

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the Offer or as to the action you should take, you are recommended to seek your own independent financial and taxation advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised pursuant to the Financial Services and Markets Act 2000 (as amended) or, if you are in a territory outside the United Kingdom, is an appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Airsprung Shares, please send this document and any accompanying documents (but not the personalised Form of Acceptance) at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. **However, such documents must not be forwarded or transmitted in or into any jurisdiction where to do so would constitute a violation of the relevant laws of that jurisdiction, including (but not limited to) any Restricted Jurisdiction.** The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. If you have sold or otherwise transferred only part of your holding of Airsprung Shares, you should retain these documents.

If you hold Airsprung Shares in certificated form, this document should be read in conjunction with the accompanying Form of Acceptance, which forms part of this document. If you are a CREST sponsored member you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE Instruction to Euroclear.

Recommended Mandatory Cash Offer

by

Portnard Limited

for the whole of the issued and to be issued share capital of

Airsprung Group PLC

not already owned by Portnard Limited and parties acting in concert with it

Your attention is drawn to the letter from Portnard, set out in Part I of this document. Your attention is also drawn to the letter from the Airsprung Directors, which contains the recommendation of the Airsprung Directors to accept the Offer, which is set out in Part II of this document. The procedure for acceptance of the Offer is set out on pages 15 to 18 of this document and (in respect of Airsprung Shares held in certificated form) in the accompanying Form of Acceptance.

To accept the Offer in respect of certificated Airsprung Shares, the Form of Acceptance must be completed, signed, witnessed (in the case of an individual) and returned together with your valid share certificate(s) and/or other document(s) of title as soon as possible and, in any event, so as to be received by post or (during normal business hours only) by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 1.00 p.m. on 29 November 2011. A reply-paid envelope for use within the UK accompanies this document for your convenience.

To accept the Offer in respect of uncertificated Airsprung Shares, acceptances should be made electronically through CREST so that the TTE Instruction settles no later than 1.00 p.m. on 29 November 2011 following the procedure for Electronic Acceptances set out in Part D of Appendix I to this document.

Unless otherwise determined by Portnard and permitted by applicable law and regulation, the Offer is not capable of acceptance from a Restricted Jurisdiction. Accordingly, copies of this document and any accompanying document must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent (including, without limitation, by telephone or electronically) in, into or from a Restricted Jurisdiction and persons receiving this document and any accompanying document (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from a Restricted Jurisdiction as doing so may render invalid any purported acceptance of the Offer. The availability of the Offer to Airsprung Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Airsprung Shareholders who are not so resident should inform themselves about and observe such applicable requirements. Such persons should read paragraph 10 of Part 1 and paragraph 6 of Part B of Appendix I to this document before taking action and inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions.

Any person (including, without limitation, nominees, trustees or custodians) who would or otherwise intends to, or may have a contractual or legal obligation to, forward this document and/or the Form of Acceptance and/or any related documents to any jurisdiction outside the United Kingdom or to any overseas person should seek appropriate advice before taking any action.

This document has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Neither the United States Securities and Exchange Commission nor any state securities commission has reviewed, approved or disapproved this document or any of the proposals described in this document.

The Offer is made solely by Portnard Limited and neither Merchant Securities Limited nor any of its affiliates are making the Offer.

Merchant Securities Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Portnard Limited and for no one else in connection with the Offer, and will not be responsible to anyone other than Portnard Limited for providing advice in connection with the Offer or the contents of this document or any transaction, arrangement or matter referred to in this document.

finnCap Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Airsprung Group PLC and for no one else in connection with the Offer, and will not be responsible to anyone other than Airsprung Group PLC for providing advice in connection with the Offer or the contents of this document or any transaction, arrangement or matter referred to in this document.

The contents of this document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the contents of this document you should consult your own legal adviser, financial adviser or tax adviser for legal, business, financial or tax advice.

To the extent permitted by applicable law, in accordance with, and to the extent permitted by, the Code and normal UK market practice, Portnard Limited or its nominees or brokers (acting as agents) or their respective affiliates may from time to time make certain purchases of, or arrangements to purchase, Airsprung Shares, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Such purchases, or arrangements to purchase, will comply with all applicable UK rules, including the Code and the rules of the London Stock Exchange to the extent applicable. In addition, in accordance with, and to the extent permitted by, the Code and normal UK market practice, Merchant Securities Limited and its affiliates may engage in purchasing activities consistent with their respective normal and usual practice and applicable law. Any information about such purchases will be disclosed on a next day basis to the Panel on Takeovers and Mergers and will be available from any Regulatory Information Service, including the Regulatory News Service on the London Stock Exchange website, www.londonstockexchange.com.

