

## Press Release

### Close Brothers Group plc Sale of investment in Mako

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Embargoed for release at 7.00am on 16 September 2011

Close Brothers Group plc (“Close Brothers” or “the group”), via its wholly-owned subsidiary, Close Derivatives Limited, has entered into an agreement for the phased sale of its entire 49.9% interest in Mako Global Derivatives Executive LLP (“Mako”), a market maker in exchange traded derivatives, to the Mako executive directors and staff (“the Management Team”). The Management Team will purchase the shares through Mako Holdings LLP and Mako Holdings LLC, which currently own the remaining 50.1% of Mako.

The sale is consistent with Close Brothers’ focus on developing its core businesses where it has full control within Banking, Securities and Asset Management. Given the nature of its business, Mako has a more volatile earnings profile which is not consistent with Close Brothers’ strategy. The proceeds of the sale will be reinvested in Close Brothers’ core businesses.

The sale is for an estimated consideration of US\$40 million in cash and will be effected via a series of purchases over several years by the Management Team. The sale of the first 16.6% is expected to close in the next few months, and the amount and timing of future purchases will depend on the financial performance of Mako. In addition, whilst it remains a shareholder in Mako, Close Brothers will continue to receive a dividend from Mako equivalent to its share of all profit after tax. Should the aggregate performance of Mako outperform certain predefined levels of profitability, Close Brothers will also be entitled to further deferred contingent consideration of up to US\$7.5 million.

Close Brothers’ investment in Mako had a book value of £73.4 million at 31 July 2010 and an estimated book value before write downs of £69.4 million at 31 July 2011. As a result of the transaction, Close Brothers expects to write down the value of its investment in Mako by £36.0 million in the financial year ending 31 July 2011 to £33.4 million. This reflects the present value of the expected proceeds of the transaction and future dividends, based on historical levels of profitability.

Close Brothers’ investment in Mako contributed post-tax associate income of £5.7 million in the year to 31 July 2010 and an estimated £2.6 million in the financial year to 31 July 2011. The transaction is not expected to have a material effect on Close Brothers’ earnings in the financial year to 31 July 2012. Furthermore the transaction is expected to be neutral to the group’s capital position in both the financial years to 31 July 2011 and to 31 July 2012.

Commenting on the transaction, Preben Prebensen, Chief Executive of Close Brothers, said: “The sale of our investment in Mako represents a further streamlining of the Close Brothers Group and reflects our continued focus on developing our core businesses within Banking, Securities and Asset Management.”

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