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If you have sold or otherwise transferred all of your Shares, please forward this document, together with the accompanying form of proxy, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Shares, you should retain these documents.

BDO Stoy Hayward Corporate Finance, a division of BDO Stoy Hayward LLP, Chartered Accountants, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Colefax and for no one else in relation to the Waiver and will not be responsible to anyone other than Colefax for providing the protections afforded to clients of BDO Stoy Hayward Corporate Finance, nor for giving advice in relation to the Waiver or any other matter referred to in this document.

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# **Colefax Group Plc**

## **Approval of waiver under Rule 9 of the Takeover Code to be granted by the Takeover Panel**

### **Notice of Extraordinary General Meeting**

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Your attention is drawn to the letter from the Non-Executive Director of the Company on pages 3 to 6 of this document, which contains a unanimous recommendation by the Independent Directors that you vote in favour of the Waiver Resolution to be proposed at the Extraordinary General Meeting referred to below.

Notice of an Extraordinary General Meeting of Colefax Group Plc, to be held at 11.15 a.m. (or as soon thereafter as the Annual General Meeting convened on that day has been completed) on 15 September 2009 at 19-23 Grosvenor Hill, London, W1K 3QD, is set out at the end of this document. A form of proxy for use by Shareholders in connection with the Extraordinary General Meeting is enclosed. Shareholders are requested to complete the form of proxy in accordance with the instructions printed on it and return it to the Company's Registrars, Computershare Investor Services, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY as soon as possible and, in any event, so as to arrive no later than 11.15 a.m. on 13 September 2009.

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## PART I

# LETTER FROM THE NON-EXECUTIVE DIRECTOR OF COLEFAX GROUP PLC

*(Incorporated and registered in England & Wales with registered number 01870320)*

### COLEFAX GROUP PLC

*Directors:*

D.B. Green (*Chairman and Chief Executive*)  
R.M. Barker BSc ACA (*Group Finance Director*)  
W. Nicholls (*Decorating Managing Director*)  
K. Hall (*Chief Executive Officer – USA*)  
A.K.P. Smith (*Non-Executive Director*)

*Registered Office:*

39 Brook Street  
London  
W1K 4JE

24 July 2009

*To Shareholders and, for information only, to participants in the Share Option Schemes*

Dear Shareholder

### **Proposed approval for waiver of obligations under Rule 9 of the Takeover Code**

In common with many listed companies, the Directors have in recent years included a resolution in the notice of annual general meeting of the Company to give limited authority to make market purchases of the Company's Shares. The Directors have always considered it to be in the interest of all Shareholders for the Company to have the right, in appropriate circumstances, to purchase its own Shares in the market. In previous years the Company has used this authority extensively and, for example, since the last annual general meeting held on 16 September 2008, the Company acquired 50,000 Shares in a single transaction representing 0.34 per cent. of the issued capital. Accordingly, at the Company's annual general meeting to be held on 15 September 2009 the Company will be seeking to renew this authority for a further year. Notice of this meeting and the resolutions to be proposed are set out in the annual report and accounts which accompany this document.

David Green, your Chairman and Chief Executive, holds (beneficially and non-beneficially) 4,592,862 Shares, representing 31.0 per cent. of the issued share capital of the Company. Consequently if, at some point in the future, the Company were to purchase any Shares in accordance with the Authority and cancel the Shares so acquired, then Mr Green's shareholding would proportionately increase and, in accordance with Rule 9 of the Code, he would be required to make an offer for the entire issued share capital of the Company. The Independent Directors are therefore seeking your approval, via the Waiver Resolution, for a waiver to be granted from the obligations that would otherwise apply to Mr Green in these circumstances.

The purpose of this document is to explain why the Independent Directors consider the Rule 9 Waiver to be in the best interest of the Company and its Shareholders and to give notice of the Extraordinary General Meeting at which the Waiver Resolution will be proposed.

Mr Green has not taken part in the decision to seek the Rule 9 Waiver from the Panel pursuant to the Waiver Resolution nor in the recommendation given by the Independent Directors in relation to the Waiver Resolution. Further, Mr Green will not vote on the Waiver Resolution at the Extraordinary General Meeting.

### **The Colefax ESOP Plc**

Historically the Colefax ESOP was viewed by the Panel as acting in concert with Mr Green, by virtue of its structure. We asked the Panel to reconsider its view this year, as there has been a change in the ESOP structure. Following this review, the Panel has confirmed that the ESOP should no longer be considered to be acting in concert with Mr Green. This means that the ESOP will be able to acquire shares with a view to granting options to key employees longer term.

