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THIS ANNOUNCEMENT IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CITY CODE ON TAKEOVERS AND MERGERS AND THERE CAN BE NO CERTAINTY THAT ANY SUCH OFFER WILL BE MADE NOR AS TO THE TERMS ON WHICH ANY SUCH OFFER WOULD BE MADE

25 November 2014

SDI GROUP LIMITED ("SDI")

Possible offer from

DEMATIC GROUP S.A.R.L. ("Dematic")

The board of Dematic has been in discussions with the shareholders of FSU Investments Limited ("FSU") and the board of SDI regarding a possible acquisition of the entire issued and to be issued share capital of FSU.

FSU has an interest in 75.6 percent of the issued share capital of SDI. If Dematic were to acquire FSU a mandatory offer would be required to be made by Dematic for the remaining shares in SDI not already held by FSU pursuant to Rule 9 of the City Code on Takeovers and Mergers (the "Code").

This announcement is not an announcement of a firm intention to make an offer under Rule 2.7 of the Code. There can be no certainty of FSU being acquired by Dematic (and therefore of any offer being required under Rule 9 of the Code for SDI by Dematic) nor as to the terms of any offer.

SDI and Dematic both have operations in Germany and so any acquisition of FSU by Dematic will be conditional, amongst other things, on the advance clearance of the transaction by the Bundeskartellamt, the German competition authority. Dematic intends to submit an application to the Bundeskartellamt for such clearance in advance of entering into any agreement to acquire FSU. **SDI shareholders should note that there is no certainty that Dematic will complete any acquisition of FSU even if clearance of the transaction is granted by the Bundeskartellamt.**

Dematic believes that the acquisition of SDI would be complementary and would expand Dematic's product offerings and ability to service its customers globally.

In accordance with Rule 2.10 of the Code, SDI confirms that as at the date of this announcement, it has in issue 109,273,078 ordinary shares of one pence each. The International Securities Identification Number (ISIN) of the ordinary shares is GB00B1YW3F48.

In accordance with Rule 30.4 of the Code, a copy of this announcement will be made available on SDI's website at www.SDIgroup.com/announcements.

Further announcements will be made in due course.

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Important Notes

This Announcement is for information purposes only. It is not intended to and does not constitute, or form part of, an offer or invitation or the solicitation of any offer to sell or purchase any securities or the solicitation of any offer to otherwise acquire, subscribe for, sell or otherwise dispose of any security pursuant to the Offer or otherwise. The Offer will be made solely by means of an offer document and a form of acceptance, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. Any decision in respect of, or other response to, the Offer should be made only on the basis of the information contained in those documents.

Important notice to overseas shareholders

The release, publication or distribution of this Announcement is not being made, directly or indirectly, in, into or from any jurisdiction where to do so would violate the laws in that jurisdiction (each a “Restricted Jurisdiction”), and the Offer is not capable of acceptance from or within a Restricted Jurisdiction. Accordingly, copies of this Announcement are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement (including custodians, nominees and trustees) must not mail or otherwise distribute or send it in, into or from such jurisdictions. The availability of the Offer to SDI Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions.

Disclosure requirements of the City Code (the “Code”)

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

p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified.

Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure. Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in 1 percent or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

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

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at <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.

Publication on website

This Announcement, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, will be available free of charge on SDI's website at: www.SDIgroup.com/announcements, and Dematic's website at: www.dematic.com/announcements/sdi by no later than 12 noon (London time) on 26 November 2014.