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For immediate release

6 March 2015

DFS Furniture plc

Initial Public Offering – Announcement of Offer Price

Offer Price Set at 255 Pence

Following its announcements on 23 February 2015 of the offer price range and the publication of the Prospectus in connection with the initial public offering of its ordinary shares (the "Offer" or the "IPO"), DFS Furniture plc ("DFS" or the "Company" and, together with its subsidiaries, the "Group") today announces the successful pricing of the Offer.

Offer highlights

- The offer price has been set at 255 pence per Share (the "Offer Price")
- Based on the Offer Price, DFS's total market capitalisation at the commencement of conditional dealings will be £543.2 million
- The Offer comprises 80.9 million Shares equating to an Offer Size of £206.4 million, representing 38% of DFS's share capital on Admission, excluding the Over-allotment Option
- Immediately following Admission, the issued share capital of DFS will be 213.0 million Shares
- DFS is raising gross proceeds of £98.0 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
- Existing shareholders, including the Advent Shareholder and DFS management, will together receive gross proceeds of £108.4 million pursuant to the Offer, assuming no exercise of the Over-allotment Option
- Advent has granted UBS, as stabilising manager, an Over-allotment Option in respect of up to 12.1 million Shares, exercisable no later than thirty days from today
- Following Admission:
 - The Advent Shareholder will hold 55.9% of the Shares (assuming no exercise of the Over-allotment Option) and 50.2% of the Shares (assuming the Over-allotment Option is exercised in full); and

- The Directors will hold 3.2% of the Shares

Admission and Dealings

- Conditional dealings in the Shares will commence on the London Stock Exchange at 8.00am today (6 March 2015) under the ticker "DFS".
- Admission to the premium listing segment of the Official List and to trading on the Main Market for listed securities of the London Stock Exchange, and the commencement of unconditional dealings are expected to take place at 8.00 am on 11 March 2015
- The Pricing Statement will be published (subject to certain restrictions) on DFS's website at <http://www.dfscorporate.co.uk>

Richard Baker, Chairman of DFS, said:

"I am extremely proud of what has been achieved at DFS since 2010 and excited about what is to come as a public company. For me, DFS stands for 'Dedication, Family and Success' and our employee Partnership Scheme is an embodiment of these principles as we reward our dedicated and passionate workforce.

"On behalf of the Board, I would like to thank all the employees of DFS for their continued hard work as we now look to build on our success for our new shareholders."

Ian Filby, CEO of DFS, said:

"I am delighted by the positive response to the offering and would like to welcome all our new shareholders to DFS.

"We are committed to our vision to take DFS from being a great British business to a world class business. We have a clear strategy to broaden our appeal, enhance our service and make our products more accessible to our customers than ever before through a measured programme of store expansion, continued development of our multichannel proposition and constant enhancement of our product range. We look forward to further building on our excellent track record of sales, market share growth and cash generation, as the UK's leading retailer of upholstered furniture."

Further information:

- 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
- Following completion of the IPO, DFS is expecting to be eligible for inclusion in the FTSE UK Index Series at the quarterly review in June 2015
- Reflecting DFS's commitment to its employees, the Selling Shareholders have allocated a portion of their profit arising in connection with the market value of their Shares to DFS employees under the Partnership Scheme. The total amount payable to employees under this scheme would be over £2.5 million.
- DFS will be announcing Financial Year 2015 interim results on 26 March 2015

Note:

Except where the context otherwise requires, defined terms used in this announcement have the meanings given to such terms in the Prospectus.

Enquiries

DFS (enquiries via FTI)
Ian Filby (CEO)
Bill Barnes (Finance Director)

Joint Global Co-ordinators, Joint Sponsors and Joint Bookrunners

Jefferies +44 (0) 20 7029 8000
Robert Foster
Paul Nicholls
Max Jones

UBS +44 (0) 20 7567 8000
Craig Calvert
Christopher Smith
Abid Chaudhri

Joint Bookrunners

Numis +44 (0) 20 7260 1000
Oliver Cardigan
Mark Lander

Co-Lead Managers

Berenberg +44 (0) 20 3207 7800
Oliver Diehl
Georg Bucher

HSBC +44 (0) 20 7991 8888
Adrian Lewis

Intermediaries Offer enquiries

Numis +44 (0) 20 7260 1206
Melissa Gauge intermediaryoffers@numis.com
Maria Driver

Financial Public Relations

FTI Consulting +44 (0) 20 3727 1000
Jonathon Brill
Georgina Goodhew
Tom Hufton

Expected Timetable**Time and Date**

Commencement of conditional dealings in Shares on the London Stock Exchange	8.00 a.m. on 6 March 2015
Admission and commencement of unconditional dealings in Shares on the London Stock Exchange	8.00 a.m. on 11 March 2015
CREST accounts credited with uncertificated Shares	8.00 a.m. on 11 March 2015
Despatch of definitive share certificates (where applicable) ⁽¹⁾	By 27 March 2015

