

BEST BUY CO INC

FORM 8-K (Current report filing)

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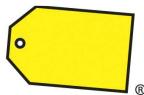
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Symbol BBY
SIC Code 5731 - Radio, Television, and Consumer Electronics Stores
Industry Retail (Technology)
Sector Services
Fiscal Year 02/03

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **April 29, 2013**



BEST BUY®

BEST BUY CO., INC.

(Exact name of registrant as specified in its charter)

Minnesota (State or other jurisdiction of incorporation)	1-9595 (Commission File Number)	41-0907483 (IRS Employer Identification No.)
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7601 Penn Avenue South Richfield, Minnesota (Address of principal executive offices)	55423 (Zip Code)
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Registrant's telephone number, including area code **(612) 291-1000**

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On April 29, 2013, Best Buy Co., Inc. ("Best Buy" or the "Registrant"); Best Buy UK Holdings LP, a wholly owned subsidiary of Best Buy ("UK Holdings"); Best Buy Distributions Limited, a wholly owned subsidiary of Best Buy ("BBY Distributions" and together with UK Holdings the "BBY Shareholders"); Carphone Warehouse Group plc ("CPW"), and New BBED Limited ("Best Buy Europe"), entered into an Implementation Agreement (the "Implementation Agreement") providing for the sale of the 50% interest held by the BBY Shareholders in Best Buy Europe, Best Buy's venture with CPW. Pursuant to the Implementation Agreement, Best Buy will exit Best Buy Europe and CPW will assume 100% ownership thereof..

The Implementation Agreement provides that the total purchase price of the transaction is expected to be £500 million (approximately \$775 million), subject to adjustment as provided below and in the Implementation Agreement, which is payable by CPW to the BBY Shareholders as follows:

- £370 million (approximately \$573 million) in cash at closing;
- £80 million (approximately \$124 million) by issuance of ordinary shares of CPW at closing (the "Consideration Shares");
- £25 million (approximately \$39 million), plus 2.5% interest per year, in cash on the first anniversary of closing; and
- £25 million (approximately \$39 million), plus 2.5% interest per year, in cash on the second anniversary of closing.

The Consideration Shares will be issued to Best Buy at a price per share equal to 190 pence, which represents the average closing share price of CPW's ordinary shares over the five day period ended on April 26, 2013, less 2.5%. The Consideration Shares are subject to lock-up restrictions for one year after closing (the "Lock-Up Period"). During the Lock-Up Period, CPW will have the ability to sell the Consideration Shares on Best Buy's behalf at or above the issue price of such shares. Any proceeds received in excess of the issue price will be distributed to CPW. If, at the end of the Lock-Up Period, the sum of the total proceeds received by Best Buy from sales of the Consideration Shares by CPW on Best Buy's behalf plus the market value of any Consideration Shares then held by Best Buy is less than £64 million (approximately \$99 million), CPW will pay such deficiency to Best Buy.

At closing, Best Buy has also agreed to pay CPW £28.75 million (approximately \$44.56 million) in satisfaction of outstanding obligations under existing agreements between Best Buy and CPW, including the parties' Global Connect partnership, which will now be terminated, with CPW no longer holding any interests in Best Buy's mobile businesses in Mexico and China.

The closing of the sale is subject to the approval of CPW's shareholders at a general meeting, which the parties anticipate taking place during Best Buy's second fiscal quarter ending August 3, 2013, the approval of the listing of the Consideration Shares by the Financial Conduct Authority and the London Stock Exchange, compliance with French antitrust regulations, and other customary conditions. There are no financing or material adverse change conditions to the closing. The parties also anticipate the sale to close during Best Buy's second fiscal quarter. If the sale is not closed by October 31, 2013, the Implementation Agreement will expire automatically.

The Implementation Agreement contains customary representations and warranties and covenants of the parties. The parties have agreed to continue their pre-existing non-compete restrictions: (a) for three years after closing, Best Buy will not compete with CPW's business in the United Kingdom, Republic of Ireland, Spain, the Netherlands, Germany, Portugal, France and Sweden, and CPW will not compete with Best Buy's business in the United States, Canada, and Mexico, and (b) for 18 months after closing, CPW will not compete with Best Buy's mobile and connectivity business in China.

A description of the parties' existing relationships may be found in the Registrant's Current Reports on Form 8-K filed with the U.S. Securities and Exchange Commission ("SEC") on May 8, 2008, June 30, 2008, and November 7, 2011 and Current Reports on Form 8-K/A filed with the SEC on May 13, 2008 and December 14, 2011.

The foregoing description does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Implementation Agreement, which is attached hereto as Exhibit 2.1 of this Current Report on Form 8-K and incorporated herein by reference.

Item 2.06 Material Impairments.

The information set forth in Item 1.01 is incorporated herein by reference.

Beginning in Best Buy's first fiscal quarter ending May 4, 2013, Best Buy expects to report the results of Best Buy Europe in discontinued operations, including an estimated non-cash impairment charge of approximately \$200 million associated with accumulated foreign currency translation losses that will be written off at the time of closing of the transaction.

Item 7.01 Regulation FD Disclosure.

On April 30, 2013, the registrant issued a news release related to the matters described above, a copy of which is attached as Exhibit 99.1, and CPW issued news releases and a slide presentation described below related to the matters described above, copies of which are attached hereto as Exhibits 99.2, 99.3 and 99.4, all of which are incorporated herein by reference.

CPW Fourth Quarter Trading Update

On April 30, 2013, CPW released its trading statement for its fiscal fourth quarter ended March 31, 2013. In the news release, CPW reported its fiscal fourth quarter financial results and outlook, which includes Best Buy Europe. Figures for Best Buy Europe are presented by CPW in accordance with International Financial Reporting Standards and do not reflect accounting principles generally accepted in the United States of America ("US GAAP") or include purchase accounting applied by the registrant. As such, the figures presented by CPW for Best Buy Europe do not necessarily reflect the results that will be reported by the registrant in its consolidated statements of earnings. The registrant will report the results of Best Buy Europe in accordance with US GAAP for the 13 weeks ended May 4, 2013, within its fiscal 2014 first quarter results, as Best Buy Europe is consolidated on a one-month reporting lag. The results of Best Buy Europe will be presented as discontinued operations as a result of the transaction described in Item 1.01.

In addition, on April 30, 2013, representatives of CPW will hold an investor presentation, which will be webcast, to discuss CPW's interim results, including the results of Best Buy Europe. The registrant is furnishing, as Exhibit 99.4 to this Current Report on Form 8-K, the slide presentation used for the April 30, 2013 webcast.

CPW Share Placement

On April 30, 2013, CPW also issued a news release announcing the placing of 47,228,179 new ordinary shares of 0.1 pence each in the capital of CPW (the "Placing"). The net proceeds of the Placing will be used by CPW to partially fund the Transaction described in Item 1.01. CPW's Chairman and Executive Directors intend to participate in the Placing.

In accordance with General Instruction B.2. to Form 8-K, the foregoing information and Exhibits 99.1, 99.2, 99.3 and 99.4 attached hereto are furnished pursuant to Item 7.01 and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information disclosed under Item 7.01 of this Current Report on Form 8-K shall not be incorporated by reference into any registration statement or other filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as is expressly set forth by a specific reference in such filing.

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Best Buy's Annual Report to Shareholders and its reports on Forms 10-K, 10-Q and 8-K and other publicly available information should be consulted for other important information about the registrant.

Some of the matters discussed in this Current Report on Form 8-K (including without limitation the information disclosed under Item 7.01 and attached as Exhibits 99.1, 99.2, 99.3 and 99.4) constitute forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements other than those made solely with respect to historical fact and are based on the intent, belief or current expectations of CPW, the registrant and/or its management. The registrant's business and operations are subject to a variety of risks and uncertainties that might cause actual results to differ materially from those projected by any forward-looking statements. Factors that could cause such differences include: uncertainties regarding the expected benefits from and effects of the transaction described in Item 1.01 above; risks associated with CPW's ability to obtain shareholder approval of such transaction, the parties' ability to satisfy the other conditions and terms of such transaction, and to execute the such transaction in the estimated time frame, if at all; and other risks and uncertainties, including those detailed from time to time in the

registrant's periodic reports (whether under the caption Risk Factors or Forward-Looking Statements or elsewhere). The registrant assumes no obligation to revise or update any forward-looking statement, except as otherwise required by law.

Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of the registrant following the closing of such transaction or otherwise. No statement in this announcement should be interpreted to mean that the earnings per share, profits, margins or cash flows of the registrant for the current or future financial years would necessarily match or exceed the historical published figures .

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description of Exhibit
2.1	Implementation Agreement, dated April 29, 2013, by and among Best Buy Co., Inc., Best Buy UK Holdings LP, Best Buy Distributions Limited, New BBED Limited and Carphone Warehouse Group plc.
99.1	Best Buy Co., Inc. news release issued April 30, 2013. Any internet address provided in this release is for information purposes only and is not intended to be a hyperlink. Accordingly, no information at any internet address is included herein.
99.2	News release issued by Carphone Warehouse Group plc dated April 30, 2013. Any internet address provided in this release is for information purposes only and is not intended to be a hyperlink. Accordingly, no information at any internet address is included herein.
99.3	News release issued by Carphone Warehouse Group plc dated April 30, 2013. Any internet address provided in this release is for information purposes only and is not intended to be a hyperlink. Accordingly, no information at any internet address is included herein.
99.4	Slide presentation used for webcast by Carphone Warehouse Group plc dated April 30, 2013.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BEST BUY CO., INC.
(Registrant)

Date: April 30, 2013

By: /s/ KEITH J. NELSEN

Keith J. Nelsen
Executive Vice President, General Counsel and Secretary

DATED 29 April 2013

(1) **BEST BUY DISTRIBUTIONS LIMITED**

(2) **BEST BUY UK HOLDINGS LP**

(3) **BEST BUY CO., INC**

(4) **NEW BBED LIMITED**

and

(5) **CARPHONE WAREHOUSE GROUP PLC**

IMPLEMENTATION AGREEMENT
in respect of the reduction and cancellation of
fifty per cent of the issued share capital
of **New BBED Limited**

Baker & McKenzie LLP

London
Ref: MJXH//NJO/3863069.3

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Dividend Waiver Deed

Letter of Authority

New Geek Squad Trademark Licence

Amendment and Termination Agreement

Payment Instruction Letter

THIS DEED IS MADE ON: 29 April 2013

PARTIES:

- (1) **BEST BUY DISTRIBUTIONS LIMITED** a company incorporated under the laws of England and Wales with registered number 06576708 and having its registered office at 100 New Bridge Street, London EC4V 6JA (" **BBY Distributions** ");
- (2) **BEST BUY UK HOLDINGS LP** a limited partnership formed in England and Wales with registered number **LP015378** and having its registered office at 1 Portal Way, London W3 6RS (" **BBY HoldCo** "), acting by its general partner, New CPWM Limited,
and BBY Distributions and BBY HoldCo are together the " **BBY Shareholders** ", and each a " **BBY Shareholder** ";
- (3) **BEST BUY CO., INC**, a company with a registered address at 7601 Penn Avenue South, Richfield, MN 55423, United States of America (" **BBY** ");
- (4) **NEW BBED LIMITED** a company registered in England and Wales (company number 07866062) whose registered address is at 1 Portal Way, London, W3 6RS United Kingdom (" **JV Co** "); and
- (5) **CARPHONE WAREHOUSE GROUP PLC** a company incorporated under the laws of England and Wales with registered number 07105905 and having its registered office at 1 Portal Way, London W3 6RS (" **CPW** ").

RECITALS:

- (A) The BBY Shareholders together hold fifty per cent. of the shares in JV Co (as defined below), which were originally purchased pursuant to the Original SPA (as defined below), and CPW holds the other fifty per cent. of the shares in JV Co.
 - (B) BBY Distributions, BBY and CPW entered into the Shareholders' Agreement (as defined below) which governs their rights and obligations in relation to JV Co. BBY HoldCo became party to the Shareholders' Agreement on 6 March 2013.
 - (C) The BBY Shareholders have agreed to vote in favour of and execute the Capital Reduction (as defined below) and in consideration of the BBY Shareholders no longer holding any shares in JV Co as a result of the cancellation of the BBY Shareholders' shares in JV Co pursuant to the Capital Reduction, JV Co has agreed to pay the Cash Consideration and the Deferred Consideration to the BBY Shareholders and procure that CPW issues the Consideration Shares to the BBY Shareholders, in each case on the terms, and subject to the conditions, set out in this deed such that following Completion CPW will hold one hundred per cent. of the shares in JV Co.
 - (D) CPW has delivered to the BBY Shareholders copies (certified by a duly appointed officer of CPW as true and correct) of irrevocable undertakings duly executed by each of the directors of CPW pursuant to which each such director irrevocably undertakes to (i) recommend that the CPW Shareholders (as defined below) vote in favour of the CPW Shareholder Resolutions (as defined below) and (ii) vote his or her shares in CPW in favour of the CPW Shareholder Resolutions.
 - (E) BBY has agreed to guarantee all of the obligations of the BBY Shareholders (as well as accepting other obligations itself) on the terms, and subject to the conditions set out in this deed.
-

(F) CPW has agreed to vote in favour of and execute the Capital Reduction, guarantee the JV Co Payment Obligations (as defined below), issue the Consideration Shares and to accept other obligations to the BBY Shareholders on the terms, and subject to the conditions set out in this deed.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Defined terms

In this deed, the following words and expressions shall have the following meanings:

" **Affiliates** " means, with respect to any person, any other person that, directly or indirectly, Controls, is Controlled by or is under common Control with that person and " **Affiliated** " shall be construed accordingly;

" **Amendment and Termination Agreement** " means the deed of amendment, release and termination between, amongst others, CPW and the BBY Parties relating to the amendment, release and termination (as the case may be) of the Relevant Contracts in the agreed form;

" **BBE** " means Best Buy Europe Distributions Limited, a company incorporated under the laws of England and Wales with registered number 06534088 and having its registered office at 1 Portal Way, London W3 6RS;

" **BBY Broker** " means any FCA authorised stockbroker selected by BBY in its sole discretion and notified to CPW from time to time after the end of the Lock-In Period;

" **BBY Distributions Account** " has the meaning given in clause 14;

" **BBY Guaranteed Obligations** " has the meaning given in clause 2.3(a);

" **BBY HoldCo Account** " has the meaning given in clause 14;

" **BBY Parties** " means each of the BBY Shareholders and BBY;

" **BBY Shareholders' Group** " means the group of companies comprising the BBY Parties and their respective Affiliates from time to time, but excluding each member of the Group and " **member of the BBY Shareholders' Group** " shall be construed accordingly;

" **BBY Shareholders' Solicitors** " means Baker & McKenzie LLP of 100 New Bridge Street, London EC4V 6JA;

" **BBY Parties' Warranties** " means the warranties given by the BBY Parties in clause 9 and schedule 6;

" **Business Day** " means a day (excluding Saturday and Sunday) on which banks generally are open in the City of London (England) and New York (United States of America) for the transaction of normal banking business;

" **Capital Reduction** " means the capital reduction and cancellation of all of the Reduction Shares in accordance with the terms of this deed and the Capital Reduction Documents;

" **Capital Reduction Documents** " means the following documents in agreed form, required to give effect to the Capital Reduction:

(a) JV Co board minutes to approve the Capital Reduction;

- (b) JV Co members' written resolution to approve the Capital Reduction;
- (c) JV Co solvency statement of the JV Co directors in connection with the Capital Reduction;
- (d) JV Co statement of compliance by the JV Co directors in connection with the Capital Reduction; and
- (e) waiver of rights by the JV Co shareholders in respect of article 20.2 of the JV Co's articles of association;

" **CA 2006** " means the Companies Act 2006;

" **Cash Consideration** " means the sum of £370,000,000;

" **CD Option Agreement** " means the agreement between BBY and Sir Charles Dunstone dated 28 January 2010 whereby options were granted to BBY in relation to the purchase of shares in Old CPW;

" **Circular** " means the Circular to be sent to the CPW Shareholders in advance of CPW Shareholder Meeting outlining the matters to be discussed at such shareholders' meeting;

" **Completion** " means completion of the Capital Reduction and the issuance and allotment of the Consideration Shares in accordance with clause 5;

" **Completion Date** " means the date upon which Completion takes place in accordance with clause 5.1;

" **Conditions** " means the conditions precedent referred to in clause 4.1;

" **Confidential Information** " means know-how, trade secrets and other information of a confidential nature;

" **Connected Tablets** " means all types of tablets activated with a connection to any MNO and/or any other MNO Service;

" **Consideration** " has the meaning given to it in clause 3.1;

" **Consideration Shares** " means 42,105,263 Ordinary Shares credited as fully paid, having been calculated by dividing £80,000,000 by the Issue Price;

" **Consultancy Agreement** " means the consultancy agreement entered into between BBY and CPW Consultancy on 25 January 2012 and effective on 1 February 2012;

" **Control** " means the ownership of or the ability to direct:

- (a) in the case of a body corporate:
 - (i) a majority of the issued shares entitled to vote for election of directors (or analogous persons);
 - (ii) the appointment or removal of directors having a majority of the voting rights exercisable at meetings of the board of directors on all or substantially all matters; or
 - (iii) a majority of the voting rights exercisable at general meetings of the shareholders on all or substantially all matters; or

- (b) in the case of any other person, a majority of the voting rights in that person; or
- (c) in the case of a body corporate or any other person, the direct or indirect possession of the power to direct or cause the direction of its management and policies (whether through the ownership of voting shares, by a management or advisory agreement, by contract, by agency or otherwise),

and " **Controlled** " shall be construed accordingly;

" **CPW's Account** " has the meaning given in clause 14;

" **CPW Admission** " means (a) the FCA having acknowledged to CPW or its agent (and such acknowledgment not having been withdrawn) that the application for the admission of all the Ordinary Shares (including the Consideration Shares) to listing on the Official List with a standard listing has been approved and (b) such admission having taken place in accordance with the Listing Rules and admission of all the Ordinary Shares (including the Consideration Shares) to trading on the London Stock Exchange's main market for listed securities having taken place in accordance with the Listing Rules;

" **CPW Affiliate** " means CPW Retail Holdings Limited (in liquidation), a company incorporated and registered in England and Wales with company number 06585729 whose registered office is at 1 Portal Way, London W3 6RS;

" **CPW Consultancy** " means CPW Consultancy Limited a company incorporated under the laws of England and Wales with registered number 7881879 and having its registered office at 1 Portal Way, London W3 6RS;

" **CPW's Group** " means the group of companies comprising CPW and its Affiliates from time to time (excluding, prior to Completion, any member of the Group but including from Completion, any member of the Group) and " **member of CPW's Group** " shall be construed accordingly;

" **CPW Limited** " means The Carphone Warehouse Limited, a company incorporated under the laws of England and Wales with registered number 2142673 and having its registered office at 1 Portal Way, London W3 6RS;

" **CPW Mobile** " means CPW Mobile Limited, a company incorporated under the laws of England and Wales with registered number 6330995 and having its registered office at 1 Portal Way, London W3 6RS;

" **CPW Shareholder Meeting** " means the general meeting of the CPW Shareholders to be held prior to Completion to consider and, if thought fit, approve the CPW Shareholder Resolutions, and any adjournment thereof;

" **CPW Shareholder Resolutions** " means resolutions of the CPW Shareholders as may be necessary to approve, implement and effect the transactions contemplated by this deed;

" **CPW Shareholders** " means the shareholders of CPW from time to time;

" **CPW Shares** " means all the issued shares (of whatever class) in the capital of CPW;

" **CPW's Warranties** " means the warranties given by CPW in clause 9 and schedule 8;

" **CREST** " means the relevant system (as defined in the Uncertificated Securities Regulations) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the

Uncertificated Securities Regulations) in accordance with which securities may be held or transferred in uncertificated form;

" **Deed of Assignment and Amendment** " means the deed of assignment and amendment dated 15 December 2011 between CPW Limited, New IPCO and CPW Mobile;

" **Deed of Novation and Assignment** " means the deed of novation and assignment dated 28 January 2010 between Old CPW, CPW Affiliate, BBY, BBY Distributions, CPW and BBE in respect of the Original SPA, the Consortium Relief Agreement and the Support Letter;