Cautionary note regarding forward-looking statements

This document, including information included in this document, contains “forward-looking statements” concerning Portnard, Airsprung and the Airsprung Group that are subject to risks and uncertainties. Information in this document relating to Airsprung and the Airsprung Group has been compiled from published sources. Generally, the words “will”, “may”, “should”, “continue”, “believes”, “expects”, “intends”, “anticipates” or similar expressions identify forward-looking statements. These forward-looking statements involve risks 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 Portnard’s and Airsprung’s ability to control or estimate precisely, such as future market conditions, changes in regulatory environment and the behaviour of other market participants. Neither Portnard nor Airsprung give any assurance that such forward-looking statements will prove to have been correct. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Neither Portnard nor Airsprung undertakes any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except to the extent legally required.

Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of Portnard or any member of the Airsprung Group following completion of the Offer unless otherwise stated.

Disclosure requirements under the Code

The disclosure requirements are set out in more detail in Rule 8 of the Code. Under Rule 8.3(a) of the Code, any person who is interested (directly or indirectly) in 1 per cent. or more of any class of relevant securities of Airsprung or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Airsprung and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. on the 10th business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of Airsprung or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested (directly or indirectly) in 1 per cent. or more of any class of relevant securities of Airsprung or of any paper offeror must make a Dealing Disclosure if the person

deals in any relevant securities of Airsprung or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Airsprung and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of Airsprung or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by Airsprung and by any offeror and Dealing Disclosures must also be made by Airsprung, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of Airsprung and any offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

You should note that, for the purposes of the above summary of Rule 8 of the Code, Portnard is not treated as a paper offeror and therefore there is no requirement to disclose interests or dealings in shares of Portnard under Rule 8 of the Code.

Publication on Website

A copy of this document along with the information incorporated by reference into it and the Form of Acceptance will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Portnard Limited's website www.portnard.com by no later than 12 noon on 9 November 2011 and will remain available while the Offer remains open for acceptance.

Right to receive copies in hard copy form

Any person entitled to receive a copy of documents, announcements and information relating to the Offer is entitled to receive such documents in hard copy form. Such person may request that all future documents, announcements and information in relation to the Offer are sent to them in hard copy form.

A hard copy form will not be sent to any person unless requested from Merchant Securities Limited by way of either written request to Merchant Securities Limited, 51-55 Gresham Street, London EC2V 7HQ or request by telephone on 020 7628 2200 (when telephoning from inside the UK) or +44 20 7628 2200 (when telephoning from outside the UK). A hard copy form of any information sent in electronic form or published on Portnard Limited's website will be provided within two business days of request.

AIRSPRUNG SHAREHOLDERS

TO ACCEPT THE OFFER:

A If you hold Airsprung Shares in certificated form (that is, NOT in CREST):

1. complete and sign and have witnessed (in the case of an individual) the accompanying Form of Acceptance in accordance with paragraph 11.1 of the letter from Portnard set out in Part I of this document and Part C of Appendix I to this document; and
2. return the completed Form of Acceptance (along with the relevant share certificate(s) and/or appropriate document(s) of title) using the enclosed reply-paid envelope (for use in the UK only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, **in any event, so as to be received by not later than 1.00 p.m. on 29 November 2011.**

B If you hold Airsprung Shares in uncertificated form (that is, in CREST):

you should follow the procedures set out in paragraph 11.5 of the letter from Portnard set out in Part I of this document and Part D of Appendix I to this document and send a TTE Instruction to settle no later than 1.00 p.m. on 29 November 2011. If you hold your Airsprung Shares as a CREST sponsored member, you should refer to your CREST sponsor, as only your CREST sponsor will be able to send the necessary instruction to Euroclear.

This document is being sent to Airsprung Shareholders and holders of Airsprung Share Options.

