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For immediate release

**23 February 2015**

**DFS Furniture plc**

**Initial Public Offering – Announcement of Price Range**

Following its announcement on 6 February 2015 of its intention to proceed with an initial public offering (the "Offer" or the "IPO"), DFS Furniture plc ("DFS" or the "Company" and, together with its subsidiaries, the "Group") today announces the price range for its IPO and its intention to publish, later today, the Prospectus.

The Company intends to apply for admission of its ordinary shares ("Shares") to the premium listing segment of the Official List of the FCA and to trading on the main market of the London Stock Exchange (together "Admission"). The Offer will comprise an offer of new and existing Shares.

- The price range for the Offer has been set at 245 pence to 310 pence per Share
- At the mid-point of the price range, DFS's market capitalisation would be approximately £585 million
- The Offer will comprise an offer of Shares to:
  - certain institutional investors in the United Kingdom and elsewhere outside the United States, and in the United States only to qualified institutional buyers; and
  - retail investors (including eligible DFS employees) in the UK, the Channel Islands and the Isle of Man through Intermediaries
- DFS expects to raise gross proceeds of £98 million for the Company through the issue of new Shares, which will be used to reduce the Group's indebtedness, thereby providing access to a lower cost of financing, and for the payment of transaction fees
- The Offer (which will include the sale of Shares by existing shareholders) will comprise between 79 million and 107 million Shares, excluding any exercise of up to 15% over-allotment option granted by Advent
- This equates to a free float of between approximately 38% and 50%, excluding any exercise of the over-allotment option, or 44% and 57% including full exercise of the over-allotment option

- The mid-point of the price range and of the free float range equates to an offer size of £257 million, excluding any exercise of the over-allotment option, or £296 million, including full exercise of the over-allotment option
- The Board of Directors and Senior Management may choose to sell up to 30% of their holdings in the Offer
- The Board of Directors, Senior Management, and other selling shareholders (excluding Advent) will be subject to a 365 day lock-up. Advent will be subject to a 180 day lock-up. The lock-ups are subject to certain customary exemptions
- The full details of the Offer will be included in the Prospectus which is expected to be published by the Company later today
- Final pricing is expected to be announced on or around 6 March 2015, with conditional dealings in the Shares beginning on the London Stock Exchange on the same day
- Admission is expected to occur and unconditional dealings in the Shares on the London Stock Exchange are expected to commence on or around 11 March 2015

#### Intermediaries offer

- Retail investors in the UK, the Channel Islands and the Isle of Man can apply through the stockbrokers and share dealing providers who are participating in the Offer as intermediaries ("Intermediaries"), who will apply for Shares on behalf of their clients ("Intermediaries Offer")
- Further information on the Intermediaries Offer, including a list of the firms acting as Intermediaries and the Prospectus once published, can be found at <http://www.dfscorporate.co.uk>
- The minimum application size in the Intermediaries Offer will be £1,000. There is no maximum application size
- Eligible DFS employees will be able to participate in an employee offer as part of the Intermediaries Offer ("Employee Offer"). Applications through the Employee Offer must be between £250 and £10,000. Such applications will receive preferential allocation
- The Intermediaries Offer will open following publication of the Prospectus
- The latest date for receipt by the Intermediaries of applications is expected to be 12 p.m. on Wednesday 4 March 2015

#### **Ian Filby, CEO of DFS, said:**

"DFS<sup>1</sup> is the UK's leading retailer<sup>2</sup> of upholstered furniture. Our vision is to take DFS from being a great British business to a world class business. We have a clear strategy to further broaden our appeal, enhance our service and ensure our products are easily accessible to customers through our UK and international store expansion programme, continued development of our multichannel proposition and constant enhancement of our product range.

"We have a proven business model and an excellent track record of delivering long term sales and market share growth, as well as strong cash generation and shareholder returns. We are excited about our future as a listed business and we are delighted to offer institutional and retail investors the opportunity to become shareholders of DFS."

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<sup>1</sup> The Group excluding Sofa Workshop and dwell.

<sup>2</sup> Source: Copyright© 2015, Verdict, extracted from the Verdict Retail Service website <https://service.verdictretail.com> on 21 January 2015, reproduced with permission of Verdict.

- **Ends** -

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The IPO timetable, including the publication of the Prospectus and/or the date of Admission, may be influenced by a range of circumstances, including market conditions. There is no guarantee that the Prospectus will be published or that the Offer or Admission will occur and you should not base your financial decisions on the Company's intentions in relation to the Offer and Admission at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making such an investment should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the Offer. The value of the Shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the Offer for the person concerned. Past performance cannot be relied upon as a guide to future performance.

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Any purchase or subscription of Shares in the proposed Offer should be made solely on the basis of the information contained in the final Prospectus to be published by the Company in connection with the Offer and Admission. The information in this announcement is for background purposes only and does not purport to be full or complete. No reliance may or should be placed for any purposes whatsoever on the information contained in this announcement or on its accuracy, completeness or fairness. The information in this announcement is subject to change. However, the Company, the Underwriters (as defined below) and each of their respective affiliates expressly disclaim any obligation or undertaking to provide the recipient of this announcement with any additional information, or to update this announcement or to correct any inaccuracies, and the distribution of this announcement shall not be deemed to be any form of commitment on the part of the Company to proceed with the Offer or any transaction or arrangement referred to herein. This announcement has not been approved by any competent regulatory authority.

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Authority (BaFin) and subject to limited regulation by the FCA, are acting exclusively for the Company and no one else in connection with the Offer and Admission, and will not regard any other person as its client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offer or the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the Offer, Jefferies, UBS, Numis, HSBC, Berenberg (the "Underwriters") and any of their respective affiliates, acting as investors for their own accounts, may subscribe for or purchase Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Offer or otherwise. Accordingly, references in the Prospectus, once published, to the Shares being offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by each of the Underwriters and any of their respective affiliates acting as investors for their own accounts. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements and swaps in connection with which they or their affiliates may from time to time acquire, hold or dispose of Shares. None of the Underwriters intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

None of the Underwriters, nor any of their respective subsidiary undertakings, affiliates or any of their respective partners, directors, officers, employees, Advisors, agents or any other person accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to the truth, accuracy, completeness or fairness of the information or opinions in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

In connection with the Offer, UBS, as stabilising manager (the "Stabilising Manager") or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The Stabilising Manager is not required to enter into such transactions and such transactions could be effected on any stock market, over-the-counter market, stock exchange or otherwise and could be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there is no obligation on the Stabilising Manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilising measures, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Shares above the offer price.

In connection with the Offer and pursuant to applicable law and regulation, the Stabilising Manager may, for stabilisation purposes, over-allot Shares for the purposes of allowing it to cover short positions resulting from any such over-allotments and/or from sales of Shares effected by it during the stabilisation period, the Stabilising Manager has entered into over-allotment arrangements pursuant to which the Stabilising Manager may purchase or procure purchasers for additional the Shares (the "Over Allotment Shares") at the offer price. The over-allotment arrangements would be exercisable in whole or in part, upon notice by the Stabilising Manager, at any time on or before the 30th calendar day after the commencement of conditional trading of the Shares on the London Stock Exchange. Any Over-allotment Shares made available pursuant to the over-allotment arrangements, including for all dividends and other distributions declared, made or paid on the Shares, will rank *pari passu* in all respects with any Shares being sold in the Offer and will be purchased on the same terms and conditions as the Shares being issued or sold in the Offer and will form a single class for all purposes with the other Shares.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking

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