" **Deferred Consideration** " means the deferred consideration payable by JV Co to the BBY Shareholders pursuant to clause 3.3, being the First Deferred Payment and the Second Deferred Payment;

" **Directors** " means the persons listed as directors of JV Co in part 1 of schedule 1;

" **Dividend Waiver Deed(s)** " means the waiver deeds in the agreed form pursuant to which the BBY Shareholders shall elect to waive rights to dividends and other distributions on the Consideration Shares during the Lock-In Period;

" **Encumbrance** " means any mortgage, charge, pledge, lien, restriction, assignment, hypothecation, security interest, title retention or any other agreement or arrangement the effect of which is the creation of security, or any other interest, equity or other right of any person (including any right to acquire, option, right of first refusal or right of pre-emption), or any agreement or arrangement to create any of the same;

" **FCA** " means the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA, including where the context so permits, any committee, employee, officer or servant to whom any function of the FCA may for the time being be delegated;

" **First Deferred Payment** " means £25,000,000 together with accrued interest on such amount (such interest to be calculated in accordance with clause 15);

" **First Deferred Payment Date**" means the first anniversary of the Completion Date;

" **Fixed Line Services** " means any fixed line service provided by any operator of a fixed line communications network;

" **French Condition** " means the Condition in paragraph 2 of schedule 3;

" **FSMA** " means the Financial Services and Markets Act 2000, including any regulations made pursuant thereto;

" **Geek Squad Trademark Licence** " means the trademark licence agreement dated July 2007 between Best Buy International Finance S.a.r.l, Best Buy Enterprise Services Inc., Geek Squad UK Limited and Old CPW;

" **Global Connect Agreement** " means the agreement dated 26 January 2012 between BBY and CPW in respect of the ownership, operation and interests in the Global Connect Business;

" **Global Connect Business** " has the meaning given to that term in the Global Connect Agreement;

" **Group** " means the group of companies comprising JV Co and its subsidiaries and for the purposes of this deed " **subsidiary** " shall have the meaning given by section 1159 of CA 2006 and " **member of the Group** " shall be construed accordingly;

" **Heads of Terms** " means a legally binding heads of agreement between Old CPW and BBY dated 6 November 2011 in respect of strategic business arrangements;

" **Issue Price** " means 190 pence;

" **JV Co Payment Obligations** " means the obligations of JV Co detailed in clauses 3.2 (Satisfaction of the Cash Consideration) and 3.3 (Satisfaction of the Deferred Consideration);

" **Letter of Authority** " means the irrevocable letter of authority substantially in the agreed form (subject to any reasonable changes and new or replacement letters proposed by the Nominated Brokers in order to give effect to the provisions of clause 6.3) executed by each of BBY HoldCo, BBY and CPW pursuant to which all of the Consideration Shares shall be deposited with the Nominated Brokers and the Nominated Brokers shall be authorised to sell on behalf of BBY HoldCo any or all of the Consideration Shares during the Lock-in Period following an instruction to do so by CPW at a price per Consideration Share (excluding the Commission (as defined in clause 6)) of not less than the Issue Price;

" **Listing Rules** " means the listing rules which are made by the FCA for the purposes of Part VI of the FSMA, as amended from time to time;

" **Lock-in Period** " means the period of twelve months starting from the Completion Date (both dates inclusive);

" **London Stock Exchange** " means London Stock Exchange plc;

" **Longstop Date** " means 31 October 2013 or such other date as agreed by the Parties in writing;

" **Losses** " includes, in respect of any matter, event or circumstance, all demands, claims, actions, proceedings, damages, payments, fines, penalties, losses, costs (including reasonable legal costs), expenses (including taxation), disbursements or other liabilities in any case of any nature whatsoever;

" **MNO Services** " means any pre-paid or post-paid wireless mobile communication service provided by an operator of a wireless mobile communications network;

" **New CPWM** " means New CPWM Limited, a company incorporated under the laws of England and Wales with registered number 7866069 and having its registered office at 1 Portal Way, London W3 6RS;

" **New Geek Squad Trademark Licence** " means the trademark licence agreement to be entered into between JV Co, Best Buy International Finance S.r.l., Best Buy Enterprise Services, Inc., BBY and CPW in the agreed form;

" **New IPCO** " means Oval (2248) Limited, a company incorporated under the laws of England and Wales with registered number 7866077 and having its registered office at 1 Portal Way, London W3 6RS;

" **Nominated Brokers** " means Deutsche Bank and/or such other firm of FCA authorised stockbrokers selected by CPW in its sole discretion and notified to BBY from time to time;

" **Official List** " means the Official List of the FCA;

" **Old CPW** " means TalkTalk Telecom Holdings Limited (previously called The Carphone Warehouse Group PLC) a company incorporated under the laws of England and Wales with registered number 03253714 and having its registered office at 11 Evesham Street, London W11 4AR;

" **Option Agreement** " means the option agreement dated 25 January 2012 between CPW and BBY in respect of the right to sell and purchase shares and/or other interests in JV Co and the Global Connect Business;

" **Ordinary Shares** " means ordinary shares of £0.001 each in the share capital of CPW;

" **Original SPA** " means the sale and purchase agreement dated 7 May 2008 between Old CPW, BBY and BBY Distributions and CPW as amended on 30 June 2008 and that was subject to the Deed of Novation and Assignment;

" **Parties** " means all the parties to this deed and " **Party** " shall mean any one of them;

" **Payment Instruction Letter** " means the letter in agreed form between CPW and BBY setting out how the payment of the Cash Consideration to the BBY Shareholders and the payments due to CPW and CPW Consultancy under the Amendment and Termination Agreement shall be carried out on Completion;

" **Prospectus** " means the prospectus to be published in respect of the CPW Admission and complying with the Prospectus Rules issued by the FCA and the Listing Rules (insofar as they apply);

" **Prospectus Rules** " means the FCA rules introduced to implement the Prospectus Directive in the United Kingdom;

" **Reduction Shares** " means 154,663,002 ordinary shares of £0.01 each in the capital of JV Co and 1 deferred share of £0.01 each in the capital of JV Co, being in total 50% of the issued share capital of JV Co;

" **Relevant Business** " means the business in respect of the sale, distribution and/or connection of communication products to MNO Services and connection to Fixed Line Services, including the right to sell or otherwise distribute:

- (a) MNO Services and/ or activate connections to any MNO (in each case whether with or without the sale of any associated product);
- (b) all types of mobile handsets (whether or not activated to any MNO and/or any other MNO Service);
- (c) the operation of mobile virtual networks;
- (d) Connected Tablets;
- (e) Tethered Products;
- (f) the installation, maintenance and repair of software, hardware, computers, broadband services and other related software and hardware for any type of customers including, without limitation, residential and business broadband customers and the provision of and/ or sales of related products and services; and
- (g) in respect of each of the above all types of associated accessories and services (including without limitation insurance products for mobile handsets and similar devices and all other MNO Services);

" **Relevant Contracts** " means those contracts set out at schedule 10;

" **Second Deferred Payment** " means £25,000,000 together with accrued interest on such amount (such interest to be calculated in accordance with clause 15);

" Second Deferred Payment Date" means the second anniversary of the Completion Date;

" Shareholders' Agreement " means the shareholders agreement in relation to JV Co dated 25 January 2012 between CPW, BBY Distributions, BBY HoldCo and BBY;

" Straddle Period " means the accounting period for tax purposes of JV Co beginning before but ending after Completion;

" Supplementary Prospectus " means any supplementary prospectus published by CPW in connection with the CPW Admission;

" Support Letter " means a support letter to BBE from Old CPW in the amount of £50,000,000 that was novated and assigned to CPW on 28 January 2010 as part of the Deed of Novation and Assignment, such letter being withdrawn on 27 July 2011;

" Surviving Provisions " means clauses 1, 4.6, 11, 12, 13, 16, 17, 18, 19, 23 and 24;

" Tax " means all forms of taxation and all withholdings, duties, imposts, levies, social security contributions and rates imposed, assessed or enforced by any local, municipal, governmental, state, federal or other body or authority in the United Kingdom or elsewhere, in all cases being in the nature of taxation and any interest, penalty, surcharge or fine in connection therewith;

" Tax Authority " means any taxing or other authority, body or official competent to administer, impose or collect any Tax;

" Tax Return " means any tax return, statement, computation, report form, election, claim or surrender (including estimated Tax returns and reports, extension reports, extension requests and forms, and information returns and reports) required to be filed with any Tax Authority;

" Tax Sharing Deed " means the tax sharing and indemnity deed dated 23 January 2012 between CPW, BBY and JV Co;

" Term Sheet " means any written term sheets, heads of terms or similar documents between any of the Parties (whether executed or not) relating to the transactions contemplated by the Transaction Documents;

" Territory " means the United Kingdom, Republic of Ireland, Spain, the Netherlands, Germany, Portugal, France and Sweden;

" Tethered Products " means such other products apart from mobile handsets or Connected Tablets that are connected via a bundle to the same MNO account as a mobile handset or Connected Tablet subject to any arrangements the manufacturers of such other products may request from time to time and provided further that in no event shall inclusion of a Tethered Product as part of bundled offering with an MNO account preclude a party from also offering such Tethered Product on a stand-alone basis without an MNO account;

" Trading Days " means any days on which the London Stock Exchange is open for trading;

" Transaction Documents " means this deed, the Amendment and Termination Agreement and the Geek Squad Trademark Licence;

" UK Listing Authority " means the FCA acting in its capacity as the competent authority under the FSMA;

" **2008 Consortium Relief Agreement** " means the consortium relief agreement between *inter alia* BBY Distributions, BBE and other group companies dated 30 June 2008 as amended pursuant to the 2012 Consortium Relief Agreement; and

" **2012 Consortium Relief Agreement** " means the deed of amendment and adherence between CPW, BBY Distributions, JV Co and BBE dated 25 January 2012 relating to the terms and conditions upon which any trading losses and other amounts eligible for surrender by way of consortium relief may be surrendered within the relevant group.

1.2 Statutory provisions

All references to statutes, statutory provisions, enactments, EU Directives or EU Regulations shall include references to any consolidation, re-enactment, modification or replacement of the same, any statute, statutory provision, enactment, EU Directive or EU Regulation of which it is a consolidation, re-enactment, modification or replacement and any subordinate legislation in force under any of the same from time to time except to the extent that any consolidation, re-enactment, modification or replacement enacted after the date of this deed would extend or increase the liability of any Party to another under this deed.

1.3 Agreed form

Any reference to a document in the " **agreed form** " is to the form of the relevant document in the terms agreed between the BBY Shareholders and CPW prior to the execution of this deed and signed or initialled for identification purposes only by or on behalf of the BBY Shareholders and CPW (in each case with such amendments as may be agreed by or on behalf of the BBY Shareholders and CPW).

1.4 Recitals, schedules, etc.

References to this deed include the recitals and schedules which shall form part of this deed for all purposes. References in this deed to the Parties, the recitals, schedules and clauses are references respectively to the Parties and their legal personal representatives, successors and permitted assigns, the recitals and schedules to and clauses of this deed.

1.5 Meaning of references

Save where specifically required or indicated otherwise:

- (a) words importing one gender shall be treated as importing any gender, words importing individuals shall be treated as importing corporations and vice versa, words importing the singular shall be treated as importing the plural and vice versa, and words importing the whole shall be treated as including a reference to any part thereof;
 - (b) references to a person shall include any individual, firm, body corporate, unincorporated association, government, state or agency of state, association, joint venture or partnership, in each case whether or not having a separate legal personality. References to a company shall be construed so as to include any company, corporation or other body corporate wherever and however incorporated or established;
 - (c) references to the word " **include** " or " **including** " (or any similar term) are not to be construed as implying any limitation and general words introduced by the word " **other** " (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things;
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- (d) references to any English statutory provision or legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any other legal concept, state of affairs or thing shall in respect of any jurisdiction other than England be deemed to include that which most nearly approximates in that jurisdiction to the English statutory provision or legal term or other legal concept, state of affairs or thing;
- (e) any reference to " **writing** " or " **written** " includes any method of reproducing words or text in a legible and non-transitory form but, for the avoidance of doubt, shall not include e-mail;
- (f) references to " **sterling** " or " **£** " or " **pounds** " are to the lawful currency of the United Kingdom as at the date of this deed; and
- (g) references to times of the day are to that time in London and references to a day are to a period of 24 hours running from midnight to midnight.

1.6 Headings

Clause and paragraph headings and the table of contents are inserted for ease of reference only and shall not affect construction.

1.7 Connected persons

Section 1122 of the Corporation Tax Act 2010 is to apply to determine whether one person is connected with another for the purposes of this deed.

2. CAPITAL REDUCTION

2.1 Capital Reduction of the Reduction Shares

The Capital Reduction shall be carried out on Completion in accordance with the Capital Reduction Documents.

2.2 Reduction and Cancellation of all the Reduction Shares

No Party shall be obliged to complete this deed unless the Capital Reduction of all the Reduction Shares is completed simultaneously, in accordance with the Capital Reduction Documents and this deed.

2.3 BBY Assurance

- (a) BBY unconditionally and irrevocably guarantees to CPW as a continuing obligation the due and punctual performance by each of the BBY Shareholders of all of their obligations under or pursuant to this deed (the " **BBY Guaranteed Obligations** ").
- (b) BBY agrees to indemnify CPW and CPW's Group against all reasonable losses, reasonable damages, reasonable costs and reasonable expenses (including reasonable legal costs and expenses) which CPW or CPW's Group may suffer or incur as a result of any failure by BBY to satisfy the guarantee under clause 2.3(a).
- (c) BBY shall not in any way or to any extent be released from its obligations under this guarantee by reason of:
 - (i) any time or other indulgence, waiver, release or discharge granted by CPW or any member of CPW's Group to BBY or to any third party;

- (ii) the acceptance of any compensation from or the making of any arrangement with any of the BBY Shareholders or any third party; or
- (iii) any circumstances or any provision or rule of law whether statutory or otherwise affecting or preventing recovery from any of the BBY Shareholders of any sum due or rendering any debt, obligation or liability of any of the BBY Shareholders void or unenforceable,

and which, but for this clause, might operate to exonerate or discharge BBY from its obligations to CPW and/or CPW's Group under this guarantee and this guarantee shall continue in force until the BBY Shareholders or BBY on their behalf have fully performed and discharged all of the BBY Guaranteed Obligations.

- (d) Any settlement or discharge between CPW and/or CPW's Group and any of the BBY Shareholders shall be subject to the condition that no security or payment to CPW and/or CPW's Group by BBY or any third party shall be avoided or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency or liquidation for the time being and from time to time in force.
- (e) Without prejudice to the rights of CPW and/or CPW's Group against BBY as principal debtor, BBY shall as between CPW and/or CPW's Group be deemed principal debtor and obligor in respect of the BBY Guaranteed Obligations and not merely a surety and accordingly it shall not be necessary for CPW and/or CPW's Group before seeking to enforce this guarantee to seek to enforce any security or lien it may hold from any of the BBY Shareholders or any third party or otherwise to take any steps or proceedings against BBY.

2.4 CPW Assurance

- (a) CPW unconditionally and irrevocably guarantees to the BBY Shareholders as a continuing obligation the due and punctual performance of the JV Co Payment Obligations under this deed (the " **CPW Guaranteed Obligations** ").
- (b) CPW agrees to indemnify the BBY Shareholders and the BBY Shareholders' Group against all reasonable losses, reasonable damages, reasonable costs and reasonable expenses (including reasonable legal costs and expenses) which the BBY Shareholders or the BBY Shareholders' Group may suffer or incur through or arising from any failure by CPW to satisfy the guarantee under clause 2.4(a).
- (c) CPW shall not in any way or to any extent be released from its obligations under this guarantee by reason of:
 - (i) any time or other indulgence, waiver, release or discharge granted by the BBY Shareholders or any member of the BBY Shareholders' Group to CPW or to any third party;
 - (ii) the acceptance of any compensation from or the making of any arrangement with JV Co or any third party; or
 - (iii) any circumstances or any provision or rule of law whether statutory or otherwise affecting or preventing recovery from JV Co of any sum due or rendering any debt, obligation or liability of JV Co void or unenforceable,

and which, but for this clause, might operate to exonerate or discharge JV Co from its obligations to the BBY Shareholders and/or any member of the BBY Shareholders' Group under this guarantee and this guarantee shall continue in force until JV Co or

CPW on its behalf shall have fully performed and discharged all of the CPW Guaranteed Obligations.

- (d) Any settlement or discharge between the BBY Shareholders and/or the BBY Shareholders' Group and JV Co shall be subject to the condition that no security or payment to the BBY Shareholders and/or the BBY Shareholders' Group by CPW or any third party shall be avoided or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency or liquidation for the time being and from time to time in force.
- (e) Without prejudice to the rights of the BBY Shareholders and/or the BBY Shareholders' Group against CPW as principal debtor CPW shall as between the BBY Shareholders and/or the BBY Shareholders' Group be deemed principal debtor and obligor in respect of the CPW Guaranteed Obligations and not merely a surety and accordingly it shall not be necessary for the BBY Shareholders and/or BBY Shareholders' Group before seeking to enforce this guarantee to seek to enforce any security or lien it may hold from JV Co or any third party or otherwise to take any steps or proceedings against CPW.

3. CONSIDERATION

3.1 Total Consideration

The total consideration payable by JV Co to the BBY Shareholders in respect of the BBY Shareholders no longer holding any shares in JV Co as a result of the cancellation of the Reduction Shares pursuant to the Capital Reduction is £500 million to be satisfied as follows:

- (a) the Cash Consideration and the Deferred Consideration to be paid by JV Co in accordance with clauses 3.2 and 3.3 respectively; and
- (b) the Consideration Shares to be issued and allotted by CPW (as procured by JV Co) in accordance with clause 3.4,

together, the "**Consideration**".

3.2 Satisfaction of the Cash Consideration

The Cash Consideration shall be paid in cash by JV Co on the Completion Date following the Capital Reduction to the BBY Shareholders in the proportions between them as set out in column 3 of part 2 of schedule 1 or such other proportions as may be notified by the BBY Shareholders to CPW prior to the Completion Date to the BBY HoldCo Account and the BBY Distributions Account (as the case may be) and in accordance with clause 14, and such payment shall constitute a valid discharge of JV Co's obligation to make that payment to the BBY Shareholders.

3.3 Satisfaction of the Deferred Consideration

JV Co shall pay:

- (a) the First Deferred Payment on or before the First Deferred Payment Date; and
 - (b) the Second Deferred Payment on or before the Second Deferred Payment Date,
to the BBY Shareholders in the proportions between them as set out in column 4 of part 2 of schedule 1 or such other proportions as may be notified by the BBY Shareholders to CPW prior to the Completion Date to the BBY HoldCo Account and in accordance with clause 14,
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and such payment shall constitute a valid discharge of JV Co's obligation to make that payment to the BBY Shareholders.

3.4 Consideration Shares

- (a) As part of the Consideration in respect of the BBY Shareholders no longer holding any shares in JV Co as a result of the cancellation of the Reduction Shares pursuant to the Capital Reduction JV Co agrees to procure that CPW will, at Completion, and CPW undertakes to, at Completion, allot and issue the Consideration Shares to the BBY Shareholders in the proportions between them as set out in column 6 of part 2 of schedule 1. The BBY Shareholders acknowledge that such allotment and issuance of the Consideration Shares shall satisfy the JV Co's obligation to pay that part of the Consideration referred to in clause 3.1(b).
- (b) The Consideration Shares shall be allotted and issued credited fully paid, free from all Encumbrances and ranking pari passu in all respects with all other Ordinary Shares then in issue.

3.5 Adjustment to the Consideration

To the extent permitted by applicable law:

- (a) the Consideration shall be deemed to be decreased or increased (as the case may be) pursuant to paragraph 6 of Schedule 7 or paragraph 6 of Schedule 9;
- (b) the Consideration shall be deemed to be reduced by any amount received by CPW pursuant to clause 6 in respect of the sale of any of the Consideration Shares; and
- (c) the Consideration shall be deemed to be increased by any amount paid by CPW to the BBY Shareholders pursuant to clause 6.4.