## **Information on the Company**

The principal activities of the Group are the design, marketing, distribution and retailing of furnishing fabrics, wallpapers, trimmings, related products and upholstered furniture in the UK and overseas and the sale of antiques, interior and architectural design, project management, decoration and furnishing for private and commercial clients.

On 20 July 2009, the Company announced its results for the year ended 30 April 2009. In that year Colefax achieved turnover of £75,562,000 (2008: £78,181,000) and profit before tax of £2,656,000 (2008: £5,942,000).

In compliance with the Code, enclosed with this document are the annual report and accounts of the Group for the financial year ended 30 April 2009.

## **Current trading and prospects**

As reported to shareholders in the accompanying report and accounts, current trading conditions in the US and most of our other major markets are in deep recession and, whilst we have taken action to reduce costs, these will not in any way off-set the level of sales decline that we are currently experiencing. We anticipate that trading conditions will remain very challenging for the current year and our principal focus will continue to be on conserving cash and maintaining tight control over our cost base. The Group has a strong balance sheet, with no debt, and is well placed to deal with the current recession and capitalise on any opportunities which may arise in the future.

## **Background information on David Green**

David Green, aged 63, is Chairman and Chief Executive of Colefax and has responsibility for the Company's strategic business initiatives. David Green acquired a 40 per cent. stake in Colefax in 1986 and the Company was floated on the main market of the London Stock Exchange in November 1988. Since then, various share placings to finance acquisitions have diluted his stake. Prior to joining Colefax, David Green was a founder and executive director of Carlton Communications Plc. He was a non-executive director of Carlton Communications plc from 1986 until 2004.

## **The Waiver Resolution to grant approval for the Rule 9 Waiver**

Under Rule 9 of the Code, when any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which, when taken together with shares in which he is already interested and in which persons acting in concert with him are interested carry 30 per cent. or more of the voting rights of a company which is subject to the Code, that person is normally required to make a general offer to all remaining shareholders to acquire their shares.

Similarly, where a person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company, but does not hold shares carrying more than 50 per cent. of the voting rights of a company, a general offer will be required if any further interest in shares is acquired by any such person, or any person acting in concert with him, within the preceding twelve months.

Under Rule 37 of the Code, when a company purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purposes of Rule 9 (although a person who is neither a director nor acting in concert with a director will not normally incur an obligation to make an offer under Rule 9 of the Code).

A general offer, if required under Rule 9 of the Code, must be in cash and at not less than the highest price paid by the person required to make the offer or any person acting in concert with him for any interest in shares of the Company during the 12 months prior to announcement of the offer.

## Shareholding interests of Mr Green

Mr. Green has a personal holding of 4,592,862 Shares, representing 31.0 per cent. of the current issued share capital of the Company. If at some point in the future the Board were to exercise the Authority, in whole or in part, and cancel the Shares acquired or put them into treasury, then his shareholding would proportionately increase, up to a possible maximum of 36.5 per cent. of the issued share capital of the Company and, in the absence of the Rule 9 Waiver, this could give rise to an obligation on him to make a general offer to all Shareholders under Rule 9 of the Code.

	<i>Current shareholding (beneficial and non-beneficial)<sup>1</sup></i>	<i>Percentage of issued share capital</i>	<i>Percentage of issued share capital following maximum buy-back and cancellation<sup>2</sup></i>
David Green	4,592,862	31.0	36.5
	<u>4,592,862</u>	<u>31.0</u>	<u>36.5</u>

Notes:

- 1 Current interest of Mr Green in the Company's issued share capital.
- 2 The percentage shareholding which would arise assuming the Company was to acquire and subsequently cancel or put into treasury the maximum number of Shares possible under the Authority, assuming the Shares purchased were not held by Mr Green.

The Independent Directors believe that it is in the best interests of the Company and its Shareholders as a whole to retain the flexibility to return cash to Shareholders. In the past, such authority has been used on a number of occasions and the Independent Directors believe that this flexibility should be retained. The Board has no immediate intention of exercising the Authority and cancelling or returning to treasury the Shares acquired and would only do so if it considered that the effect of so doing would be to increase earnings per Share and would be in the best interest of Shareholders generally. However, the Independent Directors would not be prepared to exercise the Authority and cancel or return to treasury the Shares so acquired in circumstances which would lead to Mr Green becoming obliged to make a general offer to acquire all of the Shares not already held by it in accordance with Rule 9 of the Code.

