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**FOR IMMEDIATE RELEASE**

**7 August 2018**

**ALL-CASH OFFER BY  
KSE, UK, INC.  
FOR  
ARSENAL HOLDINGS PLC**

**Summary**

- KSE, UK, Inc. ("**KSE**") is pleased to announce the terms of its all-cash offer to acquire the entire issued and to be issued ordinary share capital of Arsenal Holdings PLC ("**Arsenal**"), other than the Arsenal Shares already held by KSE (the "**Offer**").
- KSE, a Delaware corporation wholly-owned by Mr E. Stanley Kroenke, currently holds 41,743 Arsenal Shares, representing approximately 67.09 per cent. of the existing issued share capital of Arsenal.
- KSE has received an irrevocable undertaking from Red and White Securities to accept the Offer in respect of Red and White Securities' entire holding of 18,695 Arsenal Shares (representing approximately 30.05 per cent. of the existing issued share capital of Arsenal, and approximately 91.31 per cent. of the Arsenal Shares not currently held by KSE) as soon as possible following the publication of the Offer Document and in any event by 3.00 p.m. today.
- The Offer is conditional only upon KSE receiving valid acceptances representing not less than 90 per cent. of the Arsenal Shares to which the Offer relates (being the Arsenal Shares not held by KSE). Therefore, upon the valid acceptance of the Offer by or on behalf of Red and White Securities, the Offer will become unconditional as to acceptances and unconditional in all respects.
- Under the terms of the Offer, which will be subject to the Acceptance Condition and further terms set out in Appendix 1 to this Announcement and the full terms and condition set out in the Offer Document, Arsenal Shareholders will be entitled to receive:

**For each Arsenal Share**

**£29,419.64 in cash**

- The Offer values the entire issued share capital of Arsenal at approximately £1.8 billion.
- The successful implementation of the Offer will result in the opening of a new chapter in the history of the Club in bringing 100 per cent. private ownership by KSE. KSE believes moving to private ownership will bring the benefits of a single owner better

able to move quickly in furtherance of the Club's strategy and ambitions. KSE is a committed, long-term owner of the Club.

- Arsenal Shares will be acquired pursuant to the Offer fully paid with full title guarantee and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid from Completion.

Commenting on the Offer, Mr E. Stanley Kroenke said:

*"We at KSE are moving forward with this Offer leading to 100% ownership of the Club. We appreciate Mr Usmanov's dedication to the Arsenal Football Club and the storied ethos and history the Club represents."*

**The full terms of the Offer will be set out in the Offer Document and the Form of Acceptance, which are being made available on the date of this Announcement to, and sent to, Eligible Arsenal Shareholders and, for information purposes, to persons with information rights. In deciding whether or not to accept the Offer in respect of their Arsenal Shares, Arsenal Shareholders should consider the information contained in, and the procedures described in, such documentation.**

**This summary should be read in conjunction with, and is subject to, the full text of this Announcement (including the Appendices). The Offer will be subject to the Acceptance Condition and certain further terms set out in Appendix 1 and to the full terms and condition set out in the Offer Document and the Form of Acceptance. Appendix 2 contains sources and bases of certain information contained in this Announcement. Appendix 3 to this Announcement contains details of the irrevocable undertaking from Red and White Securities. Appendix 4 contains the definitions and certain terms used in this Announcement.**

**Copies of this Announcement will be made available on KSE's website (<https://kse.formstack.com/forms/phfd>) and on Arsenal's website ([www.arsenal.com](http://www.arsenal.com)).**

## **Enquiries**

**Deutsche Bank AG, London Branch  
(Financial Adviser to KSE)**

**Tel: +44 20 7545 8000**

## ***Important notices relating to financial adviser***

*Deutsche Bank AG is subject to supervision by the European Central Bank and by BaFin, Germany's Federal Financial Supervisory Authority, and is subject to limited regulation in the United Kingdom by the Prudential Regulation Authority and Financial Conduct Authority. Details about the extent of Deutsche Bank AG's authorisation and regulation by the Prudential Regulation Authority, and the Financial Conduct Authority are available on request. Deutsche Bank AG, acting through its London branch, is acting as financial adviser to KSE and no-one else in connection with the subject matter of this Announcement and will not be responsible to anyone other than KSE for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this Announcement.*

### ***Further information***

*This Announcement is not intended to, and does not, constitute or form part of any offer or invitation, or the solicitation of an offer, to purchase or otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable laws. The Offer will be implemented solely pursuant to the terms of the Offer Document and the accompanying Form of Acceptance which will contain the full terms and condition of the Offer, including details of how to accept the Offer. Any decision in respect of, or other response to, the Offer should be made only on the basis of the information contained in the Offer Document and the Form of Acceptance.*

### ***Information relating to Arsenal Shareholders***

*Please be aware that addresses, electronic addresses and certain other information provided by Arsenal Shareholders, persons with information rights and other relevant persons for the receipt of communications from Arsenal may be provided to KSE during the Offer Period as required under Section 4 of Appendix 4 of the Code.*

### ***Overseas jurisdictions***

*This Announcement has been prepared in accordance with English law and the Code and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England. The statements contained in this Announcement are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the contents of this document, you should consult your own legal adviser, financial adviser or tax adviser for legal, business, financial or tax advice.*

*The release, publication or distribution of this Announcement, and the availability of the Offer to Arsenal Shareholders who are resident, in jurisdictions other than the United Kingdom, the Channel Islands or the Isle of Man may be restricted by the laws of the relevant jurisdiction and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom, the Channel Islands or the Isle of Man should inform themselves about, and observe any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom, the Channel Islands or the Isle of Man to accept the Offer or to execute and deliver the Form of Acceptance may be affected by the laws of the relevant jurisdictions in which they are located.*