4. CONDITIONS

4.1 Conditional Completion

Completion is conditional on those matters listed in schedule 3.

4.2 Waiver of Conditions

The BBY Shareholders and CPW may jointly and by written agreement waive either in whole or in part at any time any of the Conditions.

4.3 Parties' commitments

- (a) CPW shall use all reasonable endeavours to ensure that the Conditions are fulfilled by the dates stated (or, where not stated, as soon as reasonably practicable) and in any event by the Longstop Date.
- (b) CPW shall use all reasonable efforts to procure, as soon as reasonably practicable after the date of this deed, that
 - (i) the Prospectus (and any Supplementary Prospectus) is approved by the FCA and is subsequently filed and publicised in accordance with the Prospectus Rules;

- (ii) the Circular, containing the CPW Shareholder Resolutions, and the Prospectus (and any Supplemental Prospectus) is sent or made available to CPW Shareholders;
 - (iii) subject to their fiduciary duties, the directors of CPW unanimously recommend shareholders to vote in favour of the CPW Shareholder Resolutions;
 - (iv) the CPW Shareholder Meeting is held;
 - (v) a meeting of the board of CPW is convened for the passing of a resolution to validly allot and issue the Consideration Shares to BBY HoldCo credited fully paid;
 - (vi) that notification is sent to the FCA, in accordance with applicable regulations, of a cessation of control (as defined in FSMA) of The Carphone Warehouse Limited (company number 2142673) as result of the Capital Reduction; and
 - (vii) that the filing is made with the Autorité de la concurrence (the " **French Competition Authority** ") with respect to the French Condition. In this respect, CPW shall:
 - (A) be responsible for preparing and submitting any required or necessary notifications to the French Competition Authority and shall use reasonable endeavours to ensure that the French Condition is fulfilled as soon as reasonably practicable;
 - (B) promptly provide the BBY Shareholders with the proof of submission of the filing to the French Competition Authority and copies of the filing and all correspondence received from the French Competition Authority;
 - (C) promptly handle any request made by the French Competition Authority in connection with such filing in consultation with the BBY Parties; and
 - (D) if the BBY Parties so request, procure that the BBY Parties are informed of the agenda and the content of any meetings or discussions with the French Competition Authority.
- (c) The BBY Parties shall, on reasonable request, provide CPW with such reasonable assistance and information as CPW may require from the BBY Shareholders' Group to enable CPW to comply with its obligations under clause 4.3(a) and the BBY Parties hereby consent to CPW providing such information in relation to JV Co as the French Competition Authority may require in respect of the filing referred to in clause 4.3(b).

4.4 Status of Conditions

The Parties shall keep each other reasonably informed as to progress in satisfying the Conditions and, in particular, CPW shall keep the BBY Shareholders reasonably informed as to status and timing of (a) the preparation and publication of the CPW Circular and the Prospectus (b) the proxy votes received with respect to the CPW Shareholder Resolutions, and (c) the French Condition.

4.5 Satisfaction of Conditions

As soon as reasonably practicable after it comes to the attention of CPW that all of the Conditions have been fulfilled, or waived, CPW must notify the other Parties of the fact and in any event must notify the other Parties within two Business Days of becoming aware of the fact (" **Notice of Satisfaction** ").

4.6 Failure to fulfil Conditions

In the event that any of the Conditions shall not have been fulfilled (or waived pursuant to clause 4.2) prior to the Longstop Date this deed (other than this clause 4.6 and the Surviving Provisions) shall automatically terminate and no Party shall have any claim hereunder against any other Party (or any of its Affiliates, which term shall for the purposes of this clause 4.6 shall be deemed to include each member of the Group when referring to either BBY or CPW) in respect of such termination except in respect of any rights and liabilities which have accrued before termination or under this clause 4.6 or under any of the Surviving Provisions.

5. COMPLETION

5.1 Timing

Subject to clause 5.5, Completion shall take place after 4.30pm on the first Business Day after the Notice of Satisfaction is served or such other date as may be agreed in writing between CPW and the BBY Shareholders, not being later than the Longstop Date.

5.2 Location

Completion shall take place at the registered office of CPW (or such other place as may be agreed between the BBY Shareholders and CPW) when all (but not some only) of the events detailed in this clause 5 shall occur.

5.3 BBY Shareholders' obligations at Completion

At Completion, the BBY Shareholders and BBY (where applicable) shall:

- (a) execute the JV Co members' written resolutions forming part of the Capital Reduction Documents and deliver the same to CPW; and
- (b) deliver (or cause to be delivered) to CPW the items listed in part 1 of schedule 4.

5.4 CPW's obligations at Completion

At Completion, CPW shall:

- (a) deliver to the BBY Shareholders evidence in a form reasonably satisfactory to the BBY Shareholders (to the extent that the same is reasonably capable of being obtained) of the fulfilment of the Conditions; and
- (b) subject to clause 5.5, execute and procure that all Parties (other than the BBY Parties) to the Capital Reduction Documents execute and deliver such documents as necessary to give effect to the Capital Reduction and make such filings and registrations and take all such other actions and steps as may be required to implement and effect the Capital Reduction in accordance with the Capital Reduction Documents and the terms of this deed; and
- (c) do or deliver (or cause to be delivered) to the BBY Shareholders the matters or items listed in part 2 of schedule 4.

5.5 Failure of JV Co Directors to approve the Capital Reduction

In the event that CPW is unable to fulfil its obligations under clause 5.4(b) as a result of one or more of the directors of JV Co being unable or unwilling to take any necessary actions to give effect to the Capital Reduction then the Completion Date shall be delayed by ten Business Days' and the BBY Parties shall take such actions reasonably requested by CPW to appoint CPW's nominated directors to the board of JV Co in substitution for the current directors of JV Co at that time.

5.6 Consent under Shareholders' Agreement

Subject to satisfaction or waiver of all the Conditions in accordance with the provisions of this deed, each of the Parties hereby consent to the implementation of the Capital Reduction in accordance with the provisions of this deed and the Capital Reduction Documents pursuant to provisions of the Shareholders' Agreement by reason of the Capital Reduction being a Shareholder Reserved Matter (as defined in the Shareholders' Agreement) provided that if Completion does not occur in accordance with the provisions of this deed, the aforesaid consent shall be immediately revoked.

5.7 Release

With effect from Completion and subject to the terms of the Amendment and Termination Agreement:

- (a) each of the BBY Parties hereby waives and releases each member of CPW's Group (and shall procure the waiver and release by any other member of the BBY Shareholders' Group as necessary to give effect to this clause) from any liability whatsoever (whether actual or contingent) which may be owing to any member of the BBY Shareholders' Group by any member of CPW's Group and/or the Group, other than any liabilities arising under or in connection with the Transaction Documents (including those agreements which are stated in the Amendment and Termination Agreement as surviving Completion), the Tax Sharing Deed, the Letter of Authority, the Dividend Waiver Deed or the Deed of Assignment and Amendment, and any other liabilities arising between those parties in the ordinary course of business and trading; and
- (b) each of CPW and JV Co hereby waives and releases each member of BBY Shareholders' Group (and shall procure the waiver and release by any other member of CPW's Group as necessary to give effect to this clause) from any liability whatsoever (whether actual or contingent) which may be owing to any member of CPW's Group by any member of the BBY Shareholders' Group, other than any liabilities arising under or in connection with the Transaction Documents (including those agreements which are stated in the Amendment and Termination Agreement as surviving Completion), the Tax Sharing Deed, the Letter of Authority, the Dividend Waiver Deed or the Deed of Assignment and Amendment, and any other liabilities arising between such parties in the ordinary course of business and trading.

5.8 Deed of Assignment and Amendment and Tax Sharing Deed

Nothing in this deed or the Amendment and Termination Agreement shall amend, release or terminate any provision of the Deed of Assignment and Amendment or the Tax Sharing Deed.

6. LOCK-IN AND SALE PROVISIONS

6.1 Lock-In

Each of the BBY Parties covenant and undertake to CPW that, subject to clause 6.2, none of the BBY Shareholders will at any time during the Lock-in Period make any Disposal of, or

agree to Dispose, directly or indirectly of the legal and/or beneficial interest in, any of the Consideration Shares.

6.2 Exceptions to Lock-In

Nothing in clause 6.1 or 6.3 shall prohibit the BBY Shareholders from:

- (a) selling Consideration Shares in accordance with clause 6.3;
- (b) accepting a general offer made to all the holders of Ordinary Shares for the time being (other than shares held or contracted to be acquired by the offeror or its associates within the meaning of section 988 of the CA 2006);
- (c) selling or otherwise disposing of any Consideration Shares pursuant to any offer by CPW to purchase its own shares which is made on identical terms to all holders of Ordinary Shares;
- (d) transferring or disposing of Consideration Shares pursuant to a scheme of reconstruction under section 110 of the Insolvency Act 1986 in respect of the ordinary share capital of CPW or pursuant to a compromise or arrangement between CPW and its creditors or any class of them or its members or any class of them which is agreed to by the creditors or members and (where required) sanctioned by the court under the CA 2006;
- (e) taking up or disposing of any rights granted in respect of a rights issue or other pre-emptive share offering by CPW;
- (f) voting on (and any disposal directly or indirectly arising in respect of) a scheme of arrangement or analogous procedure in respect of the ordinary share capital of CPW;
- (g) transferring or disposing of any shares in accordance with any order made by a court of competent jurisdiction or required by law or by any regulatory or governmental authority;
- (h) transferring or disposing of any Consideration Shares to each other or any other member of the BBY Shareholders' Group provided that in the latter case, prior to any such transfer or disposal, the relevant transferee has given undertakings to CPW on substantially the same terms contained in this deed (including pursuant to clause 6.3 and the Letter of Authority) and that if such transferee ceases to be a member of the BBY Shareholders' Group it shall immediately transfer such Consideration Shares to another member of the BBY Shareholders' Group and if the relevant transferee has not already given the undertakings (including pursuant to clause 6.3 and the Letter of Authority) contained in this deed to CPW such transferee shall give such undertakings to CPW and execute a similar Letter of Authority; or
 - (i) selling Consideration Shares with the prior written consent of CPW.

6.3 Sale Provisions during the Lock-In Period

- (a) During the Lock-in Period, CPW shall have the irrevocable right and authority on behalf of the BBY Shareholders to sell, in compliance with the Criminal Justice Act, the FSMA and other applicable laws in the United Kingdom, any of the Consideration Shares at a price per Consideration Share not less than the Issue Price.
 - (b) Subject to clause 6.2, the BBY Parties agree that following the issue of the Consideration Shares to the BBY Shareholders in accordance with this deed and the
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CPW Admission, the Consideration Shares shall at the start of and during the Lock-in Period be deposited or otherwise held by the Nominated Brokers in such a way (including any reasonable and lawful proposals made by the Nominated Brokers) in order to give effect to the provisions of this deed and the Letter of Authority.

- (c) Each of the BBY Parties agree and undertake to CPW to:
 - (i) accept any reasonable and lawful changes to the Letter of Authority proposed by the Nominated Brokers in order to give effect to the provisions of this clause 6.3;
 - (ii) execute any amended or new Letter of Authority as a result of any accepted changes pursuant to clause 6.3(c)(i); and
 - (iii) execute all other documents that may be reasonably required in order to give effect to the provisions of this clause 6.3 and/or the Letter of Authority and/or in respect of the sale of the Consideration Shares.
- (d) Each of the BBY Parties agrees and undertakes with CPW that they shall not and shall procure that each other member of the BBY Shareholders' Group shall not during the Lock-in Period revoke or otherwise change any lawful right and/or authority of CPW and/ or the Nominated Broker to sell any of the Consideration Shares pursuant to this deed and the Letter of Authority.
- (e) CPW shall, on reasonable request from any of the BBY Parties, keep the BBY Parties reasonably informed as to any proposed or actual sales of the Consideration Shares in accordance with this clause 6.3 and the Letter of Authority.
- (f) If any of the Consideration Shares are sold during the Lock-in Period pursuant to this clause 6.3 and the Letter of Authority then the sale proceeds (the "**Proceeds**") shall be paid as follows:
 - (i) where the Consideration Shares are sold at a price per Consideration Share equal to the Issue Price all Proceeds less the Commission, to the relevant BBY Shareholder;
 - (ii) Where the Consideration Shares are sold at a price per Consideration Share greater than the Issue Price and:
 - (A) the Proceeds less the Commission is equal to or exceeds an amount equal to the number of Consideration Shares sold multiplied by the Issue Price (the "**Baseline Proceeds**") and amount equal to the Baseline Proceeds to the relevant BBY Shareholder and any Proceeds in excess of the aggregate of the Baseline Proceeds and the Commission, to CPW; or
 - (B) the Proceeds less the Commission is less than the Baseline Proceeds an amount equal to the Proceeds less the Commission to the relevant BBY Shareholder; and
 - (iii) the Commission to the Nominated Brokers.

In this deed, "**Commission**" means the aggregate commission, fees and expenses charged by the Nominated Brokers in respect of the sale of the relevant Consideration Shares, which shall not in respect of any single trade be more than 0.5%, except with the prior written consent of the BBY Shareholders and CPW.

- (a) This clause 6.4 is conditional on the aggregate of the Realised Value and the Retained Value being less than £64,000,000 on the True-Up Date (the " **Value Condition** ").

In this deed:

" **Closing Price**" means the daily closing price of CPW's ordinary shares based on trade reports published by the London Stock Exchange on the Trading Day in question on the London Stock Exchange website at www.londonstockexchange.com ;

" **Market Price** " means the average Closing Price of the Ordinary Shares during the Pricing Period;

" **Pricing Period** " means the five Trading Days immediately up to and including the True-up Date (except where the True-up Date is not a Trading Day in which case it shall mean the five Trading Days immediately preceding the True-Up Date) and, provided that, for the purposes of determining Market Price in clause 6.4(c), it shall mean the five Trading Days immediately preceding the date of the allotment and issue of the Top-Up Shares;

" **Realised Value** " means the aggregate of all amounts received by the BBY Shareholders pursuant to the disposal of any Consideration Shares pursuant to clause 6.2 or clause 6.3 together with any Commission which is payable by the BBY Shareholders pursuant to clause 6.3 and/or the aggregate commission, fees and expenses charge by the BBY Broker in respect of the sale of the relevant Consideration Shares;

" **Retained Value** " means the aggregate of the Market Price of any Consideration Shares held by the relevant BBY Shareholder on the True-up Date and that have not been sold pursuant to clauses 6.2 and 6.3 and the Letter of Authority;

" **Trading Day** " means any day on which the London Stock Exchange is open for trading;

" **True-Up Date** " means the last day of the Lock-in Period; and

" **Value Deficit** " means the amount (if any) by which the aggregate of the Realised Value and the Retained Value is less than £64,000,000.

- (b) Subject to the satisfaction of the Value Condition and clause 6.4(c), if there is a Value Deficit CPW shall pay the amount of the Value Deficit to BBY Holdco within ten Business Days of the True-Up Date.
- (c) To the extent the Value Deficit is in excess of £10,000,000 (such excess amount being the " **Excess Value Deficit** ") CPW may elect, by written notice within ten Business Days of the True-Up Date, that instead of paying the amount of the Excess Value Deficit in cash in accordance with clause 6.4(b), it shall allot and issue Ordinary Shares (the " **Top-Up Shares** ") to the BBY Shareholders (in such proportions as determined by the BBY Shareholders) at par value in such number that the aggregate Market Price of the Ordinary Shares so issued is not less than the amount equal to (i) the Excess Value Deficit; plus (ii) the aggregate par value paid for the Top-Up Shares. Such notification shall confirm the relevant number of Top-Up Shares and the aggregate nominal value payable.
-

- (d) If CPW elects to issue Top-Up Shares in accordance with clause 6.4(c) then such shares shall be allotted and issued on the 20th Business Day after the True-Up Date provided that if CPW determines, acting reasonably, that it would need to publish a prospectus to allot and issue the Top-Up Shares, then the relevant date shall be the next Business Day following approval, filing and publication of such prospectus, the convening of any general meeting and passing of any resolutions required at such meeting together with the convening of any board meeting and passing of any resolution to validly allot and issue any Top-Up Shares and all such other matters as may be required in order to allot and issue the Top-Up Shares to the BBY Shareholders and the BBY Shareholders shall pay the relevant nominal value for the Top-Up Shares on or before such date. CPW shall use its reasonable endeavours to procure the matters referred to above in relation to any such prospectus are carried out as soon as practicable after the True-Up Date.
- (e) All Top-Up Shares would from the date of their allotment and issue rank *pari passu* in all respects with the Ordinary Shares in the capital of CPW then in issue and will be issued credited fully paid and free from Encumbrances.
- (f) CPW shall take such steps as may be necessary to ensure that the Top-Up Shares are admitted to the Official List and to trading on the Main Market of the London Stock Exchange by 8.00 am on the day of their unconditional allotment and issue.
- (g) By making the election to issue Top-Up Shares pursuant to clause 6.4(c), CPW shall be deemed to have repeated on the date of such election and the date of issuance of the Top-Up Shares, the warranties set out in schedule 8 (save for the warranty in paragraph 4 of schedule 8) which shall apply to this deed as if the same had been set out herein save that references to "Consideration Shares" shall be deemed to be references to Top-Up Shares.
- (h) If the Top-Up Shares are not allotted, issued and admitted to the Official List and to trading on the Main Market of the London Stock Exchange in accordance with this clause 6.4 by the date specified herein for any reason (other than non-payment by the BBY Shareholders of the nominal value in accordance with clause 6.4(d)) then the BBY Shareholders may then elect instead to receive the Excess Value Deficit in cash and CPW shall then pay such amount within ten Business Days of such election by the BBY Shareholders.
- (i) CPW shall only issue Top-Up Shares in accordance with this clause 6.4 in accordance with the Prospectus Rules, the Listing Rules, the FSMA, CA 2006, its corporate authorisations and applicable law.

6.5 Dividend Balancing Payment

- (a) This clause 6.5 is conditional on the aggregate of the Realised Value and the Retained Value being not less than £64,000,000 and not more than £80,000,000 on the True-Up Date (the "**Dividend Condition**").
 - (b) Subject to the satisfaction of the Dividend Condition, CPW shall pay the relevant BBY Shareholders within ten Business Days of the True-Up Date an amount equal to the lower of:
 - (i) the value of all dividends and other distributions CPW would have paid or made (as the case may be) on any Consideration Shares held by the relevant member of the BBY Shareholders' Group on the record date for such dividend or distribution if the Dividend Waiver Deed had not been entered into in accordance with this deed; and
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(ii) the amount by which the Realised Value exceeds £64,000,000 but is less than £80,000,000.

6.6 Orderly Market

- (a) Subject to clause 6.6(b), any Consideration Shares and any Top-Up Shares held by any member of the BBY Shareholders' Group at the end of the Lock-in Period shall only be the subject of a Disposal by such member of the BBY Shareholders' Group in such manner as the BBY Brokers may reasonably require so as to ensure an orderly market in CPW's Shares.
- (b) The restriction in clause 6.6(a) shall cease to have effect once the BBY Shareholders' Group hold, in aggregate, less than 4 million Consideration Shares and Top-Up Shares in aggregate.

In this deed:

"Disposal" means directly or indirectly mortgaging, pledging, charging, assigning, selling, transferring, hedging or otherwise disposing of or granting any Encumbrance over, including agreeing (conditionally or unconditionally) to do the same and **"Dispose"** shall be construed accordingly.

7. POST-COMPLETION AND OTHER OBLIGATIONS

7.1 Obligations of BBY

BBY undertakes to CPW that prior to and until the first anniversary of Completion it shall use its reasonable endeavours to assist the Group in obtaining contributions from and the assistance of France Telecom SA (trading as Orange France) in respect of the closure and/or disposal of the Group's businesses in France.

7.2 Obligations of CPW

CPW undertakes to the BBY Shareholders to procure the performance and observance of those matters listed in schedule 5.