It is for this reason that the Independent Directors have decided to seek a waiver from the Panel from the obligation on Mr Green to make a general offer under Rule 9 of the Code which could arise as a result of the exercise of the Authority. Accordingly, subject to the Waiver Resolution being approved by the Independent Shareholders voting on a poll at the Extraordinary General Meeting, the Panel has agreed to grant the Rule 9 Waiver where the obligation on Mr Green arises solely as a result of the exercise by the Company of the Authority and cancellation or return to treasury of the Shares so acquired.

In order to be passed, the Waiver Resolution will require the approval by a simple majority of the votes cast by the Independent Shareholders on a poll.

The Rule 9 Waiver, if approved, would not be valid if any purchases of Shares are made by Mr Green or any other person acting in concert with him in the period between the date of this document and the Extraordinary General Meeting.

**If the Company utilises the Authority to its full extent and buys back and cancels or returns to treasury the Shares so acquired, Mr Green will be interested in an aggregate of 4,592,862 Shares representing 36.5 per cent. of the voting rights in the Company.**

**Following utilisation of the Authority, Mr Green would be interested in Shares carrying 30 per cent. or more of the Company's voting share capital, but would not hold Shares carrying more than 50 per cent. of such voting rights and any further increase in that interest in Shares will be subject to the provisions of Rule 9.**

### **Management, employees and continuation of the business**

Mr Green and the other Directors have confirmed that their intentions regarding the future of the business, the location of the Company's place of business and the continued employment of its employees and management will not be altered as a result of these proposals. There are no plans to introduce any significant change in the business or in the terms of employment of the employees of the Group, nor are there plans for any redeployment of the fixed assets of the Group as a result of this proposal.

### **Additional information**

Your attention is drawn to the additional information set out in Part II of this document.

### **Extraordinary General Meeting**

You will find set out at the end of this document a notice convening the Extraordinary General Meeting to be held at 19-23 Grosvenor Hill, London, W1K 3QD at 11.15 a.m. (or as soon thereafter as the Annual General Meeting convened on that day has been completed) on 15 September 2009.

### **Action to be taken**

Shareholders will find enclosed with this document a form of proxy to enable you to vote at the Extraordinary General Meeting. Whether or not you intend to be present at the Extraordinary General Meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed on it to the Company's Registrars, Computershare Investor Services, The Pavilions, Bridgwater Road, Bristol BS99 6ZY so as to arrive no later than 11.15 a.m. on 13 September 2009. Completion and return of the form of proxy will not affect your right to attend in person and vote at the Extraordinary General Meeting if you so wish.

### **Independent Directors' recommendation**

The Independent Directors, who have been so advised by BDO Stoy Hayward Corporate Finance in respect of the Rule 9 Waiver, consider that obtaining the Rule 9 Waiver is in the best interest of the Independent Shareholders and the Company as a whole. In providing advice to the Independent Directors, BDO Stoy Hayward Corporate Finance has taken into account the Independent Directors' commercial assessments. Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of the Waiver Resolution to be proposed at the Extraordinary General Meeting, as they intend to so do in respect of their own beneficial holdings amounting to, in aggregate, 460,354 Shares representing 3.1 per cent. of the current issued share capital of the Company.

Yours faithfully

**AKP Smith**

*Non-Executive Director*

## PART II

### ADDITIONAL INFORMATION

#### 1. Responsibility

- (a) Mr Green accepts responsibility for the information contained in this document relating to himself and the members of his immediate family and related trusts. To the best his knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this document for which he takes responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (b) The Directors, whose names are set out in paragraph 2 below, accept responsibility for the information contained in this document (save that Mr Green does not take responsibility for the recommendation of the Waiver by the Independent Directors). To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors of the Company

- (a) The names of the Directors of the Company and their respective functions are as follows:

<i>Name</i>	<i>Position</i>
D.B. Green	Chairman and Chief Executive
R.M. Barker BSc ACA	Finance Director
W. Nicholls	Decorating Managing Director
K. Hall	Chief Executive Officer USA
A.K.P. Smith	Non-Executive Director

- (b) The principal and registered office of the Company is 39 Brook Street, London, W1K 4JE.

#### 3. Market quotations

The following table shows the closing middle market quotations of Shares, as derived from the London Stock Exchange on the first dealing day of each of the six months immediately before the date of this document and 23 July 2009, being the last practicable date prior to the posting of this document.

