doubt as to your own tax position, if you are neither resident nor ordinarily resident in the UK for UK tax purposes or if you are subject to taxation in any jurisdiction outside the UK, you should consult an appropriate independent professional adviser.

## **12. Overseas Shareholders**

If you are an Overseas Shareholder your attention is drawn to paragraph 11 of Part 2 of this document.

## **13. Action to be taken to accept the Offers**

The procedure for acceptance of the Offers is set out in paragraph 13 of Part 2 of this document and in Parts A, B and C of Appendix I to this document and the Forms of Acceptance.

## **14. Further Information**

Your attention is drawn to the letter from Dematic contained in Part 2 of this document and to the further information contained in Appendices I to III this document.

## **15. Independent SDI Director**

Prior to the FSU Acquisition the board of SDI comprised Gordon Smith and myself. On completion of the FSU Acquisition Gordon Smith resigned as a director and Anthony Gajadharsingh was appointed to the SDI Board by Dematic. This means that I am the only independent director able to recommend the Offers to Shareholders.

## 16. Conclusion

**I, as the Independent SDI Director, having been so advised by Cattaneo LLP, consider the financial terms of the Offers to be fair and reasonable. In providing advice to me, Cattaneo LLP has taken into account my commercial assessments.**

## 17. Recommendation

**I, as the Independent SDI Director, recommend that Ordinary Shareholders and SDI Optionholders accept the Offers, as I have irrevocably undertaken to do in respect of my entire beneficial holding comprising 505,000 Ordinary Shares, representing 0.5 per cent. of the existing Ordinary Shares in issue and in respect of SDI Options over 2,250,000 B Ordinary Shares representing a further 1.9 per cent. of the enlarged share capital.**

Dematic has acquired an indirect interest of 75.6 per cent. of the current issued share capital of SDI through its acquisition of FSU and is making the Offers for the shares it does not already own. It has acquired sufficient irrevocable undertakings to ensure that it will own the required number of acceptances in order to be able to compulsorily acquire any shares that are not acquired under the Offers. Consequently I consider that it is in the best interests of all Shareholders to complete and return their Form(s) of Acceptance as soon as possible in order to receive their consideration at the earliest opportunity.

Yours sincerely

Stephen Butler  
*Independent SDI Director*

## PART 2

### LETTER FROM DEMATIC



*Directors of Dematic:*

Ulf Henriksson (*President & Chief Executive Officer*)

Richard Paradise (*Chief Financial Officer*)

5 February 2015

*To Ordinary Shareholders and SDI Optionholders*

Dear Shareholder and SDI Optionholder,

**Recommended mandatory cash offer by Dematic for the entire issued and to be issued ordinary share capital of SDI Group Limited (other than those Ordinary Shares owned by FSU Investments Limited) and recommended cash offer by Dematic for the entire issued and to be issued B Ordinary Shares of SDI Group Limited**

#### **1. Introduction**

On 16 January 2015, Dematic acquired the entire issued share capital of FSU Investments, the parent company of SDI. As a result of the FSU Acquisition, Dematic indirectly holds 82,607,842 Ordinary Shares, representing 75.60 per cent. of the existing issued share capital of SDI.

As a result of Dematic's acquisition of FSU Investments, under Rule 9 of the City Code on Takeovers and Mergers, Dematic is required to make a mandatory cash offer for the remaining Ordinary Shares that are not already owned by FSU Investments. Dematic is also making an offer for any B Ordinary Shares, such offer being at the same price per share as the offer for the Relevant Ordinary Shares.

The Offers value the entire issued and to be issued share capital of SDI at £22.9 million and the Relevant Ordinary Shares to which the Ordinary Share Offer relates at approximately £5.2 million. Assuming exercise of all SDI Options, the B Ordinary Share Offer values the whole of the to be issued B Ordinary Shares at approximately £1.4 million.

The Offers value each Relevant Ordinary Share and each B Ordinary Share on the same basis as is attributed to each Ordinary Share, net of costs, held by FSU for the purposes of the FSU Acquisition, save that, under the terms of the FSU Acquisition, the FSU Shareholders have given certain warranties and a tax covenant in favour of Dematic and have agreed to defer receipt of part of the consideration due from Dematic for their FSU Shares pending attainment of certain future financial performance targets by FSU Investments and its subsidiary undertakings. Further details of the basis on which the price of the Offers has been arrived at are set out in paragraph 7.1 of Appendix III to this document.

The Offers are unconditional. This document and the Forms of Acceptance contain the formal terms of the Offers. The closing date of the Offers will be 9 March 2015, being 20 business days following the posting of this document.

**Your attention is drawn to the letter of recommendation from the Independent SDI Director contained in Part 1 of this document, which sets out the reasons why the Independent SDI Director, who has been so advised by Cattaneo, considers the terms of the Offers to be fair and reasonable and, accordingly, recommends that Ordinary Shareholders and B Ordinary Shareholders accept the Offers.**

The attention of Ordinary Shareholders and B Ordinary Shareholders who are not resident in the United Kingdom or who are citizens or nationals of other countries is also drawn to paragraph 11 of this letter and paragraph 6 of Part A, paragraph (b) of Part B and/or paragraph (b) of Part C3 of Appendix I to this document and to the relevant provisions of the Forms of Acceptance.

The procedure for acceptance of the Offers is set out in paragraph 13 of this letter and in Parts A, B and C of Appendix I to this document and the Forms of Acceptance.

## **2. Terms of the Ordinary Share Offer**

Dematic hereby offers to acquire, on the terms and subject to the conditions set out in this document and in the Share Offer Form of Acceptance, all of the issued and to be issued Ordinary Shares (other than those already owned by FSU Investments) on the following basis:

### **For each Relevant Ordinary Share: 19.65 pence in cash**

The Ordinary Share Offer extends to any Ordinary Shares unconditionally allotted or issued after the date of this announcement but before the Closing Date.

The Relevant Ordinary Shares will be acquired by Dematic fully paid and free from all liens, equitable interests, charges, mortgages, encumbrances, rights of pre-emption and other third party rights or interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including all voting rights and the right to receive and retain in full all dividends and other distributions (if any) accrued, announced, declared, made or paid on or after the date of the announcement of the Offers.

The Ordinary Share Offer values each Relevant Ordinary Share on the same basis as is attributed to each Ordinary Share held by FSU Investments for the purposes of the FSU Acquisition (taking into account certain costs borne by the selling shareholders under the FSU Acquisition), save that under the terms of the FSU Acquisition the holders of the FSU Shares have given certain warranties and a tax covenant in favour of Dematic and have agreed to defer receipt of part of the consideration due from Dematic for their FSU Shares pending attainment of certain future financial performance targets by FSU Investments and its subsidiary undertakings. Further details of the basis on which the price of the Offers has been arrived at are set out in paragraph 7.1 of Appendix III to this document.

## **3. Details of the B Ordinary Share Offer**

Dematic hereby offers to acquire, on the terms and subject to the conditions set out in this document and the relevant Form of Acceptance, all of the B Ordinary Shares on the following basis:

### **For each B Ordinary Share: 19.65 pence in cash**

At the time of posting, there are no B Ordinary Shares in issue. However the B Ordinary Share Offer extends to any B Ordinary Shares unconditionally allotted or issued after the date of this announcement but before the Closing Date.

The B Ordinary Shares will be acquired by Dematic fully paid and free from all liens, equitable interests, charges, mortgages, encumbrances, rights of pre-emption and other third party rights or interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including all voting rights and the right to receive and retain in full all dividends and other distributions (if any) accrued, announced, declared, made or paid on or after the date of the announcement of the Offers.

**SDI Optionholders who wish to become eligible to take part in the B Ordinary Share Offer must first exercise their SDI Options in accordance with the terms of the SDI Option Scheme. Such SDI Optionholders should consult paragraphs 9 and 13(b) of this letter and the SDI Option Proposal at Part C of Appendix I to this document.**

#### **4. Background to and reasons for the Offer**

The addition of SDI Group enhances Dematic's product offerings and expertise, especially for the e-commerce and apparel markets. In particular, the addition of garment on hanger and flat sorter technologies, along with SDI Group's returns processing solution, will enable Dematic to provide customers with a single source modular, flexible and scalable solution.

#### **5. Irrevocable undertakings to accept the Offer**

The SDI Executives have given Dematic irrevocable undertakings to accept, or (where applicable) to procure the acceptance of, the Ordinary Share Offer in respect of all of their respective beneficial and connected holdings of Ordinary Shares amounting, in aggregate, to 511,200 Ordinary Shares, representing approximately 0.5 per cent. of the existing Ordinary Shares in issue and 1.9 per cent. of the existing Relevant Ordinary Shares in issue. These undertakings will continue to be binding even in the event of a higher competing offer for SDI, unless the Ordinary Share Offer lapses or is withdrawn.

Dematic has also received irrevocable undertakings to accept the Ordinary Share Offer in respect of a further 23,662,418 Ordinary Shares in aggregate, representing a further 88.7 per cent. of the existing Relevant Ordinary Shares in issue. These undertakings will continue to be binding even in the event of a higher competing offer for SDI, unless the Ordinary Share Offer lapses or is withdrawn.

In summary, Dematic has received, in aggregate, irrevocable undertakings to accept the Ordinary Share Offer in respect of 24,173,618 Ordinary Shares, representing 22.1 per cent. of the existing Ordinary Shares in issue and 90.6 per cent. of the existing Relevant Ordinary Shares in issue.

In aggregate, Dematic is interested in, or has received irrevocable undertakings in respect of, 106,781,460 Ordinary Shares representing 97.7 per cent. of the existing issued Ordinary Shares.

Further details of all of the irrevocable undertakings given in relation to the Ordinary Share Offer are set out in paragraph 4 of Appendix III to this document.

#### **6. Information on Dematic**

Dematic specialises in the provision of intelligent logistics and materials handling solutions. Dematic serves its customers through a global network of more than 4,000 logistics professionals and has manufacturing plants in the USA, Europe, China and Australia. Dematic has developed and implemented more than 4,000 integrated systems for a customer base including some of the world's biggest companies.

#### **7. Financing of the Offers**

The Offers will be financed out of Dematic's existing cash resources and from existing debt facilities of Dematic.

#### **8. Directors, Management and Employees and Dematic's intentions for SDI**

The Dematic Board believes that the addition of SDI Group enhances Dematic's product offerings and expertise, enabling Dematic to provide its global customer base with single source modular, flexible and scalable solutions, especially for the e-commerce and apparel markets. Dematic intends to use the opportunities presented by the acquisition of SDI to deepen and expand customer relationships with both existing Dematic and SDI customers, and existing Dematic customers will have access to SDI's products and services.

With effect from completion of the FSU Acquisition, Gordon Smith resigned from the SDI Board and from his position of chief executive officer of SDI, although he will continue to be employed within SDI for nine months to assist with integration of the two businesses. He has been replaced as chief executive officer of SDI by Andrea di Bella, who was previously the managing director of SDI's businesses in Italy, Spain and Switzerland. SDI's registered office will be changed to Dematic's UK address at Beaumont Road, Banbury, Oxfordshire OX16 1QZ and Anthony Gajadharsingh was appointed to the SDI Board as Dematic's representative.

Dematic intends to finalise its integration plan and strategy for SDI by 30 June 2015. Dematic has no intention of making material changes in connection with SDI Group's employees, locations or the deployment of its fixed assets before such review is completed. This review may, however, result in changes which affect SDI's employees, locations or the deployment of its fixed assets.

Dematic recognises the skills, technical ability and experience of the existing management and employees of the SDI Group. Dematic has given assurances that the existing employment rights, including pension rights, of all management and employees of the SDI Group will be observed at least to the extent required by applicable laws.

## **9. SDI Option Scheme**

Normally, SDI Options have to be held for a specified period of two or three years before they can be exercised. However, under the rules of the SDI Option Scheme, in the event of:

- a change of control of FSU Investments (or any other company that is, from time to time, the holding company of SDI); and
- following such change of control, an offer being made by the person acquiring control of FSU Investments (or other such company) to acquire shares in SDI not owned by FSU Investments (or such other company),

SDI may give notice to SDI Optionholders inviting them to exercise their SDI Options. Where notice is given, SDI Optionholders are able to exercise their SDI Options at any time before the closing date of the offer, failing which their SDI Options shall lapse and cease to have any value.

It follows that, as a result of the FSU Acquisition, SDI is able to give notice to SDI Optionholders that they are able to exercise their SDI Options, and, accordingly, does so in Part C1 of Appendix 1 of this document.

SDI Optionholders wishing to exercise their SDI Options would, usually, be required to pay the aggregate option exercise price and to make satisfactory arrangements to meet any SDI Option Tax Liability. However, Dematic is making a proposal to SDI Optionholders in relation to SDI Options that will enable them to exercise their SDI Options without having either to pay the option exercise price upfront or to make upfront arrangements to satisfy any SDI Option Tax Liability. Instead, these amounts will be deducted from amounts due to SDI Optionholders from the sale, under the B Ordinary Share Offer, of B Ordinary Shares that they acquire on exercise of their SDI Options.