*Unless otherwise determined by KSE or required by the Code and permitted by applicable law and regulation, the Offer will not be made, and will not be communicated, directly or indirectly, in or into, or by use of mails of or any means or instrumentality (including, but not limited to, by mail, telephonically or electronically by way of internet or otherwise) of interstate or foreign commerce of, or by any facilities of a national, state or securities exchange of, any Restricted Jurisdiction and will not be capable of acceptance by any such use, means, instrumentality or facility or from within such Restricted Jurisdiction. Accordingly, unless otherwise determined by KSE or required by the Code and permitted by applicable law and regulation, copies of this Announcement, the Offer Document and the Form of Acceptance are not being, and must not be, directly or indirectly mailed, transmitted or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction. Accordingly, any person (including, without limitation, any custodian, nominee or trustee)*

*who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this Announcement, the Offer Document and/or the Form of Acceptance to any jurisdiction outside the United Kingdom, the Channel Islands or the Isle of Man, should inform themselves of, and observe, these restrictions and must not, directly or indirectly, mail, send or otherwise forward or distribute them in, into or from any Restricted Jurisdiction. Doing so may render any purported acceptance of the Offer invalid.*

*Further details in relation to Arsenal Shareholders in overseas jurisdictions are contained in the Offer Document.*

### ***Notice to US holders of Arsenal Shares***

*The Offer will qualify for "Tier I" exemptions from the tender offer rules included in Regulation 14E under the US Exchange Act of 1934 and otherwise will be made in accordance with the requirements of the Code. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that may be different from those applicable under US domestic tender offer procedures and law.*

*The Offer will be made for the securities of a UK company and is subject to UK disclosure requirements, which are different from those of the United States. The financial information relating to Arsenal included in this Announcement has been prepared in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States ("US GAAP"). US GAAP differs in certain significant respects from accounting standards applicable in the United Kingdom. None of the financial information in this document has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).*

*It may be difficult for US holders of shares to enforce their rights and any claims they may have arising under the US federal securities laws in connection with the Offer since Arsenal is located outside the United States, and some or all of their officers and directors may be residents of countries other than the United States. US holders of shares in Arsenal may not be able to sue Arsenal or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel Arsenal and its affiliates to subject themselves to the jurisdiction or judgment of a US court.*

*To the extent permitted by applicable law, in accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act of 1934, KSE and its members or their respective nominees, or brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Arsenal Shares other than pursuant to the Offer such as in open market or privately negotiated purchases outside the United States during the period in which the Offer remains open for acceptance. In accordance with the requirements of Rule 14e-5(b) such purchases, or arrangements to purchase, must comply with English law and the Code. Any information about such purchases will be, to the extent required, disclosed in the United Kingdom via a Regulatory Information Service provider.*

*Neither the Offer nor this Announcement has been approved or disapproved by the US securities exchange commission, any state securities commission in the United States or any*

*other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this Announcement or the merits of the Offer. Any representation to the contrary is a criminal offence in the United States.*

*The receipt of cash pursuant to the Offer by a US holder of Arsenal Shares may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Arsenal Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.*

### **Forward-looking statements**

*This Announcement may contain "forward looking statements" concerning Mr Kroenke, KSE and the Arsenal Group. 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 undue reliance should not be placed on such statements which speak only as at the date of this Announcement. Neither Mr Kroenke nor KSE assumes any obligation to, and do not intend to, update these forward looking statements, except as required pursuant to applicable law or regulation.*

*Nothing in this Announcement is intended, or is to be construed, as a profit forecast or estimate for KSE or Arsenal or to be interpreted to mean that earnings per Arsenal Share for the current or future financial years will necessarily match or exceed the historical published earnings per Arsenal Share.*

### **Rounding**

*Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables or forms may vary slightly and figures shown as totals in certain tables or forms may not be an arithmetic aggregation of the figures that precede them.*

### **No forecasts or estimates**

*No statement in this Announcement is intended as a profit forecast or estimate for any period should be interpreted to mean that earnings or earnings per share for Arsenal, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Arsenal.*

### **Disclosure requirements of the Code**

*Under Rule 8.3(a) of the Code, any person who is interested (directly or indirectly) in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the Announcement in which any securities exchange offeror is first identified.*

*An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the Announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to midnight on the day before 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 (directly or indirectly) in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8 and have not changed. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.*

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

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

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the 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. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### ***Publication on website and availability of hard copies***

*A copy of this Announcement is and will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on KSE's website at <https://kse.formstack.com/forms/phfd> and on Arsenal's website at [www.arsenal.com](http://www.arsenal.com) by no later than 12 noon (London time) on the Business Day following the date of this Announcement. For the avoidance of doubt, the contents of the websites referred to in this Announcement are not incorporated into and do not form part of this Announcement.*

*You may request a hard copy of this Announcement by contacting the Receiving Agent at Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or between 9.00 a.m. and 5.00 p.m. Monday to Friday (except UK public holidays) on 0370 707*

*4040 from within the UK (or on +44 370 707 4040 if calling from outside the UK) with an address to which the hard copy may be sent. Calls may be recorded and randomly monitored for security and training purposes. You may also request that all future documents, announcements and information to be sent to you in relation to the Offer should be in hard copy form.*

*If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or from an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are located in the UK or, if you are located outside the UK, from an appropriately authorised independent financial adviser.*





#### **4. BACKGROUND TO AND REASONS FOR THE OFFER**

The successful implementation of the Offer will result in the opening of a new chapter in the history of the Club in bringing 100 per cent. private ownership by KSE, which owns approximately 67.09 per cent of the Arsenal Shares currently and has been the majority shareholder since its mandatory offer in 2011.

Private ownership is the most common form of ownership amongst the clubs of The Premier League, with 18 of the existing 20 clubs privately owned. KSE believes moving to that model will bring the benefits of a single owner better able to move quickly in furtherance of the Club's strategy and ambitions. KSE is a committed, long-term owner of the Club.