7.3 JV Co Tax Returns

Subject to clause 7.4 below, JV Co shall prepare the Tax Returns (including all computations and the provision of financial information, together with all necessary claims, elections, surrenders and notices required for such returns) of JV Co for all accounting periods ended before Completion (to the extent not already prepared) and the Straddle Period (for the avoidance of doubt, excluding any Tax Returns that the BBY Shareholders' Group is required to prepare for its own tax purposes) and JV Co shall prepare all documentation and deal with any matters (including correspondence) in the normal course relating to those Tax Returns and any appeal or other dispute relating to those Tax Returns.

7.4 Preparation of JV Co Tax Returns

In preparing the relevant Tax Returns and other documents in accordance with clause 7.3 above, JV Co shall incorporate all reasonable comments made by BBY. JV Co shall not be obliged to take any action under clause 7.3 if CPW reasonably determines that such action would have an adverse effect on the amount of Tax payable by any member of CPW's Group or the Group or would materially adversely affect the relationship of any member of CPW's Group or the Group with any Tax Authority in respect of a period after Completion.

7.5 Access to Records

CPW shall procure that JV Co provides each of the BBY Parties and their duly authorised agents at the BBY Parties' cost with such access on reasonable notice and during normal business hours to its books, accounts, records and personnel as is necessary and reasonable to enable the BBY Parties and their duly authorised agents to:

- (a) prepare their Tax Returns (including all computations and the provision of financial information, together with all necessary claims, elections, surrenders and notices required for such returns); and
- (b) defend any Tax audit conducted by any Tax Authority;

to the extent that those Tax Returns and Tax audits relate to income received by the BBY Shareholders' Group from JV Co prior to Completion or during the Straddle Period.

8. RESTRICTIVE COVENANTS

8.1 Restriction of BBY Shareholders

Each BBY Shareholder undertakes with CPW that, except with the consent in writing of CPW for the period of three years after Completion, it will not (and will procure that no member of the BBY Shareholders' Group will), in the Territory, either on its own account or in conjunction with or on behalf of any other person, carry on or be engaged, concerned or interested, in any business which directly competes with any Relevant Business carried on by any member of the Group in that country at Completion (a " **CPW Competing Business** ") (other than as a passive holder of less than 3 per cent of the outstanding shares of a corporation carrying on such a business).

8.2 Non-Solicitation

The BBY Shareholders and CPW agree that for the period of 18 months after Completion:

- (a) no member of the BBY Shareholders' Group in respect of each member of CPW's Group; and
- (b) no member of CPW's Group in respect of each member of the BBY Shareholders' Group,

will (other than in relation to the persons listed in Schedule 11) either on its own account or in conjunction with or on behalf of any other person solicit, entice away or attempt to solicit or entice away any person who, at Completion, is an employee of, or a secondee to, a member of CPW's Group or BBY Shareholders' Group, as the case may be.

8.3 Severance

Each of the restrictions contained in this clause 8 is separate and severable and in the event of any such restriction being determined to be unenforceable in whole or in part for any reason, that unenforceability shall not affect the enforceability of the remaining restrictions or (in the case of restrictions unenforceable in part) the remainder of that restriction.

8.4 Exceptions from restrictions

Nothing in clause 8.1 shall prevent or restrict any member of the BBY Shareholders' Group from:

- (a) carrying on or being engaged, concerned or interested in, anywhere in the world, any business (not being a CPW Competing Business) which it carries on at Completion or in which it is at Completion engaged, concerned or interested (or any reasonable extension or development of any such business);
- (b) without prejudice to the generality of the foregoing, carrying on or being engaged in the sale or licensing to original equipment manufacturers of software solutions for the provision of mobile device activation or mobile device airtime services from network operators provided such solution is being marketed to original equipment manufacturers for use in at least one country other than a country that is within the Territory, for the avoidance of doubt and notwithstanding any other provision of this deed, including (a) and (b) above, BBY or its Affiliates may not carry on or be engaged in the sale or licensing of software solutions for the provision of mobile device activation or mobile device airtime services from network operators to retailers (other than original equipment manufacturers that operate retail channels for their own devices) or network operators;
- (c) carrying on or being engaged, concerned or interested in, anywhere in the world, online sales from one country into another country from an online channel not otherwise constituting a CPW Competing Business;
- (d) holding shares or stock quoted or dealt in on a recognised investment exchange (as defined in the FSMA) in any part of the world so long as not more than five (5) per cent of the shares or stock of any class of any one company (other than CPW) is so held;
- (e) solicitation of employment to any persons listed in schedule 11; and
- (f) general solicitation to the public of employment and to which any person responds without any other specific and deliberate solicitation.

8.5 Secondees

- (a) As soon as practicable after Completion, the Parties shall terminate the secondments of all persons (other than Daniel Lindholm and Dean Dhinsa) who are seconded:
 - (i) from any member of the BBY Shareholders' Group to any member of CPW's Group; or
 - (ii) from any member of CPW's Group to any member of the BBY Shareholder's Group.
- (b) As soon as reasonably practicable after Completion, BBY or an Affiliate shall make an employment offer to Daniel Lindholm and, subject to him accepting such offer, CPW shall provide such cooperation and assistance as may be reasonably requested by BBY and / or its relevant Affiliate in connection with the transfer of his employment to BBY or its Affiliate.

8.6 Modification of restrictions

While the restrictions contained in this clause 8 are considered by the Parties to be reasonable in all the circumstances, it is recognised that restrictions of the nature in question may fail for technical reasons and accordingly it is hereby agreed and declared that if any of such restrictions shall be adjudged to be void as going beyond what is reasonable in all the

circumstances for the protection of the interests of the Parties but would be valid if part of the wording thereof were deleted or the periods thereof reduced or the range of activities or area dealt with thereby reduced in scope, the said restriction shall apply with such modifications as may be necessary to make it valid and effective.

8.7 Confidential Information relating to the Group

- (a) Each of the BBY Shareholders jointly and severally undertakes to and covenants with CPW that (save with the prior consent in writing of CPW) they shall not, and shall procure that each member of the BBY Shareholders' Group shall not, at any time after Completion:
 - (i) use or procure or cause or (so far as they are able) permit the use of any name or names identical or substantially similar to or including the words "Carphone Warehouse" or "The Phone House" or "CPW" or "Mobiles.co.uk" or "e2save" or "Onestopphoneshop" or "Dialaphone" or any colourable imitation thereof in connection with any business activity.
 - (ii) hold itself out as being a part of the Group or commit or attempt to commit JV Co or any other member of the group to any contract or arrangement (whether oral or in writing).
- (b) CPW undertakes to and covenants with the BBY Shareholders that (save with the prior consent in writing of the BBY Shareholders) it shall not, and shall procure that each member of CPW's Group shall not, at any time after Completion hold itself out as being a part of the BBY Shareholders' Group or commit or attempt to commit any member of the BBY Shareholders' Group to any contract or arrangement (whether oral or in writing).

9. WARRANTIES

9.1 Warranties of the BBY Parties

- (a) Each of the BBY Parties jointly and severally warrant to CPW in the terms set out in schedule 6. Each of the BBY Parties' Warranties is made on the date of this deed and is deemed to be repeated each day up to and including the date of Completion.
- (b) Each of the BBY Parties' Warranties shall be construed as a separate and independent warranty and (except pursuant to clause 9.2) shall not be limited or restricted by reference to or inference from any other term of this deed or any other of the BBY Shareholders' Warranties.
- (c) Each of the BBY Shareholders and BBY waive and may not enforce (and shall procure that each member of the BBY Shareholders' Group shall waive and not enforce) any rights which any of them may have in respect of any misrepresentation, inaccuracy or omission in or from any information or advice supplied or given by any member of the Group or any of their respective officers or employees from time to time enabling the BBY Shareholders to give the BBY Shareholders' Warranties.

9.2 Limitation on liability of the BBY Parties

The liability of the BBY Parties in respect of any claim under the BBY Parties' Warranties shall be limited as set out in schedule 7.

9.3 Warranties of CPW

- (a) CPW warrants to the BBY Shareholder in the terms set out in schedule 8. Each of CPW's Warranties is made on the date of this deed and is deemed to be repeated each day up to and including the date of Completion, except where any of CPW's Warranties is expressly stated as being given only on the date of this deed.
- (b) Each of CPW's Warranties shall be construed as a separate and independent warranty and (except pursuant to clause 9.4) shall not be limited or restricted by reference to or inference from any other term of this deed or any other of CPW's Warranties.

9.4 Limitation on liability of CPW

The liability of CPW in respect of CPW's Warranties shall be limited as set out in schedule 9.

9.5 Knowledge

Where there is any claim under any of the warranties set out in schedule 6 and/or schedule 8 the common law position in respect of the knowledge of the party making the claim shall apply except to the extent inconsistent with any express term of this deed.

9.6 Rescission

No Party shall have any right to rescind this deed.

9.6 Survival

Each of the BBY Parties' Warranties and CPW's Warranties shall survive and continue in full force and effect notwithstanding Completion.

10. ANNOUNCEMENTS, CONFIDENTIALITY AND RETURN OF INFORMATION

10.1 Prior approval of announcements

Subject to the provisions of clauses 10.2, 10.3 and 10.4 below, no public disclosure or announcement relating to the existence or subject matter of this deed shall be made or issued by or on behalf of the BBY Shareholders or CPW or any member of the BBY Shareholders' Group or any member of CPW's Group without the prior written approval of the other Parties (which approval may be subject to reasonable conditions) provided that these restrictions shall not apply to any disclosure or announcement if required by any law, applicable securities exchange, supervisory or governmental body.

10.2 Notices to customers etc.

Nothing in this deed will prohibit CPW or any member of CPW's Group from making or sending after Completion any announcement to a customer, client or supplier of any member of the Group informing it that CPW has become the sole owner of JV Co.

10.3 Prospectus and Circular

The BBY Shareholders consent to the inclusion in the Prospectus and Circular (and any supplement or amendment thereto) of references to the Transaction Documents and summaries of their contents provided that neither the Prospectus nor the Circular (nor any supplement or addition thereto) shall contain any inaccurate description of any member of the BBY Shareholders' Group or their business or activities and the BBY Shareholders shall be permitted to review the draft Prospectus and draft Circular (and drafts of any supplements or amendments thereto) from time to time on reasonable request. BBY shall, and shall procure that the BBY Shareholders' Group shall, provide to CPW all information relating to the BBY

Shareholders' Group and other reasonable assistance required or reasonably necessary to finalise the Circular and the Prospectus.

10.4 Consultation

The Party making any communication prohibited by this deed shall consult with the other Parties in advance as to the form, content and timing of the communication.

10.5 Confidentiality

Each Party shall treat as strictly confidential and will not disclose any information received or obtained by it or its officers, employees, agents or advisers as a result of entering into or performing this deed which relates to:

- (a) the provisions of this deed, or any document or deed entered into pursuant to this deed;
- (b) the negotiations leading up to or relating to this deed; or
- (c) any of the other Parties,

provided that these restrictions shall not apply to any disclosure of information if and to the extent the disclosure is:

- (i) required by the law of any jurisdiction;
- (ii) properly required by any applicable securities exchange, supervisory or regulatory or governmental body to which the relevant Party is subject or submits, wherever situated, whether or not the requirement for disclosure has the force of law;
- (iii) made to the relevant Party's professional advisers, auditors, bankers or lender of money or the professional advisers, auditors, bankers or lender of money of any Affiliate of the relevant Party; or
- (iv) of information that has already come into the public domain through no fault of the relevant Party or any other member of that Party's group of companies.

11. COUNTERPARTS

This deed may be executed in any number of counterparts and by the Parties to it on separate counterparts and each such counterpart shall constitute an original of this deed but all of which together constitute one and the same instrument. This deed shall not be effective until each Party has executed at least one counterpart.

12. VARIATION, WAIVER AND CONSENT

12.1 No variation (or waiver of any provision or condition or breach or non-fulfilment of this deed) shall be effective unless it is in writing and signed by or on behalf of each of the Parties (or, in the case of a waiver, by or on behalf of the Party waiving compliance or in the case of breach or non-fulfilment by or on behalf of the Party who is entitled to claim in respect of such breach or non-fulfilment).

12.2 Unless expressly agreed, no variation or waiver of any provision or condition of this deed shall constitute a general variation or waiver of any provision or condition of this deed, nor shall it affect any rights, obligations or liabilities under or pursuant to this deed which have already accrued up to the date of variation or waiver, and the rights and obligations of the

Parties under or pursuant to this deed shall remain in full force and effect, except and only to the extent that they are so varied or waived.

- 12.3 Any consent granted under this deed shall be effective only if given in writing and signed by the consenting Party and then only in the instance and for the purpose for which it was given.

13. ENTIRE AGREEMENT

The Transaction Documents together represent the whole and only agreement between the Parties in relation to their subject matter including the Capital Reduction and the BBY Shareholders' Group ceasing to be a shareholder in JV Co and supersede any previous agreement, arrangement or statement (whether written or oral) between all or any of the Parties in relation to the subject matter of any such document (including, without limitation, the Term Sheet and all replies (whether or not in writing) in respect of the respective due diligence replies made between the Parties in respect of the matters contemplated by the provisions of any of the Transaction Documents, save that nothing in this deed shall exclude any liability for, or remedy in respect of, fraud.

14. PAYMENTS

- 14.1 Unless otherwise expressly stated (or as otherwise agreed in the case of a given payment), each payment to be made under this deed shall be made in pounds sterling by transfer of the relevant amount into the relevant account on or before the date the payment is due for value on that date. The relevant account for a given payment is:

- (a) if that payment is to BBY Distributions, as notified to CPW within 21 days of the date of this deed or such other account as BBY Distributions shall, not less than five Business Days before the date that payment is due, have specified by giving notice to CPW for the purpose of that payment (the " **BBY Distributions Account** ");
- (b) if that payment is to BBY HoldCo, as notified to CPW within 21 days after the date of this deed or such other account as BBY HoldCo shall, not less than five Business Days before the date that payment is due, have specified by giving notice to CPW for the purpose of that payment (the " **BBY HoldCo Account** "); and
- (c) if that payment is to CPW, the account of CPW at:

Account: Carphone Warehouse Group plc

Bank: HSBC plc

Sort code: 40-02-50

Number: 31311433

IBAN: GB26 MIDL 4002 5031 3114 33

or such other account as CPW shall, not less than five Business Days before the date that payment is due, have specified by giving notice to the BBY Shareholders for the purpose of that payment (the " **CPW's Account** ").

- 14.2 All payments under this deed shall be by the clearing houses automated payment system or any other method of electronic transfer for same-day value and shall be of immediately available funds.

15. INTEREST

The Parties agree that simple interest shall accrue on the First Deferred Payment and Second Deferred Payment from the Completion Date until the date of payment of the relevant

amount. Interest shall accrue at an annual rate of 2.5% per annum. Interest shall accrue on the basis of the actual number of days elapsed and a 365-day year.

16. NOTICES

16.1 Any notice, demand or other communication (" **Notice** ") to be given by any Party under, or in connection with, this deed shall be in writing and signed by or on behalf of the Party giving it. Any Notice shall be served by delivering it by hand to the address set out in clause 16.4 and in each case marked for the attention of the relevant Party set out in clause 16.4 (or as otherwise notified from time to time in accordance with the provisions of this clause 16). Any Notice so served by hand shall be deemed to have been duly given or made when delivered; provided that in each case where delivery by hand occurs after 6pm on a Business Day or on a day which is not a Business Day, service shall be deemed to occur at 9am on the next following Business Day.

16.2 References to time in this clause are to local time in the country of the addressee.

16.3 No notice shall be effective by email or by fax unless agreed by all of the relevant Parties at the relevant time.

16.4 The addresses of the Parties for the purpose of clause 16.1 are as follows:

(a) **BBY Distributions**

Address: 7601 Penn Avenue South, Richfield, Minnesota 55423, United States of America

For the attention of: General Counsel

With a copy (including via email) to: Deputy General Counsel

(b) **BBY HoldCo**

Address: 1 Portal Way, London W3 6RS, United Kingdom

For the attention of: Chief Executive Officer

With a copy (including via email) to: General Counsel and Company Secretary

(c) **BBY**

Address: 7601 Penn Avenue South, Richfield, Minnesota 55423, United States of America

For the attention of: General Counsel

With a copy (including via email) to: Deputy General Counsel

(d) **CPW**

Address: 1 Portal way, London, W3 6RS, UK

For the attention of: Chief Executive Officer

With a copy (including via email) to: General Counsel and Company Secretary

(e) **JV Co**

Address: 1 Portal way, London, W3 6RS, UK

For the attention of: Chief Executive Officer

With a copy (including via email) to: General Counsel and Company Secretary

16.5 A Party may notify all other Parties to this deed of a change to its name, relevant addressee or address for the purposes of this clause 16, provided that, such notice shall only be effective on:

- (a) the date specified in the notification as the date on which the change is to take place; or
- (b) if no date is specified or the date specified is less than five Business Days after the date on which notice is given, the date following five Business Days after notice of any change has been given.

16.6 In proving service it shall be sufficient to prove that the envelope containing such notice was properly addressed and delivered to the address shown thereon.

17. COSTS

17.1 Each of the Parties shall be responsible for its own legal, accountancy and other costs, charges, fees and expenses incurred in connection with the negotiation, preparation and implementation of each of the Transaction Documents and any other agreement incidental to or referred to in this deed.

17.2 In particular, CPW shall bear and pay or cause to be paid all costs, charges, fees and expenses (together with VAT where applicable) incurred in connection with, or incidental to, the allotment and issue of the Consideration Shares and any additional Ordinary Shares issued pursuant to clause 6 of this deed or the other Transaction Documents, including (without limitation):

- (a) all expenses of CPW's Group in connection with the preparation, printing, distribution and filing of the Prospectus (or any other prospectus, listing particular or offer document) or Supplementary Prospectus;
- (b) all fees and expenses of CPW's Group in connection with the applications for the CPW Admission;
- (c) all costs and expenses of CPW's Group in connection with CREST and CPW's registrar; and
- (d) all costs and expenses of CPW's Group arising as a result of the allotment, issue or delivery of Ordinary Shares by CPW to or for the account of the BBY Shareholders.

18. THIRD PARTY RIGHTS

A person who is not Party to this deed shall have no right whether under the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce any term of this Deed except that any third party assignee pursuant to clause 20 shall have the right to enforce its rights pursuant to that clause.

19. CONTINUING EFFECT

Each provision of this deed shall continue in full force and effect after Completion, except to the extent that a provision has been fully performed on or before Completion.

20. ASSIGNMENT

20.1 No Party may assign or transfer all or any of its rights or obligations under this deed or dispose of any right or interest in this deed without the prior written consent of the other Parties, provided that a Party (" **Assigning Party** ") may assign or transfer to one of its Affiliates the benefit of the whole or any part of this deed provided, however, that if such permitted assignee ceases to be an Affiliate of such Assigning Party any rights assigned or transferred under this clause 20.1 shall immediately be reassigned to the Assigning Party and provided further that no such assignment or transfer shall relieve the Assigning Party of its obligations hereunder.

20.2 The Parties acknowledge and agree that a Party's liability under this deed or any other Transaction Document shall not in any way be increased as a result of or in connection with any assignment or transfer of the benefit of the whole or any part of this deed by another Party permitted under clause 20.1 above.

21. TRANSFER OF ASSETS

21.1 Group Assets

Each of the BBY Shareholders and BBY hereby jointly and severally undertakes to CPW to procure that, following Completion, in the event that any member of the BBY Shareholders' Group is in possession of any assets of any member of the Group that have not been paid for in the ordinary course of trading, then the relevant member of the BBY Shareholders' Group shall at no cost transfer or deliver (at the request of CPW) to the relevant member of the Group.

21.2 BBY Assets

CPW undertakes to the BBY Shareholders and BBY that, following Completion, in the event that any member of the Group is in possession of any assets of any member of the BBY Shareholders' Group that have not been paid for in the ordinary course of trading or otherwise is subject to or otherwise referred to in the New Geek Squad Trademark Licence, then CPW shall procure that the relevant member of the Group shall at no cost transfer or deliver (at the request of BBY) to the relevant member of the BBY Shareholders' Group.

