

**Northamber Plc
("Northamber" or the "Company")**

**Shareholder Circular and
Notice of General Meeting**

Northamber announces that further to the announcement made on 20 April 2012 it has today posted a Circular to Shareholders seeking ratification for the acquisition of a Property (the "Circular") that was purchased on 5 April 2012 (see announcement dated 20 April 2012). The Circular contains a Notice of General Meeting to be held at Namber House, 23 Davis Road, Chessington, Surrey, KT9 1HS, at 11.00am on 18 July 2012.

A copy of the Circular is available from the offices of the Company, Namber House, 23 Davis Road, Chessington, Surrey, KT9 1HS and from the Company's website, www.northamber.com.

Extracts from the Circular are detailed in the Appendix below.

For further information please contact:

Northamber plc 020 8296 7000
David Phillips

Fox-Davies Capital Limited 020 3463 5010
Barry Saint

Beaumont Cornish Limited 020 7628 3396
Roland Cornish and James Biddle

Appendix

(All definitions are consistent with those in the Circular)

Introduction

Northamber announced on 20 April 2012, that it had, on 5 April 2012, entered into a contract to purchase the freehold of Unit D300 Brooklands Industrial Estate, Weybridge, Surrey, KT13 0YX (the "Property") from IPT Property Holdings Limited for the sum of £6,350,000 plus costs. The Property has been used by the Company principally as the warehouse for its operations with offices incorporated.

Due to the size of the consideration payable in respect of the purchase of the Property, the Acquisition represents, under the UKLA Listing Rules, a Class 1 Transaction for the Company.

However, as a result of the Company needing to address certain commercial pressures, the Directors concluded it was necessary to enter into a binding agreement to secure the purchase of the Property in short order and they therefore apologise to Northamber shareholders for being unable to seek their approval in advance of the transaction. To have requested the time necessary

for a General Meeting would have been incompatible with being able to successfully conclude the competitive negotiations. As will be appreciated from the above statement, whilst time was critical in completing the Acquisition, the Company acknowledges that compliance with LR10 is not voluntary for a premium listed issuer such as Northamber and the commercial pressures of the Acquisition or the Director's commercial judgement were no excuse for non-compliance. The Company did not therefore comply with its obligations under the Listing Rules to seek prior Shareholder approval.

The purpose of this Document is to give you details of the Acquisition and to ask you to vote in favour of the Resolution to ratify the Acquisition to be proposed at the General Meeting, notice of which is set out at the end of this Document. The Company is therefore voluntarily asking Shareholders to vote on the Resolution so that they can object to the Acquisition should they choose. Please note that the Resolution will be an ordinary resolution requiring a vote of more than 50% of those voting in person or by proxy in favour of the Resolution. Please note that the FSA (acting in its capacity as the UKLA) has, amongst other things, responsibility for monitoring and enforcing compliance with the Listing Rules. In this capacity, the FSA can investigate potential breaches of the Listing Rules and has at its disposal a wide variety of sanctions which it can impose in respect of any such breaches. These sanctions include the public censure of an issuer (and/or any person who was at the material time a director of the issuer and was knowingly concerned in the contravention), the imposition of a fine on the issuer (and/or a director knowingly concerned in the breach) and the suspension or cancellation of the issuer's securities from listing. Please also note that the passing of the Resolution will not remedy the breach of the Listing Rules nor limit the FSA's ability to take any action against the Company.

The Company has agreed with its Brokers, a new set of appropriate systems, procedures and controls are in place to ensure that it does not breach the Listing Rules in future.

Background and reasons for the Acquisition

The Company's existing lease over the Property currently had two years five months remaining and the freehold purchase has been a long term objective of the Company. In the few weeks prior to the purchase, the then current owner initiated the sale of the Property, enabled by the appearance of a developer who wished quickly to contract to purchase and re-develop the site. Northamber, with its substantial cash resources, was in a position to negotiate with the freeholder on the basis of a very swift cash transaction and thus secure the purchase for the Group.

A 10% deposit was paid on exchange on 5 April 2012, and the balance was paid on completion on 23 April 2012. The total consideration was paid in cash from the Company's own resources.

Prior to entering into the contract to purchase, the Company obtained a market value on the Property from an independent valuer who valued the Property at £6,300,000 and this is set out in Part III of this Document.