<i>Date</i>	<i>Share price</i>
2 February 2009	84.0p
2 March 2009	88.5p
1 April 2009	81.5p
1 May 2009	102.0p
1 June 2009	91.5p
1 July 2009	98.5p
23 July 2009	103.0p

#### 4. Interests and dealings in Shares

- (a) *Definitions and references*

For the purposes of this Part II:

- (i) “*acting in concert*” means any such persons who, pursuant to an agreement or understanding (whether formal or informal) co-operate to obtain or consolidate control of a company or to frustrate the successful outcome of an offer for a company, as determined in the Code;

- (ii) “*associate*” means:
  - (aa) the parent company (if any), the subsidiaries, fellow subsidiaries and associated companies of the Company, and companies of which any such subsidiaries or associated companies are associated companies (and for this purpose ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status);
  - (bb) connected advisers and persons controlling, controlled by or under the same control as such connected advisers;
  - (cc) the directors of the Company, and the directors of any company covered in (aa) above (together in each case with their close relatives and related trusts); and
  - (dd) the pension funds of the Company or any company covered in (aa) above;
- (iii) “*connected advisers*” means an organisation advising the Company in relation to the Waiver or a corporate broker to the Company;
- (iv) “*dealing*” or “*dealt*” includes the following:
  - (aa) the acquisition or disposal of securities;
  - (bb) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any securities;
  - (cc) subscribing or agreeing to subscribe for securities;
  - (dd) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights;
  - (ee) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;
  - (ff) entering into, terminating or varying the terms of any agreement to purchase or sell securities; and
  - (gg) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position;
- (v) “*derivative*” includes any financial product the value of which, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;
- (vi) “*disclosure period*” means the period of 12 months preceding the date of this document;
- (vii) “*interested*” in securities includes if a person:
  - (aa) owns them;
  - (bb) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
  - (cc) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire them or call for their delivery; or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise;
  - (dd) is party to any derivative whose value is determined by reference to their price; and which results, or may result, in his having a long position in them; or
  - (ee) has long economic exposure, whether absolute or conditional, to changes in the price of those securities (but a person who only has a short position in securities is not treated as interested in those securities);
- (viii) “*relevant securities*” means ordinary shares and securities convertible into, rights to subscribe for, derivatives referenced to and options (including traded options) in respect of Shares;

- (ix) ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status and “control” means a holding or aggregated holdings, of Shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or holdings give(s) *de facto* control.

(b) *Interests and dealings in Shares*

- (i) At the close of business on 23 July 2009 (being the latest practicable date prior to the publication of this document), the Directors, their immediate families and related trusts were interested in or had a right to subscribe for the following relevant securities of the Company:

<i>Director</i>	<i>Number of Shares (beneficial)</i>	<i>Number of Shares (non-beneficial)</i>
D.B. Green	4,190,462	402,400
R.M. Barker	105,000	–
W. Nicholls	260,354	–
K. Hall	50,000	–
A.K.P. Smith	45,000	–

- (ii) At the close of business on 23 July 2009 (being the latest practicable date prior to the publication of this document), the following options over relevant securities of Shares had been granted to the Directors under the Share Option Schemes:

<i>Director</i>	<i>Scheme</i>	<i>Exercise period</i>	<i>Number of Shares under option</i>
R.M. Barker	ESOP	28.4.06 to 27.4.16	75,000
	ESOP	27.4.07 to 26.4.17	50,000
	ESOP	30.4.08 to 29.4.18	100,000
K. Hall	ESOP	28.4.06 to 27.4. 16	100,000
	ESOP	27.4.07 to 26.4.17	50,000
	ESOP	30.4.08 to 29.4.18	100,000

Note: Each individual tranche of options carries a nominal exercise price of £1 payable by the option holder at the point of transfer out of the ESOP.

- (iii) The following dealings in relevant securities of the Company (including the exercise of options under the Share Option Schemes) by the Directors, their immediate families and related trusts have taken place during the disclosure period:

<i>Date</i>	<i>Party</i>	<i>Transaction</i>	<i>Number of Shares</i>
28 October 2008	D Green	Exercise of ESOP options	150,000

- (iv) At the close of business on 23 July 2009 (being the latest practicable date prior to the publication of this document), Mr David Green was interested in the following relevant securities of the Company:

	<i>Number of Shares (beneficial)</i>	<i>Number of Shares (non-beneficial)</i>
D.B. Green	4,190,462	402,400