22. FURTHER ASSISTANCE

On and after Completion, the Parties shall each do and execute or procure to be done and executed all such acts, deeds, documents and things as may be reasonably necessary to give effect to this deed.

23. SEVERABILITY

The invalidity, illegality or unenforceability of any provisions of this deed shall not affect the continuation in force of the remainder of this deed.

24. GOVERNING LAW AND SUMISSION TO JURISDICTION

24.1 Governing law

The construction, validity and performance of this deed and all non-contractual obligations arising from or connected with this deed shall be governed by the laws of England.

24.2 Submission to jurisdiction

The Parties to this deed irrevocably agree that the courts of England shall have exclusive jurisdiction over any claim or matter arising under or in connection with this deed and that accordingly any proceedings in respect of any such claim or matter may be brought in such court.

The Parties have shown their acceptance of the terms of this deed by executing it as a deed at the end of the schedules and it is delivered and takes effect as a deed at the date written at the beginning of it.

SCHEDULE 1
JV Co and the BBY Shareholders

Part 1: Details of JV Co

Name	:	New BBED Limited
Place of Incorporation	:	England and Wales
Company number	:	7,866,062
Registered office	:	1 Portal Way, London, W3 6RS, United Kingdom
Directors	:	Mr Andrew John Harrison Mr Marcus Roy
Secretary	:	Mr Timothy Simon Morris
Issued share capital	:	£3,093,260.07 divided into 309,326,004 ordinary shares of £0.01 each and 3 deferred shares of £0.01 each
Mortgages and charges	:	None filed
Status	:	Holding

Part 2: The BBY Shareholders

(1)	(2)		(3)	(4)	(5)
BBY Shareholders	Number and percentage of Shares		Amount of Cash Consideration (£)	Amount of Deferred Consideration (£)	Percentage of Consideration Shares (%)
	No.	%			
Best Buy Distributions Limited	77,331,501 ordinary shares of £0.01 each 1 deferred share of £0.01	50	250,000,000	0	0
Best Buy UK Holdings LP	77,331,501 ordinary shares of £0.01 each	50	120,000,000	50,000,000	100

SCHEDULE 2

Details of CPW

Name	:	Carphone Warehouse Group PLC
Place of Incorporation	:	England and Wales
Company number	:	7,105,905
Registered office	:	1 Portal Way, London, W3 6RS, United Kingdom
Issued share capital	:	472,754,543 divided into ordinary shares of 0.1 pence each
Mortgages and charges	:	None

SCHEDULE 3

Conditions Precedent

Completion is conditional on:

1. (i) the FCA having acknowledged to CPW or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the Ordinary Shares and the Consideration Shares to the Official List has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject) will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions satisfied; and (ii) the London Stock Exchange having acknowledged to CPW or its agent (and such acknowledgement not having been withdrawn) that the Ordinary Shares and the Consideration Shares will be admitted to trading on its main market for listed securities (subject in the case of (i) and (ii), if applicable, to the allotment of the Consideration Shares); and
 2. (i) the Autorité de la concurrence having adopted a decision under Book IV of the French Commercial Code (Article L430) concerning the control of concentrations between undertakings as amended from time to time (the " **French Merger Regulation** ") declaring that the transactions contemplated by this deed will not substantially lessen competition for the purposes of Article L.430-6 of the French Merger Regulation, either unconditionally or subject to such conditions, obligations, undertakings or modifications as shall be reasonably acceptable to CPW; or (ii) no decision having been issued by the Autorité de la concurrence within the time limit provided by Article L. 430-5 of the French Regulation; or (iii) the Autorité de la concurrence having issued a comfort letter declaring that the transactions contemplated by this deed fall outside of the scope of review for the purposes of French Merger Regulation.
-

SCHEDULE 4

Completion

Part 1: BBY Shareholders' and BBY Obligations at Completion

At Completion, the BBY Shareholders and BBY shall deliver to CPW:

1. an original copy of the Amendment and Termination Agreement duly executed by all parties named therein that are members of the BBY Shareholders' Group;
 2. an original copy of the New Geek Squad Trademark Licence Amendment duly executed by Best Buy International Finance S.a.r.l, BBY and Best Buy Enterprise Services Inc.;
 3. an original copy of the Dividend Waiver Deed(s) duly executed by the BBY Shareholders;
 4. certified copies of any powers of attorney under which any of the documents referred to in this schedule is executed or evidence reasonably satisfactory to CPW of the authority of any person signing on behalf of the BBY Parties;
 5. an original copy of a resolution of the board of directors (or equivalent) of each of the BBY Parties (certified by a duly appointed officer as true and correct) authorising the execution of and the performance by such BBY Party of its respective obligations under this deed and each of the other documents to be executed by such BBY Party;
 6. an original copy of the Letter of Authority duly executed by the BBY Shareholders; and
 7. an original copy of the Payment Instruction Letter duly executed by BBY.
-

Part 2: CPW's Obligations at Completion

1. At Completion:

- (a) JV Co shall pay the Cash Consideration to the BBY Shareholders in accordance with clause 3.2;
- (b) CPW shall satisfy the obligation to issue the Consideration Shares to the BBY Shareholders in accordance with clause 3.4 by:
 - (i) procuring that CPW's register of members is updated to reflect the issuance of the Consideration Shares in accordance with the terms of this deed;
 - (ii) procuring that the Consideration Shares be transferred to the CREST account of BBY HoldCo (as notified by BBY HoldCo to CPW not less than three Business Days prior to Completion) or, if no such account is notified, for share certificates to be delivered to BBY HoldCo within five Business Days of Completion; and
 - (iii) procuring that the CPW Admission occur by no later than 8.00 a.m. on the Trading Day immediately following the Completion Date,
- (c) CPW shall deliver to the BBY Shareholders:
 - (i) an original copy of the Amendment and Termination Agreement duly executed by all parties named therein (other than those parties that are members of the BBY Shareholders' Group);
 - (ii) an original copy of the New Geek Squad Trademark Licence Agreement duly executed by CPW and JV Co.;
 - (iii) an original copy of a resolution of the board of directors of CPW (certified by a duly appointed officer as true and correct) authorising the execution of and the performance by CPW of its obligations under the Transaction Documents and each of the other documents to be executed by CPW;
 - (iv) certified copies of any powers of attorney under which any of the documents referred to in this part 2 is executed or other evidence satisfactory to the BBY Shareholders of the authority of the person signing on CPW's behalf;
 - (v) an original copy of the Letter of Authority duly executed by CPW; and
 - (vi) an original copy of the Payment Instruction Letter duly executed by CPW.

SCHEDULE 5

Post-Completion Obligations

Following Completion, CPW undertakes to the BBY Parties to procure that, as soon as reasonably practicable after Completion and in any event within three months thereafter, each member of the Group shall cease in any manner whatsoever to use any name identical to or similar to or including the words "Best Buy" or any colourable imitation thereof in connection with any business activity.

SCHEDULE 6
BBY Parties' Warranties

1. TITLE TO SHARES

- 1.1 The Reduction Shares are fully paid or credited as fully paid and the BBY Shareholders are the sole owners of the Reduction Shares.
- 1.2 There is no Encumbrance on, over or affecting the Reduction Shares and there is no deed or commitment to give or create any Encumbrance or negotiations which may lead to such a deed or commitment and no claim has been made by any person to be entitled to an Encumbrance in relation thereto.
- 1.3 Other than the Reduction Shares, no member of the BBY Shareholders' Group holds any shares in any member of the Group.

2. CAPACITY OF BBY PARTIES

- 2.1 Each of the BBY Parties has full power and authority and has obtained all corporate authorisations required to empower it to enter into the Transaction Documents and each of the documents in the agreed form to be executed on or before Completion to which it is a party and to perform its obligations thereunder in accordance with their terms and each shall (when executed) constitute valid and binding obligations on such BBY Party in accordance with its respective terms.
- 2.2 Neither the entry into of the Transaction Documents nor the implementation of the transactions contemplated by the Transaction Documents by the BBY Parties will:
 - (a) violate or conflict with the provisions of their constitutional documents;
 - (b) amount to a material violation or breach of any applicable laws or regulations in any relevant jurisdiction;
 - (c) amount to a violation or default with respect to any relevant order, decree or judgment of any court or any governmental or regulatory authority in any jurisdiction to which any member of the BBY Shareholders' Group is a party or by which any member of the BBY Shareholders' Group is bound which violation or default is material in the context of the transactions contemplated by this deed; or
 - (d) result in a breach of, or constitute a default under, any instrument to which one or more of the BBY Parties are a party or by which one or more of the BBY Parties are bound, which breach or default is material in the context of the transactions contemplated by this deed.
- 2.3 Other than this deed, the Shareholders Agreement, and the Option Agreement, no member of the BBY Shareholders' Group is a party to or aware of any agreement, arrangement or obligation requiring the creation, allotment, issue, transfer, redemption or repayment of or grant to any person of the right (whether conditional or not) to require the allotment, issue, transfer, redemption or repayment of, any shares in the capital of JV Co or any other member of the Group (including without limitation, an option or right of pre-emption or conversion).
- 2.4 The Reduction Shares have not since 30 June 2008 been the subject of a transaction at an undervalue within the meaning of part IX or part VI of the Insolvency Act 1986.

3. NO CONTRACTS, ASSETS OR EMPLOYEES

- 3.1 No member of the BBY Shareholders' Group has entered into or agreed to enter into any contract or arrangement (whether oral or in writing but excluding any contract or arrangement of which CPW is aware of at the time this warranty is made) with any party (whether or not a party to this deed) that has created or will create any obligation on or confer any benefit to (in each case whether legally binding or not) the JV Co and/ or any member of the Group.
- 3.2 As far as the BBY Shareholders are aware, no member of the Group is using any asset including any intellectual property of any member of the BBY Shareholders' Group except:
- (a) pursuant to (i) any licence in force as at the date of this deed; and/or (ii) the Geek Squad Trademark Licence and the New Geek Squad Trademark Licence; and/or
 - (b) any asset used by the Group in relation to the marketing and sale of own branded products of the BBY's Shareholders Group.
- 3.3 No member of the BBY Shareholders' Group is a party to any contract or arrangement (whether oral or in writing and whether legally binding or not (but excluding any contract or arrangement of which CPW is aware of at the time this warranty is made)) with any member of the Group other than the Transaction Documents, the Deed of Assignment and Amendment and the Tax Sharing Deed or in the ordinary course of business.
- 3.4 As far as the BBY Shareholders are aware, no employees of the BBY Shareholders' Group are working for, whether under secondment or not, any member of the Group (but excluding any employees of the BBY Shareholders' Group working for any member of the Group to the extent CPW is aware of that at the time this warranty is made).

4. INSOLVENCY ETC..

- 4.1 No order is outstanding, or so far as the BBY Shareholders' are aware, has been made, or petition presented or meeting convened by any shareholder or creditor of any member of the BBY Shareholders' Group for the winding up of any member of the BBY Shareholders' Group, or so far as the BBY Shareholders are aware for the appointment of any provisional liquidator, and so far as the BBY Shareholders are aware there are no cases or proceedings under any applicable insolvency, reorganisation or similar laws in any relevant jurisdiction.

- 4.2 Administration and receivership.

So far as the BBY Shareholders are aware no person has taken any step, legal proceeding or other procedure with a view to the appointment of an administrator, whether out of court or otherwise, in relation to any member of the BBY Shareholders' Group, and so far as the BBY Shareholders are aware no receiver (including any administrative receiver) has been appointed in respect of the whole or any part of any of the property, assets and/or undertaking of any member of the BBY Shareholders' Group nor so far as the BBY Shareholders are aware has any such order been made (including, in any relevant jurisdiction, any other order by which, during the period it is in force, the affairs, business and assets of the company concerned are managed by a person appointed for the purpose by a court, governmental agency or similar body).

- 4.3 Voluntary arrangement etc.

No member of the BBY Shareholders' Group has made any voluntary arrangement with any of its creditors in the two years prior to the date of this deed.

SCHEDULE 7

Limitations on the BBY Parties' Liability

1. SCOPE

- 1.1 Save as otherwise expressly provided in this schedule, the provisions of this schedule shall operate to limit the liability of the BBY Parties in respect of any claim under the BBY Parties' Warranties and references to "claim" and "claims" shall be construed accordingly.
- 1.2 All of the limitations on the liability of the BBY Parties contained in this schedule are subject to paragraph 8.

2. LIMITATIONS OF QUANTUM

- 2.1 The maximum aggregate liability of the BBY Parties in respect of all claims shall not exceed the amount of the Consideration.

3. TIME LIMITS

The BBY Parties shall be under no liability in respect of any claim unless notice of such claim shall have been served upon the BBY Parties by CPW by no later than the second anniversary of Completion.

4. CHANGE IN LEGISLATION

No liability shall attach to any of the BBY Parties in respect of any claim to the extent that such claim would not have arisen (or the amount of the claim would not have been increased) but for a change in legislation made after the date hereof or a change in the interpretation of the law after the date hereof (whether or not such change purports to be effective retrospectively in whole or in part) or if such claim would not have arisen (or the amount of the claim would not have been increased) but for any judgement delivered after the date hereof.

5. NO DOUBLE RECOVERY

CPW shall not be entitled to recover damages or obtain payment, reimbursement, restitution or indemnity more than once for the same Loss.

6. PAYMENT OF CLAIM TO BE IN REDUCTION OF CONSIDERATION

If any of the BBY Parties pay any sum to CPW pursuant to a claim, that part of the Consideration paid by JV Co in respect of the Capital Reduction shall be deemed to be reduced by the amount of such payment, provided that such deeming in no way prejudices the effectiveness of the Capital Reduction.

7. MITIGATION NOT AFFECTED

Nothing in this deed shall affect the application of the common law rules on mitigation in respect of any claim or any matter giving rise to a claim.

8. FRAUD

None of the limitations on the liability of the BBY Parties set out in this schedule (whether as to the quantum of the claim, the time limit for notification of the claim, the procedures or requirements for making a claim or otherwise) shall apply to any claim against the BBY

Parties to the extent that the liability of any of the BBY Parties in respect of that claim arises from fraud on the part of any of the BBY Parties.

SCHEDULE 8
CPW's Warranties

1. CAPACITY OF CPW

- 1.1 CPW has (subject to the approval of the CPW Shareholder Resolutions by way of ordinary resolution(s) based on the facts as at the date of signing of this deed) full power and authority and has obtained all corporate authorisations required to empower it to enter into the Transaction Documents and each of the documents in the agreed form to be executed on or before Completion to which it is a party and to perform its obligations thereunder in accordance with their terms and each shall (when executed) constitute valid and binding obligations on CPW in accordance with its respective terms.
- 1.2 Neither the entry into of the Transaction Documents nor the implementation of the transactions contemplated by the Transaction Documents by CPW will:
- (a) violate or conflict with the provisions of its constitutional documents;
 - (b) amount to a material violation or breach of any applicable laws or regulations in any relevant jurisdiction;
 - (c) trigger any pre-emptive rights of other shareholders of CPW as a result of the allotment or issue of the Consideration Shares;
 - (d) amount to a violation or default with respect to any relevant order, decree or judgment of any court or any governmental or regulatory authority in any jurisdiction to which any member of CPW's Group is a party or by which any member of CPW's Group is bound which violation or default is material in the context of the transactions contemplated by this deed; or
 - (e) result in a breach of, or constitute a default under, any instrument to which any member of CPW's Group is a party or by which any member of CPW's Group is bound, which breach or default is material in the context of the transactions contemplated by this deed.
- 1.3 The Transaction Documents constitute (or will on execution constitute) valid and legally binding obligations of CPW.

2. CPW

2.1 Duly constituted

CPW has been duly incorporated, is duly organised and is validly existing and in good standing under the laws of England and Wales. Each member of CPW's Group has all requisite corporate powers and authority to own its assets and to conduct the business currently being carried on by it.

3. SHARE CAPITAL

3.1 Information provided

All information contained in Schedule 2 is true as at the date of this deed.

4. NO CONTRACTS, ASSETS OR EMPLOYEES

As far as CPW is aware, no member of the Group is using any asset including any intellectual property of any member of the BBY Shareholders' Group, except

- (a) pursuant to (i) any licence in force as at the date of this deed; and/or (ii) the Geek Squad Trademark Licence and/or the New Geek Squad Trademark Licence and/or
- (b) any asset used by the Group in relation to the marketing and sale of own branded products of the BBY Shareholders' Group.

5. INSOLVENCY ETC.

5.1 No order is outstanding, or so far as CPW is aware, has been made, or petition presented or meeting convened by any shareholder or creditor of any member of CPW's Group for the winding up of any member of CPW's Group, or so far as CPW is aware for the appointment of any provisional liquidator, and so far as CPW is aware there are no cases or proceedings under any applicable insolvency, reorganisation or similar laws in any relevant jurisdiction.

5.2 Administration and receivership.

So far as the CPW is aware no person has taken any step, legal proceeding or other procedure with a view to the appointment of an administrator, whether out of court or otherwise, in relation to any member of the CPW's Group, and so far as CPW is aware no receiver (including any administrative receiver) has been appointed in respect of the whole or any part of any of the property, assets and/or undertaking of any member of CPW's Group nor so far as the CPW is aware has any such order been made (including, in any relevant jurisdiction, any other order by which, during the period it is in force, the affairs, business and assets of the company concerned are managed by a person appointed for the purpose by a court, governmental agency or similar body).

5.3 Voluntary arrangement etc.

No member of the CPW's Group has made any voluntary arrangement with any of its creditors in the two years prior to the date of this deed.

SCHEDULE 9

Limitations on CPW's Liability

1. SCOPE

- 1.1 Save as otherwise expressly provided in this schedule, the provisions of this schedule shall operate to limit the liability of CPW in respect of any claim under CPW's Warranties and references to "claim" and "claims" shall be construed accordingly.
- 1.2 All of the limitations on the liability of CPW contained in this schedule are subject to paragraph 8.

2. LIMITATIONS OF QUANTUM

- 2.1 The maximum aggregate liability of CPW in respect of all claims shall not exceed the amount of the Consideration.

3. TIME LIMITS

CPW shall be under no liability in respect of any claim unless notice of such claim shall have been served upon CPW by either of the BBY Shareholders by no later than the second anniversary of Completion.

4. CHANGE IN LEGISLATION

No liability shall attach to CPW in respect of any claim to the extent that such claim would not have arisen (or the amount of the claim would not have been increased) but for a change in legislation made after the date hereof or a change in the interpretation of the law after the date hereof (whether or not such change purports to be effective retrospectively in whole or in part) or if such claim would not have arisen (or the amount of the claim would not have been increased) but for any judgement delivered after the date hereof.

5. NO DOUBLE RECOVERY

The BBY Shareholders shall not be entitled to recover damages or obtain payment, reimbursement, restitution or indemnity more than once for the same Loss.

6. PAYMENT OF CLAIM TO INCREASE CONSIDERATION

If CPW pays any sum to the BBY Parties pursuant to a Claim, that part of the Consideration paid by JV Co in respect of the Capital Reduction shall be deemed to be increased by the amount of such payment, provided that such deeming in no way prejudices the effectiveness of the Capital Reduction.

7. MITIGATION NOT AFFECTED

Nothing in this deed shall affect the application of the common law rules on mitigation in respect of any claim or any matter giving rise to a claim.

8. FRAUD

None of the limitations on the liability of CPW set out in this schedule (whether as to the quantum of the claim, the time limit for notification of the claim, the procedures or requirements for making a claim or otherwise) shall apply to any claim against CPW to the extent that the liability of CPW in respect of that claim arises from fraud on the part of CPW.