The Property comprises a site of over 5 acres with open boundaries on three sides and located within the original Brooklands race circuit. It has one principal warehouse structure and ancillary offices. The building has a gross square footage of approximately 77,600 sq ft.

The Property has been occupied by Group since December 1999 when it took assignment of the original 35 year lease. That lease would have expired on 28 September 2014. Before the Company occupied the Property, it had substantially rebuilt and modified it to remove the previous asbestos and damaged cladding and enhanced the logistic facilities to enable its operations to be carried out effectively and efficiently.

Prior to purchase, the rent was £601,000 per annum, payable quarterly on the normal quarter days. Following completion of the purchase of this site, these ongoing rental costs will no longer be incurred by the Company.

The purchase of the Property has enabled the Company to:-

- a. Secure the tenure of the Property for its warehousing operations and avoiding the need for relocating its business elsewhere;
- b. Cease paying a rent it was formerly paying for the use of the Property;
- c. Utilise some of the Company's cash resources to provide a better return on its funds;
- d. Provide a conversion of some current assets into tangible and value retaining fixed assets; and
- e. Potentially provide further operational consolidation opportunities for the Company's more economical use of its resources in the future.

In the opinion of the Directors, the undertaking to purchase the Property was a sound commercial and financial decision for the benefit of the Company, its staff and its shareholders.

Financial effects of the Acquisition

As a result of the Acquisition, the cash balances of the Group, which as at 31 December 2011, being the date at which the last unaudited interim balance sheet was published, were £13,213,000 will be reduced by the aggregate of the purchase consideration and costs of £6,680,717. A similar amount will be added to fixed assets and the proportion relating to the building depreciated in accordance with the Group's accounting policies.

The effect on income will be to eliminate the annual rent of £601,000. Profit/(loss) on ordinary activities before taxation will benefit by a similar amount and it is estimated that the net post-tax benefit to equity holders will be £480,000.

General Meeting

A notice of general meeting is set out at the end of this Document convening a General Meeting of the Company to be held at Namber House, 23 Davis Road, Chessington, Surrey, KT9 1HS at 11.00am on 18 July 2012.

At the General Meeting, the Resolution to ratify the Acquisition will be proposed. The Resolution is set out in full at the end of this document in the Notice of General Meeting.

Should Shareholder's fail to approve the Resolution then the Company will liaise with Shareholders to consider the sale of the Property.

Action to be taken

If you are a Shareholder, you will find enclosed with this Document a Form of Proxy for your use at the General Meeting. **Whether or not you intend to be present at the General Meeting, you are asked to complete, sign and return the Form of Proxy to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible but, in any event, no later than 11.00am on 16 July 2012.** The completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person should you wish to do so. Accordingly, whether or not you intend to attend the General Meeting in person, you are urged to complete and return the Form of Proxy as soon as possible.

Further Information

Your attention is drawn to the additional information set out in Parts II to V of this Document. You are advised to read the whole Document and not merely rely on the key or summarised information in this letter.

Recommendation

The Board believes that the ratification of the Acquisition, contained in the Resolution, is in the best interests of the Company and its Shareholders as a whole.

The Board unanimously recommends that Shareholders vote in favour of the Resolution as all Directors have irrevocably agreed to do in respect of their own shareholdings amounting in aggregate to 17,313,295 Ordinary Shares representing approximately 61.48 per cent. of the Company's current issued share capital. As the Resolution is an Ordinary Resolution requiring at least 50% of Shareholders vote in favour the Directors expect the Resolution to be passed; in the unlikely event that it is not the Directors would liaise with Shareholders to consider the sale of the Property.

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that a general meeting of the Company will be held at Namber House, 23 Davis Road, Chessington, Surrey, KT9 1HS on 18 July 2012 at 11.00am for the purpose of considering and, if thought fit, passing the ordinary resolution set out below.

Unless the context otherwise requires, words and expressions used in this notice have the meanings given to them in the circular to Shareholders dated 21 June 2012 (the "Circular"), of which this notice forms part.

Ordinary Resolution

1. **THAT** the acquisition by the Company of the Property in the manner and on the terms and conditions of the Acquisition Agreement, and which is described in the Circular, be and is ratified.

END.