**Details of the SDI Option Proposal are set out in Part C of Appendix I.** It is the decision of individual SDI Optionholders as to whether or not they should accept the SDI Option Proposal applicable to their outstanding SDI Options. However, SDI Optionholders should note that:

- if they choose not to accept the SDI Option Proposal, but nonetheless wish to exercise their SDI Options, whether in whole or in part, and to acquire B Ordinary Shares, they will be required:
  - under the rules of the SDI Option Scheme, to enter into satisfactory arrangements with SDI to meet any SDI Option Tax Liability and to pay the aggregate option exercise price; and
  - under SDI's articles of association, to sell to Dematic the B Ordinary Shares that they acquire – they will receive the same amount per share as they would receive if they were to accept the B Ordinary Share Offer; and
- if they choose not to exercise their SDI Options, or fail to do so prior to the Closing Date, their SDI Options shall lapse and they will lose the opportunity to realise any value from them following the Closing Date.

**SDI Optionholders who are in any doubt as to the action they should take are advised immediately to seek their own personal financial advice from their stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser who, if they are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 and**

**specialises in advising on the acquisition of shares and other securities or, if they are taking advice outside the United Kingdom, is an appropriately authorised independent financial adviser with such a specialism.**

## **10. United Kingdom Taxation**

Set out below is a summary of certain aspects of the UK tax treatment of Ordinary Shareholders and B Ordinary Shareholders in connection with the Offers. SDI Optionholders are referred to Part C2 of Appendix 1.

This summary is based on UK law and published HM Revenue & Customs practice current as at the date of this document. It is intended as a general guide and applies only to Shareholders who are resident and (if individuals) domiciled for tax purposes in the UK, who hold interests in Ordinary Shares as an investment (otherwise than under any scheme which benefits from special tax exemptions) and who are the beneficial owners of those Ordinary Shares. This section does not address the UK tax treatment of the exercise of an SDI Option by an SDI Optionholder. Further this section is not intended to be, and should not be construed to be, legal or taxation advice to any Ordinary Shareholder or B Ordinary Shareholder. **Ordinary Shareholders and B Ordinary Shareholders who are in any doubt about their taxation position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers immediately.**

### ***UK taxation of chargeable gains***

An Ordinary Shareholder who accepts the Ordinary Share Offer and a B Ordinary Shareholder who accepts the B Ordinary Share Offer will make a disposal of Ordinary Shares for the purposes of UK taxation of chargeable gains. Such disposal may, depending on the individual shareholder's circumstances (including the availability of exemptions, reliefs and allowable losses), give rise to a liability to UK taxation of chargeable gains.

Ordinary Shareholders and B Ordinary Shareholders who are not resident in the UK for UK tax purposes are not subject to UK tax on chargeable gains unless, at the time of disposal, they carry on a trade, profession or vocation in the UK through a branch or agency and the Ordinary Shares or B Ordinary Shares disposed of are used in, or for the purposes of the trade, profession or vocation at or before the time when the chargeable gain accrued.

#### **(a) *Corporate taxpayers***

An Ordinary Shareholder or B Ordinary Shareholder who is a company within the charge to UK corporation tax on a disposal of its Ordinary Shares or B Ordinary Shares under the Offers may be able to apply indexation allowance to reduce any chargeable gain arising on the disposal, but not to create or increase an allowable loss.

#### **(b) *Individual taxpayers***

An Ordinary Shareholder or B Ordinary Shareholder who is an individual should benefit from an annual exempt amount, which for the tax year 2014-2015 is £11,000, such that capital gains tax is chargeable only on gains (arising from all sources during the tax year) in excess of that amount.

### ***Stamp duty and stamp duty reserve tax ("SDRT")***

No stamp duty or SDRT will be payable by Ordinary Shareholders or B Ordinary Shareholders as a result of accepting the Offer.

## **11. Overseas Shareholders**

The attention of Ordinary Shareholders and B Ordinary Shareholders who are citizens or residents of jurisdictions outside the United Kingdom or who are holding shares for such citizens or residents and any person (including, without limitation, any custodian, nominee or trustee) who may have an obligation to forward any document in connection with the Offers outside the United Kingdom is drawn to paragraph 6 of Part A and to paragraph (b) of Part B and paragraph (b) of Part C of Appendix I to this document and to the relevant provisions of the Forms of Acceptance, which they should read before taking any action.



The availability of the Offers to Ordinary Shareholders or B Ordinary Shareholders who are not resident in the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. If you remain in any doubt, you should consult your professional adviser in the relevant jurisdiction without delay.

The Offers are not being made, directly or indirectly, in or into any Restricted Jurisdiction where to do so would violate the laws of that jurisdiction, and it is not currently intended that the Offers will be capable of acceptance by any such use, means, instrumentality or facility or from any such jurisdiction. Accordingly, persons who are unable to give the warranties set out in either paragraph (b) of Part B of Appendix I or paragraph (b) of Part C3 of Appendix I as appropriate may be deemed not to have validly accepted the Offer.

The Offers fall within the scope of the US Securities and Exchange Act of 1934, as amended (the “**Securities Act**”), to the extent the Offers affect US resident Ordinary Shareholders. Accordingly, the Offers are being made into the US in compliance with Regulation 14E which was promulgated by the Securities and Exchange Commission under Section 14E of the Securities Act.

## **12. Compulsory acquisition**

As set out in article 43 of SDI’s articles of association, if a sale of a controlling interest in SDI’s holding company (being, at the date of this document, FSU Investments) is effected and, on such sale, the acquirer obtains the right to control, directly or indirectly, 75 per cent. or more of the voting rights normally exercisable at general meetings of SDI, the acquirer may, by serving a notice on all the other holders of shares in SDI, require such shareholders to sell their shares in SDI to the acquirer (“**Compulsory Purchase Notice**”).

On completion of the FSU Acquisition, Dematic acquired, indirectly, the right to control over 75 per cent. of the voting rights normally exercisable at general meetings of SDI.

Accordingly, Dematic hereby serves notice on Ordinary Shareholders and SDI Optionholders that Dematic shall purchase any Ordinary Shares and B Ordinary Shares in respect of which acceptances of the Offers are not received in accordance with the drag along provisions set out in article 43 of SDI’s articles of association, such notice to constitute a Compulsory Purchase Notice for the purposes of SDI’s articles of association (“**Dematic CP Notice**”).

The purchase of Ordinary Shares and B Ordinary Shares pursuant to the Dematic CP Notice shall be completed as follows:

- (i) if, by the Closing Date, an Ordinary Shareholder or a B Ordinary Shareholder has not returned a validly completed and executed Form of Acceptance, together with the relevant share certificates (or a suitable indemnity) and other documents of title, Dematic will instruct any of the SDI Directors to execute a stock transfer form in respect of the entire holding of such Ordinary Shares and/or B Ordinary Shares at the Closing Date as agent for and on behalf of the relevant Shareholder (as so deemed appointed in accordance with SDI’s articles of association) to transfer such Ordinary Shares and/or B Ordinary Shares to Dematic;
- (ii) the price payable by Dematic for the Ordinary Shares or B Ordinary Shares purchased pursuant to the Dematic CP Notice shall be the same price as would be payable for the relevant Ordinary Shares or B Ordinary Shares purchased pursuant to the Offers;
- (iii) the completion date for the acquisition of Ordinary Shares and B Ordinary Shares pursuant to Dematic CP Notice shall be five business days after the Closing Date;
- (iv) settlement of the consideration to which any Ordinary Shareholder or B Ordinary Shareholder is entitled in respect of the purchase of their Ordinary Shares or B Ordinary Shares pursuant to the Dematic CP Notice shall be made by cheque within three business days of the date on which SDI receives the relevant Shareholder’s share certificates or indemnity in respect of any lost share certificates.

Notwithstanding the above, Dematic reserves the right to exercise its entitlement pursuant to the provisions of sections 979 to 991 (inclusive) of the Companies Act to acquire compulsorily all Relevant Ordinary Shares or B Ordinary Shares (as the case may be) in respect of which acceptances are not received pursuant to the Offers on the same terms as the relevant Offer.

### **13. Action to be taken – how to accept the Offers**

Ordinary Shareholders should read this section in conjunction with the Share Offer Form of Acceptance and Parts A and B of Appendix I to this document.

B Ordinary Shareholders (including SDI Optionholders who intend to become B Ordinary Shareholders) should read this section in conjunction with the Form of Option Exercise and Acceptance (or, if applicable, B Ordinary Share Offer Form of Acceptance) and Parts A and C of Appendix I to this document.

The instructions on each Form of Acceptance are deemed to form part of the terms of the relevant Offer.

**If you have any questions relating to the procedure for acceptance of the Offers, please contact Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA telephone number 0121 585 1131 (from within the UK) or +44 212 585 1131 (from outside the UK) between 9.00 am and 5.00 pm (London time) Monday to Friday. Please note that for legal reasons, the helpline cannot provide advice on the merits of the proposals or give any financial advice.**

#### **(a) Holders of Ordinary Shares**

##### *Completion of the Share Offer Form of Acceptance*

To accept the Ordinary Share Offer, you must complete the Share Offer Form of Acceptance in accordance with the instructions set out below and on the Share Offer Form of Acceptance. You should complete separate Share Offer Forms of Acceptance for Ordinary Shares held under different designations. If you have any queries as to how to complete the Share Offer Form of Acceptance, please telephone Neville Registrars on 0121 585 1131 (or if calling from outside the UK +44 121 585 1131) between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday. Additional Forms of Acceptance are available from Neville Registrars upon request.

*To accept the Ordinary Share Offer in respect of all your Ordinary Shares – you must complete Box 3B of the enclosed Share Offer Form of Acceptance. If you do not insert a number in Box 3B of the Share Offer Form of Acceptance, or if you insert in Box 3B a number which is greater than the number of Ordinary Shares that you hold and you have signed Box 4, your acceptance will be deemed to be in respect of all the Ordinary Shares held by you.*

*To accept the Ordinary Share Offer in respect of less than all your Ordinary Shares – you must insert in Box 3B of the enclosed Share Offer Form of Acceptance such lesser number of Ordinary Shares in respect of which you wish to accept the Offer in accordance with the instructions printed thereon. Please note that, through its acquisition of FSU and the irrevocable undertakings to accept the Ordinary Share Offer, Dematic will be able compulsorily to acquire any Ordinary Shares that are not acquired under the Ordinary Share Offer.*

In all cases, if you are an individual, you must sign Box 4A on the Share Offer Form of Acceptance in the presence of a witness who should also sign in accordance with the instructions printed on it. Any Ordinary Shareholder which is a company should execute Box 4B of the Share Offer Form of Acceptance in accordance with the instructions printed on it.

##### *Return of the Share Offer Form of Acceptance*

To accept the Ordinary Share Offer in respect of Ordinary Shares, the completed, signed and witnessed Share Offer Form of Acceptance should be returned by post (or, between 9.00 am and 5.00 pm (London time) Monday to Friday only, by hand) to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA as soon as possible and in any event so as to arrive no later than 1.00 pm (London time) on 9 March 2015. A reply-paid envelope for use in the UK only is enclosed for your convenience. No acknowledgement of receipt of documents will be given.

Any Share Offer Form of Acceptance received in an envelope post-marked in a Restricted Jurisdiction or otherwise appearing to Dematic or its agents to have been sent from any such jurisdiction may be rejected as an invalid acceptance of the Ordinary Share Offer. For further information on Ordinary Shareholders resident overseas, see paragraph 11 of this Part 2.

*Share certificates not readily available or lost*

A completed, signed and witnessed Share Offer Form of Acceptance should be accompanied by the relevant share certificate(s) and/or other document(s) of title in respect of those Ordinary Shares for which you wish to accept the Ordinary Share Offer. If for any reason the relevant share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, you should nevertheless complete, sign and lodge the Share Offer Form of Acceptance as stated above so as to be received by post (or, between 9.00 am and 5.00 pm (London time) Monday to Friday only, by hand) to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, not later than 1.00 pm on 9 March 2015. You should send with the Share Offer Form of Acceptance any share certificate(s) and/or other document(s) of title which you may have available, accompanied by a letter stating that the remaining document(s) will follow as soon as possible or that you have lost one or more of your share certificate(s) and/or other document(s) of title. You should then arrange for the relevant share certificate(s) and/or other document(s) of title to be forwarded as soon as possible.

If you have lost your share certificate(s) and/or other document(s) of title, you should write as soon as possible to the Company Secretary, SDI Group Limited at 11 Jarman Way, Orchard Road, Royston, Hertfordshire SG8 5HW, requesting a letter of indemnity for the lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned by post (or, between 9.00 am and 5.00 pm (London time) Monday to Friday only, by hand) to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA so as to arrive no later than 1.00 pm (London time) on 9 March 2015.