SCHEDULE 10

Relevant Contracts

1. Global Connect Agreement
 2. Consultancy Agreement
 3. CD Option Agreement
 4. Option Agreement
 5. Geek Squad Trademark Licence
 6. Original SPA
 7. Deed of Novation and Assignment
 8. 2008 Consortium Relief Agreement
 9. 2012 Consortium Relief Agreement
 10. Shareholders Agreement
 11. Heads of Terms
-

SCHEDULE 11
Excluded Employees

Daniel Lindholm

Larry Lorden

Executed and delivered as a Deed
on the date hereof by
BEST BUY DISTRIBUTIONS LIMITED
acting by a director
in the presence of:

)
)
)
)
)

Director:

/s/ KEITH J. NELSEN

Signature of witness: /s/ TODD G. HARTMAN

Name: Todd G. Hartman
Address: 7601 Penn. Avenue South
Richfield, MN 55423

Occupation: SVP

Executed and delivered as a Deed
on the date hereof by
BEST BUY UK HOLDINGS LP
acting by:
NEW CPWM LIMITED, General Partner
acting by a director
in the presence of:

)
)
)
)
)
)
)

Director:

/s/ TODD G. HARTMAN

Signature of witness: /s/ ERIC HALVERSON

Name: Eric Halverson
Address: 7601 Penn. Avenue South
Richfield, MN 55423

Occupation: Senior Corporate Counsel

Executed and delivered as a Deed
on the date hereof by
BEST BUY CO., INC
acting by an authorized signatory
in the presence of:

)
)
)
)
)

Director:

/s/ HUBERT JOLY

Signature of witness: /s/ SHARON MCCOLLAM

Name: Sharon McCollam
Address: 7601 Penn. Avenue South
Richfield, MN 55423

Occupation: CFO

Executed and delivered as a Deed

on the date hereof by

NEW BBED LIMITED

acting by a director

in the presence of:

)
)
)
)
)

Director:

/s/ ANDREW HARRISON

Signature of witness: /s/ ANDY SUNDERLAND

Name: Andy Sunderland

Address: c/o CPW, 1 Portal Way

London W3 6RS, UK

Occupation: Solicitor

Executed and delivered as a Deed

on the date hereof by

CARPHONE WAREHOUSE GROUP PLC

acting by a director

in the presence of:

)
)
)
)
)

Director:

/s/ ROGER TAYLOR

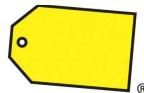
Signature of witness: /s/ T.S. MORRIS

Name: T.S. Morris

Address: c/o CPW, 1 Portal Way

London W3 6RS, UK

Occupation: Solicitor



BEST BUY®

Best Buy to Sell its Stake in European Business to Carphone Warehouse

MINNEAPOLIS - April 30, 2013 - Best Buy Co., Inc. (NYSE:BBY), the leading authority and destination for technology products and services, today announced that it has entered into a definitive agreement for the sale of its 50 percent interest in Best Buy Europe, the joint venture it created in 2008 with Carphone Warehouse Group plc (CPW). The sale price of £500 million (approximately \$775 million as of April 29, 2013) is comprised of £420 million in cash and £80 million in CPW stock subject to a 12-month lock-up restriction. During the lock-up period, however, both parties have agreed that CPW will be able to place the CPW shares on behalf of Best Buy at or above the issue price, with any additional proceeds above the issue price being retained by CPW. If, at the end of the lock-up period, the sum of the total proceeds received by Best Buy from sales of the CPW shares by CPW plus the market value of any remaining shares is less than £64 million (approximately \$99 million), CPW will pay such deficiency to Best Buy.

In conjunction with the transaction, Best Buy has agreed to pay CPW £29 million (approximately \$45 million as of April 29, 2013) in satisfaction of obligations under existing agreements, including the parties' Global Connect partnership, which will be terminated at closing.

The boards of directors of both companies have approved this transaction. All directors of CPW have also signed letters of commitment to vote their shares in support of the transaction. The transaction is subject to approval by the shareholders of CPW, but is not subject to any closing conditions in respect of financing. The transaction is expected to close by the end of June 2013.

Beginning in the first quarter of fiscal 2014, Best Buy intends to report the results of the Best Buy Europe joint venture in discontinued operations, including an estimated non-cash asset impairment charge of approximately \$200 million, associated with accumulated foreign currency translation losses that will be written off at the time of closing.

Prior to entering into this agreement, U.S. GAAP revenues for Best Buy Europe in fiscal 2014 were expected to be in the range of \$5.5 to \$5.6 billion. Adjusted (non-GAAP) diluted earnings per share were expected to be immaterial.

"After reviewing the business and spending time with our partners, we concluded that the timing and economics were right to enter into this agreement with CPW," said Hubert Joly, president and chief executive officer of Best Buy. "This transaction allows us to 1) simplify our business; 2) substantially improve our Return on Invested Capital, one of the five pillars of our Renew Blue transformation; and 3) strengthen our balance sheet," added Joly.

"Each international market is different and the sale of our European operations should not suggest any similar action in our other international businesses," said Joly.

Best Buy formed the Best Buy Europe joint venture with CPW in June 2008. The joint venture operates stores in eight countries. Additional details on this transaction are available in the Company's Form 8-K, to be filed this morning.

Forward-Looking and Cautionary Statements:

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 as contained in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that reflect management's current views and estimates regarding future market conditions, company performance and financial results, business prospects, new strategies, the competitive environment and other events. You can identify these statements by the fact that they use words such as "anticipate," "believe," "assume," "estimate," "expect," "intend," "project," "guidance," "plan," "outlook," and other words and terms of similar meaning. Factors that could cause such differences include: uncertainties regarding the expected benefits from and effects of the transaction; risks associated with CPW's ability to obtain shareholder approval of the transaction, the parties' ability to satisfy the other conditions and terms of the transaction, and to execute the transaction in the estimated time frame, if at all; and other risks and uncertainties, including those detailed from time to time in the registrant's periodic reports (whether under the caption Risk Factors or Forward-Looking Statements or elsewhere). The registrant assumes no obligation to revise or update any forward-looking statement, except as otherwise required by law.

Investor Contacts:

Bill Seymour
(612) 291-6122 or Bill.seymour@bestbuy.com

Mollie O'Brien
(612) 291-7735 or Mollie.obrien@bestbuy.com

Media Contacts:

Matt Furman
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Amy von Walter
(612) 291-4490 or Amy.vonwalter@bestbuy.com

CARPHONE WAREHOUSE GROUP PLC

30 April 2013

Embargoed until 7am

Carphone Warehouse Group plc
("Carphone Warehouse" or the "Company" or the "Group")

Symbol: CPW

**PROPOSED ACQUISITION OF BEST BUY'S 50% SHARE IN CPW EUROPE
AND
Q4 TRADING UPDATE 2012-13 FOR THE QUARTER ENDED 31 MARCH 2013**

Carphone Warehouse today announces that it has conditionally agreed to acquire the 50% of New BBED Limited ("CPW Europe") that the Company does not already own from Best Buy Co., Inc. ("Best Buy") for a net consideration of £471 million¹ (the "Proposed Acquisition").

£341 million of the net consideration will be paid in cash on completion of the Proposed Acquisition with the balance satisfied by the issue to Best Buy on completion of an £80 million stake in Carphone Warehouse and £50 million of deferred cash consideration payable in two equal instalments on the first and second anniversaries of completion.

Carphone Warehouse has separately announced today the placing of 47,228,179 new ordinary shares of 0.1 pence each in the capital of the Company ("Ordinary Shares"), (the "Placing Shares"), (the "Placing") representing approximately 9.99% of the Company's existing issued ordinary share capital. The net proceeds of the Placing will be used to partly fund the Proposed Acquisition. The Company's Chairman and Executive Directors intend to participate in the Placing.

Carphone Warehouse also today announces its Q4 trading update for the quarter ended 31 March 2013.

Roger Taylor, Chief Executive of Carphone Warehouse, said:

"Today we are announcing the end of our five year joint venture with Best Buy and with this the return of CPW Europe to its original shareholders.

Carphone Warehouse and Best Buy have enjoyed a great relationship over the last five years ensuring that we shared and enjoyed many aspects of each other's business attributes. However, following the sale of our US interest last year, we have become increasingly responsible for the day-to-day operations of CPW Europe whilst conversely Best Buy have become more focused on their wholly-owned businesses. As a result, both parties have agreed that this is a good time for us to bring the joint venture to an end, whilst ensuring that our relationship remains in place by way of our global buying alliance.

For us, the transaction will simplify our ownership structure, streamline management decision-making and give us full ownership of our growth opportunities across Europe and other

¹ Net consideration represents gross consideration of £500 million in respect of the acquisition of CPW Europe, less amounts related to the prepayment or termination of the Group's other interests with Best Buy including the Global Connect venture (including China and Mexico).

markets around the world. In view of this, our Global Connect relationship and our joint venture in China and Mexico will also come to an end and this will enable both parties to focus on opportunities at their own pace and in their own preferred geographies. We expect the transaction to be earnings enhancing in the current financial year², and in due course, we intend to apply for a premium listing and FTSE index inclusion.”

Background to and reasons for the Proposed Acquisition

CPW Europe is one of the largest independent European telecommunications retailers, with 2,377 stores and circa 13,000 employees across Europe, together with well-developed online channels. It specialises in combining hardware, connections and services. Ongoing investment in high quality and well-trained consultants make it ideally placed to benefit from the evolution of smartphones and other areas of complex technology. For the year ended 31 March 2012, CPW Europe had revenues of £3.3 billion, generated Headline EBIT of £135 million and Headline profit before tax of £119 million and had gross assets of £1.8 billion.

As the most significant part of its business, Carphone Warehouse has disclosed summary financials for CPW Europe, on a 100% basis, at each of its interim and full year results since the formation of the joint venture in 2008, as well as providing ordinary course trading updates through interim management statements. CPW Europe's strategy and KPI's remain consistent with those described at Carphone Warehouse's last strategy day in June 2012 and as also described in the 2012 Carphone Warehouse Annual Report. Shareholders are referred to the information on CPW Europe that Carphone Warehouse already publishes via the following link: http://www.cpwplc.com/investor-relations/results_centre/

In addition, CPW Europe (through its wholly-owned subsidiary Best Buy Europe Distributions Limited) has published and submitted to UK Companies House its full year statutory audited consolidated accounts for each of the last three financial years in accordance with the associated UK requirements and accounting standards. There are no material differences between the accounting policies used by Carphone Warehouse and CPW Europe. A summary of CPW Europe's results for the three years to 31 March 2012, together with the statutory accounts for Best Buy Europe Distributions Limited for the same periods, is provided through the following link: <http://www.cpwplc.com/investor-relations/financial-results/key-financial-data/best-buy-europe-financial-statements/>

The directors of Carphone Warehouse (the “**Directors**”) believe that there is sufficient publicly available information on CPW Europe to allow shareholders to assess the enlarged group's financial position, should the Proposed Acquisition complete.

In addition, as it would do as a matter of ordinary course, Carphone Warehouse will continue to make public disclosure, without delay, via the RNS of the London Stock Exchange, of any developments concerning CPW Europe that are required to be released under the UK Disclosure and Transparency Rules of the Financial Conduct Authority.

Carphone Warehouse and Best Buy have jointly owned the CPW Europe business since June 2008. Completion of the Proposed Acquisition will result in Carphone Warehouse owning 100% of CPW Europe, which the Directors believe will bring the following benefits:

- a simplified ownership structure, making day-to-day management easier, the strategic decision-making process more streamlined and the ability to better leverage CPW Europe's asset base and know-how;
- full ownership of growth opportunities across Europe and other potential markets;

² This statement is not intended to be a profit forecast and no statement in this announcement should be interpreted to mean that the earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

- a simplified investment case and full consolidation of CPW Europe into the Carphone Warehouse Group;
- a greater financial profile;
- the opportunity for significant value creation over the medium term;
- the Directors expect the Proposed Acquisition to be earnings enhancing in the current financial year³; and
- the potential for Carphone Warehouse to achieve admission to the premium segment of the Official List and inclusion in the FTSE UK Index series.

As a company admitted to the standard segment of the Official List, Carphone Warehouse is not subject to the provisions of Chapter 10 of the Listing Rules of the Financial Conduct Authority; however, the Company has publicly stated that it intends to comply with such rules as if it were a premium listed company. Whilst the Placing is not subject to shareholder approval, as the Proposed Acquisition is classified as a Reverse Takeover under Chapter 10 of the Listing Rules, the Proposed Acquisition is conditional amongst other things upon the approval of Carphone Warehouse shareholders in a general meeting. A circular (including a notice of general meeting) and a prospectus in relation to the enlarged Carphone Warehouse group will be published in due course and the Proposed Acquisition is expected to complete in June 2013.

The Directors believe the Proposed Acquisition to be in the best interest of Carphone Warehouse shareholders as a whole. Accordingly, the Directors unanimously recommend that Carphone Warehouse shareholders vote in favour of the Proposed Acquisition, as all of the Directors intend to do in respect of their own beneficial holdings, representing approximately 31% of the existing issued ordinary share capital of the Company.

Consideration structure

The gross consideration for the Proposed Acquisition is £500 million. Payments to the Group from Best Buy of approximately £29 million in respect of the prepayment or termination of the Group's other interests with Best Buy including the Global Connect venture (including China and Mexico) will be offset against gross consideration, and net consideration is therefore £471 million. The net consideration for the Proposed Acquisition will be satisfied as follows:

- £341 million payable in cash on completion, funded through the net proceeds of the Placing, existing Group funds if the net proceeds of the Placing are less than £91 million, and a new £250 million four-year amortising sterling term loan facility, which includes the same covenants as existing CPW Europe facilities and is at current market pricing;
- £80 million by the issue to Best Buy of 42,105,263 new Ordinary Shares (the “**Consideration Shares**”) at 190 pence per share, representing approximately 7.5% of the Company's issued ordinary share capital after the Placing and the Proposed Acquisition; and
- £50 million of deferred cash consideration, which bears interest at 2.5% per annum, payable to Best Buy in two equal instalments of £25 million each on the first and second anniversary of completion.

Carphone Warehouse intends to maintain its existing progressive dividend policy, generally with a minimum of 3x cover based on Headline earnings. In view of the deferred cash consideration the Directors will reserve the Company's position as to the form of dividend payments over the two years from completion between cash and scrip.

³ This statement is not intended to be a profit forecast and no statement in this announcement should be interpreted to mean that the earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The Consideration Shares will be subject to a lock-up of 12 months from the date of completion of the Proposed Acquisition (the “**lock-up period**”). Best Buy has agreed to waive any rights to dividends payable on the Consideration Shares held by it during the lock-up period (“**Waived Dividends**”). Carphone Warehouse will have the right during the lock-up period to place the Consideration Shares on behalf of Best Buy at a price not less than the issue price (“**Original Value**”), should the Company determine that there is sufficient demand in the market. If the aggregate of the proceeds from any sale of the Consideration Shares during the lock-up period and the value at the end of such period of any Consideration Shares still held by Best Buy (“**Total Value**”) is greater than the Original Value then Carphone Warehouse will retain any upside on the disposal of Consideration Shares during the lock-up period. In turn, Carphone Warehouse has an obligation to compensate Best Buy if such Total Value is less than 80% of the Original Value (“**Minimum Value**”). If the Total Value is greater than the Minimum Value but less than the Original Value then the Company has to compensate Best Buy for the amount of such difference but only up to the amount of the Waived Dividends. If the Total Value is less than the Minimum Value, any compensation up to £10 million will be paid in cash with any additional compensation being satisfied as the Company may decide in cash and/or by the issue of further shares in the Company based on the share price at that time. Any Consideration Shares and any compensation shares held by Best Buy in the 12 months following the end of the lock-up period may be sold as Best Buy decides subject to an orderly market obligation.

Carphone Warehouse Group plc Q4 Trading Update 2012-13
For the quarter ended 31 March 2013

CPW Europe

- **Q4 LFL revenues up 6.5%, reflecting continued strong UK performance**
- **Q4 connections up 9.7%**
- **Reiterating full year Headline EBIT guidance of £135 million to £145 million**

Virgin Mobile France

- **Q4 revenue down 9.7%; full year revenue growth of 4.2%**
- **Q4 postpay net customer loss 52,000; full year postpay net adds of 11,000**

Property

- **Sale of one freehold property in London for proceeds of £40.5 million (separate to the sale of another freehold property post Q4, for proceeds of £10.5 million)**

Group

- **Reiterating full year Headline EPS guidance of 11.5p to 13.0p**

CPW Europe (50% joint venture)

In the UK, we continued the momentum of our Christmas quarter, with strong connections growth and impressive like-for-like revenue growth of 15%. We continued to invest in the proposition and grew our market share in both the postpay and prepay segments; we also maintained the significant tablet sales growth seen in the third quarter, as we gained further authority in this product category.

In mainland Europe, excluding France, we enjoyed positive like-for-like revenue growth, whilst France itself continued to be particularly challenging. Nevertheless with a solid performance across other European markets, total CPW Europe connections growth was 9.7% and like-for-like revenue growth was 6.5% for the quarter. In France we have completed our strategic review and have decided to pursue an orderly exit by means of store disposals and some

store closures, in conjunction with due process. In the meantime, our stores will continue to trade with a key priority being to minimise the impact on our people. In light of this situation, a non-cash impairment charge of approximately £80-£90 million, relating to goodwill and fixed assets, will be included as a Non-Headline item in the 2012-13 financial year.

Virgin Mobile France (46% joint venture)

Despite continued intense competition, Virgin Mobile France produced year-on-year revenue growth of 4.2% for the 12 months to March 2013. As expected, Q4 revenue declined, by 9.7%, with inbound revenue recorded for the first time in the comparative period. The postpay base is down 52,000 customers for the quarter; however Virgin Mobile France reported postpay net adds of 11,000 for the full year. The Full MVNO base continues to grow strongly with c.50% of customers on this platform as at 31 March 2013. There remains further benefit to come from this migration, as it reaches progressively across the customer base.

Carphone Warehouse Group plc

The Group sold one of its freehold properties during the quarter for proceeds of £40.5 million. A second freehold property has been sold since the period end for £10.5 million, proceeds from which were not included in the year end cash balance. Both properties are located in Acton, London.

Overall for the Group, we are reiterating our full year Headline EPS guidance of between 11.5p and 13.0p.

Next announcement

In light of today's announcement, the Group will no longer publish its preliminary results (financial year ended 31 March 2013) on 11 June 2013. The preliminary results date will be released in due course, once the date of the general meeting in respect of the Proposed Acquisition has been established.

Management conference call

There will be a conference call for investors and analysts at 8.00am this morning. The call will also be broadcast on our website, www.cpwplc.com.

Dial-in details

Passcode: 7863644

UK/International: +44(0)20 7136 2051

USA: +1 646 254 3365

A replay will be available until midnight, 7 May 2013.

Passcode: 7863644

UK/International: +44(0)20 3427 0598

USA: +1 866 932 5017

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For further information, please visit www.cpwplc.com

Further operating and financial information

CPW Europe (100% basis)

	13 Weeks to 30 March 2013			52 Weeks to 30 March 2013		
			% change			% change
Revenue*						
LFL (constant currency)		6.5%			4.6%	
Connections*						
	FY13	FY12	% change	FY13	FY12	% change
Connections (000s)	2,218	2,022	9.7%	9,511	9,780	(2.7)%

* Prior year comparatives exclude Phone House Belgium and Best Buy UK, which were respectively sold and closed during the year ended 31 March 2012.

	At 30 March 2013		
	FY13	FY12	% change
Store numbers			
Own stores	2,037	2,055	(0.9)%
Franchises	340	338	0.6 %
Total stores	2,377	2,393	(0.7)%

Virgin Mobile France (100% basis)

	3 Months to 31 March 2013			12 Months to 31 March 2013		
	FY13	FY12	% change	FY13	FY12	% change
Revenue*						
Revenue (€m)	113	125	(9.7)%	472	453	4.2%

* Revenue excludes contributions towards subscriber acquisition costs from network operators and customers, to simplify presentation.

	At 31 March 2013		
	FY13	FY12	% change
Customer base (000s)			
Postpay	1,348	1,337	0.8 %
Prepay	365	580	(37.1)%
Total	1,713	1,917	(10.6)%

CARPHONE WAREHOUSE GROUP PLC

30 April 2013

Embargoed until 7am

THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

Further, this Announcement is for information purposes only and shall not constitute an offer to sell or issue or the solicitation of an offer to buy, subscribe for or otherwise acquire any new ordinary shares of Carphone Warehouse Group plc in any jurisdiction in which any such offer or solicitation would be unlawful.