KSE's ambitions for the Club are to see it competing consistently to win The Premier League and The Champions League, as well as the major trophies in the women's senior game and at youth level.

Under KSE's stewardship since 2011 the Club has invested in major transfers, player contracts, analytics, senior non-playing football management employees, building the Club's global brand and fan-base, and the stadium, training facilities and Club offices. KSE expects the Club to build on those investments and to continue to invest in London Colney and Hale End to ensure the Club stays at the cutting edge of sporting high performance through player preparation, training, conditioning and youth development.

KSE looks forward to an ambitious and successful 2018/19 season for the first team squad under the guidance of our new Head Coach Unai Emery and Academy Manager Per Mertesacker.

#### **5. INDEPENDENT DIRECTORS OF ARSENAL**

The Arsenal Independent Directors are Sir John Chippendale Lindley Keswick (Chairman), Ivan Gazidis, Kenneth John Friar OBE and Lord Philip Charles Harris of Peckham. Their views on the Offer will be set out in the letter from the Chairman of Arsenal in Part 2 of the Offer Document.

#### **6. INFORMATION RELATING TO MR E. STANLEY KROENKE**

Mr Kroenke is an international businessman with significant sports, media and real estate holdings. His family portfolio of sporting assets include the Los Angeles Rams of the National Football league ("NFL"), the Denver Nuggets of the National Basketball Association ("NBA"), the Colorado Avalanche of the National Hockey League ("NHL"), the Colorado Rapids of Major League Soccer ("MLS") and the Colorado Mammoth of the National Lacrosse League ("NLL"), in all of which members of the Kroenke family have been long-term investors or co-owners. Mr Kroenke's teams have won titles in the NFL, NHL, MLS, and the NLL.

Mr Kroenke acquired a 40 per cent. stake in the Los Angeles Rams in 1995, as the NFL returned to St. Louis. He received unanimous approval by NFL owners in 2010 to purchase the remaining 60 per cent. of the franchise and, in 2016, NFL owners approved the relocation of the Rams to Los Angeles. The Los Angeles Rams were one of the most improved teams in the NFL this past season.

Mr Kroenke has always made it a priority to invest not only in sports teams themselves, but also communities which surround and support them. This has included constructing the state-of-the-art Dick's Goods Park sports complex in the metropolitan Denver area, acquiring the Pepsi Center, the home arena for the Denver Nuggets and the Colorado Avalanche, and creating Altitude Sports & Entertainment, a 24-hour regional sports and entertainment network which televises many regular-season games for the Denver Nuggets, the Colorado Avalanche and the Colorado Rapids.

Mr Kroenke is developing the LA Stadium and Entertainment District at Hollywood Park, which will be a year-round sports and entertainment destination. The centerpiece of the 298-acre district is the LA Stadium. With over three million square feet of usable space, the LA Stadium provides a fixed seating capacity for 70,240, with the ability to expand capacity up to 100,000. The project will include a 2.5-acre plaza and a 6,000-seat performance venue located under the same roof canopy as the stadium.

The LA Stadium will be the home field for the Los Angeles Rams and Los Angeles Chargers from 2020. It will host year-round sports and entertainment events and has already secured the Super Bowl LVI in February 2022, the College Football National Championship game in 2023 and the Opening and Closing Ceremonies of the 2028 Olympic Games. In addition to the stadium and performance venue, the project anticipates an initial phase of more than 1.5 million square feet of retail and office space, 1,500 residences, a hotel and more than 20 acres of parks. The long-term plans offer the possibility of developing additional phases over time. To date, Mr Kroenke has created more than 2,000 jobs in the Los Angeles region.

In addition to his sporting assets, Mr Kroenke owns and operates a substantial amount of retail, residential, and warehouse commercial real estate in the United States, Canada and the United Kingdom, and owns several ranches and vineyards throughout the world, including the historic Bonneau du Martray estate in Burgundy, France.

Mr Kroenke originally invested in Arsenal in 2007, and has built his stake through further acquisitions of shares. He became a member of the Arsenal Board in September 2008, and has been a director since then.

Mr Kroenke's commitment to Arsenal remains unwavering. He is focussed on maintaining Arsenal's position as one of the world's most popular and successful football clubs. He intends to use his experience to help Arsenal enjoy even greater success on the pitch and so continue to grow its global brand and fan-base.

## **7. INFORMATION RELATING TO KSE**

KSE is a corporation incorporated in the State of Delaware, the United States, and is wholly-owned and controlled by Mr Kroenke. Mr Kroenke is the sole director of KSE.

KSE is a holding company incorporated solely for the purpose of holding the 67.09 per cent of the share capital in Arsenal and 50 per cent. of the share capital in Arsenal Broadband Limited (the remaining 50 per cent. is held by another member of the Arsenal Group). In connection with the Offer, Mr Kroenke has made a capital contribution of £602,398,000 in KSE, as further described in paragraph 10 below.

Other than described above, KSE has no material assets or liabilities. Following completion of the Offer and the compulsory acquisition procedure under the 2006 Act, Arsenal will

become a wholly owned subsidiary of KSE, and KSE's assets, liabilities and earnings will be derived from its holdings of 100 per cent. of Arsenal's share capital and 100 per cent. (direct and indirect) in Arsenal Broadband Limited.

## **8. INFORMATION RELATING TO ARSENAL**

Arsenal is an English professional football club based in North London. The Club is one of the most famous teams in the world, and boasts a record of sporting success. Arsenal has been Champion of the top tier of English football on 13 occasions, including 3 times during the Premier League era. The Club has won the FA Cup a record 13 times, the last of which was in 2017, and the League Cup twice. In European competitions the Club won the European Fairs Cup in 1970 and the European Cup Winners' Cup in 1994, whilst finishing runners up in the UEFA Champions League in 2006. Arsenal also boasts two particular domestic records of note: being the Club with the longest unbroken period in the top division of English football (92 seasons as at season 2017/18), and the longest run of league matches unbeaten (49, which included the famous "Invincibles" season of 2003/04).