*Validity of Acceptances*

Without prejudice to Parts A and B of Appendix I to this document, and subject to the provisions of the City Code, Dematic reserves the right to treat as valid in whole or in part any acceptance of the Ordinary Share Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title. In that event, no payment of cash under the Ordinary Share Offer will be made until after the relevant share certificate(s) and/or other document(s) of title or indemnities reasonably satisfactory to Dematic have been received.

**(b) *SDI Optionholders and holders of B Ordinary Shares***

At the date of this document no B Ordinary Shares have been issued.

Any SDI Optionholder who wishes to exercise his SDI Option(s) and accept the B Ordinary Share Offer in accordance with the SDI Option Proposal should complete and return the Form of Option Exercise and Acceptance which accompanies this document by post (or, between 9.00 am and 5.00 pm (London time) Monday to Friday only, by hand) to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA as soon as possible and in any event so as to arrive no later than 1.00 pm (London time) on 9 March 2015.

Any SDI Optionholder who wishes to exercise his SDI Option(s) other than in accordance with the SDI Option Proposal in order to participate in the B Ordinary Share Offer should:

- exercise his SDI Option(s) in accordance with the terms of the SDI Option Scheme; and
- contact the Company Secretary of SDI Group Limited at 11 Jarman Way, Orchard Road, Royston, Hertfordshire SG8 5HW in order to receive a personalised B Ordinary Share Offer Form of Acceptance, which should be completed in accordance with the terms thereon and returned by post (or, between 9.00 am and 5.00 pm (London time) Monday to Friday only, by hand) to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA as soon as possible and in any event so as to arrive no later than 1.00 pm (London time) on 9 March 2015.

Without prejudice to Parts A and C of Appendix I to this document, and subject to the provisions of the City Code, Dematic reserves the right to treat as valid in whole or in part any acceptance of the B Ordinary Share Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title. In that event, no payment of cash under the B Ordinary Share Offer will be made until after the relevant share certificate(s) and/or other document(s) of title or indemnities reasonably satisfactory to Dematic have been received.

#### **14. Settlement**

Except as provided in paragraph 12 of this letter and in paragraph 6 of Part A of Appendix I to this document in the case of certain Overseas Shareholders, and save as set out in paragraph 13 of this letter, settlement of the consideration to which any Shareholder (or the first-named shareholder in the case of joint holders) is entitled under the Offers will be dispatched by first class post (or such other method as may be approved by the Panel) to accepting Ordinary Shareholders (but not into any Restricted Jurisdiction) within 3 business days of the Closing Date. All such cash payments will be made in pounds sterling by cheque drawn on a branch of a United Kingdom clearing bank.

#### **15. Further Information**

If the Offers are withdrawn prior to the Closing Date, the relevant Form of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post (or by such other method as may be approved by the Panel) within 14 days of the Offers being withdrawn to the person or agent whose name and address (outside a Restricted Jurisdiction) is set out in the Form of Acceptance or, if none is set out, to the first-named holder at his or her registered address (provided that no such documents will be sent to an address in a Restricted Jurisdiction).

All remittances, communications, notices, certificates and documents of title sent by, to or from Shareholders or their appointed agents will be sent entirely at their own risk.

Your attention is drawn to the letter from the Independent SDI Director in Part 1 of this document, the further terms of the Offers set out in Appendix I, the further information on SDI and Dematic contained in Appendices II and III respectively and the Forms of Acceptance.

Yours faithfully

Ulf Henriksson  
*President & Chief Executive Officer*  
Dematic Group S.A.R.L.

## APPENDIX I

### TERMS OF THE OFFERS

#### PART A

##### Further terms of the Offers

The following further terms apply, unless the contrary is expressed or the context requires otherwise, to each of the Offers:

- i. unless the context requires otherwise, any reference in this document and in the Forms of Acceptance to “**acceptances of the Offers**” includes deemed acceptances of the Offers;
- ii. as Dematic, following its acquisition of FSU Investments, is interested in Ordinary Shares carrying 75.6 per cent. of the voting rights in SDI, the Offers are not subject to any minimum acceptance condition or any other condition and are therefore unconditional in all respects; and
- iii. in accordance with the provisions of the Takeover Code, the Offers will lapse if there is a Phase 2 Competition and Markets Authority reference in respect of the Offer before 1.00 pm on the Closing Date. If the Offers so lapse, they will cease to be capable of further acceptances and persons accepting the Offers and Dematic will cease to be bound by Forms of Acceptance submitted at or before the time when the Offers lapse.

#### 1. Acceptance Period

- 1.1 The Offers are open for acceptance until 1.00 pm on the Closing Date and they will not be extended beyond that time.

#### 2. Announcements

- 2.1 By 8.00 am on the next business day (the “**relevant day**”) following the day on which the Offers are due to expire (or such later time(s) or date(s) as the Panel may agree), Dematic will make an appropriate announcement through its website at [www.dematic.com/announcements/sdi/201501](http://www.dematic.com/announcements/sdi/201501). The announcement will state (unless otherwise permitted by the Panel):
  - (A) the total number of Ordinary Shares (i) for which acceptances of the Ordinary Share Offer have been received (showing the extent, if any, to which such acceptances have been received from any person(s) acting or deemed to be acting in concert with Dematic for the purposes of the Ordinary Share Offer) and (ii) which were the subject of an irrevocable commitment or letter of intent procured by Dematic or its associates (as defined in the Code);
  - (B) the total number of B Ordinary Shares (i) for which acceptances of the B Ordinary Share Offer have been received (showing the extent, if any, to which such acceptances have been received from any person(s) acting or deemed to be acting in concert with Dematic for the purposes of the B Ordinary Share Offer) and (ii) which were the subject of an irrevocable commitment or letter of intent procured by Dematic or its associates (as defined in the Code);
  - (C) details of any SDI relevant securities in which Dematic or any person acting in concert with it has an interest or in respect of which he has a right to subscribe, in each case specifying the nature of the interests or rights concerned and details of any short positions over SDI relevant securities held by Dematic or any person acting in concert with it (whether conditional or absolute and whether in the money or otherwise);
  - (D) details of any SDI relevant securities in respect of which Dematic or any of its associates (as defined in the Code) has an outstanding irrevocable commitment or letter of intent; and
  - (E) details of any SDI relevant securities which Dematic or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold, and will specify the percentages of each class of relevant securities represented by these figures.

- 2.2 In computing the number of Ordinary Shares or B Ordinary Shares represented by acceptances and/or purchases for the announcement, an acceptance or purchase will only be counted if the requirements of Notes 4, 5 and 8 (as applicable) of Rule 10 of the Code are satisfied (unless the Panel agrees otherwise). Subject to this, Dematic may include or exclude, for announcement purposes, acceptances and purchases not in all respects in order or not accompanied by the relevant share certificate(s) and/or other document(s) of title.
- 2.3 In this Appendix, references to the making of an announcement or the giving of notice by or on behalf of Dematic includes the release of an announcement on behalf of Dematic to the press and the delivery by hand or telephone, telex or facsimile or other electronic transmission of an announcement through Dematic's website at [www.dematic.com/announcements/sdi/201501](http://www.dematic.com/announcements/sdi/201501). The Panel has granted to Dematic a dispensation from making any further announcements in respect of the Offers through any Regulatory Information Service.

### **3. Rights of withdrawal**

Save as set out in this document, all acceptances are irrevocable and may not be withdrawn.

### **4. Revisions to the Offers**

- 4.1 Although no revision is envisaged, if either Offer is revised (either in its terms and conditions or in the value or nature of the consideration offered or otherwise), the benefit of the revised offer will, subject to the provisions of this paragraph 4 and paragraph 6 of this Part A of this Appendix I, be made available to a Ordinary Shareholder who has accepted the Ordinary Share Offer or a B Ordinary Shareholder who has accepted the B Ordinary Share Offer (in each case in its original or any revised form(s)) and who has not validly withdrawn such acceptance (a "**previous acceptor**") if any such revised offer(s) represents, on the date on which it is announced (on such basis as Dematic may consider appropriate), an improvement (or no diminution) in the value of the consideration offered compared with the consideration or terms previously offered or in the overall value received and/or retained by an Ordinary Shareholder and/or B Ordinary Shareholder, as the case may be. The acceptance by or on behalf of a previous acceptor will, subject as provided in this paragraph 4 and paragraph 6 of this Part A of this Appendix I be deemed an acceptance of the revised offer and will constitute the separate appointment of each of Dematic and any director of Dematic as his attorney and/or agent with authority:
- (A) to accept the revised offer on behalf of such previous acceptor; and
  - (B) to execute on his behalf in his name all further documents (if any) and to do all things (if any) as may be required to give effect to such acceptances and/or elections.

In making any election and/or acceptance, the attorney and/or agent will take into previous acceptor and other facts or matters he may reasonably consider relevant.

- 4.2 The deemed acceptance and/or election referred to in paragraph 4.1 of this Part A of this Appendix I shall not apply, and the power of attorney and authorities conferred by that paragraph shall not be exercised if, as a result, the previous acceptor would (on such basis as Dematic may reasonably consider appropriate) receive and/or retain (as appropriate) less in aggregate in consideration under the revised offer or otherwise than he would have received and/or retained (as appropriate) in aggregate in consideration as a result of his acceptance of the Offers in the form originally accepted by such previous acceptor or on his behalf.
- 4.3 The deemed acceptance and/or election referred to in paragraph 4.1 of this Part A of this Appendix I shall not apply, and the power of attorney and the authorities conferred by that paragraph shall not be exercised in the case of a previous acceptor who lodges with Neville Registrars within 14 calendar days of the posting of the document containing the revised offer to Shareholders, a Form of Acceptance in which he validly elects to receive consideration under the revised offer in some other manner.

- 4.4 The authorities conferred by this paragraph 4 and any acceptance of a revised offer and/or any election in relation to it shall be irrevocable.
- 4.5 Subject to the other provisions of this paragraph 4, Dematic reserves the right to treat an executed Form of Acceptance (in its original or any previously revised form(s)) which is received (or dated) after the announcement or issue of any revised offer as a valid acceptance of the revised offer. That acceptance will constitute an authority in the terms of paragraph 4.1 of this Part A of this Appendix, *mutatis mutandis*, on behalf of the relevant Ordinary Shareholder and/or SDI Optionholder, as the case may be.

## 5. General

- 5.1 If either Offer is withdrawn for any reason:
- (A) the Offers will not be capable of further acceptance;
  - (B) accepting Ordinary Shareholders and accepting B Ordinary Shareholders and Dematic will cease to be bound by Forms of Acceptance submitted before the time the relevant Offer is withdrawn;
  - (C) neither Dematic nor any person acting, or deemed to be acting, in concert with Dematic for the purposes of the Offer may, pursuant to the Code, make an offer (whether inside or outside the United Kingdom) for Ordinary Shares for a period of one year following the date of such withdrawal, except with the permission of the Panel; and
  - (D) Forms of Acceptance, share certificates and other documents of title and, if applicable, option certificates will be returned by post within 14 calendar days of the Offers being withdrawn, at the risk of the Ordinary Shareholder, SDI Optionholder or B Ordinary Shareholder in question, to the person or agent whose name and address is set out in the relevant box on the relevant Form of Acceptance or, if none is set out, to the first-named holder at his registered address. No such documents will be sent to an address in any Restricted Jurisdiction.
- 5.2 Except with the consent of the Panel:
- (A) settlement of the consideration to which any Ordinary Shareholder or B Ordinary Shareholder is entitled under the relevant Offer will be implemented in full in accordance with the terms of the relevant Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Dematic may otherwise be, or claim to be, entitled against that Ordinary Shareholder or B Ordinary Shareholder; and
  - (B) settlement of the consideration will be effected in the manner prescribed in but subject to the exceptions referred in paragraph 14 of the letter from Dematic contained in Part 2 of this document not later than 3 business days after the Closing Date.

Subject to paragraph 6 of this Part A of this Appendix I, no consideration will be sent to an address in any Restricted Jurisdiction.

- 5.3 The Ordinary Share Offer is made on 5 February 2015 to all Relevant Ordinary Shareholders including those to whom this document may not be dispatched and is capable of acceptance from and after that time; this document and the Share Offer Form of Acceptance are available from Neville Registrars at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. The Ordinary Share Offer is being made by means of this document to all Relevant Ordinary Shareholders and will be announced on SDI's website at [www.sdigroup.com/announcements](http://www.sdigroup.com/announcements). The Closing Date is 1.00 pm on 9 March 2015. The Ordinary Share Offer will not be extended beyond this time.
- 5.4 The B Ordinary Share Offer is made on 5 February 2015 to all B Ordinary Shareholders including those to whom this document may not be dispatched and is capable of acceptance from and after that time; this document, the Form of Option Exercise and Acceptance and the B Ordinary Share Offer Form of Acceptance are available from Neville Registrars at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. The B Ordinary Share Offer is being made by means of this

document to all B Ordinary Shareholders and will be announced on SDI's website at [www.sdigroup.com/announcements](http://www.sdigroup.com/announcements). The closing date of the B Ordinary Share Offer for the purposes of the Code is 1.00 pm on 9 March 2015. The B Ordinary Share Offer will not be extended beyond this time.