If you have any queries then please contact Capita Registrars on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 am to 5.00 pm (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

Settlement

Settlement for those Airsprung Shareholders who have validly accepted the Offer will be effected by the despatch of cheques or the crediting of CREST accounts (as appropriate), within 14 days of the Offer becoming unconditional where such Airsprung Shareholders have accepted it before such time or 14 days after receipt of acceptance if received after the Offer becomes unconditional provided that the Offer remains open for acceptance.

This page should be read in conjunction with the rest of this document and, in the case of Airsprung Shares held in certificated form, the Form of Acceptance. Airsprung Shareholders are recommended to seek financial advice from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if they are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

THE CLOSING DATE OF THE OFFER IS 1.00 p.m. ON 29 NOVEMBER 2011

Contents

	<i>Page</i>
Definitions	6
PART I: Letter from Portnard Limited to Airsprung Shareholders	10
1. Introduction	10
2. Summary terms of the Offer	11
3. Background to and reasons for the Offer	11
4. Information on Airsprung	12
5. Information on Portnard and the Concert Party	12
6. Financing of the Offer and cash confirmation	13
7. Compulsory acquisition, cancellation of trading on AIM and re-registration as a private company	13
8. UK taxation	13
9. Airsprung Share Scheme	14
10. Overseas Shareholders	14
11. Procedure for acceptance of the Offer	15
12. Settlement	18
13. General	18
14. Further information	19
15. Action to be taken	19
PART II: Letter of recommendation from the Airsprung Directors	20
1. Introduction	20
2. Background to and reasons for recommending the Offer	20
3. Current trading and prospects	21
4. Management, employees and locations	21
5. Airsprung Share Scheme	21
6. Irrevocable undertakings to accept the Offer	22
7. De-listing, re-registration as a private company and compulsory acquisition	22
8. Action to be taken	22
9. Further information	22
10. Recommendation	22
APPENDIX I Condition and Further terms of the Offer and Acceptance	23
Part A: Condition of the Offer	23
Part B: Further Terms of the Offer	24
Part C: Form of Acceptance	37
Part D: Electronic Acceptance	41
APPENDIX II Additional Information	44

Definitions

The following words and expressions shall have the following meanings in this document and the accompanying Form of Acceptance unless the context requires otherwise:

“Accepting Airsprung Shareholders”	Airsprung Shareholders who validly accept the Offer
“Act” or “Companies Act”	the Companies Act 2006
“Acquisition”	the acquisition of 7,156,000 Airsprung Shares by Portnard at a price of 27 pence for each Airsprung Share
“AIM”	the AIM market operated by the London Stock Exchange
“Airsprung” or “Company”	Airsprung Group PLC, a company registered in England and Wales under company number 01277785, whose registered office is at Canal Road, Trowbridge, Wiltshire BA14 8RQ
“Airsprung Beds”	Airsprung Beds Limited, a private company with registered number 00865928 whose registered office is Ladydown Industrial Estate, Canal Road, Trowbridge, Wiltshire BA14 8RQ
“Airsprung Diluted Share Capital”	the Airsprung Shares in issue following vesting and exercise of all Airsprung Share Options with an exercise price of 31 pence or below per Airsprung Share
“Airsprung Directors”	the directors of Airsprung, whose names are set out at paragraph 2.2 of Appendix II to this document
“Airsprung Furniture”	Airsprung Furniture Limited, a private company with registered number 01503406 whose registered office is Canal Road Industrial Estate, Trowbridge, Wiltshire BA14 8RL
“Airsprung Group”	collectively, Airsprung and its subsidiaries from time to time
“Airsprung Group Companies”	together, Airsprung, Airsprung Beds, Airsprung Furniture and Collins & Hayes
“Airsprung Pension Plan”	the Airsprung Retirement and Death Benefits Plan
“Airsprung Shares”	ordinary shares of 10 pence each in the capital of Airsprung
“Airsprung Shareholders”	holders of Airsprung Shares
“Airsprung Share Scheme”	2005 Unapproved Executive Share Option Scheme adopted by Airsprung on 21 July 2005
“Airsprung Share Options”	Options to subscribe for Airsprung Shares granted pursuant to the Airsprung Share Scheme
“Announcement”	the announcement of Portnard’s mandatory Offer pursuant to Rule 2.7 of the Code published on the Announcement Date
“Announcement Date”	29 September 2011
“Bloomberg”	historical price data provided by Bloomberg L.P

Definitions (continued)