## **9. MANAGEMENT, EMPLOYEES AND BUSINESS OF ARSENAL**

KSE believes that taking Arsenal under private ownership will bring the flexibility necessary to drive greater success of the Club and intends to continue to develop the Club as a leading football club on both the domestic and global stage, in line with Arsenal's current long term strategy. KSE has no intention to change the composition of the Arsenal Board as a result of the Offer.

KSE attaches great importance to the skills and experience of the existing management and employees of Arsenal. Following Completion of the Offer, the existing employment rights, including pension rights of the management and employees of the Arsenal Group will be fully safeguarded in accordance with contractual and statutory requirements, and KSE has no intention to make any changes to the current contribution arrangements for the Arsenal Group's share of the defined benefits section of the Pension Scheme, including with regard to current funding arrangements of any deficit in respect of the defined benefits section. The defined benefits section of the Pension Scheme is closed to new entrants and Arsenal does not set the arrangements in relation to the accrual of benefits for existing members. KSE has no intention to make any material changes to the conditions of employment or the balance of the skills and functions of the employees and management of Arsenal, or to make headcount reductions or to redeploy any fixed assets of Arsenal or change Arsenal's places of business, including the locations of Arsenal's headquarters and headquarters functions, the Emirates Stadium, the Training Centre at London Colney and the Academy at Hale End. KSE has no intention to make any material changes to the R&D functions of Arsenal.

## **10. FINANCING**

KSE will fund the consideration payable under the Offer from a capital contribution of £602,398,000 made by Mr Kroenke.

For the purpose of making the capital contribution, Mr Kroenke has used £45,398,000 cash from his own resources. In addition, Mr Kroenke entered into a bridge facility agreement with Deutsche Bank AG, New York Branch as lender on 2 August 2018, under which Deutsche Bank AG, New York Branch has agreed to make available to Mr Kroenke a £557 million bridge term loan facility.

The Offer is not being funded by way of any debt finance (bank loans, payment in kind loans or other debt or quasi-debt interest bearing obligations) for which the payment of interest on, repayment of, or security for any liability (contingent or otherwise) will depend on the business of Arsenal.

Deutsche Bank is satisfied that sufficient resources are available to KSE to satisfy in full the cash consideration payable to Arsenal Shareholders pursuant to the Offer.

Further information on the financing of the Offer is set out in the Offer Document.

## **11. CONDITION OF THE OFFER**

The only Condition of the Offer is the Acceptance Condition as set out in Appendix 1 to this Announcement, being valid acceptances having been received in respect of not less than 90 per cent. of the Arsenal Shares to which the Offer relates and of the voting rights attached to those shares.

Upon the valid acceptance of the Offer by or on behalf of Red and White Securities pursuant to its irrevocable undertaking, the Offer will become unconditional as to acceptances and unconditional in all respects.

The Offer is also subject to the further terms set out in Appendix 1 to this Announcement and to the full terms set out in the Offer Document and the Form of Acceptance.

## **12. WITHDRAWAL OF TRADING FROM THE NEX EXCHANGE GROWTH MARKET, COMPULSORY ACQUISITION AND RE-REGISTRATION**

After the Offer becomes or is declared unconditional in all respects and KSE has by virtue of its shareholding and acceptances of its Offer acquired, or agreed to acquire, issued share capital carrying at least 75 per cent. of the voting rights of Arsenal (which would be the case once Red and White Securities' acceptance of the Offer has been received), KSE intends to procure the making of an application by Arsenal for the withdrawal of trading in Arsenal Shares on the NEX Exchange Growth Market, which will take effect no earlier than 20 Business Days following the Offer becoming or being declared unconditional in all respects. Withdrawal of trading from the NEX Exchange Growth Market would significantly reduce the liquidity and marketability of any Arsenal Shares not assented to the Offer.

Once KSE has received acceptances under the Offer in respect of, and/or otherwise acquires, not less than 90 per cent. or more of the Arsenal Shares by nominal value and voting rights attaching to such shares to which the Offer relates, KSE intends to exercise its rights pursuant to the provisions of Chapter 3 of Part 28 of the 2006 Act to acquire compulsorily the remaining Arsenal Shares on the same terms as the Offer. KSE will receive acceptances under the Offer in respect of the required 90 per cent. of Arsenal Shares subject to the Offer as soon as Red and White Securities has accepted the Offer. Given that Red and White Securities has irrevocably committed to accept the Offer as soon as possible following publication of this Announcement, KSE anticipates being able to commence the compulsory acquisition procedure for the outstanding Arsenal Shares shortly.

It is also proposed that, following the Offer becoming unconditional in all respects and after the Arsenal Shares are withdrawn from NEX Exchange Growth Market, Arsenal will be re-registered as a private company under the relevant provisions of the 2006 Act.

### **13. DISCLOSURE OF INTERESTS IN RELEVANT SECURITIES**

As of the close of business of 6 August 2018 (being the last Business Day before the date of this Announcement), KSE holds 41,743 Arsenal Shares, representing approximately 67.09 per cent. of the existing issued ordinary share capital of Arsenal, as well as both of the two non-voting Subscriber Ordinary Shares.

Save as disclosed in this Announcement, none of KSE nor any directors of KSE nor, so far as KSE is aware, any person acting in concert (within the meaning of the Code) with KSE has:

- any interest in, or right to subscribe for, any Arsenal Shares or other relevant securities of Arsenal, nor does any such person have any short position in Arsenal Shares or other relevant securities of Arsenal, including any short position under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery of Arsenal Shares or other relevant securities of Arsenal;
- any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Code, in relation to Arsenal Shares or other relevant securities of Arsenal; or
- borrowed or lent any Arsenal Shares or other relevant securities of Arsenal, nor entered into any financial collateral arrangements relating to Arsenal Shares or other relevant securities of Arsenal.