- 5.5 The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Forms of Acceptance constitute part of the terms of the relevant Offer. Words and expressions defined in this document have the same meaning when used in the Forms of Acceptance unless the context requires otherwise. The provisions of this Appendix I shall be deemed to be incorporated and form part of the Forms of Acceptance.
- 5.6 Any omission or failure to dispatch this document, the Forms of Acceptance or any other document relating to either Offer and/or notice required to be dispatched under the terms of either Offer to, or any failure to receive the same by any person to whom such Offer is, or should be made, shall not invalidate that Offer in any way or create any implication that such Offer has not been made to any such person. Subject to the provisions of paragraph 7 of this Part A of this Appendix I, the Ordinary Share Offer is made to any Relevant Ordinary Shareholder and the B Ordinary Share Offer is made to any SDI Optionholder to whom this document and the relevant Form of Acceptance or any related document may not be dispatched or by whom such documents may not be received, and these persons may collect these documents from Neville Registrars at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA.
- 5.7 Subject to the Code, and notwithstanding any other provision of this Part A of this Appendix I, Dematic reserves the right to treat as valid in whole or in part any acceptance of either Offer if received by 1.00 pm on the Closing Date which is not entirely in order or in correct form or which is not accompanied by (as applicable) the relevant share certificate(s) and/or other relevant document(s) or is not received by it at the place(s) specified in this document or in the relevant Form of Acceptance. In that event, no payment of cash will be made until after the acceptance is entirely in order or the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Dematic have been received.
- 5.8 Dematic intends to use the drag-along provisions set out in SDI's articles of association to acquire compulsorily any Relevant Ordinary Shares and B Ordinary Shares not acquired or agreed to be acquired pursuant to the Offers or otherwise.
- 5.9 All powers of attorney, appointments of agents and authorities on the terms conferred by or referred to in this Appendix I or in the Forms of Acceptance are given by way of security for the performance of the obligations of the relevant Ordinary Shareholder and/or SDI Optionholder and are irrevocable (in respect of powers of attorney in accordance with section 4 of the Powers of Attorney Act 1971).
- 5.10 No acknowledgement of receipt of any Form of Acceptance, communication, notice, share certificate(s), option certificate(s) or document(s) of title will be given by or on behalf of Dematic. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Ordinary Shareholders, B Ordinary Shareholders or SDI Optionholders (or their designated agents) will be delivered by or sent to or from them (or their designated agent(s)) at their own risk.
- 5.11 The Offers, all acceptances of the Offers and all elections in respect of them are governed by and will be construed in accordance with English law. The Courts of England have exclusive jurisdiction to settle any dispute arising from or connected with the Offers, all acceptances of the Offers and all elections in respect of them.
- 5.12 Ordinary Shares and B Ordinary Shares are to be acquired by Dematic under the Offers fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and other interests of any nature whatsoever and together with all rights attaching to them on or after the date of this document, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after that date.



- 5.13 All references in this Appendix I to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date hereof).
- 5.14 Any references in this Appendix I to the return or dispatch of documents by post shall extend to the return or dispatch by such other method as the Panel may approve.

## **6. Overseas Shareholders**

- 6.1 The making of the Offers to Overseas Shareholders or to persons who are custodians, nominees of or trustees for such persons may be prohibited or affected by the laws of the relevant jurisdiction. Such Overseas Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions. It is the responsibility of any Overseas Shareholder wishing to accept either Offer to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with such Offer, including obtaining any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties or other requisite payments due in that jurisdiction. Any such Overseas Shareholder shall be responsible for any such issue, transfer or other taxes or duties or other payments by whomsoever payable and Dematic (and any person acting on behalf of Dematic) shall be fully indemnified and held harmless by such Overseas Shareholders for any such issue, transfer or other taxes or duties or other payments which Dematic (and any person acting on behalf of Dematic) may be required to pay.
- 6.2 The Offers are not being made, directly or indirectly, in or into or by use of the mails of, or by any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offers cannot be accepted by any such use, means or instrumentality or otherwise from within any Restricted Jurisdiction.
- 6.3 Copies of this document, the Forms of Acceptance and any related documents are not being (unless determined otherwise by Dematic in its sole discretion), and must not be, mailed or otherwise distributed or sent in, into or from any Restricted Jurisdiction including to Ordinary Shareholders, SDI Optionholders or B Ordinary Shareholders with registered addresses in any Restricted Jurisdiction or to persons whom Dematic knows to be custodians, trustees or nominees holding Ordinary Shares for persons with registered addresses in any Restricted Jurisdiction. Persons receiving those documents (including, without limitation, custodians, nominees and trustees) should not distribute, mail or send them in, into or from any Restricted Jurisdiction or use such mails or any such means, instrumentality or facility for any purpose directly or indirectly in connection with the Offers, and so doing may render any purported acceptance of the Offers invalid.
- 6.4 Persons wishing to accept either Offer must not use the mails of any Restricted Jurisdiction or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of such Offer. All Shareholders (including nominees, trustees of custodians) who may have a contractual or legal obligation, or may otherwise intend, to forward this document and/or Form of Acceptance and/or any associated document, should read the further details in this regard which are contained in this paragraph 6 of this Part A and in Part B of this Appendix I before taking any action. Envelopes containing Forms of Acceptance, evidence of title or other documents relating to the Offers should not be postmarked in any Restricted Jurisdiction or otherwise dispatched from such jurisdictions and all acceptors must provide addresses outside a Restricted Jurisdiction for the receipt of the consideration to which they are entitled under the Offers or for the return of their Form of Acceptance or documents of title.
- 6.5 Subject to the provisions of this paragraph 6 and applicable laws, an Ordinary Shareholder or B Ordinary Shareholder, as the case may be, shall be deemed NOT to have accepted the relevant Offer if:
- (A) he puts “No” in Box 5 of the relevant Form of Acceptance and thereby does not make the representations and warranties set out in paragraph (b) of Part B of this Appendix I;

- (B) he completes Box 6 of the relevant Form of Acceptance with an address in a Restricted Jurisdiction or has a registered address in a Restricted Jurisdiction and in any such case does not insert in Box 6 of the relevant Form of Acceptance the name and address of a person or agent outside a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the relevant Offer to be sent;
- (C) he inserts in Box 6 of the relevant Form of Acceptance the name and address of a person or agent in a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer to be sent; or
- (D) in any case, the relevant Form of Acceptance received from him is in an envelope postmarked in, or which otherwise appears to Dematic or its agents to have been sent from a Restricted Jurisdiction.

Dematic reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph (b) of Part B or (as the case may be) Part C of this Appendix I could have been truthfully given by the relevant Ordinary Shareholder or B Ordinary Shareholder and, if such investigation is made and as a result Dematic determines (for any reason) that such representations and warranties could not have been so given, such acceptance may be rejected as invalid.

6.6 If any person, despite the restrictions described above and whether pursuant to a contractual or legal obligation or otherwise, forwards this document, any Form of Acceptance or any related document in, into or from any Restricted Jurisdiction or uses the mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction in connection with that forwarding, that person should:

- (A) inform the recipient of such fact;
- (B) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
- (C) draw the attention of the recipient to this paragraph 6.

6.7 The provisions of this paragraph 6 and/or any other terms of the Offers relating to Overseas Shareholders may be waived, varied or modified as regards specific Ordinary Shareholders or B Ordinary Shareholders or on a general basis by Dematic in its sole discretion. Subject to this discretion, the provisions of this paragraph 6 supersede any terms of the Offers inconsistent with them. References in this paragraph 6 to an Ordinary Shareholder or a B Ordinary Shareholder shall include the person or persons executing a Form of Acceptance and, in the event of more than one person executing the Form of Acceptance, the provisions of this paragraph apply to them jointly and severally.

6.8 The Ordinary Share Offer falls within the scope of the US Securities and Exchange Act of 1934, as amended (the “**Securities Act**”), to the extent that it affects US resident Ordinary Shareholders. Accordingly, the Ordinary Share Offer is being made into the US in compliance with Regulation 14E which was promulgated by the Securities and Exchange Commission under Section 14e of the Securities Act.

**Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your appropriate adviser in the relevant jurisdiction.**

## PART B

### PROCEDURE FOR ACCEPTANCE FOR ORDINARY SHAREHOLDERS

For the purposes of this Part B of this Appendix I and the Share Offer Form of Acceptance, the phrase “**Ordinary Shares comprised in the acceptance**” shall mean the number of Ordinary Shares inserted in Box 3B of the Share Offer Form of Acceptance or, if no number is inserted (or a number greater than the relevant Ordinary Shareholder’s holding of Ordinary Shares), the relevant Ordinary Shareholder’s entire holding of Ordinary Shares as disclosed by the register of members immediately prior to the Closing Date.

Without prejudice to the terms of the Share Offer Form of Acceptance and the provisions of Part A of this Appendix I, each Ordinary Shareholder by whom, or on whose behalf, a Share Offer Form of Acceptance is executed and lodged with Neville Registrars, irrevocably undertakes, represents, warrants and agrees to and with Dematic (so as to bind him, his personal or legal representatives, heirs, successors and assigns):

- (a) that the execution of a Share Offer Form of Acceptance shall constitute:
  - (i) an acceptance of the Ordinary Share Offer in respect of the number of Ordinary Shares inserted or deemed to be inserted in Box 3B of the Share Offer Form of Acceptance;
  - (ii) an undertaking to execute any further documents, take any further action and give any further assurances which may be required to enable Dematic to obtain the full benefit of this Part B of this Appendix I and/or to perfect any of the authorities expressed to be given hereunder and otherwise in connection with his acceptance of the Ordinary Share Offer;

in each case on and subject to the terms and conditions set out or referred to in this document and that each such acceptance shall be irrevocable provided that (A) if no Boxes are completed; or (B) the total number of Ordinary Shares inserted in Box 3B is greater than the number of Ordinary Shares comprised in the acceptance; or (C) the acceptance is otherwise completed incorrectly, but the Share Offer Form of Acceptance is signed, it will be deemed to be an acceptance of the Ordinary Share Offer in respect of all Ordinary Shares comprised in the acceptance;

- (b) that, unless “No” is inserted in Box 5 of the Share Offer Form of Acceptance such Ordinary Shareholder:
  - (i) has not received or sent copies or originals of this document, the Share Offer Form of Acceptance or any related documents in, into or from any Restricted Jurisdiction;
  - (ii) has not, in connection with the Ordinary Share Offer or the execution or delivery of the Share Offer Form of Acceptance, utilised, directly or indirectly, the mails of, or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction;
  - (iii) is accepting the Ordinary Share Offer from outside of a Restricted Jurisdiction and was outside such jurisdictions when the Share Offer Form of Acceptance was delivered;
  - (iv) is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given any instructions with respect to the Ordinary Share Offer from outside of a Restricted Jurisdiction;
  - (v) if such Ordinary Shareholder is a citizen, resident or national of a jurisdiction outside the United Kingdom, he has observed the laws and regulatory requirements of the relevant jurisdiction in connection with the Ordinary Share Offer, obtained all requisite governmental, exchange control or other consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or duties or other requisite payments due in any such jurisdiction in connection with such acceptance and that he has not taken or omitted to take

any action that will or may result in Dematic or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Ordinary Share Offer or his acceptance of the Ordinary Share Offer;

