

REG-EAG Inc EAGI increased cash offer for

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EAG Inc

22 August 2008

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FOR IMMEDIATE RELEASE

22 August 2008

Increased Cash Offer
for EAG Limited
by EAG, Inc. ("EAGI"),
a company formed at the direction of
Odyssey Investment Partners Fund III, LP

EAGI ANNOUNCES THE MAJORITY OF EAG SHAREHOLDERS SUPPORT THE INCREASED CASH OFFER, INCLUDING A SIGNIFICANT MAJORITY OF SHARES HELD BY EAG EMPLOYEES

INCREASED CASH OFFER DOCUMENT POSTED AND
EXTENSION OF THE INCREASED CASH OFFER

Further to the announcement made on 13 August 2008 of an increased cash offer by EAGI to acquire the entire issued and to be issued share capital of EAG, other than the Acquired Shares, at a price of 130 pence per EAG Share (the "Increased Offer"), the Board of EAGI announces that it has achieved majority support of EAG Shareholders for the Increased Offer for EAG, that a revised offer document containing the full terms of the Increased Offer (the "Increased Offer Document") was posted to EAG Shareholders yesterday together with a new Form of Acceptance (the "New Form of Acceptance") and the extension of the Offer until 1.00 p.m. on 4 September 2008. The EAGI Board also noted that the majority support includes a significant majority of the shares held by EAG's employees, which are primarily held by the most senior executives of EAG.

1. Majority of EAG's Shareholders support the EAGI Increased Cash Offer

Further to the announcement made by EAGI on 18 August 2008 in relation to the receipt of further irrevocable undertakings to accept the Increased Offer, EAGI is pleased to announce that it has the support of the majority of EAG shareholders in respect of a total of 47,703,617 EAG Shares, representing, in aggregate, approximately 71.5 per cent. of EAG's existing issued shares.

William Hopkins, a director of EAGI, said:

"We are delighted to have secured majority support from EAG Shareholders for what we believe is a very attractive offer for EAG, under a proposed transaction that has received valid acceptances of more than 38 per cent., Contribution and Subscription Agreements of 15 per cent and further irrevocable commitments from more than 17 per cent. of EAG's shareholder base. In particular, we are pleased with the significant support for the Increased Offer from EAG employees who hold

EAG Shares and looks forward to a fruitful partnership with the top members of management, who support this transaction. We encourage all EAG Shareholders to accept the Increased Offer as soon as possible to enable EAGI to close the Increased Offer and post the proceeds due under the Increased Offer to shareholders."

The majority support for the Increased Offer is comprised of:

* The receipt of valid acceptances of the Increased Offer in respect of a total of 25,675,885 EAG Shares, representing, in aggregate, approximately 38.5 per cent. of EAG's existing issued share capital (including the acceptances of the Independent Directors).

* EAGI being party to Contribution and Subscription Agreements in respect of a total of 10,017,485 EAG Shares, representing, in aggregate, approximately 15.0 per cent. of EAG's existing issued share capital.

* Outstanding irrevocable undertakings from EAG Shareholders in respect of an additional 12,010,247 shares, representing approximately 18.0 per cent. of EAG's existing share capital, under which acceptances of the Increased Offer are (save in respect of the irrevocable undertaking from American Capital Strategies, Inc referred to in the announcement made by EAGI on 18 August 2008) already due for submission. The outstanding irrevocable undertakings comprise irrevocable undertakings from: American Capital Strategies, Inc (referred to in, and the terms of which are summarised in, the announcement made by EAGI on 18 August 2008 in relation to the receipt of irrevocable undertakings); an Independent Director (referred to in, and the terms of which are summarised in, the Offer Document); and certain employee and other shareholders of EAG (referred to in, and the terms of which are summarised in, the Increased Offer Announcement).

2. Increased Offer Document posted

Further to the announcement made on 13 August 2008 of the Increased Offer, EAGI announces that the Increased Offer Document was posted to EAG Shareholders yesterday together with the New Form of Acceptance.

The procedure for acceptance of the Increased Offer is contained in pages 11 to 14 of the Increased Offer Document and, in respect of certificated EAG Shares, is further described in the New Form of Acceptance.

The Increased Offer is subject to the terms and conditions set out in the Increased Offer Document.

The Increased Offer Document and the New Form of Acceptance will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Gibson, Dunn & Crutcher LLP, Telephone House, 2-4 Temple Avenue, London EC4Y 0HB.

3. Offer Extended

The Increased Offer, which remains subject to the terms and conditions set out in the Initial Offer Document and the Increased Offer Document, is being extended and will remain open for acceptance until the next closing date, which will be 1.00 p.m. on 4 September 2008. Any further extension of the Increased Offer will be publicly announced by 8.00 a.m. on the day following the day on which the Increased Offer is otherwise due to expire.

Capitalised terms used but not defined in this announcement shall have the meanings given to them in the Increased Offer Document.

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Credit Suisse, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for EAGI and no one else in connection with the Increased Offer and will not be responsible to anyone other than EAGI for providing the protections afforded to its clients or for providing advice in relation to the Increased Offer or in relation to the matters described in this announcement or any transaction or arrangement referred to herein.

This announcement is not intended to and does not constitute or form any part of an offer to sell or an invitation to purchase or subscribe for any securities or the solicitation of an offer to purchase or subscribe for any securities pursuant to the Increased Offer or otherwise. The Increased Offer will be made solely through the Increased Offer Document and the New Form of Acceptance, which will together contain the full terms and conditions of the Increased Offer, including details of how to accept the Increased Offer. Any acceptance or other response to the Increased Offer should be made only on the basis of the information contained in the Initial Offer Document, the Increased Offer Document, the Form of Acceptance and the New Form of Acceptance.

The release, publication or distribution of this announcement in jurisdictions other than the UK and Jersey may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK and Jersey should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction. This announcement has been prepared for the purpose of complying with the laws of the UK and Jersey and the information disclosed herein may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the UK and Jersey.

The Increased Offer is not being made, directly or indirectly, in or into, and the Increased Offer is not capable of acceptance from within, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. Accordingly, copies of this announcement are not being, will not be and must not be mailed or otherwise forwarded, distributed or sent in, into or from Canada, Australia or Japan or any other such jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. Any persons (including without limitation custodians, nominees or trustees) receiving this announcement must not mail, forward, distribute or send it in, into or from Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction.

This announcement, including information included or incorporated by reference in this announcement, may contain "forward-looking statements" concerning the Increased Offer, EAGI and the EAG Group. These statements are based on the current expectations of the management of EAGI and are naturally subject to

uncertainty and changes in circumstances. Generally the words "will", "may", "should", "could", "would", "can", "continue", "opportunity", "believes", "expects", "intends", "anticipates", "estimates" or similar expression identify forward looking statements. Forward-looking statements involve risk and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants. These factors include the satisfaction of the conditions to the Increased Offer, as well as additional factors, such as: local and global political and economic conditions; significant price discounting by competitors; changes in consumer habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline); legal or regulatory developments and changes; the outcome of any litigation; the impact of any acquisitions or similar transactions; competitive product and pricing pressures; success of business and operating initiatives; and changes in the level of capital investment. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Given these risks and uncertainties, undue reliance should not be placed on forward-looking statements as a prediction of actual results. EAGI assumes no obligation and does not intend to update these forward-looking statements whether as a result of new information or otherwise, except as required pursuant to applicable law and regulation.

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