KSE will publish an Opening Position Disclosure in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 of the Code.

### **14. RESTRICTED JURISDICTIONS**

The availability of the Offer to Arsenal Shareholders who are not resident in the United Kingdom, the Channel Islands or the Isle of Man may be affected by the laws of the relevant jurisdiction in which they are located. Persons who are not resident in the United Kingdom, the Channel Islands or the Isle of Man should inform themselves of, and observe any applicable legal or regulatory requirements.

This Announcement does not constitute an offer for sale of any securities or an offer or an invitation to purchase any securities. Arsenal Shareholders are advised to read carefully the Offer Document and the Form of Acceptance, once these have been published and dispatched.

### **15. THE OFFER DOCUMENT AND ACCEPTANCE OF THE OFFER**

The Offer Document containing full terms and condition of the Offer and the views of the Arsenal Independent Directors is being published and posted to the Eligible Arsenal Shareholders today, together with the Form of Acceptance.

Acceptances to the Offer must be received by 1.00 p.m. (London time) on 28 August 2018, being the First Closing Date, unless the acceptance period is extended.

The procedure for acceptance of the Offer is set out in paragraph 14 of the letter from KSE in Part 1 of the Offer Document and in Parts C and D of Appendix I of the Offer Document and,

in respect of Arsenal Shares in certificated form, as further described in the Form of Acceptance.

Subject to certain restrictions relating to persons in Restricted Jurisdictions, the Offer Document will also be available on KSE's website at <https://kse.formstack.com/forms/phfd> and on Arsenal's website at [www.arsenal.com](http://www.arsenal.com).

Further copies of the Offer Document and the Form of Acceptance may be obtained by contacting the Receiving Agent, Computershare, on 0370 707 4040 (if calling within the UK) or on +44 370 707 4040 (if calling from outside the UK). Lines are open Monday to Friday 9.00 a.m. to 5.00 p.m. (London time).

Arsenal Shareholders may also collect copies of the Offer Document and the Form of Acceptance in person (from 10.00 a.m. today until the end of the Offer and during normal business hours only) from the Receiving Agent at its Bristol office (Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, United Kingdom, BS13 8AE), London office (Computershare Investor Services PLC, Moor House, 120 London Wall, London, United Kingdom, EC2Y 5ET) or Jersey office (Computershare Investor Services (Jersey) Limited, 2nd Floor, Queensway House, Hilgrove Street, St. Helier, Jersey, JE1 1ES).

## **16. DOCUMENTS ON WEBSITE**

Copies of the following documents will be available, subject to certain restrictions relating to persons in Restricted Jurisdictions, by no later than 12 noon (London time) on the Business Day following the date of this Announcement, be published on KSE's website at <https://kse.formstack.com/forms/phfd> and on Arsenal's website at [www.arsenal.com](http://www.arsenal.com):

- (a) this Announcement;
- (b) the Offer Document;
- (c) a specimen copy of the Form of Acceptance;
- (d) the irrevocable undertaking from Red and White Securities;
- (e) the documentation in relation to the financing of the Offer;
- (f) the bylaws of KSE;
- (g) the articles of association of Arsenal;
- (h) the Reports and Accounts of Arsenal;
- (i) letter of consent from Deutsche Bank consenting to the publication of this Announcement and the Offer Document with the inclusion of references to its name; and
- (j) letter of consent from Rothschild consenting to the publication of the Offer Document with the inclusion of references to its name and advice to the Arsenal Independent Directors.

## 17. GENERAL

The Offer will be implemented by way of a takeover offer under Part 28 of the 2006 Act.

Arsenal Shares will be acquired pursuant to the Offer fully paid with full title guarantee and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid from Completion.

The full terms of the Offer are set out in the Offer Document and the Form of Acceptance, which are being sent to Eligible Arsenal Shareholders and, for information purposes, to persons with information rights on the date of this Announcement. In deciding whether or not to accept the Offer in respect of their Arsenal Shares, Arsenal Shareholders should consider the information contained in, and the procedures described in, such documentation.

### ***Important notices relating to financial adviser***

*Deutsche Bank AG is subject to supervision by the European Central Bank and by BaFin, Germany's Federal Financial Supervisory Authority, and is subject to limited regulation in the United Kingdom by the Prudential Regulation Authority and Financial Conduct Authority. Details about the extent of Deutsche Bank AG's authorisation and regulation by the Prudential Regulation Authority, and the Financial Conduct Authority are available on request. Deutsche Bank AG, acting through its London branch, is acting as financial adviser to KSE and no-one else in connection with the subject matter of this Announcement and will not be responsible to anyone other than KSE for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this Announcement.*

### ***Further information***

*This Announcement is not intended to, and does not, constitute or form part of any offer or invitation, or the solicitation of an offer, to purchase or otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable laws. The Offer will be implemented solely pursuant to the terms of the Offer Document and the accompanying Form of Acceptance which will contain the full terms and condition of the Offer, including details of how to accept the Offer. Any decision in respect of, or other response to, the Offer should be made only on the basis of the information contained in the Offer Document and the Form of Acceptance.*

### ***Information relating to Arsenal Shareholders***

*Please be aware that addresses, electronic addresses and certain other information provided by Arsenal Shareholders, persons with information rights and other relevant persons for the receipt of communications from Arsenal may be provided to KSE during the Offer Period as required under Section 4 of Appendix 4 of the Code.*

## **Overseas jurisdictions**

*This Announcement has been prepared in accordance with English law and the Code and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England. The statements contained in this Announcement are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the contents of this document, you should consult your own legal adviser, financial adviser or tax adviser for legal, business, financial or tax advice.*