- (c) that, in relation to Ordinary Shares, the execution of the Share Offer Form of Acceptance and its delivery constitutes the irrevocable appointment of any directors of, or any person authorised by Dematic as his agent and/or attorney with an irrevocable instruction and authorisation to such attorney to:
  - (i) complete and execute all or any form(s) of transfer, renunciation and/or other documents at the discretion of such attorney in relation to the Ordinary Shares comprised in the acceptance in favour of Dematic or such other persons as Dematic or its agents may direct;
  - (ii) deliver any form(s) of transfer, renunciation and/or other document(s) at the discretion of such attorney together with any share certificate or other document(s) of title for registration relating to such Ordinary Shares within six months of the Ordinary Share Offer closing; and
  - (iii) take any other action as may in the opinion of such attorney be necessary or expedient for the purposes of, or in connection with the acceptance of the Ordinary Share Offer and to vest in Dematic (or its nominees) the full legal and beneficial ownership of Ordinary Shares comprised in the acceptance;
- (d) that the execution of the Share Offer Form of Acceptance and its delivery constitutes an irrevocable instruction and authorisation:
  - (i) to Dematic or its agents to procure the registration of the transfer of the Ordinary Shares comprised in the acceptance and the delivery of the share certificate(s) and other document(s) of title in respect of the Ordinary Shares to Dematic or as it may direct;
  - (ii) subject to the provisions of paragraph 6 of Part A of this Appendix I, to Dematic, or its agents to procure the issue and dispatch by post of a cheque in respect of any cash consideration to which such Ordinary Shareholder is entitled under the Ordinary Share Offer at such shareholder's risk to the person or agent whose name and address is set out in Box 6 of the Share Offer Form of Acceptance or, if none is set out, to the first-named holder at his registered address outside of a Restricted Jurisdiction; and
  - (iii) to Dematic, SDI or their respective agents, to record, act and rely on any mandates, instructions, consents or instruments in force relating to payments, notices or distributions which have been entered in the records of SDI in respect of his holding of Ordinary Shares (until such are revoked or varied);
- (e) that the execution of the Share Offer Form of Acceptance constitutes the giving of authority to each of Dematic and its director(s), partners and agents within the terms set out in Part A and this Part B of this Appendix I;
- (f) that pending registration in the name of Dematic or as it may direct:
  - (i) Dematic or its agents shall be authorised to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general or separate class meeting of SDI) attaching to the Ordinary Shares comprised or deemed to be comprised in such acceptance;
  - (ii) the execution of a Share Offer Form of Acceptance by a Ordinary Shareholder shall constitute with regard to such Ordinary Shares comprised in the acceptance:
    - (A) an authority to Dematic or its agents to send any notice, circular, warrant or other document or communication which may be required to be sent to him as a member of SDI to Dematic;

- (B) an irrevocable authority to any directors of, or person authorised by Dematic or its agents to sign any document and do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the Ordinary Shares held by him (including, without limitation, signing any consent to short notice of a general or separate class meeting as his agent and/or attorney and on his behalf and executing a form of proxy appointing any person nominated by Dematic to attend general and separate class meetings of SDI and attending any such meeting and exercising the votes attaching to the Ordinary Shares comprised or deemed to be comprised in such acceptance on his behalf); and
  - (C) the agreement of such Ordinary Shareholder not to exercise any such rights without the consent of and Dematic and the irrevocable undertaking not to appoint a proxy for or to attend such general or separate class meeting of SDI;
- (g) that he will deliver to Neville Registrars, or procure the delivery to Neville Registrars of, his certificate(s) or other document(s) of title in respect of those Ordinary Shares comprised in the acceptance or an indemnity acceptable to Dematic, as soon as possible, and in any event within any time period specified in article 43 of SDI's articles of association;
  - (h) that he will ratify each and every act or thing which may be done or effected by Dematic, or any of its directors or agents, as the case may be, in the exercise of any of the powers and/or authorities under this Part B of this Appendix I;
  - (i) that, if any provision of Part A or this Part B of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford Dematic or its directors, agents or persons authorised by it, the benefit of the authority expressed to be given therein, he will, with all practicable speed, do all such acts and things and execute all such documents that may be required or desirable to enable Dematic and any of its respective directors, agents or persons authorised by it to secure the full benefit of Part A or this Part B of this Appendix I;
  - (j) that he is irrevocably and unconditionally entitled to sell and transfer the beneficial ownership of the Ordinary Shares comprised or deemed to be comprised in such acceptance and that such shares are sold fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and other interests of any nature whatsoever and together with all rights attaching to them on or after the date of the Offer Announcement including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made on or after that date;
  - (k) that the terms and conditions of the Ordinary Share Offer shall be deemed to be incorporated in, and form part of, the Share Offer Form of Acceptance which shall be read and construed accordingly;
  - (l) that the Share Offer Form of Acceptance shall be deemed to be delivered on the date of its execution and shall take effect as a deed on such date;
  - (m) that the execution of the Share Offer Form of Acceptance constitutes such Ordinary Shareholder's submission to the exclusive jurisdiction of the courts of England in relation to all matters arising in connection with the Ordinary Share Offer and the Share Offer Form of Acceptance; and
  - (n) that he is not a client (as defined in the FCA Handbook) of Cattaneo or Charles Stanley Securities in connection with the Ordinary Share Offer.

A reference in this Part B of this Appendix I to an Ordinary Shareholder includes a reference to the person or persons executing the Share Offer Form of Acceptance and in the event of more than one person executing a Share Offer Form of Acceptance the provisions of this Part B of this Appendix I will apply to them jointly and to each of them.

## PART C

### SDI OPTION PROPOSAL

#### PART C1

SDI hereby gives notice to SDI Optionholders that they are able to exercise their SDI Options under the SDI Option Scheme.

Under the SDI Option Proposal, SDI Optionholders can decide to exercise their SDI Options, in whole or in part, and to accept the B Ordinary Share Offer in respect of all the B Ordinary Shares acquired as a result of the exercise of their SDI Options.

If SDI Optionholders decide to exercise their SDI Options and to accept the B Ordinary Share Offer, they will be entitled to receive:

**for each B Ordinary Share**

**19.65 pence in cash**

Under the SDI Option Proposal SDI Optionholders will, following the Closing Date, receive the sale proceeds of their B Ordinary Shares under the B Ordinary Share Offer less a deduction in satisfaction of any SDI Option Tax Liability and the aggregate option exercise price payable on exercise of their SDI Option(s). SDI Optionholders will (if they are paid in £sterling) receive these proceeds through their employing company's payroll. If SDI Optionholders are no longer on the payroll, payment will be made to them by cheque. If any SDI Optionholders on the payroll are paid other than in £sterling, payment will be made to them by cheque or through their employing company's payroll, at Dematic's discretion.

If SDI Optionholders wish to accept the SDI Option Proposal, they need to complete and return the Form of Option Exercise and Acceptance in relation to their outstanding SDI Options so as to be received (together with their original option certificates) by Neville Registrars at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible and in any event by 1.00 pm on 9 March 2015.

The action that each SDI Optionholder should take is for him or her alone to decide. Neither Dematic nor SDI (nor any of their respective officers or employees) can give any advice as to the action SDI Optionholders should take. However, before SDI Optionholders make a decision, they should read carefully this document and the Form of Option Exercise and Acceptance.

**SDI Optionholders are reminded that if they take no action their outstanding SDI Options will lapse and cease to have any value following the Closing Date.**

There is set out in Part C2 below a brief summary of the UK taxation consequences of the acquisition by SDI Optionholders of B Ordinary Shares the subject of outstanding SDI Options and acceptance by them of the B Ordinary Share Offer in respect of those B Ordinary Shares.

There is set out in Part C3 below details of the procedure for acceptance of the SDI Option Proposal.

**If SDI Optionholders are in any doubt as to their personal tax position, they should consult an appropriate professional adviser without delay. In particular, SDI Optionholders who are resident outside the UK are urged to consult with an independent professional adviser regarding their individual personal tax position.**

## PART C2

This Part C2 is intended to provide SDI Optionholders who are (and, at all material times, have been) resident for tax purposes in the UK with a brief summary of the taxation consequences of taking any of the courses of action described at Part C1. Further tax guidance on the effects of accepting the B Ordinary Share Offer is set out at paragraph 10 of Part 2 of this document.

This summary is intended to assist SDI Optionholders in their choice. **If SDI Optionholders are in any doubt as to their tax position, or if they are subject to taxation in any jurisdiction other than the United Kingdom, they should consult an appropriate professional adviser without delay.**

### 1 Exercising SDI Options

- 1.1 If SDI Optionholders exercise their SDI Options, they will be liable to income tax and employees' national insurance contributions ("NICs") and under the terms of the SDI Options, will be liable to meet the cost of employers' NICs. These amounts of income tax and NICs will be calculated by reference to the difference between the market value of the B Ordinary Shares that they acquire on exercise (which is likely to be 19.65 pence per B Ordinary Share) and the aggregate option exercise price. Such SDI Optionholders will be eligible for income tax relief in respect of the cost of employer's NICs borne by them.
- 1.2 These income tax and NIC liabilities will, after adjustment for income tax relief in respect of the cost of employer's NICs, be deducted from the cash proceeds of the B Ordinary Share Offer and accounted to HM Revenue & Customs via payroll (PAYE). SDI intends, or intends to procure that the applicable employer company, operates payroll and calculates the deductions from the cash proceeds of the B Ordinary Share Offer on the basis that the market value for the B Ordinary Shares at the relevant time is 19.65 pence per B Ordinary Share.
- 1.3 SDI Optionholders will have to account for any additional income tax liability if the income tax deducted via payroll is insufficient to meet, in full, their liability to income tax. Alternatively, if too much income tax has been deducted, they will be entitled to request an income tax repayment under the self-assessment rules (see paragraph 3.1 below).

### 2 Acceptance of the B Ordinary Share Offer in respect of B Ordinary Shares acquired following exercise of SDI Options

- 2.1 The acceptance of the B Ordinary Share Offer in respect of B Ordinary Shares will constitute a disposal of those B Ordinary Shares for capital gains tax purposes, and, depending on the individual circumstances of SDI Optionholders, may give rise to a capital gains tax liability.
- 2.2 For SDI Optionholders who exercise their SDI Options such that income tax and NIC liabilities arise (see paragraph 1.1 above), the base cost of the B Ordinary Shares that they acquire will (in effect) be the market value of the B Ordinary Shares at the time of exercise. It is therefore likely that SDI Optionholders will not make a capital gain (or any gain will be small) when they dispose of the B Ordinary Shares because the disposal proceeds will be equal to (or exceed by a small amount only) their base cost.

### 3 Self-Assessment

- 3.1 Under the self-assessment rules, taxpayers are required to provide HM Revenue & Customs with all information needed to calculate their total taxable income (from all sources) and any chargeable gains. The tax calculation may then be carried out either by the taxpayer or HM Revenue & Customs.
- 3.2 Notification of taxable income and chargeable capital gains for the tax year 2014-15 must be made to HM Revenue & Customs by 31 October 2015 if SDI Optionholders wish HM Revenue & Customs to calculate their tax liability, or by 31 January 2016 if they wish to calculate it themselves.

For capital gains tax purposes, if the total capital gains made by SDI Optionholders for the tax year are less than the annual exemption (£11,000 for the tax year 2014-15) and the total proceeds they receive from selling assets in the year is less than four times the annual exemption (£44,000 for the tax year 2014-15), then they are not required to complete the "Capital Gains Tax Pages" of their self-assessment return.

## PART C3

For the purposes of this Part C3 of this Appendix I and the Form of Option Exercise and Acceptance, the phrase “**B Ordinary Shares comprised in the acceptance**” shall mean the total number of B Ordinary Shares acquired upon the exercise of any SDI Option in full or the number of B Ordinary Shares inserted in Box 3 of the Form of Option Exercise and Acceptance if lower.

Without prejudice to the terms of the Form of Option Exercise and Acceptance and the provisions of Part C3 of this Appendix I, each B Ordinary Shareholder by whom, or on whose behalf, a Form of Option Exercise and Acceptance is executed and lodged with SDI, irrevocably undertakes, represents, warrants and agrees to and with Dematic (so as to bind him, his personal or legal representatives, heirs, successors and assigns):

- (a) that the execution of a Form of Option Exercise and Acceptance shall constitute:
  - (i) an acceptance of the B Ordinary Share Option Offer in respect of the B Ordinary Shares comprised in the acceptance; and
  - (ii) an undertaking to execute any further documents, take any further action and give any further assurances which may be required to enable Dematic to obtain the full benefit of this Part C3 of this Appendix I and/or to perfect any of the authorities expressed to be given hereunder and otherwise in connection with his acceptance of the B Ordinary Share Offer;

in each case, on and subject to the terms and conditions set out or referred to in this document and that each such acceptance shall be irrevocable provided that if the acceptance is otherwise completed incorrectly, but the Form of Option Exercise and Acceptance is signed, it shall be deemed to be an acceptance of the B Ordinary Share Offer in respect of all B Ordinary Shares comprised in the acceptance; and

- (b) that, unless “No” is inserted in Box 4 of the Form of Option Exercise and Acceptance such B Ordinary Shareholder:
  - (i) has not received or sent copies or originals of this document, the Form of Option Exercise and Acceptance or any related documents in, into or from any Restricted Jurisdiction;
  - (ii) has not, in connection with the B Ordinary Share Offer or the execution or delivery of the Form of Option Exercise and Acceptance, utilised, directly or indirectly, the mails of, or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction;
  - (iii) is accepting the B Ordinary Share Offer from outside of a Restricted Jurisdiction and was outside such jurisdictions when the Form of Option Exercise and Acceptance was delivered;
  - (iv) is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given any instructions with respect to the B Ordinary Share Offer from outside of a Restricted Jurisdiction; and
  - (v) if such B Ordinary Shareholder is a citizen, resident or national of a jurisdiction outside the United Kingdom, he has observed the laws and regulatory requirements of the relevant jurisdiction in connection with the B Ordinary Share Offer, obtained all requisite governmental, exchange control or other consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or duties or other requisite payments due in any such jurisdiction in connection with such acceptance and that he has not taken or omitted to take any action that will or may result in Dematic or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the B Ordinary Share Offer or his acceptance of the B Ordinary Share Offer;