“business day”	a day (excluding Saturdays, Sundays and public holidays) on which clearing banks are open for business in the City of London
“Capita Registrars”	a trading name of Capita Registrars Limited, a company incorporated in England and Wales, with registered number 2605568 and Receiving Agent for the Offer
“certificated” or “in certificated form”	in relation to a share or other security, not in uncertificated form (that is, not in CREST)
“Closing Price”	the closing middle-market price of an Airsprung Share on a particular day as derived from Bloomberg
“Code”	the City Code on Takeovers and Mergers
“Collins and Hayes”	Collins and Hayes Furniture Limited, a private company with registered number 06238369 whose registered office is Canal Road Industrial Estate, Trowbridge, Wiltshire BA14 8RL
“Concert Party”	Portnard, Andrew Perloff, Harold Perloff and Maland
“connected person”	has the meaning given to that term in sections 252-255 of the Act
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations)
“CREST Manual”	the manual issued by Euroclear from time to time
“CREST member”	a person who had been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“CREST payment”	has the meaning given to that term in the CREST Manual
“CREST personal member”	a CREST member admitted to CREST as a personal member
“CREST Regulations” or “Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended)
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member under the sponsorship of a CREST sponsor
“Electronic Acceptance”	the inputting and settling of a TTE Instruction in respect of Airsprung Shares held in uncertificated form which constitutes or is deemed to constitute an acceptance of the Offer on the terms set out in this document
“ESA Instruction”	an Escrow Account Adjustment Input (AESN) transaction type “ESA” (as described in the CREST Manual)

Definitions (continued)

“Escrow Agent”	Capita Registrars in its capacity as escrow agent
“Euroclear”	Euroclear UK and Ireland Limited, the operator of CREST
“finnCap”	finnCap Limited, a company incorporated in England and Wales with registered number 6198898 whose registered office is at 60 New Broad Street, London EC2M 1JJ and a firm regulated and authorised by the Financial Services Authority
“First Closing Date”	29 November 2011
“Form of Acceptance”	the form to be completed by Airsprung Shareholders wishing to accept the Offer holding Airsprung Shares in certificated form enclosed with this document
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“London Stock Exchange”	London Stock Exchange plc
“Maland”	Maland Pension Fund
“Merchant Securities”	Merchant Securities Limited, a company incorporated in England and Wales with registered number 01825671 whose registered office is at 51–55 Gresham Street, London EC2V 7HQ and a firm regulated and authorised by the Financial Services Authority
“member account ID”	the identification code or number attached to any member account in CREST
“Offer”	the mandatory cash offer made by Portnard to acquire the entire issued and to be issued share capital of Airsprung not already owned (or conditionally acquired) by Portnard or the Concert Party on the terms set out in this document and, in the case of Airsprung Shares held in certificated form, the Form of Acceptance and including (where the context admits) any subsequent revision, variation, extension or renewal of such offer
“Offer Document”	this document containing, <i>inter alia</i> , the details of the Offer
“Offer Period”	has the meaning given under paragraph 5.4 of Part B of Appendix I to this document
“Offer Price”	31 pence in cash per Airsprung Share
“Offer Shares”	all of the Airsprung Shares (other than Airsprung Shares already held or conditionally acquired by Portnard or the Concert Party)
“Overseas Shareholders”	Airsprung Shareholders whose registered addresses are outside the UK or who are citizens, residents or nationals of countries other than the UK or who are custodians or nominees of, or trustees for, citizens, residents or nationals in countries other than the UK
“Panel”	the Panel on Takeovers and Mergers

Definitions (continued)

“participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Portnard”	Portnard Limited, a company incorporated in Jersey, with registered number 12672 whose registered office is at 26 New Street, St Helier, Jersey JE2 3RA
“Portnard Directors”	the directors of Portnard, whose names are set out at paragraph 2.1 of Appendix II to this document
“Receiving Agent”	Capita Registrars, the receiving agent to the Offer
“Regulatory Information Service”	a service approved by the UK Listing Authority for the distribution of announcements to the public
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure for Portnard, any parties acting in concert with it, any of their respective directors or Airsprung if information or documentation concerning the Offer is sent or made available to Airsprung Shareholders in that jurisdiction
“TFE Instruction”	a transfer from escrow instruction (as defined in the CREST Manual)
“TTE Instruction”	a transfer to escrow instruction (as defined in the CREST Manual)
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“uncertificated” or “in uncertificated form”	in relation to a share or other securities, recorded on the register of members of Airsprung as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

All references to legislation in this document are to English legislation unless the contrary is indicated. Save where otherwise stated, for the purpose of this document, “subsidiary undertaking” and “associate” have the respective meanings given to them by the Act.

Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

References to the singular include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

All references to time in this document are to London time.

PART I

Letter from Portnard Limited to Airsprung Shareholders

Portnard Limited

(Incorporated in Jersey, with registered number 12672)

Directors:

Andrew Perloff
Harold Perloff
Simon Peters

Registered Office:

26 New Street
St. Helier
Jersey
JE2 3RA

8 November 2011

To Airsprung Shareholders and to holders of Airsprung Share Options.

Dear Airsprung Shareholder,

Recommended Mandatory Cash Offer for Airsprung

1. Introduction

On 29 September 2011, Portnard announced that it had acquired 7,156,000 Airsprung Shares at a price of 27 pence per Airsprung Share, representing an interest of approximately 29.96 per cent. of Airsprung. Following completion of such acquisition, Portnard and parties acting in concert with it are interested in 10,106,000 Airsprung Shares, representing approximately 42.30 per cent. of the issued share capital of Airsprung.

On 27 October 2011, the Airsprung Directors announced that they had reached agreement with the Portnard Directors on the terms of a recommended increased cash offer at a price of 31 pence per Airsprung Share to be made by Portnard for the issued and to be issued share capital of Airsprung not already held by Portnard and parties acting in concert with it.

Portnard is a company incorporated in Jersey which is owned by Andrew Perloff and family trusts of Andrew and Harold Perloff. Andrew Perloff is also the sole beneficiary of the Maland Pension Fund, which holds approximately 12.35 per cent. of Airsprung's issued share capital.

For the purposes of the Code, Andrew Perloff, Harold Perloff and the Maland Pension Fund are deemed to be acting in concert with Portnard. Immediately prior to the Acquisition, the Concert Party was beneficially interested in 2,950,000 Airsprung Shares, representing approximately 12.35 per cent. of the issued share capital of Airsprung. Following the Acquisition, the Concert Party became beneficially interested in approximately 42.30 per cent. of Airsprung's issued share capital.

As a result of the Acquisition, under Rule 9 of the Code, the Concert Party is obliged to make a mandatory cash offer to acquire the entire issued share capital of Airsprung not already owned by members of the Concert Party, conditional only upon Portnard receiving such acceptances which will result in the Concert Party holding more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Airsprung. Following consultation with the Panel and with the recommendation of the Airsprung Directors, Portnard is now making a recommended mandatory cash offer to Airsprung Shareholders at a price of 31 pence per share. The highest price paid by any member of the Concert Party during the 12 months prior to the Announcement for an Airsprung Share was 27 pence.

This letter and Appendix I to this document contain the formal terms of the Offer and are (in respect of certificated shares) accompanied by, and should be read in conjunction with, the Form of Acceptance.

2. Summary terms of the Offer

Portnard hereby offers to acquire, on the terms set out in Appendix I of this document and, in the case of Airsprung Shares held in certificated form, the Form of Acceptance, all of the Offer Shares on the following basis:

for each Airsprung Share 31 pence in cash

The Offer values the whole of the issued share capital of Airsprung at approximately £7.4 million and full acceptance of the Offer would result in a total consideration payable of approximately £4.3 million. Following the exercise of the options under the Airsprung Share Scheme, the Offer will value the Airsprung Diluted Share Capital at approximately £7.9 million and exercise of all Airsprung Share Options with an exercise price of 31 pence or below per Airsprung Share and full acceptance of the Offer would result in a total consideration payable of £4.8 million.

The Offer is being made by Portnard as a mandatory cash offer in accordance with the Concert Party's obligations under Rule 9 of the Code. Accordingly, the Offer is conditional upon Portnard receiving such acceptances as will result in the Concert Party holding, in aggregate, more than 50 per cent. of the voting rights of the Airsprung Shares.

The Offer Price represents a premium of approximately 55 per cent. to the Closing Price of 20 pence of an Airsprung Share on 28 September 2011, the business day immediately preceding the Announcement Date, and a premium of approximately 1.6 per cent. to the Closing Price of 30.5 pence of an Airsprung Share on 7 November 2011, the business day immediately preceding the posting of this document.