- (v) Save as disclosed above, at the close of business on 23 July 2009 (being the latest practicable date prior to the publication of this document), Mr Green was not interested in nor had any right to subscribe for and had no short position in any relevant securities of the Company nor has he borrowed or lent any relevant securities of the Company during the disclosure period.
- (vi) Save as disclosed above, at the close of business on 23 July 2009 (being the latest practicable date prior to the publication of this document), no persons acting in concert with Mr Green were interested in or had a right to subscribe for, and had no short position in relation to any relevant securities of the Company nor has any such person borrowed or lent any relevant securities of the Company during the disclosure period.
- (vii) On 28 October 2008, Mr. Green exercised 150,000 Options held by the ESOP. This resulted in a purchase of 150,000 Shares for Mr. Green and a disposal of 150,000 Shares for the ESOP. The acquisition value was the nominal sum of £1 as per the Option agreement. Save for this, there have been no dealings in relevant securities of the Company by Mr Green or persons acting in concert with him, during the disclosure period.
- (viii) Save as disclosed in this paragraph, at the close of business on 23 July 2009 (being the latest practicable date prior to the publication of this document) no Directors, nor any of their immediate families or related trusts were interested in or had a right to subscribe for and had no short position in any relevant securities of the Company nor has any such person dealt, or borrowed or lent such relevant securities therein during the disclosure period.
- (ix) Save as disclosed in this paragraph no companies which are associates of the Company as defined in paragraph 4(a) above, no pension funds of the Company or its associates, no employee benefit trusts of the Company or its associates, no connected adviser to the Company or its associate or to any person acting in concert with the directors of the Company or persons controlling or controlled by or under the same control as any such Connected Adviser (except an exempt principal trader or exempt fund manager) and no person with whom the Company or an associate of the Company has an arrangement, is interested in or has a right to subscribe for, nor has any short position in relation to, any relevant securities of the Company nor has any such person dealt therein or borrowed or lent Shares during the disclosure period.

## **5. Material contracts**

During the two years preceding the date of this document, neither the Company nor any of its subsidiaries has entered into any material contracts which are, or may be, material (not being contracts entered into in the ordinary course of business).

## **6. Directors' service contracts**

There are no service contracts between any member of the group and any Director having more than twelve months to run and no such contract has been entered into or amended within six months preceding the date of this document.

## **7. Other information**

- (a) No agreement, arrangement or understanding (including any compensation arrangement) exists between Mr Green and any of the Directors, recent Directors, Shareholders or recent Shareholders of the Company or any person interested or recently interested in Shares which has any connection with, or dependence on, or which is conditional upon the outcome of the matters referred to in this document.
- (b) There is no agreement, arrangement or understanding whereby the beneficial interest in any of the Shares held by Mr Green will be transferred to any person.
- (c) There has been no material change in the financial or trading position of the Company since 30 April 2009, the date of the Company's last audited accounts.

- (d) BDO Stoy Hayward Corporate Finance is a division of BDO Stoy Hayward LLP. BDO Stoy Hayward LLP, Chartered Accountants, has consented in writing (and not withdrawn its consent) to the issue of this document with the inclusion herein of the references to the name BDO Stoy Hayward Corporate Finance in the form and context in which they appear.

**8. Documents available for inspection**

Copies of the following documents will be available for inspection at the offices of SJ Berwin LLP, 10 Queen Street Place, London, EC4R 1BE during usual business hours on any weekday (Saturdays and public holiday excepted) until the time and date of the Extraordinary General Meeting:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the audited consolidated accounts of the Company for the two financial years ended 30 April 2008 and 30 April 2009;
- (c) the Directors' service contracts referred to in paragraph 6 of this Part II;
- (d) the written consent referred to in paragraph 7(d) of this Part II;
- (e) the form of proxy in relation to the notice of Extraordinary General Meeting; and
- (f) this document.

24 July 2009

## NOTICE OF EXTRAORDINARY GENERAL MEETING

# Colefax Group Plc

Notice is hereby given that an Extraordinary General Meeting of Colefax Group Plc (the “Company”) will be held at 19-23 Grosvenor Hill, London, W1K 3QD on 15 September 2009 at 11.15 a.m. (or as soon thereafter as the Annual General Meeting convened on that day has been completed) to consider and, if thought fit, pass the following resolution which will be proposed as an Ordinary Resolution of the Company:

1. THAT the waiver, on the terms described under the headings “The Waiver Resolution to grant approval for the Rule 9 Waiver” on page 4 of the circular and “Shareholding interests of Mr Green” on page 5 of the circular to shareholders dated 24 July 2009 (the “Circular”), by the Takeover Panel of any requirement under Rule 9 of the Takeover Code for Mr Green to make a general offer to shareholders of the Company as a result of an increase in his aggregate percentage shareholding to a maximum of 36.5 per cent. of the issued share capital, represented by 4,592,862 Shares, pursuant to the exercise in full of the Authority (as defined in the Circular) to make market purchases of its ordinary shares in accordance with section 166 of the Companies Act 1985, be and is hereby approved.