*The release, publication or distribution of this Announcement, and the availability of the Offer to Arsenal Shareholders who are resident, in jurisdictions other than the United Kingdom, the Channel Islands or the Isle of Man may be restricted by the laws of the relevant jurisdiction and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom, the Channel Islands or the Isle of Man should inform themselves about, and observe any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom, the Channel Islands or the Isle of Man to accept the Offer or to execute and deliver the Form of Acceptance may be affected by the laws of the relevant jurisdictions in which they are located.*

*Unless otherwise determined by KSE or required by the Code and permitted by applicable law and regulation, the Offer will not be made, and will not be communicated, directly or indirectly, in or into, or by use of mails of or any means or instrumentality (including, but not limited to, by mail, telephonically or electronically by way of internet or otherwise) of interstate or foreign commerce of, or by any facilities of a national, state or securities exchange of, any Restricted Jurisdiction and will not be capable of acceptance by any such use, means, instrumentality or facility or from within such Restricted Jurisdiction. Accordingly, unless otherwise determined by KSE or required by the Code and permitted by applicable law and regulation, copies of this Announcement, the Offer Document and the Form of Acceptance are not being, and must not be, directly or indirectly mailed, transmitted or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction. Accordingly, any person (including, without limitation, any custodian, nominee or trustee) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this Announcement, the Offer Document and/or the Form of Acceptance to any jurisdiction outside the United Kingdom, the Channel Islands or the Isle of Man, should inform themselves of, and observe, these restrictions and must not, directly or indirectly, mail, send or otherwise forward or distribute them in, into or from any Restricted Jurisdiction. Doing so may render any purported acceptance of the Offer invalid.*

*Further details in relation to Arsenal Shareholders in overseas jurisdictions are contained in the Offer Document.*

## **Notice to US holders of Arsenal Shares**

*The Offer will qualify for "Tier I" exemptions from the tender offer rules included in Regulation 14E under the US Exchange Act of 1934 and otherwise will be made in accordance with the requirements of the Code. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that may be different from those applicable under US domestic tender offer procedures and law.*



*The Offer will be made for the securities of a UK company and is subject to UK disclosure requirements, which are different from those of the United States. The financial information relating to Arsenal included in this Announcement has been prepared in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States ("US GAAP"). US GAAP differs in certain significant respects from accounting standards applicable in the United Kingdom. None of the financial information in this document has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).*

*It may be difficult for US holders of shares to enforce their rights and any claims they may have arising under the US federal securities laws in connection with the Offer since Arsenal is located outside the United States, and some or all of their officers and directors may be residents of countries other than the United States. US holders of shares in Arsenal may not be able to sue Arsenal or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel Arsenal and its affiliates to subject themselves to the jurisdiction or judgment of a US court.*

*To the extent permitted by applicable law, in accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act of 1934, KSE and its members or their respective nominees, or brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, Arsenal Shares other than pursuant to the Offer such as in open market or privately negotiated purchases outside the United States during the period in which the Offer remains open for acceptance. In accordance with the requirements of Rule 14e-5(b) such purchases, or arrangements to purchase, must comply with English law and the Code. Any information about such purchases will be, to the extent required, disclosed in the United Kingdom via a Regulatory Information Service provider.*

*Neither the Offer nor this Announcement has been approved or disapproved by the US securities exchange commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this Announcement or the merits of the Offer. Any representation to the contrary is a criminal offence in the United States.*

*The receipt of cash pursuant to the Offer by a US holder of Arsenal Shares may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Arsenal Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.*

### **Forward-looking statements**

*This Announcement may contain "forward looking statements" concerning Mr Kroenke, KSE and the Arsenal Group. 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 undue reliance should not be placed on such statements which speak only as at the date of this Announcement. Neither Mr Kroenke nor KSE assumes any obligation to, and do not intend to, update these forward looking statements, except as required pursuant to applicable law or regulation.*

*Nothing in this Announcement is intended, or is to be construed, as a profit forecast or estimate for KSE or Arsenal or to be interpreted to mean that earnings per Arsenal Share for the current or future financial years will necessarily match or exceed the historical published earnings per Arsenal Share.*

### ***Rounding***

*Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables or forms may vary slightly and figures shown as totals in certain tables or forms may not be an arithmetic aggregation of the figures that precede them.*

### ***No forecasts or estimates***

*No statement in this Announcement is intended as a profit forecast or estimate for any period should be interpreted to mean that earnings or earnings per share for Arsenal, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Arsenal.*

### ***Disclosure requirements of the Code***

*Under Rule 8.3(a) of the Code, any person who is interested (directly or indirectly) in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the Announcement in which any securities exchange offeror is first identified.*

*An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the Announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to midnight on the day before 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 (directly or indirectly) in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have*

*previously been disclosed under Rule 8 and have not changed. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.*

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

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

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the 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. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

#### ***Publication on website and availability of hard copies***

*A copy of this Announcement is and will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on KSE's website at <https://kse.formstack.com/forms/phfd> and on Arsenal's website at [www.arsenal.com](http://www.arsenal.com) by no later than 12 noon (London time) on the Business Day following the date of this Announcement. For the avoidance of doubt, the contents of the websites referred to in this Announcement are not incorporated into and do not form part of this Announcement.*

*You may request a hard copy of this Announcement by contacting the Receiving Agent at Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or between 9.00 a.m. and 5.00 p.m. Monday to Friday (except UK public holidays) on 0370 707 4040 from within the UK (or on +44 370 707 4040 if calling from outside the UK) with an address to which the hard copy may be sent. Calls may be recorded and randomly monitored for security and training purposes. You may also request that all future documents, announcements and information to be sent to you in relation to the Offer should be in hard copy form.*

*If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or from an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are located in the UK or, if you are located outside the UK, from an appropriately authorised independent financial adviser.*

## **APPENDIX 1**

### **CONDITION TO AND CERTAIN FURTHER TERMS OF THE OFFER**

#### **1. Condition to the Offer**

The Offer will be conditional upon the Acceptance Condition set out below and, accordingly, the Offer will not become or be declared wholly unconditional unless the Acceptance Condition has been satisfied:

##### **Acceptance Condition**

Valid acceptances of the Offer having been received (and not, where permitted, withdrawn) by no later than 1.00 p.m. on the First Closing Date of the Offer as specified in the Offer Document (or such later times and/or dates as KSE may, subject to the rules of the Code or with the consent of the Panel, decide) in respect of not less than 90 per cent. of Arsenal Shares to which the Offer relates and of the voting rights attached to those shares.

