

Termination of Discussions with John Menzies plc

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DX (Group) PLC
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AIM: DX.
14 August 2017

DX (Group) plc

("DX" or "the Company")

Termination of discussions with John Menzies plc

The Board of DX announces that, after due consideration, discussions with John Menzies plc ("John Menzies") regarding the potential combination of DX and John Menzies' Distribution division have been terminated. While the respective Boards believed that the proposed combination had strong strategic logic for all stakeholders, the DX Board has been unable to agree suitable terms. As a result, it believes it to be in the best interests of DX shareholders to proceed with business transformation on a stand-alone basis. This approach has the support of both DX's major shareholder and its bankers, with discussions on new financing options for DX already underway.

As part of business transformation, the Company intends to make a number of changes to strengthen the composition of its Board and is in advanced discussions with individuals regarding potential new appointments. These individuals are Ron Series, who is proposed as Chairman designate, Paul Goodson, Russell Black and Lloyd Dunn, who are proposed as Non-executive Directors. Bob Holt, Chairman, will be leading these changes after which he intends to retire from the Company. A further announcement regarding Board changes will be made in due course.

As previously reported, DX expects to announce its full year results to 30 June 2017 in late September. Trading in the Company's shares remains suspended pending further notification.

Bob Holt, Chairman of DX, said:

"Our discussions with John Menzies have been constructive and the proposed combination of DX and John Menzies' Distribution division was potentially highly attractive to both sets of shareholders. However, it has become clear that we would not be able to agree terms that would be acceptable to our shareholders and since we have a strong alternative business transformation plan in place, we have decided that it is the best interests of our shareholders for us to pursue this course."

"Our major shareholder and our bankers are supportive of the proposed plans for the business on a stand-alone basis and we have been exploring new financing options with our bankers. We also intend to strengthen the Board of Directors and are in advanced discussions with Ron Series to take the role of Chairman as well as with Paul Goodson, Russell Black and Lloyd Dunn as potential Non-executive Directors. We will make a further announcement on this in due course."

"As we were unable to agree suitable terms with John Menzies, we believe a stand-alone strategy is the right course for our shareholders and we are on the front foot with plans for business transformation and recovery."

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