- (c) that, in relation to B Ordinary Shares, the execution of the Form of Option Exercise and Acceptance by such B Ordinary Shareholder and its delivery constitutes the irrevocable appointment of any directors of, or any person authorised by Dematic, as his agent and/or attorney with an irrevocable instruction and authorisation to such attorney to:
- (i) complete and execute all or any form(s) of transfer, renunciation and/or other documents at the discretion of such attorney in relation to the B Ordinary Shares comprised in the acceptance in favour of Dematic or such other persons as Dematic or its agents may direct;
  - (ii) deliver any form(s) of transfer, renunciation and/or other document(s) at the discretion of such attorney together with any share certificate or other document(s) of title for registration relating to such B Ordinary Shares within six months of the Closing Date; and
  - (iii) take any other action as may in the opinion of such attorney be necessary or expedient for the purposes of, or in connection with the acceptance of the B Ordinary Share Offer and to vest in Dematic (or its nominees) the full legal and beneficial ownership of B Ordinary Shares comprised in the acceptance;
- (d) that the execution of the Form of Option Exercise and Acceptance and its delivery constitutes an irrevocable instruction and authorisation:
- (i) to SDI or its agents to procure the registration of the transfer of the B Ordinary Shares comprised in the acceptance and the delivery of the share certificate(s) and other document(s) of title in respect of the B Ordinary Shares to Dematic or as it may direct;
  - (ii) subject to the provisions of paragraph 6 of Part A of this Appendix I, to Dematic, or its agents to procure the issue and dispatch by post of a cheque in respect of any cash consideration to which such B Ordinary Shareholder is entitled under the B Ordinary Share Offer at such shareholder's risk to the person or agent whose name and address is set out in Box 6 of the Share Offer Form of Acceptance or, if none is set out, to the first-named holder at his registered address outside of a Restricted Jurisdiction; and
  - (iii) to Dematic, SDI or their respective agents, to record, act and rely on any mandates, instructions, consents or instruments in force relating to payments, notices or distributions which have been entered in the records of SDI in respect of his holding of B Ordinary Shares (until such are revoked or varied);
- (e) that the execution of the Form of Option Exercise and Acceptance constitutes the giving of authority to each of Dematic and its director(s), partners and agents within the terms set out in Part A and this Part C3 of this Appendix I;
- (f) that pending registration in the name of Dematic or as it may direct:
- (i) Dematic or its agents shall be authorised to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general or separate class meeting of SDI) attaching to the B Ordinary Shares comprised or deemed to be comprised in such acceptance;
  - (ii) the execution of a Form of Option Exercise and Acceptance by a B Ordinary Shareholder shall constitute with regard to such B Ordinary Shares comprised in the acceptance:
    - (A) an authority to SDI or its agents to send any notice, circular, warrant or other document or communication which may be required to be sent to him as a member of SDI to Dematic;
    - (B) an irrevocable authority to any directors of, or person authorised by Dematic or its agents to sign any document and do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the B Ordinary Shares held by him (including, without limitation, signing any consent to short notice of a general or separate class meeting as his agent and/or attorney and on his behalf and executing a

form of proxy appointing any person nominated by Dematic to attend general and separate class meetings of SDI and attending any such meeting and exercising the votes attaching to the B Ordinary Shares comprised or deemed to be comprised in such acceptance on his behalf); and

- (C) the agreement of such B Ordinary Shareholder not to exercise any such rights without the consent of and Dematic and the irrevocable undertaking not to appoint a proxy for or to attend such general or separate class meeting of SDI;
- (g) that he will deliver or procure the delivery to Neville Registrars at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA of his certificate(s) or other document(s) of title in respect of those B Ordinary Shares comprised in the acceptance or an indemnity acceptable to Dematic, as soon as possible, and in any event within any time period specified in article 43 of SDI's articles of association;
- (h) that he will ratify each and every act or thing which may be done or effected by Dematic, or any of its directors or agents, as the case may be, in the exercise of any of the powers and/or authorities under this Part C3 of this Appendix I;
- (i) that, if any provision of Part A or this Part C3 of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford Dematic or its directors, agents or persons authorised by it, the benefit of the authority expressed to be given therein, he will, with all practicable speed, do all such acts and things and execute all such documents that may be required or desirable to enable Dematic and any of its respective directors, agents or persons authorised by it to secure the full benefit of Part A or this Part C3 of this Appendix I;
- (j) that he is irrevocably and unconditionally entitled to sell and transfer the beneficial ownership of the B Ordinary Shares comprised or deemed to be comprised in such acceptance and that such shares are sold fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and other interests of any nature whatsoever and together with all rights attaching to them on or after the date of the Offer Announcement including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made on or after that date;
- (k) that the terms and conditions of the B Ordinary Share Offer shall be deemed to be incorporated in, and form part of, the Form of Option Exercise and Acceptance which shall be read and construed accordingly;
- (l) that the Form of Option Exercise and Acceptance shall be deemed to be delivered on the date of its execution and shall take effect as a deed on such date;
- (m) that the execution of the Form of Option Exercise and Acceptance constitutes such B Ordinary Shareholder's submission to the exclusive jurisdiction of the courts of England in relation to all matters arising in connection with the B Ordinary Share Offer and the Form of Option Exercise and Acceptance; and
- (n) that he is not a client (as defined in the FCA Handbook) of Cattaneo or Charles Stanley Securities in connection with the B Ordinary Share Offer.

A reference in this Part C3 of this Appendix I to a B Ordinary Shareholder includes a reference to the person or persons executing the Form of Option Exercise and Acceptance and in the event of more than one person executing a Form of Option Exercise and Acceptance the provisions of this Part C3 of this Appendix I will apply to them jointly and to each of them.

The provisions of this Part C3 of this Appendix I shall apply, *mutatis mutandis*, to any B Ordinary Shareholder who completes and executes a B Ordinary Share Offer Form of Acceptance instead of a Form of Option Exercise and Acceptance.

## **APPENDIX II**

### **FINANCIAL INFORMATION RELATING TO SDI**

#### **Incorporation of relevant information by reference**

Since FSU Investments became the holding company of SDI, in line with UK generally accepted accounting principles, the SDI Group is consolidated into FSU Investments' group accounts.

FSU's audited financial statements for the years ended 31 March 2013 and 31 March 2014 have been published on SDI's website at [www.sdigroup.com/announcements](http://www.sdigroup.com/announcements) and are incorporated by reference in, and form part of, this document. The financial statements are available in "read-only" format and can be printed from the SDI's website.

## APPENDIX III

### ADDITIONAL INFORMATION

#### 1. Responsibility for information in this document

- 1.1 The Dematic Responsible Persons (whose names are set out in paragraphs 2.1 and 2.2 below and who include the Dematic Directors) accept responsibility for the information contained in this document (other than that relating to SDI, the SDI Group, the opinions of SDI or the SDI Group, the SDI Directors and members of their immediate families, related trusts or persons connected with them) including the statements expressed to be opinions of the Directors of Dematic. To the best of the knowledge and belief of the Dematic Responsible Persons (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they respectively accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 Save for the Independent SDI Director's recommendation set out in Part 1 of this document which will be given solely by Stephen Butler, the SDI Directors (whose names are set out in paragraph 2.3 of this Appendix III) accept responsibility for the information contained in this document relating to SDI, and the SDI Group, the opinions of SDI and the SDI Group and the SDI Directors and members of their immediate families and related trusts and other persons connected with them and to the best of the knowledge and belief of the SDI Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors and other responsible persons

- 2.1 The Dematic Responsible Persons comprise the Dematic Directors and, in addition, the representatives (listed in paragraph 2.2 below) of Dematic's ultimate parent company who have been responsible for overseeing and implementing the FSU Acquisition and the Offers. The Directors of Dematic are:

Ulf Henriksson (*President & Chief Executive Officer*)

Richard Paradise (*Chief Financial Officer*)

Dematic is a société à responsabilité limitée incorporated under the laws of Luxembourg under number B160225. The registered office of Dematic is 2-8 Avenue Charles de Gaulle, L-1653 Luxembourg.

- 2.2 The other Dematic Responsible Persons are:

Benjamin Clark (*Executive Vice President & General Counsel*) whose business address is 2727 Paces Ferry Road, SE, Building One, Suite 1500, Atlanta, GA 30339, USA.

Anthony Gajadharsingh (*Executive Vice President, Corporate Development and Company Secretary*) whose business address is 2-8 Avenue Charles de Gaulle, L-1653 Luxembourg.

- 2.3 The SDI Directors are set out below:

Stephen Butler (*Independent SDI Director*)

Anthony Gajadharsingh

The head office and registered office of SDI is at 11 Jarman Way, Orchard Road, Royston, Hertfordshire SG8 5HW although its registered address is in the process of being changed to Beaumont Road, Banbury, Oxfordshire OX16 1QZ. SDI is incorporated under the Companies Act with registered number 06081771.

### 3. Financing of the Offer

The Offers will be financed out of Dematic's existing cash resources and from existing debt facilities of Dematic.

Charles Stanley Securities is satisfied that sufficient cash resources are available to Dematic to satisfy full acceptance of the Offers. It is estimated that full acceptance of the Offers would require payment by Dematic, under the terms of the Offers, of approximately £6.6 million in cash.

### 4. Irrevocable undertakings

The following irrevocable undertakings have been given to Dematic by the following persons in respect of the following holdings of Ordinary Shares:

- 4.1 The following SDI Executives have entered into irrevocable undertakings with Dematic to accept, or (where applicable) to procure the acceptance of, the Ordinary Share Offer in respect of their beneficial and connected holdings of Ordinary Shares:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of existing Relevant Ordinary Shares</i>
Gordon Smith	6,200	0.0
Stephen Butler	505,000	1.9

The irrevocable undertakings described in this paragraph 4.1 will lapse if the Ordinary Share Offer is withdrawn.

- 4.2 The following persons (who are not SDI Executives) have entered into irrevocable undertakings with Dematic to accept, or (where applicable) to procure the acceptance of, the Ordinary Share Offer in respect of their beneficial and connected holdings of Ordinary Shares:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of existing Relevant Ordinary Shares</i>
Mary Adams	5,243,609	19.7
Dominick De Sanctis	3,679,948	13.8
B&G Associates LLC	3,304,674	12.4
Patricia Berstein	2,911,760	10.9
Pierce Street Acquisitions Inc	2,563,101	9.6
Barron De Sanctis	2,417,044	9.1
Krish Nathan	2,268,602	8.5
James Suggs	642,240	2.4
Robert Jackson	631,440	2.4

The irrevocable undertakings described in this paragraph 4.2 will lapse if the Ordinary Share Offer is withdrawn.

### 5. Disclosure of interests and dealings

#### 5.1 Definitions and references

For the purposes of this paragraph 5:

- (A) “**acting in concert**” has the meaning given in the City Code;
- (B) “**arrangement**” includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing, but excludes an irrevocable commitment or letter of intent;

- (C) **“associate”** includes:
- (1) any parent company, subsidiaries, fellow subsidiaries, and their associated companies of Dematic or SDI, as the case may be, and companies of which any such companies are associated companies;
  - (2) connected advisers and persons controlling, controlled by or under the same control as such connected advisers to Dematic or SDI, as the case may be, or companies covered in (1) above;
  - (3) the directors of Dematic or the SDI Directors, as the case may be, and the directors of any company covered in (1) above (together in each case with their close relatives and related trusts);
  - (4) the pension funds of Dematic or SDI, as the case may be, or any company covered in (1) above;
  - (5) any investment company, unit trust or other person whose investments are managed by an associate on a discretionary basis, in respect of the relevant investment accounts;
  - (6) an employee benefit trust of Dematic or SDI, as the case may be, or any company covered in (1); and
  - (7) a company having a material trading arrangement with Dematic or SDI as the case may be;
- (D) **“connected advisers”** normally includes only the following (and will not normally include a corporate broker which is unable to act in connection with the Offer because of a conflict of interest):
- (1) in relation to Dematic or SDI, as the case may be, an organization which is advising that party in relation to the Offer and a corporate broker to that party;
  - (2) in relation to a person who is acting in concert with Dematic or SDI or, as the case may be, an organisation which is advising that person either in relation to the Offer, or in relation to the matter which is the reason for that person being a member of the relevant concert party;
- (E) **“dealings”** or **“dealt”** includes the following:
- (1) the acquisition or disposal of securities or the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities, or of general control of securities;
  - (2) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any securities;
  - (3) subscribing or agreeing to subscribe for securities;
  - (4) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights;
  - (5) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;
  - (6) the entry into or termination or variation of the terms of any agreement to purchase or sell securities; and
  - (7) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position;
- (F) **“derivative”** includes any financial product the value, in whole or in part is determined directly or indirectly by reference to the price of an underlying security;

- (G) “**disclosure period**” means the period commencing on 25 November 2013 (being the date twelve months prior to the commencement of the Offer Period) and ending on 4 February 2015 (being the latest practicable date prior to the publication of this document);
- (H) “**exempt principal trader**” or “**exempt fund manager**” have the meanings given to them in the City Code;
- (I) “**interested**” in securities includes if a person:
  - (1) owns them;
  - (2) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
  - (3) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire them or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise;
  - (4) is a party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;
- (J) “**relevant securities**” include:
  - (1) securities in SDI which are being offered for or which carry voting rights;
  - (2) equity share capital of Dematic or SDI, as the case may be; and
  - (3) any securities convertible into, or rights to subscribe for the securities of Dematic or SDI, as the case may be, described in paragraphs (1) and (2) above;
- (K) ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status and “**control**” means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether such interest or interests give de facto control;
- (L) “**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative.