For the purposes of the Acceptance Condition:

- (i) Arsenal Shares which have been unconditionally allotted but not issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights they will carry upon issue;
- (ii) valid acceptances shall be deemed to have been received in respect of Arsenal Shares which are treated for the purposes of Part 28 of the 2006 Act as having been acquired or contracted to be acquired by KSE, whether by virtue of acceptance of the Offer or otherwise;
- (iii) the expression "Arsenal Shares to which the Offer relates" shall be construed in accordance with Chapter 3 of Part 28 of the 2006 Act; and
- (iv) all percentages of voting rights and share capital are to be calculated by reference to the percentage held and in issue outside treasury.

#### **2. Satisfaction and Invocation of the Condition**

The Offer will not become unconditional unless the Acceptance Condition has been fulfilled by 1.00 p.m. on the First Closing Date of the Offer as specified in the Offer Document (or such later times and/or dates as KSE may, subject to the rules of the Code or with the consent of the Panel, decide).

#### **3. Further terms of the Offer**

The Offer will lapse if there is a Phase 2 CMA Reference before the later of 1.00 p.m. on the First Closing Date and the date on which the Offer becomes or is declared unconditional as to acceptances. If the Offer so lapses, the Offer will cease to be capable of further acceptance and persons accepting the Offer and KSE will cease to be bound by Forms of Acceptance submitted on or before the time when the Offer lapses.

The Offer will be governed by and construed in accordance with English law and be subject to the jurisdiction of the courts of England and Wales, to the Condition and terms set out in

this Announcement and in the Offer Document and the Form of Acceptance. The Offer will comply with the applicable rules and regulations of the FCA, the NEX Exchange Growth Market and the Code.

The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Any persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

Arsenal Shares will be acquired pursuant to the Offer fully paid with full title guarantee and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid from Completion.

If, on or after the date of this Announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Arsenal Shares, KSE reserves the right to reduce the offer consideration for each Arsenal Share by an amount up to the amount of such dividend and/or distribution and/or return of capital for each Arsenal Share so announced, declared or paid, in which case any reference in this Announcement or the Offer Document to the offer consideration for the Arsenal Shares will be deemed to be a reference to the offer consideration as so reduced.

Full terms of the Offer are set out in the Offer Document and (in the case of Arsenal Shares held in certificated form) the Form of Acceptance.

**APPENDIX 2**  
**SOURCES OF INFORMATION AND BASES OF CALCULATION**

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

- (a) the value of the Offer is calculated based on:
  - (i) the Offer price of £29,419.64 per Arsenal Share; and
  - (ii) 62,217 Arsenal Shares in issue and Arsenal having no employee share awards or options as at 6 August 2018, being the latest practicable date prior to the publication of this document; and
- (b) all percentages have been rounded to two decimal places.

### **APPENDIX 3**

#### **IRREVOCABLE UNDERTAKING**

Red and White Securities has given an irrevocable undertaking to KSE to accept (or procure the acceptance of) the Offer in respect of 18,695 Arsenal Shares.

This irrevocable undertaking will continue to be binding on Red and White Securities in the event that a third party makes a higher competing offer and will only cease to be binding on the earlier of the following occurrences:

- (a) the Offer Document is not published on a website and made available to the public (subject to Restricted Jurisdictions) by 11.00 a.m. on the date of this Announcement or such later time or date as Red and White Securities and KSE may agree; or
- (b) the Offer lapses or is withdrawn; or
- (c) the Offer has not become or been declared unconditional in all respects by:
  - (i) 6.30 p.m. on the Business Day on which valid acceptances of the Offer in respect of all of the 18,695 Arsenal Shares held by Red and White Securities have been received by the Receiving Agent (or such later time or date as Red and White Securities and KSE may agree), if such valid acceptances are received by 3.00 p.m.; or
  - (ii) 5.00 p.m. on the Business Day following the day on which valid acceptances of the Offer in respect of all of the 18,695 Arsenal Shares held by Red and White Securities have been received by the Receiving Agent (or such later time or date as Red and White Securities and KSE may agree), if such valid acceptances are received after 3.00 p.m.

## **APPENDIX 4 DEFINITIONS**

The following definitions apply throughout this Announcement unless the context otherwise requires:

<b>"2006 Act"</b>	means the Companies Act 2006, as amended from time to time
<b>"Acceptance Condition"</b>	means the acceptance condition of the Offer set out in paragraph 1 of Appendix 1 to this Announcement and in Part A of Appendix I to the Offer Document
<b>"Announcement"</b>	means this announcement made pursuant to Rule 2.7 of the Code
<b>"Arsenal"</b>	means Arsenal Holdings PLC
<b>"Arsenal Board"</b>	means the Arsenal Directors collectively
<b>"Arsenal Directors"</b>	means the directors of Arsenal as at the date of this Announcement or, where the context so requires, the directors of Arsenal from time to time
<b>"Arsenal Independent Directors"</b>	means the directors of Arsenal as at the date of this Announcement other than Mr E. Stanley Kroenke and Mr Josh W. Kroenke
<b>"Arsenal Group"</b>	means Arsenal and its subsidiaries and subsidiary undertakings from time to time and a "member of the Arsenal Group" shall be construed accordingly
<b>"Arsenal Shareholders"</b>	means the holders of Arsenal Shares
<b>"Arsenal Shares"</b>	means the ordinary shares of £1.00 each in the capital of Arsenal and includes: <ul style="list-style-type: none"><li>a) the existing unconditionally allotted or issued and fully paid (or credited as fully paid) ordinary shares of £1.00 each in the capital of Arsenal;</li><li>b) any further ordinary shares of £1.00 each in the capital of Arsenal which are unconditionally allotted or issued and fully paid (or credited as fully paid) before the date on which the Offer closes (or such earlier date or dates, not being earlier than the date on which the Offer</li></ul>



becomes unconditional as to acceptances or, if later, the First Closing Date, as KSE may decide); and