By Order of the Board

**Robert Barker**

*Company Secretary*

24 July 2009

Notes:

1. A member entitled to attend and vote at the above mentioned Extraordinary General Meeting is entitled to appoint a proxy or proxies to attend and, on a poll, vote in his/her place. A proxy need not be a member of the Company. Completion and return of a proxy form will not prevent a member from attending and voting at the meeting in person.
2. A form of proxy is enclosed with this Notice. To be valid, the form of proxy (together, if appropriate, with the power of attorney or other written authority under which it is signed or an office copy or a certified copy of such power or authority) must be received at the office of the Company’s Registrars Computershare Investor Services, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not later than 48 hours before the time appointed for holding the meeting.
3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders on the Register of Members at 9.00 a.m. on 14 September 2009 shall be entitled to attend and vote at the Extraordinary General Meeting in respect of the number of Shares registered in their name at that time. Changes to the entries in the register of members of the Company after 9.00 a.m. on 14 September 2009 will be disregarded in determining the rights of any person to attend or vote at the Extraordinary General Meeting.
4. In accordance with the requirements of the Takeover Panel, Resolution 1 will be decided on a poll of the Independent Shareholders (as defined in the Circular). Mr David Green will not be entitled to vote on such resolution.

## DEFINITIONS

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

<b>“Authority”</b>	The authority proposed to be granted to the Company by its Shareholders at the Company’s annual general meeting to be held on 15 September 2009 to make market purchases of up to 2,221,500 Shares, representing approximately 15 per cent. of the Company’s issued share capital as at that date
<b>“BDO Stoy Hayward Corporate Finance”</b>	BDO Stoy Hayward Corporate Finance, a division of BDO Stoy Hayward LLP, Chartered Accountants, which is authorised and regulated in the UK by the Financial Services Authority to carry on investment business, financial adviser to Colefax
<b>“Board” or “the Directors”</b>	the directors of Colefax whose names appear at paragraph 2.1 of Part II to this document
<b>“Business Day”</b>	a day (other than a Saturday, Sunday or public holiday) when clearing banks are open for business in the City of London
<b>“Code”</b>	The Takeover Code
<b>“Colefax” or “the Company”</b>	Colefax Group Plc
<b>“ESOP”</b>	Colefax Group Plc ESOP
<b>“Extraordinary General Meeting”</b>	the extraordinary general meeting of the company which is due to be held at 19-23 Grosvenor Hill, London W1K 3QD at 11.15 a.m. (or as soon thereafter as the Annual General meeting convened on that day has been completed) on 15 September 2009 and notice of which is given in this document
<b>“Group”</b>	Colefax and its subsidiaries
<b>“Share Option Schemes”</b>	The ESOP and The Colefax and Fowler 1998 Executive Share Option Scheme
<b>“Shareholders”</b>	holders of any Shares
<b>“Shares”</b>	the existing issued ordinary shares of 10 pence each in the capital of the Company
<b>“Independent Directors”</b>	the Directors excluding David Green
<b>“Independent Shareholders”</b>	those shareholders of the Company, other than Mr David Green and the ESOP who are entitled to vote on a poll of shareholders at the Extraordinary General Meeting of Colefax, notice of which is given in this document
<b>“Panel”</b>	The Takeover Panel
<b>“Rule 9 Waiver” or “Waiver”</b>	the waiver of the obligation to make a general offer under Rule 9 of the Code which has been granted to Mr Green by the Panel subject to the passing of the Waiver Resolution at the Extraordinary General Meeting by the Independent Shareholders
<b>“Waiver Resolution”</b>	the resolution set out in the notice of Extraordinary General Meeting which will be proposed as an ordinary resolution

For the purposes of this document “subsidiary” and “subsidiary undertaking” have the meanings given to them by the Companies Act 1985 (the “Act”) (but for this purpose ignoring paragraph 20(1)(b) of Schedule 4A of the Act).