## 5.2 **Concert parties**

### 5.2.1 *Persons acting in concert with Dematic*

In addition to the Dematic Directors (together with their close relatives and related trusts), the only person acting in concert with Dematic for the purposes of the Offers, and which is to be disclosed, is Charles Stanley Securities. Charles Stanley Securities is providing independent financial advice to Dematic in relation to the Offers and is a connected adviser for the purposes of the Code.

### 5.2.2 *Persons acting in concert with SDI*

In addition to the SDI Directors (together with their close relatives and related trusts), the only person only acting in concert with SDI for the purposes of the Offers, and which is to be disclosed, is Cattaneo. Cattaneo is providing independent financial advice to the Independent SDI Director in relation to the Offer for the purposes of Rule 3 of the City Code and is a connected adviser for the purposes of the Code.

## 5.3 **Interests in Ordinary Shares**

- (A) At the close of business on 4 February 2015 (being the latest practicable date prior to the publication of this document), Dematic is indirectly interested in 82,607,842 Ordinary Shares (being the Ordinary Shares held by FSU), which shares comprise approximately 75.6 per cent. of the issued Ordinary Shares.

- (B) As at the close of business on 4 February 2015 (being the latest practicable date prior to publication of this document), Stephen Butler (one of the SDI Directors) held 505,000 Ordinary Shares and held options to subscribe for an aggregate of 2,250,000 B Ordinary Shares (details of such SDI Options being set out in paragraph 5.3(D) below). Save for such interests of Stephen Butler, none of the SDI Directors, nor their immediate families and related trusts and companies (i) were interested in or (ii) had a right to subscribe for, any relevant securities of SDI.
- (C) As at 4 February 2015 (being the latest practicable date prior to publication of this document), no person acting or deemed to be acting in concert with SDI, nor (save as set out in paragraph 5.3(B) above) any of the SDI Directors or their respective immediate families related trusts and companies, and no associates (by virtue of paragraph 5.1(C)) of SDI, were interested in or had a right to subscribe for relevant securities of SDI.
- (D) At close of business on 4 February 2015 (being the latest practicable date prior to publication of this document), the following outstanding options to subscribe for new B Ordinary Shares had been granted under the SDI Option Scheme at an exercise price (in each case) of 5 pence per B Ordinary Share:

<i>Name</i>	<i>Date of Grant</i>	<i>Number of B Ordinary Shares</i>	<i>Exercise period</i>
Stephen Butler	1 October 2012	500,000	1 October 2014 – 30 September 2032
Hayden Smith	1 October 2012	100,000	1 October 2014 – 30 September 2032
Paul Emmerson	1 October 2012	30,000	1 October 2014 – 30 September 2032
Michael Ryan	1 October 2012	30,000	1 October 2014 – 30 September 2032
Adrian Carter	1 October 2012	30,000	1 October 2014 – 30 September 2032
Kate Parker	1 October 2012	50,000	1 October 2014 – 30 September 2032
Angela Sampson	1 October 2012	10,000	1 October 2014 – 30 September 2032
Keith Mountford	1 October 2012	50,000	1 October 2014 – 30 September 2032
Gabriele Senni	1 October 2012	30,000	1 October 2014 – 30 September 2032
Mara Piana	1 October 2012	10,000	1 October 2014 – 30 September 2032
Peter Schluempmann	1 October 2012	100,000	1 October 2014 – 30 September 2032
Thomas Otto	1 October 2012	100,000	1 October 2014 – 30 September 2032
Matthias Meinigmann	1 October 2012	100,000	1 October 2014 – 30 September 2032
Winnie Ahrens	1 October 2012	100,000	1 October 2014 – 30 September 2032
Andre Ewering	1 October 2012	50,000	1 October 2014 – 30 September 2032
Andreas Kleinheindric	1 October 2012	30,000	1 October 2014 – 30 September 2032
Chris Gitz	1 October 2012	100,000	1 October 2014 – 30 September 2032
Magdalena Choquet	1 October 2012	50,000	1 October 2014 – 30 September 2032
Anthony Lepain	1 October 2012	30,000	1 October 2014 – 30 September 2032
Stephen Butler	2 December 2014	1,750,000	2 December 2016 – 1 December 2034
Thomas Otto	2 December 2014	1,000,000	2 December 2016 – 1 December 2034
Hayden Smith	2 December 2014	750,000	2 December 2016 – 1 December 2034
Winnie Ahrens	2 December 2014	680,000	2 December 2016 – 1 December 2034
Gabriele Senni	2 December 2014	200,000	2 December 2016 – 1 December 2034
Peter Schluempmann	2 December 2014	330,000	2 December 2016 – 1 December 2034
Thierry Hennebiq	2 December 2014	100,000	2 December 2016 – 1 December 2034
Anthony Lepain	2 December 2014	100,000	2 December 2016 – 1 December 2034
Chris Gitz	2 December 2014	100,000	2 December 2016 – 1 December 2034
Silvano Volpari	2 December 2014	100,000	2 December 2016 – 1 December 2034
Kate Parker	2 December 2014	150,000	2 December 2016 – 1 December 2034
Paul Emmerson	2 December 2014	70,000	2 December 2016 – 1 December 2034
Michael Ryan	2 December 2014	70,000	2 December 2016 – 1 December 2034
Adrian Carter	2 December 2014	70,000	2 December 2016 – 1 December 2034
Angela Sampson	2 December 2014	40,000	2 December 2016 – 1 December 2034
Keith Mountford	2 December 2014	50,000	2 December 2016 – 1 December 2034
Mara Piana	2 December 2014	40,000	2 December 2016 – 1 December 2034



- (E) Neither Dematic, nor any party acting in concert with Dematic, has borrowed or lent any securities of SDI.
- (F) Neither SDI, nor any party acting in concert with SDI, has borrowed or lent any securities of Dematic.

#### 5.4 *Dealings in Ordinary Shares*

- (A) Save for the grant of options over an aggregate of 5,600,000 B Ordinary Shares on 2 December 2014 as shown in paragraph 5.4(D) above, during the period from the commencement of the Offer Period to 4 February 2015, being the latest practicable date prior to the publication of this document, neither SDI nor any of the SDI Directors has dealt in any relevant securities of SDI, and there have been no dealings in relevant securities of SDI by any of its connected advisers or by any person acting in concert with SDI during such period.
- (B) Save for the FSU Acquisition, during the twelve months prior to the commencement of the Offer Period to 4 February 2015, being the latest practicable date prior to the publication of this document, there have been no dealings in relevant securities by Dematic, the Dematic Directors, connected advisers to Dematic or any person acting in concert with Dematic.

#### 5.5 *General*

- (A) Save as disclosed above, none of Dematic, any of the Dematic Directors, any members of such directors' immediate families or any related trusts or companies, nor any person deemed to be acting in concert with Dematic, or any person with whom Dematic or any person deemed to be acting in concert with Dematic has an arrangement, was interested, had any rights to subscribe for or had any short positions in respect of, any relevant securities on 4 February 2015 (being the latest practicable date before publication of this document), nor has any such person dealt in any relevant securities during the disclosure period.
- (B) Anthony Gajadharsingh was appointed as a SDI Director upon completion of the FSU Acquisition on 16 January 2015, and represents the interests of Dematic on the SDI Board. Mr Gajadharsingh holds an interest in the Dematic Group of less than 1 per cent. of its equity share capital. Save for such interest of Mr Gajadharsingh, none of SDI, any directors of SDI, any members of such directors' immediate families or any related trusts or companies, or any person with whom SDI or any associate of SDI has an arrangement, was interested in, had any rights to subscribe for or had any short positions in respect of, any relevant securities of Dematic or SDI on 4 February 2015 (being the latest practicable date before publication of this document), nor has any such person dealt in any relevant securities during the Offer Period.
- (C) No company which is an associate of SDI, or any pension fund of SDI or any company which is an associate of SDI or any employee benefit trusts of SDI or any company which is an associate of SDI, was interested in had any rights to subscribe for or had any short positions in respect of, any relevant securities of SDI on 4 February 2015 (being the latest practicable date before publication of this document), nor has any such person dealt in any relevant securities during the Offer Period.
- (D) No connected adviser to SDI or to a company which is an associate of SDI or to a person acting in concert with SDI or persons controlling, controlled by or under the same control as any such connected advisers (excluding exempt principal traders and exempt fund managers) was interested in had any rights to subscribe for or had any short positions in respect of, any relevant securities of SDI on 4 February 2015 (being the latest practicable date before publication of this document), nor has any such person dealt in any relevant securities during the Offer Period.

- (E) Save as disclosed in paragraph 5.4 above and this paragraph 5.5, neither Dematic, SDI nor any person acting in concert with Dematic, nor any associates (as defined in the City Code) of Dematic or SDI who has any arrangements in relation to any relevant securities has dealt in any relevant securities during the disclosure period.
- (F) Neither Dematic nor any person acting in concert with Dematic, nor SDI nor any person acting in concert with SDI, is a party to any dealing arrangement (including any indemnity or option arrangement) of any nature relating to any relevant securities which may be an inducement to deal or refrain from dealing in relevant securities.

## 6. SDI Directors

- 6.1 Stephen Butler entered into a service contract with SDI dated 1 October 2010 which was amended on 16 January 2015 upon completion of the FSU Acquisition. The contract is of unlimited duration, terminable by either party on (i) such period as is equal to the amount of time remaining before the second anniversary of the FSU Acquisition, and thereafter (ii) 6 months' written notice. Stephen Butler is entitled to receive a basic salary of £109,330. He is contractually entitled to (1) a company car; (2) membership of an employer contribution pension scheme; (3) private medical insurance; and (4) receive a bonus of up to 20 per cent. of salary based on attaining key performance indicators. Other than provisions relating to payment of salary in lieu of notice upon termination of Stephen Butler's service contract, and the payment of 12 months' salary in the event of the service contract being terminated within 6 months of a Change of Control (as defined in the service contract), the contract contains no provision for compensation to be paid on termination. Save in relation to the terms set out in the amendment agreement dated 16 January 2015 between Dematic and Stephen Butler as regards changes to his contractual notice period, the service contract contains the entire agreement governing the relationship between SDI and Stephen Butler.
- 6.2 Save as is set out in paragraph 6.1 above, there are no service agreements in force between any SDI Director or any proposed SDI director and SDI or any of its subsidiaries and no such contracts have been entered into or amended within 6 months of the date of this document.

## 7. Share price information

### 7.1 *Equality of FSU Acquisition and Offer consideration*

The table below demonstrates the basis on which the consideration payable pursuant to the Offers and in connection with the FSU Acquisition has been apportioned. The Offers value each Relevant Ordinary Share and each B Ordinary Share on the same basis as is attributed to each Ordinary Share, net of costs, held by FSU for the purposes of the FSU Acquisition, save that, under the terms of the FSU Acquisition, the FSU Shareholders (who have given certain warranties and a tax covenant in favour of Dematic) have agreed that approximately £1.8 million of the consideration due to them for their FSU Shares shall also be conditional upon the attainment of certain future financial performance targets by FSU Investments and its subsidiary undertakings. In addition, £1.0 million of the consideration payable in connection with the FSU Acquisition is the subject of retention arrangements which do not apply in respect of the price payable pursuant to the Offers.

	<i>Total No.</i>	<i>Held by FSU No.</i>	<i>Held by others No.</i>
Total existing issued SDI Ordinary Shares	109,273,078	82,607,842	26,665,236
B Ordinary Shares (assumes all SDI Options exercised)	7,100,000		7,100,000
Total fully diluted SDI share capital	116,373,078	82,607,842	33,765,236
Percentage shareholding	100.00%	71.0%	29.0%

	£	£	£
Aggregate consideration being paid by Dematic FSU shareholders - deal costs paid out of proceeds	23,067,310	16,432,441	6,634,869
	<u>(200,000.00)</u>	<u>(200,000.00)</u>	<u>                    </u>
Net Consideration (receivable by shareholders)	22,867,310	16,232,441	6,634,869
Net Consideration receivable per SDI share (£)			0.19650
Equivalent net consideration for FSU shares (per SDI share held) (£)		0.19650	
		£	
Aggregate Consideration being paid by Dematic Retention		16,432,441	
Deferred dependent on milestones		(1,000,000)	
FSU shareholders: deal costs paid out of proceeds		(1,760,162)	
		<u>(200,000)*</u>	
Net paid on completion of FSU Acquisition to FSU shareholders		<u>13,472,279</u>	

\* Note – The reference above to costs of £200,000 is an estimate and the actual costs payable by the shareholders of FSU will be higher. This means that the price paid to the FSU shareholders, net of costs, will be lower than the price paid to the SDI shareholders pursuant to the Offers on a comparable basis.