The Airsprung Shares will be acquired by Portnard, pursuant to the Offer, fully paid, or credited as fully paid, with full title guarantee and free from all liens, charges, mortgages, encumbrances, equitable interests, pre-emption rights and other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including, without limitation, the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made after 8 November 2011.

The procedure for acceptance of the Offer is set out in paragraph 11 of this letter, Part C of Appendix I to this document and the Form of Acceptance (in respect Airsprung Shares held in certificated form) and Part D of Appendix I to this document (in respect of uncertificated Airsprung Shares).

3. Background to and reasons for the Offer

The underlying profit before tax and exceptional items for the Airsprung Group for the year ended 31 March 2011 fell to £0.9 million, compared with £1.0 million in 2010, as a result of continued challenging market conditions. Notwithstanding that the Airsprung Directors stated in the 2011 accounts that they regarded the current trading challenges as short term, the Portnard Directors believe that Airsprung may have better prospects in the long term as one of the largest bed manufacturers in the UK, if and when the housing market improves.

The Portnard Directors consider that the underlying value of Airsprung is supported by its freehold manufacturing facilities and believe that their property expertise can be of benefit to Airsprung.

The Portnard Directors also believe that, in the current difficult trading conditions, Airsprung may benefit from greater access to capital that Portnard may be able to provide or facilitate, to help finance growth, whether organically or by means of bolt-on acquisitions.

Portnard notes that Airsprung's Chairman stated in his statement accompanying its Annual Report and Accounts for the year ended 31 March 2011 that, following the acquisition of Collins & Hayes, the Airsprung Group embarked on a major restructuring of the Cavendish operations in Lancashire, with a view to reducing its cost base and increasing its efficiency, quality and productivity ("the Restructuring").

The Portnard Directors intend to continue to operate the Airsprung Group as a trading business, operated on a day to day basis by the existing senior management, from the current places of business of the Airsprung Group. The Portnard Directors currently do not have any plans to make personnel changes or to make material changes to employment conditions other than those arising from the

Restructuring, except that in the event Airsprung de-lists from AIM, it would no longer need to maintain a board of directors commensurate with that required for a quoted company.

In addition, the Portnard Directors believe that in view of the market capitalisation of Airsprung, the costs incurred in maintaining the listing on AIM are not justified. Accordingly, Portnard intends to seek the de-listing of Airsprung's shares from trading on AIM at the earliest opportunity.

The Portnard Directors confirm that, upon the Offer becoming unconditional, the existing employment rights of all Airsprung Group employees will continue to be fully safeguarded and their accrued rights to pension benefits protected.

4. Information on Airsprung

The original Airsprung business was founded in 1880, the current Airsprung company was formed in September 1976 and admitted to trading on AIM on 1 August 2003 and is now one of the largest bed manufacturers in the UK. The audited consolidated financial statements of the Airsprung Group for the financial years ended 31 March 2011 and 31 March 2010 have been published on www.airsprung-group.co.uk and are incorporated by reference to such website in accordance with Rule 24.15 of the Code.

Any Airsprung Shareholder or holder of options under the Airsprung Share Scheme may request a copy of such documents in hard copy form. A hard copy of such documents will not be sent to such persons unless requested from Merchant Securities by way of either written request to Merchant Securities Limited, 51-55 Gresham Street, London EC2V 7HQ or request by telephone on 020 7628 2200 (when telephoning from inside the UK) or +44 20 7628 2200 (when telephoning from outside the UK). If requested, copies will be provided within two business days of such request.

5. Information on Portnard and the Concert Party

Portnard

Portnard is a company registered in Jersey with number 12672. Its registered office is at 26 New Street, St. Helier, Jersey JE2 3RA. Portnard is owned by Andrew Perloff and family trusts of Andrew and Harold Perloff. Portnard is an investment holding company which does not trade. In addition to its holding in Airsprung, Portnard's other principal asset is a 45.9 per cent. interest in Panther Securities plc which at 7 November 2011, the latest practical date prior to the publication of this document, had a value of £25.5 million, based on a share price of 330 pence per share.

The audited financial statements of Portnard, for the two years ended 31 March 2010 and 31 March 2011 have been published on www.portnard.com and are incorporated into this document by reference to such website in accordance with Rule 24.15 of the Code.