Carphone Warehouse Group plc

("Carphone Warehouse" or the "Company" or the "Group")

Symbol: CPW

PROPOSED PLACING OF 9.99 PER CENT. OF EXISTING ISSUED ORDINARY SHARE CAPITAL

Carphone Warehouse today announces the placing of 47,228,179 new ordinary shares of 0.1 pence each in the capital of the Company (" **Ordinary Shares** "), (the " **Placing Shares** "), (the " **Placing** "), representing approximately 9.99 per cent. of the Company's existing issued ordinary share capital. The Placing is being conducted through an accelerated bookbuilding process which will be launched immediately following this Announcement. The Company's Chairman and Executive Directors intend to participate in the Placing.

Deutsche Bank AG, London Branch (" **Deutsche Bank** ") and UBS Limited (" **UBS** ") are acting as joint lead managers and joint bookrunners (the " **Bookrunners** " or " **Managers** ") in connection with the Placing.

The Company has also announced today that it has conditionally agreed to acquire the 50 per cent. of New BBED Limited (" **CPW Europe** ") that the Company does not already own from Best Buy Co., Inc. (" **Best Buy** ") for a net consideration of £471 million (the " **Proposed Acquisition** ").

At the same time, the Company announced its Q4 trading update for the quarter ended 31 March 2013.

Reasons for the Placing and consideration structure

The net proceeds of the Placing will be used to fund in part the cash consideration for the Proposed Acquisition. The net consideration for the Proposed Acquisition is £471 million and will be satisfied as follows:

- £341 million payable in cash on completion, funded through the net proceeds of the Placing, existing Group funds if the net proceeds of the Placing are less than £91 million, and a new £250 million four-year amortising sterling term loan facility, which includes the same covenants as existing CPW Europe facilities and is at current market pricing;
- £80 million by the issue to Best Buy of 42,105,263 new Ordinary Shares at a price of 190 pence per share, representing approximately 7.5 per cent. of the Company's issued ordinary share capital after the Placing and Proposed Acquisition; and

- £50 million of deferred cash consideration, which bears interest at 2.5 per cent. per annum, payable to Best Buy in two equal instalments of £25 million each on the first and second anniversary of completion.

The Board of Carphone Warehouse expects the Proposed Acquisition to be earnings enhancing in the current financial year.¹

The Placing is not conditional upon the completion of the Proposed Acquisition. In the event that the Proposed Acquisition does not complete, Carphone Warehouse will retain the net proceeds of the Placing for general corporate purposes.

As a company admitted to the standard segment of the Official List, Carphone Warehouse is not subject to the provisions of Chapter 10 of the Listing Rules of the Financial Conduct Authority (the " **FCA** "); however, the Company has publicly stated that it intends to comply with such rules as if it were a premium listed company. Whilst the Placing is not subject to shareholder approval, as the Proposed Acquisition is classified as a Reverse Takeover under Chapter 10 of the Listing Rules, the Proposed Acquisition is conditional upon the approval of Carphone Warehouse shareholders in a general meeting. A circular (including a notice of general meeting) and a prospectus in relation to the enlarged Carphone Warehouse group will be published in due course and the Proposed Acquisition is expected to complete in June 2013.

Details of the Placing

The Placing is subject to the terms and conditions set out in the Appendix (which forms part of this announcement, such announcement and the Appendix together being the " **Announcement** "). The Bookrunners will today commence a bookbuilding process in respect of the Placing (the " **Bookbuilding Process** "). The price per Ordinary Share at which the Placing Shares are to be placed (the " **Placing Price** ") will be decided at the close of the Bookbuilding Process. The book will open with immediate effect following this Announcement. The timing of the closing of the book, pricing and allocations are at the discretion of the Bookrunners and the Company. Details of the Placing Price and the number of Placing Shares will be announced as soon as practicable after the close of the Bookbuilding Process.

The Placing Shares, when issued, will be fully paid and will rank pari passu in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of issue. If all of the Placing Shares are placed, it would represent an increase of approximately 9.99 per cent. of the existing issued ordinary share capital of the Company.

Application will be made for the Placing Shares to be admitted to the standard listing segment of the Official List (the " **Official List** ") of the FCA and to be admitted to trading on the main market for listed securities of the London Stock Exchange plc (the " **London Stock Exchange** ") (together, " **Admission** "). Admission is expected to take place on or before 8.00 a.m. on 3 May 2013 and settlement of the Placing shares is expected to take place on the same day. The Placing is conditional, among other things, upon Admission becoming effective. The Placing is also conditional upon the placing agreement between the Company and the Bookrunners (the " **Placing Agreement** ") not being terminated. The Appendix sets out further information relating to the Bookbuilding Process and the terms and conditions of the Placing.

This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important notices" section of this Announcement.

¹ This statement is not intended to be a profit forecast and no statement in this announcement should be interpreted to mean that the earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

Management conference call

There will be a conference call for investors and analysts at 8.00 am this morning. The call will also be broadcast on our website, www.cpwplc.com.

Dial-in details

Passcode: 7863644
UK/International: +44(0)20 7136 2051
USA: +1 646 254 3365

A replay will be available until midnight, 7 May 2013.

Passcode: 7863644
UK/International: +44(0)20 3427 0598
USA: +1 866 932 5017

Please note that participation in the conference call and access to the recording of the call will be subject to exclusions for persons located in certain restricted jurisdictions.

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For further information, please visit www.cpwplc.com

IMPORTANT NOTICES

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. ALL OFFERS OF THE PLACING SHARES WILL BE MADE PURSUANT TO AN EXEMPTION UNDER DIRECTIVE 2003/71/EC (AND AMENDMENTS THERETO, INCLUDING DIRECTIVE 2010/73/EU (THE " **2010 PD AMENDING DIRECTIVE** "), TO THE EXTENT IMPLEMENTED, AND INCLUDING ANY RELEVANT IMPLEMENTING MEASURE, IN THE RELEVANT MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (" **EEA** ") (THE " **PROSPECTUS DIRECTIVE** "), FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR OFFERS OF THE PLACING SHARES. THIS ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT IN THIS ANNOUNCEMENT ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT PERSONS WHO ARE: (A) PERSONS IN AN EEA MEMBER STATE WHICH HAS IMPLEMENTED THE PROSPECTUS DIRECTIVE (A " **RELEVANT MEMBER STATE** "), UNDER THE FOLLOWING EXEMPTIONS UNDER THE PROSPECTUS DIRECTIVE, IF AND TO THE EXTENT THEY HAVE BEEN IMPLEMENTED IN THAT RELEVANT MEMBER STATE: (I) TO ANY LEGAL ENTITY WHICH IS A "QUALIFIED INVESTOR" AS DEFINED IN THE PROSPECTUS DIRECTIVE; (II) TO FEWER THAN 100 OR, IF THE RELEVANT MEMBER STATE HAS IMPLEMENTED THE RELEVANT PROVISION OF THE 2010 PD AMENDING DIRECTIVE, 150, NATURAL OR LEGAL PERSONS (OTHER THAN QUALIFIED INVESTORS AS DEFINED IN THE PROSPECTUS DIRECTIVE), AS PERMITTED UNDER THE PROSPECTUS DIRECTIVE; OR (III) IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE COMPANY OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE, PROVIDED THAT NO SUCH OFFER TO THE PUBLIC SHALL RESULT IN A REQUIREMENT FOR THE PUBLICATION BY THE COMPANY OR THE MANAGERS OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE; AND (B) (I) INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, (THE " **ORDER** "); OR (II) HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS AND OTHER PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS " **RELEVANT PERSONS** ").

THIS ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISORS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF A PURCHASE OF PLACING SHARES.

The distribution of this Announcement and the offering, placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, the Bookrunners or any of their respective affiliates that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and the Bookrunners to inform themselves about and to observe any such restrictions.

THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND SHALL NOT CONSTITUTE AN OFFER TO SELL OR ISSUE OR THE SOLICITATION OF AN OFFER TO BUY, SUBSCRIBE FOR OR OTHERWISE ACQUIRE SECURITIES IN ANY JURISDICTION IN WHICH ANY SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF THE SECURITIES LAWS OF SUCH JURISDICTIONS.

This Announcement or any part of it does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada, Australia, South Africa, Japan or any other jurisdiction in which the same would be unlawful. No public offering of the Placing Shares is being made in any such jurisdiction.

In particular, the securities of Carphone Warehouse (including the Placing Shares) have not been and will not be registered under the US Securities Act of 1933, as amended (the " **Securities Act** "), or under the securities laws of any state or other jurisdiction of the United States, and accordingly the Placing Shares may not be offered, sold or transferred, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any relevant state or jurisdiction of the United States. There is no intention to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

This document is not being distributed by, nor has it been approved for the purposes of section 21 of the Financial Services and Markets Act 2000 (as amended) (" **FSMA** ") by, a person authorised under FSMA. This document is being distributed and communicated to persons in the UK only in circumstances in which section 21(1) of FSMA does not apply.

By participating in the Bookbuilding Process and the Placing, each person who is invited to and who chooses to participate in the Placing (including individuals, funds or others) (each a " **Placee** ") by making an oral and legally binding offer to acquire Placing Shares will be deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained herein.

This Announcement may contain and the Company may make verbal statements containing "forward-looking statements" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the control of the Company, including amongst other things, domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, the effect of competition, inflation, deflation, the timing effect and other uncertainties of future acquisitions or combinations within relevant industries, the effect of tax and other legislation and other regulations in the jurisdictions in which the Company and its respective affiliates operate, the effect of volatility in the equity, capital and credit markets on the Company's profitability and ability to access capital and credit, a decline in the Company's credit ratings; the effect of operational risks; and the loss of key personnel. As a result, the actual future financial condition, performance and results of the Company may differ materially from the plans, goals and expectations set forth in any forward-looking statements. Any forward-looking statements made in this Announcement by or on behalf of the Company speak only as of the date they are made. Except as required by applicable law or regulation, the Company expressly disclaims any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained in this Announcement to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

No statement in this Announcement is intended to be a profit forecast, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

Each Manager is authorised and regulated in the United Kingdom by the FCA and is acting exclusively for the Company and no one else in connection with the Placing and the other matters referred to in this Announcement and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Bookbuilding Process, the Placing and the other matters referred to in this Announcement and will not be responsible to anyone (including Placees) other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Bookbuilding Process, the Placing or other matters referred to in this Announcement.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Bookrunners or by any of their respective affiliates or their or their respective

affiliates' agents, directors, officers and employees, respectively, as to, or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefor is expressly disclaimed.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The Placing Shares to be issued or sold pursuant to the Placing will not be admitted to trading on any stock exchange other than the London Stock Exchange. Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

APPENDIX - TERMS AND CONDITIONS OF THE PLACING

IMPORTANT INFORMATION FOR INVITED PLACEES ONLY REGARDING THE PLACING.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. ALL OFFERS OF THE PLACING SHARES WILL BE MADE PURSUANT TO AN EXEMPTION UNDER DIRECTIVE 2003/71/EC (AND AMENDMENTS THERETO, INCLUDING DIRECTIVE 2010/73/EU (THE " **2010 PD AMENDING DIRECTIVE** "), TO THE EXTENT IMPLEMENTED, AND INCLUDING ANY RELEVANT IMPLEMENTING MEASURE, IN THE RELEVANT MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (" **EEA** ") (THE "PROSPECTUS DIRECTIVE"), FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR OFFERS OF THE PLACING SHARES. THIS ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT IN THIS ANNOUNCEMENT ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT PERSONS WHO ARE: (A) PERSONS IN AN EEA MEMBER STATE WHICH HAS IMPLEMENTED THE PROSPECTUS DIRECTIVE (A " **RELEVANT MEMBER STATE** "), UNDER THE FOLLOWING EXEMPTIONS UNDER THE PROSPECTUS DIRECTIVE, IF AND TO THE EXTENT THEY HAVE BEEN IMPLEMENTED IN THAT RELEVANT MEMBER STATE: (I) TO ANY LEGAL ENTITY WHICH IS A "QUALIFIED INVESTOR" AS DEFINED IN THE PROSPECTUS DIRECTIVE; (II) TO FEWER THAN 100 OR, IF THE RELEVANT MEMBER STATE HAS IMPLEMENTED THE RELEVANT PROVISION OF THE 2010 PD AMENDING DIRECTIVE, 150, NATURAL OR LEGAL PERSONS (OTHER THAN QUALIFIED INVESTORS AS DEFINED IN THE PROSPECTUS DIRECTIVE), AS PERMITTED UNDER THE PROSPECTUS DIRECTIVE; OR (III) IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE COMPANY OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE, PROVIDED THAT NO SUCH OFFER TO THE PUBLIC SHALL RESULT IN A REQUIREMENT FOR THE PUBLICATION BY THE COMPANY OR THE MANAGERS OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE; AND (B) (I) INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, (THE " **ORDER** "); OR (II) HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS AND OTHER PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS " **RELEVANT PERSONS** ").

THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

This Announcement is for information purposes only and shall not constitute an offer to sell or issue or the solicitation of an offer to buy, subscribe for or otherwise acquire any Placing Shares in any jurisdiction in which any such offer or solicitation would be unlawful.

All offers of the Placing Shares will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus. This Announcement is being distributed and communicated to persons in the UK only in circumstances in which section 21(1) of FSMA does not apply.

The Placing Shares referred to in this Announcement have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The distribution of this Announcement and the Placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, the Managers or any of their respective affiliates that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is

required. Persons into whose possession this Announcement comes are required by the Company and the Managers to inform themselves about and to observe any such restrictions.

This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notices" section of this Announcement.

By participating in the Bookbuilding Process and the Placing, Placees will be deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained herein. In particular, each such Placee represents, warrants, undertakes, agrees and acknowledges (amongst other things), that:

1. it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
2. in the case of a Relevant Person in a Relevant Member State who acquires any Placing Shares pursuant to the Placing:
 - (a) it is a Qualified Investor; and
 - (b) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive,
 - (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or
 - (ii) where Placing Shares have been acquired by it on behalf of persons in any member state of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons; and
3. it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements and agreements contained in this Announcement, and
4. except as otherwise permitted by the Company and subject to any available exemptions from applicable securities laws, it (and any account referred to in paragraph 3 above) is outside the United States acquiring the Placing Shares in an offshore transaction as defined in and in accordance with Regulation S under the Securities Act.

No prospectus

No prospectus or other offering document has been or will be submitted to be approved by the FCA in relation to the Placing and Placees' commitments will be made solely on the basis of the information contained in this Announcement, the announcement of the pricing of the Placing through a Regulatory Information Service (the " **Placing Results Announcement** ") and any information publicly announced through a Regulatory Information Service (as defined in the listing rules of the FCA (the " **Listing Rules** ") by or on behalf of the Company on or prior to the date of this Announcement (the " **Publicly Available Information** ") and subject to any further terms set forth in the contract note sent to individual placees. Each Placee, by participating in the Placing, agrees that it has neither received nor relied on any information, representation, warranty or statement made by or on behalf of the Managers or the Company other than the Publicly Available Information and none of the Managers, the Company nor any person acting on such person's behalf nor any of their affiliates has or shall have any liability for any Placee's decision to participate in the Placing based on any other information, representation, warranty or

statement. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Details of the Placing Agreement and the Placing Shares

Each Manager has entered into the Placing Agreement with the Company under which it has undertaken, on the terms and subject to the conditions set out in the Placing Agreement, to use all reasonable endeavours to procure Placees for the Placing Shares. In accordance with the terms of the Placing Agreement, subject to the execution of the pricing agreement setting out the final number of Placing Shares and the Placing Price, if Placees fail to take up their allocation of Placing Shares at the Placing Price, the Bookrunners agree to take up such shares and the Company agrees to allot and issue such shares to the Bookrunners, at the Placing Price and on the terms set out in the Placing Agreement.

The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of issue of the Placing Shares.

As part of the Placing, the Company has agreed that it will not issue or sell any ordinary shares for a period of 90 days after Admission without the prior written consent of the Managers (such consent not to be unreasonably withheld or delayed). This agreement is subject to certain customary exceptions and does not prevent the Company from granting options under, and allotting and issuing ordinary shares pursuant to options granted under, the Company's existing share option schemes in accordance with normal practice, or any issue of shares or capitalisation issue related to employee share schemes, scrip dividend arrangements or dividend re-investment plans nor does it prevent the Company allotting and issuing ordinary shares pursuant to the Proposed Acquisition.

Application for admission to listing and trading

Application will be made to the FCA for admission of the Placing Shares to listing on the standard segment of the Official List and to the London Stock Exchange for admission to trading of the Placing Shares on the London Stock Exchange's main market for listed securities (together " **Admission** ").

It is expected that Admission will take place on or before 8.00 a.m. on 3 May 2013 and that dealings in the Placing Shares on the London Stock Exchange's main market for listed securities will commence at the same time.

Bookbuilding Process

The Managers will today commence the Bookbuilding Process to determine demand for participation in the Placing by Placees. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

The Managers and the Company shall be entitled to effect the Placing by such alternative method to the Bookbuilding Process as they may, in their sole discretion, determine.

Principal terms of the Bookbuilding Process and Placing

1. Deutsche Bank and UBS are acting as Managers and Bookrunners to the Placing, as agents of the Company.
 2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited by the Managers to participate. The Managers and their affiliates are entitled to enter bids in the Bookbuilding Process.
 3. The Bookbuilding Process will establish the Placing Price payable to the Managers by all Placees whose bids are successful. The Placing Price and the aggregate proceeds to be raised through the Placing will be
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agreed between the Managers and the Company following completion of the Bookbuilding Process and any discount to the market price of the ordinary shares of the Company will be determined in accordance with the Listing Rules, as published by the FCA pursuant to Part VI of FSMA. The Placing Price will be announced through the Placing Results Announcement following the completion of the Bookbuilding Process.

4. To bid in the Bookbuilding Process, Placees should communicate their bid by telephone to their usual sales contact at Deutsche Bank or UBS. Each bid should state the number of Placing Shares which a prospective Placee wishes to acquire at either the Placing Price which is ultimately established by the Company and the Managers or at prices up to a price limit specified in its bid. Bids may be scaled down by the Managers on the basis referred to in paragraph 9 below. Each of the Managers is arranging the Placing severally, and not jointly, or jointly and severally, as agent of the Company.
 5. The Bookbuilding Process is expected to close no later than 5.00 p.m. (London time) on 30 April 2013 but may be closed earlier or later at the discretion of the Managers. The Managers may, in agreement with the Company, accept bids that are received after the Bookbuilding Process has closed. The Company reserves the right to reduce or seek to increase the amount to be raised pursuant to the Placing, in its discretion, save that the total number of shares to be issued pursuant to the Placing shall not exceed a number of shares equal to 9.99 per cent. of the Company's existing issued share capital.
 6. Each Placee's allocation will be agreed between the Managers and the Company and will be confirmed orally by the relevant Manager as soon as practicable following the close of the Bookbuilding Process. The relevant Manager's oral confirmation of an allocation will give rise to a legally binding commitment by the Placee concerned, in favour of the relevant Manager and the Company, under which it agrees to acquire the number of Placing Shares allocated to it on the terms and subject to the conditions set out in this Appendix and the Company's articles of association.
 7. The Company will release the Placing Results Announcement following the close of the Bookbuilding Process detailing the aggregate number of the Placing Shares to be issued and the Placing Price at which such shares have been placed.
 8. Each Placee's allocation and commitment will be evidenced by a contract note issued to such Placee by one of the Managers. The terms of this Appendix will be deemed incorporated therein.
 9. The Managers may choose to accept bids, either in whole or in part, on the basis of allocations determined at its discretion (in agreement with the Company) and may scale down any bids for this purpose on such basis as it may determine or be directed. The Managers may also, notwithstanding paragraphs 5 to 7 above, subject to the prior consent of the Company (a) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time and (b) allocate Placing Shares after the Bookbuilding Process has closed to any person submitting a bid after that time.
 10. A bid in the Bookbuilding Process will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and except with the relevant Manager's consent will not be capable of variation or revocation after the time at which it is submitted. Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to the relevant Manager, to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to acquire and the Company has agreed to allot and issue to that Placee.
 11. Except as required by law or regulation, no press release or other announcement will be made by the Managers or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
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12. Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under 'Registration and Settlement'.
13. All obligations under the Bookbuilding Process and Placing will be subject to fulfilment of the conditions referred to below under 'Conditions of the Placing' and to the Placing not being terminated on the basis referred to below under 'Termination of the Placing'.
14. By participating in the Bookbuilding Process each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
15. To the fullest extent permissible by law, none of the Managers nor any of their affiliates nor any of their or their respective affiliates' agents, directors, officers or employees, respectively, shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, none of the Managers nor any of their affiliates nor any of its or their agents, directors, officers or employees shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of the Managers' conduct of the Bookbuilding Process or of such alternative method of effecting the Placing as the Managers and the Company may agree.