## 7.2 **Other information**

No relevant securities of SDI have been traded on any public market during the period of six months ended 4 February 2015 (being the latest practicable date prior to the date of this document) and there are therefore, no details of closing prices of such relevant securities during that period. During such six month period, in November 2014 there were two transfers of Ordinary Shares notified to the Company Secretary of SDI, for 4,971 Ordinary Shares (for nil consideration) and 3,200 Ordinary Shares (for £1 per Ordinary Share) respectively. In addition, on 16 January 2015 the FSU Acquisition was completed whereby Dematic acquired an indirect interest in 82,607,842 Ordinary Shares in a transaction which attached a value to each Ordinary Share of 19.65 pence (as more fully explained in paragraph 7.1 above).

## 8. **Material Contracts**

- 8.1 No material contracts (other than contracts entered into in the ordinary course of business) have been entered into by Dematic in the period beginning two years before the commencement of the Offer Period and ending on 4 February 2015 (being the latest practicable date prior to the date of this document).
- 8.2 No material contracts (other than contracts entered into in the ordinary course of business) have been entered into by SDI in the period beginning two years before the commencement of the Offer Period and ending on 4 February 2015 (being the latest practicable date prior to the date of this document).

## 9. **Other Information**

- 9.1 Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Dematic or any person acting in concert with Dematic and any of the SDI Directors or recent directors of SDI, Ordinary Shareholders or recent shareholders of SDI, or any person interested or recently interested in any Ordinary Shares, having any connection with or dependence on, or which is conditional on the outcome of, the Offer.
- 9.2 There is no agreement, arrangement or understanding whereby the ownership of any of the Ordinary Shares or B Ordinary Shares to be acquired by Dematic pursuant to the Offers will be transferred to any other person.
- 9.3 Cattaneo has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.
- 9.4 Charles Stanley Securities has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.

- 9.5 There has been no material change in the financial or trading position of SDI since 31 March 2014, being the date to which the last published audited accounts of SDI were prepared.
- 9.6 Dematic does not expect acceptance in full of the Offers to have a material effect on its earnings, assets or liabilities.
- 9.7 Dematic expects to incur fees and expenses of £152,500 excluding VAT, in aggregate, in connection with the Offers, comprising the following:
- £45,000 in respect of financial advice; and
  - £100,000 in respect of legal advice; and
  - £7,500 in respect of other costs and expenses, including receiving agents, printing and mailing.
- 9.8 SDI expects to incur fees and expenses of £118,200 excluding VAT, in aggregate, in connection with the Offers, comprising the following:
- £34,500 in respect of financial and corporate broking advice; and
  - £80,000 in respect of legal advice; and
  - £3,700 in respect of other costs and expenses, including receiving agents, printing and mailing.

## **10. Bases of calculation and sources of information**

In this document, unless otherwise stated or the context otherwise requires, the following bases and sources have been used:

- (a) the value of the Ordinary Shares in issue is based upon the entire issued share capital at the date of this announcement, namely 109,273,078 Ordinary Shares;
- (b) the fully diluted share capital of SDI is calculated on the basis of:
  - the number of issued Ordinary Shares, as set out in paragraph (a) above; and
  - the number of ‘in the money’ options over Ordinary Shares held by participants in the SDI Option Schemes outstanding under any option scheme operated by SDI, including the SDI Option Scheme, on 4 February 2015 (the latest practicable date prior to publication of this announcement) and which are exercisable or are expected to become exercisable as a consequence of the FSU Acquisition and/ or the Offers;
- (c) references to a percentage of Relevant Ordinary Shares are based on the number of Ordinary Shares in issue as set out at paragraph (a);
- (d) references to a percentage of Ordinary Shares are based on the number of Ordinary Shares in issue as set out at paragraph (a);
- (e) unless otherwise stated, the financial information relating to SDI has been extracted from the audited annual accounts and unaudited interim accounts of SDI for the relevant period; and
- (f) the maximum cash consideration payable under the Offers is based on the Ordinary Share Offer being made in respect of the 26,665,236 Relevant Ordinary Shares in issue at the date of this announcement and the B Ordinary Share Offer being made in respect of an assumed 7,100,000 B Ordinary Shares to be issued to satisfy the exercise of options or vesting of awards granted under the SDI Option Schemes.

## **11. Documents available for inspection**

Copies of the following documents will be available for inspection at the offices of Bond Dickinson LLP, St Ann's Wharf, 112 Quayside, Newcastle upon Tyne NE1 3DX during usual business hours on any weekday (public holidays excepted) and will be published on the SDI website ([www.sdigroup.com/announcements](http://www.sdigroup.com/announcements)) and the Dematic website ([www.dematic.com/announcements/sdi/201501](http://www.dematic.com/announcements/sdi/201501)) while the Offers remain open for acceptance:

- 11.1 the *statuts coordonnés* (coordinated articles of association) of Dematic and the memorandum and articles of association of SDI;
- 11.2 the audited published consolidated accounts of FSU for the two years ended 31 March 2013 and 31 March 2014;
- 11.3 the irrevocable undertakings referred to in paragraph 4 of this Appendix III;
- 11.4 the service agreement (as amended) of Stephen Butler referred to in paragraph 6 of this Appendix III;
- 11.5 the written consents referred to in paragraphs 9.3 and 9.4 of this Appendix III;
- 11.6 a copy of this document and the Forms of Acceptance; and
- 11.7 the rules of the SDI Option Scheme.

## **12. Documents incorporated by reference**

Any SDI Shareholder or other person to whom this document is sent by Dematic may request a copy of the information incorporated by reference into this document (as set out in Appendix II of this document) in hard copy form. A hard copy of such documents will not be sent to such persons unless requested from Neville Registrars in writing at Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA United Kingdom or by telephone on 0121 525 1131 from within the UK or, if calling from outside the UK, on +44 121 585 1131 between 9.00 am and 5.00 pm (London time) Monday to Friday. Calls to the +44 121 585 1131 number are charged at your normal rate. Calls 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. If requested, hard copies will be despatched by first class post within two business days of such a request.

5 February 2015

## APPENDIX IV

### DEFINITIONS

B Ordinary Shareholder	a holder of B Ordinary Shares and B Ordinary Shares shall be construed accordingly
B Ordinary Shares	B ordinary shares of 1 pence each in the capital of SDI the subject of the SDI Options and any further B ordinary shares of 1 pence each which are unconditionally allotted or issued to a person other than FSU Investments before the Closing Date
B Ordinary Share Offer	the comparable recommended cash offer made by Dematic to acquire all B Ordinary Shares on the terms and subject to the conditions to be set out in this document and the accompanying Forms of Acceptance including, where the context so permits or requires, any subsequent revision, variation, extension or renewal thereof
B Ordinary Share Offer Form of Acceptance	the form of acceptance and authority relating to the B Ordinary Share Offer available from the Company Secretary of SDI (in accordance with instructions set out in the Form of Option Exercise and Acceptance) for use by any B Ordinary Shareholders intending to accept the B Ordinary Share Offer otherwise than in accordance with the SDI Option Proposal
business day	a day (other than a Saturday and a Sunday) on which banks are generally open for business in London
Cattaneo	Cattaneo LLP of One Victoria Square, Birmingham B1 1BD, which is acting as the financial adviser to SDI in respect of the Offers
Charles Stanley Securities	Charles Stanley Securities, a trading division of Charles Stanley & Co, Ltd of 131 Finsbury Pavement, London EC2A 1NT, which is acting as the financial adviser to Dematic in respect of the Offers
Closing Date	9 March 2015
Code or City Code	the City Code on Takeovers and Mergers
Companies Act or Act	the Companies Act 2006
Dematic	Dematic Group S.A.R.L., a company incorporated in Luxembourg with Trade Register number B160225
Dematic Board or Dematic Directors	the directors of Dematic, being Ulf Henriksson and Richard Paradise
Form of Acceptance	the Share Offer Form of Acceptance, the Form of Option Exercise and Acceptance or the B Ordinary Share Offer Form of Acceptance (as applicable in the context) and references to Forms of Acceptance shall mean each or any of them as the context requires
Form of Option Exercise and Acceptance	the combined form of exercise of SDI Option(s) and form of acceptance and authority relating to the B Ordinary Share Offer which accompanies this document for use by SDI Optionholders in connection with the SDI Option Proposal
FSU or FSU Investments	FSU Investments Limited, a company incorporated in England and Wales with incorporation number 07168088

FSU Acquisition	the purchase of the entire issued share capital of FSU Investments by Dematic on 16 January 2015
FSU Shares holding company	shares comprised in the issued share capital of FSU Investments to be construed in accordance with the Companies Act
Independent SDI Director	Stephen Butler
London Stock Exchange	London Stock Exchange plc
Offer or Offers	either the Ordinary Share Offer or the B Ordinary Share Offer, as appropriate, and references to Offers shall mean both the Ordinary Share Offer and the B Ordinary Share Offer
Offer Announcement	the announcement of the Offers made by Dematic and SDI on 19 January 2015
Offer Document	this document which sets out the terms of the Offers
Offer Period	the period commencing on 25 November 2014 and ending on the Closing Date or, if later, on the date on which the Offer is withdrawn
Ordinary Share Offer	the recommended mandatory cash offer made by Dematic to acquire all of the Relevant Ordinary Shares on the terms and subject to the conditions to be set out in this document and the Forms of Acceptance, including where the context so permits or requires, any subsequent revision, variation, extension or renewal thereof
Ordinary Shareholder	a holder of Ordinary Shares and Ordinary Shareholders shall be construed accordingly
Ordinary Shares	the existing issued or unconditionally allotted and fully paid ordinary shares of 1 pence each in the capital of SDI and any further ordinary shares of 1 pence each in SDI which are unconditionally allotted or issued before the Closing Date but excluding in both cases any such shares held or which become held in treasury
Overseas Shareholders	Ordinary Shareholders or B Ordinary Shareholders (or nominees of, or custodians or trustees for Ordinary Shareholders or B Ordinary Shareholders) not resident in or citizens of the United Kingdom
Panel or Takeover Panel	the Panel on Takeovers and Mergers
Receiving Agent or Neville Registrars	Neville Registrars Limited of Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA
Relevant Ordinary Shareholders	the holders of the Relevant Ordinary Shares
Relevant Ordinary Shares	the Ordinary Shares which are not held by FSU Investments and any further Ordinary Shares which are unconditionally allotted or issued by SDI to a person other than FSU Investments before the Closing Date but excluding in both cases any such shares held or which become held in treasury
Restricted Jurisdiction	Canada, Australia and New Zealand, Japan, South Africa, the Republic of Ireland and any other jurisdiction where it is unlawful for information concerning the Offer to be sent or made available, but, for the avoidance of doubt, shall not include the US

SDI	SDI Group Limited
SDI Board or SDI Directors	the directors of SDI, being Stephen Butler and Anthony Gajadharsigh
SDI Executives	Gordon Smith (who, prior to completion of the FSU Acquisition was Chief Executive Officer of SDI) and Stephen Butler
SDI Group	SDI and its subsidiary undertakings and, where the context permits, each of them
SDI Optionholder	a holder of SDI Options
SDI Option Proposal	the proposal made by Dematic to SDI Optionholders, as set out are set out in Part C of Appendix 1
SDI Options	options granted pursuant to the SDI Option Scheme
SDI Option Scheme	the SDI Group Limited Share Option Scheme
SDI Option Tax Liability	in relation to any SDI Option and any SDI Optionholder, any UK income tax and employees' and employer's national insurance contribution liabilities (or their overseas equivalents or any other relevant local, state or national tax) that arise as a result of the exercise by the SDI Optionholder of the SDI Option and for which the employer of the Optionholder (or other person apart from the SDI Optionholder) is required to account to HM Revenue & Customs (or its overseas equivalent)
Shareholder	an Ordinary Shareholder or B Ordinary Shareholder and Shareholders shall be construed accordingly
Share Offer Form of Acceptance	the form of acceptance and authority relating to the Ordinary Share Offer which accompanies this document for use by Ordinary Shareholders in connection with the Ordinary Share Offer
subsidiary, subsidiary undertaking, and undertaking	to be construed in accordance with the Companies Act
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
US	the United States of America, its territories and possessions, any state of the United States, the District of Columbia and all other areas subject to its jurisdiction