Offer statistics

Offer Price ⁽²⁾	£2.55
Number of Shares in the Offer (assuming no exercise of the Over-allotment Option)	80,943,786
- of which new Shares to be issued	38,423,530
- of which existing Shares (assuming no exercise of the Over-allotment Option)	42,520,256
Number of Shares in issue following the Offer	213,030,601
Number of existing Shares subject to the Over-allotment Option ⁽³⁾	12,142,744
Gross proceeds of the Offer receivable by the Company	£97,980,002
Net proceeds of the Offer receivable by the Company ⁽⁴⁾	£77,980,002
Gross proceeds of the Offer receivable by the selling shareholders (assuming no exercise of the over-allotment Option)	£108,426,653
Net proceeds of the Offer receivable by the selling shareholders (assuming no exercise of the over-allotment Option) ⁽⁵⁾	£104,631,693
Market capitalisation of the Company at the Offer Price ⁽⁶⁾	£543,228,033

- (1) No temporary documents of title will be issued. Underlying Applicants who apply to Intermediaries for Shares under the Intermediaries Offer will not receive share certificates.

The times and dates shown in the table above are indicative only and are subject to change. All times are London times. If Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned

- (2) There can be no assurance that the market price of a Share will be equal to or exceed the Offer Price
- (3) The number of such Shares is, in aggregate, equal to 15% of the number of Shares comprised in the Offer
- (4) The net proceeds receivable by the Company are stated after deducting underwriting commissions and other fees, taxes and expenses incurred by the Company in connection with the Offer, of approximately £20.0 million. The Company will not receive any of the net proceeds from the sale of existing Shares in the Offer by the selling shareholders or the sale of Over-allotment Shares pursuant to the Over-allotment Option.
- (5) The net proceeds receivable by the selling shareholders are stated after deducting underwriting commissions and amounts in respect of stamp duty or SDRT payable by the Selling Shareholders in connection with the Offer, of approximately £3.8 million.
- (6) The market capitalisation of the Company at any given time will depend on the price of the Shares at the time. There can be no assurance that the market price of a Share will be equal to or exceed the Offer Price.

Disclaimers

The contents of this announcement, which has been prepared by and is the sole responsibility of the Company, have been approved by Jefferies International Limited ("Jefferies"), UBS Limited ("UBS") and Numis Securities Limited ("Numis") solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended).

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy, fairness or completeness. This announcement is an advertisement for the purposes of the UK Prospectus Rules of the FCA and not a prospectus and investors should not subscribe for or purchase any Shares referred to in this announcement except on the basis of information in the Prospectus.

This announcement does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any Shares or other securities in any jurisdiction, including the United States, Australia, Canada or Japan or in any jurisdiction including those in which such offer or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any jurisdiction. The Offer and the distribution of this announcement and other information in connection with the Offer and Admission in certain jurisdictions may be restricted by law and persons into whose possession this announcement, any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither this announcement nor any part of it nor the fact of its distribution shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever.

The IPO timetable, including the date of Admission, may be influenced by a range of circumstances, including market conditions. There is no guarantee 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.

This announcement is not for distribution, directly or indirectly, in whole or in part, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia), Australia, Canada or Japan or any other jurisdiction where it is unlawful to distribute this announcement. In particular, this announcement is not an offer of securities for sale in the United States. The securities proposed to be offered by the Company have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under any securities laws of any State or other jurisdiction of the United States, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offer of the securities referred to herein in any jurisdiction, including in the United States, Australia, Canada or Japan. The securities referred to herein have not been registered under the applicable securities laws of Australia, Canada or Japan and, subject to certain exceptions, may not be offered or sold within Australia, Canada or Japan or to any national, resident or citizen of Australia, Canada or Japan.

This announcement is only addressed to and directed at persons in member states of the European Economic Area ("EEA") outside the United Kingdom who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC), as amended ("Qualified Investors"). Any investment or investment activity to which this announcement relates is available only Qualified Investors in any member state of the EEA other than the United Kingdom, and will be engaged in only with such persons. Other persons should not rely or act upon this announcement or any of its contents.

Any purchase or subscription of Shares in the proposed Offer should be made solely on the basis of the information contained in the Prospectus. 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.

Jefferies and Numis, each of which is authorised and regulated by the FCA in the UK, UBS and HSBC Bank plc ("HSBC"), each of which is authorised by the Prudential Regulation Authority ("PRA") and regulated and authorised by the PRA and FCA in the UK, and Joh. Berenberg, Gossler & Co. KG, London Branch ("Berenberg"), which is authorised by the German Federal Financial Supervisory 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, 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 statements may and often do differ materially from actual results. All statements other than statements of historical facts included in this announcement are forward-looking statements. They appear in a number of places throughout this announcement and include statements regarding the directors' or the Group's intentions, beliefs or current expectations concerning, among other things, its operating results, financial condition, prospects, growth, expansion plans, strategies, the industry in which the Group's operates and the general economic outlook. Forward-looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance. The Company, the Underwriters nor any of their affiliates do not undertake to release publicly the results of any revisions to any forward-looking statements in this announcement that may occur due to any change in its expectations or to reflect events or circumstances after the date of this announcement. Each of the Company, the Underwriters and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

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