Registration and Settlement

If Placees are allocated any Placing Shares in the Placing they will be sent a contract note or electronic confirmation which will confirm the number of Placing Shares allocated to them, the Placing Price and the aggregate amount owed by them to the relevant Manager. Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions which they have in place with the relevant Manager.

Settlement of transactions in the Placing Shares (ISIN: GB00B4Y7R145) following Admission will take place within the CREST system. Settlement through CREST will be on a T+3 basis unless otherwise notified by the Managers and is expected to occur on 3 May 2013 (the " **Settlement Date** "). Settlement will be on a delivery versus payment basis. However, in the event of any difficulties or delays in the admission of the Placing Shares to CREST or the use of CREST in relation to the Placing, the Company and the Managers may agree that the Placing Shares should be issued in certificated form. The Managers reserve the right to require settlement for the Placing Shares, and to deliver the Placing Shares to Placees, by such other means as they deem necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in a Placee's jurisdiction.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above, in respect of either CREST or certificated deliveries, at the rate of 2 percentage points above prevailing LIBOR as determined by the Managers.

If Placees do not comply with their obligations the relevant Manager may sell any or all of their Placing Shares on their behalf and retain from the proceeds, for its own account and benefit, an amount equal to the Placing Price of each share sold plus any interest due. Placees will, however, remain liable for any shortfall below the Placing Price and for any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of their Placing Shares on their behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees must ensure that, upon receipt, the conditional contract note is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

Conditions of the Placing

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms.

The obligations of the Managers under the Placing Agreement are, and the Placing is, conditional on, inter alia:

- (a) none of the warranties, representations and undertakings contained in the Placing Agreement being untrue, inaccurate or misleading as at the date of the Placing Agreement and the date of Admission as though they had been given and made on such dates (by reference to the facts and circumstances prevailing at such time);
- (b) the Company allotting, subject only to Admission, the Placing Shares in accordance with the Placing Agreement; and
- (c) Admission taking place not later than 8.00 a.m. on 3 May 2013 or such later date as the Company and the Managers may otherwise agree but not being later than 8.00 a.m. on 31 July 2013

(all conditions to the obligations of the Bookrunners included in the Placing Agreement being together, the " **conditions** ")

If any of the conditions set out in the Placing Agreement is not fulfilled or, where permitted, waived in accordance with the Placing Agreement within the stated time periods (or such later time and/or date as the Company and the Managers may agree), or the Placing Agreement is terminated in accordance with its terms (as to which, see the "Termination of the Placing" section below), the Placing will lapse and the Placee's rights and obligations shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

By participating in the Bookbuilding Process, each Placee agrees that its rights and obligations cease and terminate only in the circumstances described above and under "Termination of the Placing" below and will not be capable of rescission or termination by it.

The Managers may, at their discretion and upon such terms as they think fit, waive fulfilment of all or any of the conditions in the Placing Agreement in whole or in part or extend the time provided for fulfilment of any such conditions in respect of all or any part of the performance thereof, save that certain conditions including the condition relating to Admission referred to at (c) above may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Appendix.

Neither the Managers nor any of their respective affiliates nor any of their or their respective affiliates' agents, directors, officers or employees, respectively, nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision any of them may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision any of them may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Managers and the Company.

Termination of the Placing

The Managers may by notice in writing to the Company terminate the Placing Agreement at any time up to and including Admission in certain circumstances, including a breach of the warranties given to the Managers or the occurrence of a force majeure event.

If the Placing Agreement is terminated in accordance with its terms, the rights and obligations of each Placee in respect of the Placing as described in this Announcement shall cease and terminate at such time and no claim can be made by any Placee in respect thereof.

By participating in the Bookbuilding Process, each Placee agrees with the Company and the Managers that the exercise by the Company or the Managers of any right of termination or any other right or other discretion under the Placing Agreement shall be within the absolute discretion of the Company or the Managers (as the case may be) and that neither the Company nor the Managers need make any reference to such Placee and that none of the Company, the Managers, their respective affiliates or their or their respective affiliates' agents, directors, officers or employees, respectively, shall have any liability to such Placee (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise.

By participating in the Placing, each Placee agrees that its rights and obligations terminate only in the circumstances described above and under the "Conditions of the Placing" above and will not be capable of rescission or termination by it after oral confirmation by the Managers following the close of the Bookbuilding Process.

Representations, warranties and further terms

By submitting a bid in the Bookbuilding Process, each prospective Placee (and any person acting on such Placee's behalf) represents, warrants, acknowledges and agrees (for itself and for any such prospective Placee) that:

1. it has read and understood this Announcement in its entirety and that its acquisition of the Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Placing, the Company, the Placing Shares or otherwise, other than the information contained in this Announcement and the Publicly Available Information;
 2. it has not received a prospectus or other offering document in connection with the Placing and acknowledges that no prospectus or other offering document has been or will be prepared in connection with the Placing;
 3. the Company's ordinary shares are listed on standard segment of the Official List, and that the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the FCA, which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account and that it is able to obtain or access such information without undue difficulty, and is able to obtain access to such information or comparable information concerning any other publicly traded company, without undue difficulty;
 4. neither the Managers nor the Company nor any of their respective affiliates, or their or their respective affiliates' agents, directors, officers or employees, respectively, nor any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company or any other person other than the information in this Announcement or the Publicly Available Information; nor has it requested the Managers, the Company, any of their affiliates, agents, directors, officers or employees or any person acting on behalf of any of them to provide it with any such information;
 5. neither the Managers nor any person acting on behalf of them nor any of their respective affiliates, or their or their respective affiliates, agents, directors, officers or employees, respectively, has or shall have any liability for any Publicly Available Information, or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
 6. (i) it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on Publicly Available Information, (ii) the Managers and the Company (or any of their respective affiliates) have not made any representation to it, express or implied, with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of the Publicly Available Information and (iii) it has conducted its own investigation of the Company, the Placing and the Placing Shares, satisfied itself
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that the information is still current and relied on that investigation for the purposes of its decision to participate in the Placing;

7. the content of this Announcement and the Publicly Available Information has been prepared by and is exclusively the responsibility of the Company and that neither the Managers nor any persons acting on their behalf is responsible for or has or shall have any liability for any information or representation, warranty or statement relating to the Company contained in this Announcement or the Publicly Available Information nor will they be liable for any Placee's decision to participate in the Placing based on any information, representation, warranty or statement contained in this Announcement, the Publicly Available Information or otherwise. Nothing in this Appendix shall exclude any liability of any person for fraudulent misrepresentation;
 8. it is not, and at the time the Placing Shares are acquired will not be, a resident of Australia, Canada, South Africa or Japan;
 9. it and the beneficial owner of the Placing Shares is, and at the time the Placing Shares are acquired will be, outside the United States and acquiring the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S under the Securities Act 1933, as amended (the "**Securities Act**");
 10. it understands that the Placing Shares have not been, and will not be, registered under the Securities Act and may not be offered, sold or resold in or into the United States except pursuant to an effective registration under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable state securities laws; and no representation is being made as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;
 11. the Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared or approved in respect of any of the Placing Shares under the securities laws of the United States, or any state or other jurisdiction of the United States, Australia, Canada, South Africa or Japan and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within the United States, Australia, Canada, South Africa or Japan or in any country or jurisdiction where any action for that purpose is required;
 12. it and/or each person on whose behalf it is participating:
 - (a) is entitled to acquire Placing Shares pursuant to the Placing under the laws and regulations of all relevant jurisdictions;
 - (b) has fully observed such laws and regulations;
 - (c) has capacity and authority and is entitled to enter into and perform its obligations as an acquirer of Placing Shares and will honour such obligations; and
 - (d) has obtained all necessary consents and authorities (including, without limitation, in the case of a person acting on behalf of a Placee, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix) to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto;
 13. if it is a pension fund or investment company, its acquisition of Placing Shares is in full compliance with applicable laws and regulations;
 14. understands that the Placing Shares are expected to be issued to it through CREST but may be issued to it in certificated, definitive form and acknowledges and agrees that the Placing Shares will, to the extent they are delivered in certificated form, bear a legend to the following effect unless agreed otherwise with the Company:
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"THESE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE APPLICABLE SECURITIES LAWS OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (B) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (C) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITORY RECEIPT FACILITY IN RESPECT OF SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITORY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF THESE SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS."

15. it will not distribute, forward, transfer or otherwise transmit this Announcement or any part of it, or any other presentational or other materials concerning the Placing in or into the United States (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;
 16. none of the Managers, their respective affiliates and any person acting on behalf of any of them is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of any of the Managers and that the Managers have no duties or responsibilities to it for providing the protections afforded to their clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
 17. it will make payment to the Managers for the Placing Shares allocated to it in accordance with the terms and conditions of this Announcement on the due times and dates set out in this Announcement, failing which the relevant Placing Shares may be placed with others on such terms as the Managers determines in its absolute discretion without liability to the Placee and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placee's Placing Shares on its behalf;
 18. its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to subscribe for, and that the Company may call upon it to subscribe for a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;
 19. no action has been or will be taken by any of the Company, the Managers or any person acting on behalf of the Company or the Managers that would, or is intended to, permit a public offer of the Placing Shares in the United States or in any country or jurisdiction where any such action for that purpose is required;
 20. the person who it specifies for registration as holder of the Placing Shares will be (i) the Placee or (ii) a nominee of the Placee, as the case may be. The Managers and the Company will not be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. It agrees to acquire Placing Shares pursuant to the Placing on the basis that the Placing Shares will be allotted to a CREST stock account of the Managers who will hold
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them as nominee on behalf of the Placee until settlement in accordance with its standing settlement instructions with it;

21. the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of Placing Shares would give rise to such a liability;
 22. it and any person acting on its behalf falls within Article 19(5) and/or 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, and undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;
 23. it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85 (1) of FSMA;
 24. if within the EEA, it is a Qualified Investor as defined in section 86(7) of FSMA, being a person falling within Article 2.1(e) of the Prospectus Directive;
 25. it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;
 26. it has complied and it will comply with all applicable laws with respect to anything done by it or on its behalf in relation to the Placing Shares (including all relevant provisions of FSMA and the Financial Services Act 2012 in respect of anything done in, from or otherwise involving the United Kingdom);
 27. represents and warrants that, if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive (including any relevant implementing measure in any member state), the Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the EEA which has implemented the Prospectus Directive other than qualified investors, or in circumstances in which the express prior written consent of the Bookrunners has been given to the offer or resale.
 28. it has not offered or sold and will not offer or sell any Placing Shares to persons in the European Economic Area prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purpose of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in any member state of the European Economic Area within the meaning of the Prospectus Directive (which means Directive 2003/71/EC, as amended, and includes any relevant implementing measure in any member state);
 29. if it has received any confidential price sensitive information about the Company in advance of the Placing, it has not: (a) dealt in the securities of the Company; (b) encouraged or required another person to deal in the securities of the Company; or (c) disclosed such information to any person, prior to the information being made publicly available;
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30. neither the Bookrunners, the Company nor any of their respective affiliates, or their or their respective affiliates' agents, directors, officers or employees, respectively, nor any person acting on behalf of such persons is making any recommendation to it, advising it regarding the suitability of any transaction it may enter into in connection with the Placing nor providing advice in relation to the Placing nor in respect of any representation, warranty, acknowledgement, agreement, undertaking, or indemnity contained in the Placing Agreement nor the exercise or performance of any of the Bookrunners' rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
31. acknowledges and accepts that the Bookrunners may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Placing Shares and/or related instruments for their own account for the purpose of hedging their underwriting exposure or otherwise and, except as required by applicable law or regulation, the Bookrunners will not make any public disclosure in relation to such transactions;
32. it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering Regulations (2003) (together the " **Regulations** ") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
33. acknowledges that its commitment to acquire Placing Shares on the terms set out in this Announcement will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or the Managers' conduct of the Placing;
34. acknowledges that it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of acquiring the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its affiliates taken as a whole, and the terms of the Placing, including the merits and risks involved;
35. the Company, the Managers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements, which are given to each Manager on its own behalf and on behalf of the Company and are irrevocable;
36. if it is acquiring the Placing Shares as a fiduciary or agent for one or more investor accounts, it has full power and authority to make, and does make, the foregoing representations, warranties, acknowledgements, agreements and undertakings on behalf of each such accounts;
37. time is of the essence as regards its obligations under this Appendix;
38. any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to the Bookrunners;
39. the Placing Shares will be issued subject to the terms and conditions of this Appendix; and
40. this Appendix and all documents into which this Appendix is incorporated by reference or otherwise validly forms a part will be governed by and construed in accordance with English law. All agreements to acquire shares pursuant to the Bookbuilding Process and/or the Placing will be governed by English law and the English courts shall have exclusive jurisdiction in relation thereto except that proceedings may be taken by the Company or the Managers in any jurisdiction in which
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the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) agrees to indemnify and hold the Company, each of the Managers and each of their respective affiliates and each of their and their respective affiliates' agents, directors, officers and employees, respectively, harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings given by the Placee in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing.

The agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as agent) free of stamp duty and stamp duty reserve tax in the UK relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct by the Company. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into clearance service. If there were any such arrangements, or the settlement related to other dealings in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor the Managers would be responsible. If this is the case, it would be sensible for Placees to take their own advice and they should notify the Managers accordingly. In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares and each Placee, or the Placee's nominee, in respect of whom (or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such non-UK stamp, registration, documentary, transfer or similar taxes or duties undertakes to pay such taxes and duties, including any interest and penalties (if applicable), forthwith and to indemnify on an after-tax basis and to hold harmless the Company and the Managers in the event that either the Company and/or the Managers have incurred any such liability to such taxes or duties.

The representations, warranties, acknowledgements and undertakings contained in this Appendix are given to the Managers for themselves and on behalf of the Company and are irrevocable.

Each Placee and any person acting on behalf of the Placee acknowledges that the Managers do not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, acknowledgements or agreements or indemnities in the Placing Agreement.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that either of the Managers may (at their absolute discretion) satisfy its obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any connected or associated person to do so.

When a Placee or any person acting on behalf of the Placee is dealing with the Managers, any money held in an account with the Managers on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require the Managers to segregate such money, as that money will be held by it under a banking relationship and not as trustee.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

All times and dates in this Announcement may be subject to amendment. The Managers will notify Placees and any persons acting on behalf of the Placees of any changes.

CARPHONE WAREHOUSE GROUP PLC

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Carphone Warehouse Group plc

**PROPOSED ACQUISITION OF BEST BUY CO., INC.'S 50% SHARE IN CPW EUROPE
PROPOSED FUNDING INCLUDING 9.99% CASHBOX PLACING
Q4 TRADING UPDATE FOR THE QUARTER ENDED 31 MARCH 2013**

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Summary of Proposed Acquisition

CARPHONE WAREHOUSE
GROUP PLC

- Carphone Warehouse to acquire Best Buy Co., Inc.'s 50% share in CPW Europe for a net consideration of £471m
- Net consideration funded by:
 - £250m in new bank debt
 - 9.99% cashbox placing of new equity
 - The issue of an £80m stake in Carphone Warehouse Group to Best Buy Co., Inc. (c.7.5% stake)
 - £50m cash to be deferred over two years
- Global Connect relationship and joint venture with Best Buy in China and Mexico will come to an end. Global sourcing alliance to be maintained.
- Expected completion in June 2013 (subject to shareholder approval)

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- Simplified ownership structure; easier day-to-day management; streamlined decision making; leverage CPW Europe's asset base and know-how
- Simplified investment case; fully consolidated accounts
- Full ownership of growth opportunities across Europe and other potential markets
- Opportunity for significant value creation over the medium term
- Intention to seek future Premium Listing and FTSE index inclusion

Significantly earnings enhancing in current financial year

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Funding for Proposed Acquisition

CARPHONE WAREHOUSE
GROUP PLC

Type	£'m
Debt	250
Equity	9.99% Cashbox placing*
Equity	7.5% Best Buy Co., Inc. stake**
Cash	Deferred payment over two years
TOTAL	471

*Should the placing raise more or less than £91m (net of expenses), the difference will be either retained or funded through existing cash resources.

**Based on a 2.5% discount to the 5 day closing average pre announcement (190p per share).

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New debt facilities

- A new £250m four-year amortising sterling term loan facility, which includes the same covenants as the existing CPW Europe facilities and a gross cost (incl. fees) of c.4% p.a.

Best Buy Co., Inc. stake

- Lock up arrangement for 12 months from completion of transaction
- Carphone Warehouse retains the right to place the shares on behalf of Best Buy during this period
- If sold in lock up period, Carphone Warehouse retains the upside above the issue price
- Carphone Warehouse protects Best Buy below 80% of the issue price

Deferred cash

- Deferred cash to be paid in two equal instalments of £25m over two years following completion with interest at 2.5%
- The Board will reserve its position as to the form of the dividend payment over these two years between cash and scrip

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Proposed cashbox placing of shares

CARPHONE WAREHOUSE
GROUP PLC

- Proposed placing of 47.2m new ordinary shares
- Represents c.9.99% of the company's issued share capital prior to the placing
- Placing to be determined through an accelerated bookbuild by Deutsche Bank and UBS
- To be launched on 30 April 2013
- The Directors are supportive of the transaction and intend to participate in the book build process

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Expected timing of principal events

CARPHONE WAREHOUSE
GROUP PLC

2013	Event
30 April	Announcement of proposed acquisition, cashbox placing & Q4 trading update
3 May	Admission of the placing shares
Early June	Publication of prospectus and circular
[18 June]	EGM to approve proposed acquisition
[18 June]	Completion of proposed acquisition
[19 June]	CPW preliminary results 2012-13 announcement

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Quarter ended 31 March 2013

CPW Europe

- Q4 group LFL revenues up 6.5%: continued strong UK performance
- Q4 connections up 9.7%
- France: challenging conditions remain; £80-90m non-cash goodwill/fixed assets write-off, concluded strategic review
- Reiterating full year Headline EBIT guidance of £135m to £145m



Quarter ended 31 March 2013

Virgin Mobile France

- Revenue: full year growth c.4%, Q4 revenue down 9.7%, as expected
- Postpay base: 11,000 net adds for full year, Q4 postpay base down 52,000
- 50% of base on Full MVNO; targeting 80% by November 2013

Group

- Sale of two freehold properties for proceeds c.£51m (one post year end)
- Reiterating full year Headline EPS guidance of 11.5p to 13.0p



Q&A

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Overview of CPW Europe

JV founded	In 2008 Best Buy acquired 50% of the Carphone Warehouse Group's mobile phone retail and distribution business for \$2.1bn creating Best Buy Europe.
Current Ownership	50% Carphone Warehouse Group plc 50% Best Buy Co., Inc.
Revenue (2011-12)	£3.3bn
Headline EBIT (2011-12)	£135m
Stores	2,377 (average size of c.650 sq ft per store)
Employees	c.13,000
Markets	8 European retail markets (United Kingdom, Spain, France, Germany, Netherlands, Portugal, Sweden, Republic of Ireland)
Business	Telecommunications retailer specialising in combining hardware, connections and services, and on-going investment in high quality, well-trained consultants.
Brands	Carphone Warehouse (UK/Ireland) Phone House (rest of Europe)
Management	Operations led by Andrew Harrison, who has been with the business since 1995 with oversight provided by Global Connect Board chaired by Roger Taylor (CEO of Carphone Warehouse Group plc)



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