- c) any Arsenal Shares held as treasury shares that cease to be held as treasury shares before the date on which the Offer closes (or such earlier date or dates as KSE may, subject to the Code, determine)

but excludes any shares held as treasury shares on such date as KSE may determine before the Offer closes (which may be a different date(s) to the date referred to in b) and c)), and "Arsenal Share" means any one of them

**"Business Day"**

means a day, not being a public holiday, Saturday or Sunday, on which clearing banks in London are open for normal business

**"certificated" or "certificated form"**

means in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form

**"Channel Islands"**

means the Bailiwick of Jersey and the Bailiwick of Guernsey

**"Club"**

means the Arsenal Football Club

**"Code"**

means the City Code on Takeovers and Mergers issued by the Panel, as amended from time to time

**"Completion"**

means the Offer becomes or is declared unconditional in all respects

**"Condition"**

means the condition to the implementation of the Offer set out in paragraph 1 of Appendix 1 to this Announcement and in Part A of Appendix I to the Offer Document

**"Dealing Disclosure"**

means a dealing disclosure pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer

**"Deutsche Bank"**

means Deutsche Bank AG, London Branch

**"Eligible Arsenal Shareholders"**

means Arsenal Shareholders, other than

	Restricted Arsenal Shareholders
<b>"FCA" or "Financial Conduct Authority"</b>	means the UK Financial Conduct Authority or its successor from time to time
<b>"First Closing Date"</b>	means the first closing date of the Offer as specified in the Offer Document, being 28 August 2018
<b>"Form of Acceptance"</b>	means the Form of Acceptance and Authority for use by Arsenal Shareholders in connection with the Offer
<b>"KSE"</b>	means KSE, UK, Inc.
<b>"NEX Exchange Growth Market"</b>	means the NEX Exchange Growth Market operated by NEX Exchange
<b>"Offer"</b>	means the offer by KSE to acquire all the Arsenal Shares not already held by or on behalf of KSE as described in this Announcement and on the terms and subject to the Condition set out in the Offer Document and the Form of Acceptance (and, where the context so requires, any subsequent revision, variation, extension or renewal of such offer and includes any election or alternative (if applicable) available in connection with it)
<b>"Offer Document"</b>	means the document to be dispatched to Arsenal Shareholders, containing (among other things) the full terms and condition of the Offer
<b>"Offer Period"</b>	means the period commencing on (and including 7 August 2018) and ending on whichever of the following dates shall be the latest: (i) 1.00 p.m. on the First Closing Date; (ii) the date on which the Offer lapses or is withdrawn; and (iii) the date on which the Offer becomes or is declared unconditional as to acceptances
<b>"Opening Position Disclosure"</b>	means an opening position disclosure pursuant to Rule 8 of the Code containing details of interests or short position in, or rights to subscribe for, any relevant securities of a party to an offer
<b>"Panel"</b>	means the Panel on Takeovers and Mergers
<b>"Pension Scheme"</b>	means The Football League Pension and Life

	Assurance Scheme
<b>"Phase 2 CMA Reference"</b>	means a reference of the Offer to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013
<b>"PRA" or "Prudential Regulation Authority"</b>	means the Prudential Regulation Authority or its successor from time to time
<b>"Receiving Agent" or "Computershare"</b>	means Computershare Investor Services PLC
<b>"Red and White Securities"</b>	means Red and White Securities Limited
<b>"relevant securities"</b>	has the meaning given to it in the Code
<b>"Reports and Accounts of Arsenal"</b>	means together (i) Arsenal's audited consolidated financial statements and annual report for the year ended 31 May 2016, (ii) Arsenal's audited consolidated financial statements and annual report for the year ended 31 May 2017 and (iii) Arsenal's interim accounts for the six months ended 30 November 2017
<b>"Restricted Arsenal Shareholders"</b>	means those Arsenal Shareholders who are located in a Restricted Jurisdiction
<b>"Restricted Jurisdiction"</b>	means any jurisdiction (for the avoidance of doubt, other than the member states of the European Union, Switzerland, the Channel Islands and the Isle of Man) where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure or may result in a requirement to comply with any governmental or other consent on any registration, filing or other formality which KSE regards as unduly onerous if the Offer is made, or information concerning the Offer is sent or made available to Arsenal Shareholders in that jurisdiction
<b>"Rothschild"</b>	means NM Rothschild & Sons Limited
<b>"SEC"</b>	means the US Securities and Exchange Commission
<b>"Subscriber Ordinary Shares"</b>	means the two subscriber ordinary shares of £1.00 each in the capital of Arsenal which carry no right to vote or to income and a deferred right to a return of capital paid up, and are not traded

on any stock exchange

**"UK" or "United Kingdom"**

means the United Kingdom of Great Britain and Northern Ireland

**"US" or "United States"**

means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

**"US Exchange Act"**

means the US Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder

**"US Securities Act"**

the US Securities Act of 1933, as amended and the rules and regulations promulgated thereunder

All times referred to are London time unless otherwise stated.

All references to **"GBP"**, **"pence"**, **"sterling"** or **"£"** are to the lawful currency of the United Kingdom.

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.