Any Airsprung Shareholder or holder of options under the Airsprung Share Scheme may request a copy of such documents in hard copy form. A hard copy of such documents will not be sent to such persons unless requested from Merchant Securities by way of either written request to Merchant Securities Limited, 51-55 Gresham Street, London EC2V 7HQ or request by telephone on 020 7628 2200 (when telephoning from inside the UK) or +44 20 7628 2200 (when telephoning from outside the UK). If requested, copies will be provided within two business days of such request.

Maland Pension Fund

The Maland Pension Fund is a pension fund for the sole benefit of Andrew Perloff.

Andrew Perloff

Andrew Perloff is Executive Chairman of Panther Securities plc ("Panther"). He has over 45 years' experience in the property sector, including 35 years' experience as a director of a public listed company, primarily as Panther's Chairman. He has significant experience of corporate activity including several takeovers and has also served on the board of directors of six other public listed companies.

Harold Perloff

Harold Perloff is Andrew Perloff's brother. Harold was a director of Panther Securities plc from 1974 to 1979. He is an author, publisher, film producer and international investor in real estate and quoted equities.

6. Financing of the Offer and cash confirmation

The aggregate cash consideration payable by Portnard will be financed from the existing cash resources of Portnard.

Merchant Securities, financial adviser to Portnard, is satisfied that sufficient resources are available to Portnard to satisfy the cash consideration payable to Airsprung Shareholders in the event of full acceptance of the Offer.

7. Compulsory acquisition, cancellation of trading on AIM and re-registration as a private company

If Portnard receives acceptances under the Offer in respect of, or otherwise acquires, 90 per cent. or more of the Offer Shares, Portnard intends to exercise its rights pursuant to the provisions of Chapter 3 of Part 28 of the Act, as applicable, to acquire compulsorily the remaining Offer Shares in respect of which the Offer has not been accepted on the same terms as the Offer.

If the Offer becomes unconditional and sufficient acceptances under the Offer are received, Portnard intends to procure that Airsprung makes an application to the London Stock Exchange to cancel the admission of Airsprung Shares to trading on AIM.

Cancellation of the admission of Airsprung Shares to trading on AIM and re-registration as a private limited company is likely to reduce significantly the liquidity and marketability of any Airsprung Shares in respect of which the Offer has not been accepted and the value of any such Airsprung Shares may be adversely affected as a consequence.

It is anticipated that, subject to any applicable requirements of the London Stock Exchange, cancellation of admission to trading on AIM will take effect no earlier than 20 business days after either (i) the date on which Portnard has, by virtue of its shareholdings and acceptances of the Offer, acquired or agreed to acquire Airsprung Shares carrying 75 per cent. of the voting rights of Airsprung or (ii) the first date of issue of compulsory acquisition notices under Part 28 of the Act, as applicable. Portnard will procure that Airsprung will notify Airsprung Shareholders when the required 75 per cent. threshold has been attained and confirm that the notice period has commenced and the anticipated date of cancellation.

Following such cancellation, Portnard intends to procure that Airsprung re-registers from a public limited company to a private limited company under the relevant provisions of the Act.

8. UK Taxation

The following information is intended only as a general guide to current UK tax legislation and published HM Revenue and Customs practice as it applies to disposing of Airsprung Shares. It is intended only for Airsprung Shareholders who are resident and, in the case of individuals, ordinarily resident in the UK for tax purposes and who hold Airsprung Shares beneficially as investments. The comments do not address the position of certain classes of shareholder such as dealers in securities or holders of Airsprung Share Options.

This section is not intended, and shall not be construed to be, legal or taxation advice to any particular Airsprung Shareholder. Any Airsprung Shareholder who is in any doubt as to their tax position, or who is subject to tax in a jurisdiction other than the United Kingdom, should consult their professional adviser.

8.1 UK taxation of chargeable gains

Liability to United Kingdom taxation of chargeable gains will depend on whether the Airsprung Shareholder is a corporate shareholder or an individual, and upon the Airsprung Shareholder's

particular circumstances. The following assumes the shares have been held as absolute beneficial owner for investment purposes only (other than under an individual savings account), and that the shareholder is not subject to special tax rules (such as a dealer in securities).

A disposal of Airsprung Shares by an individual Airsprung Shareholder who is either resident or, in the case of an individual, ordinarily resident for tax purposes in the UK, may, depending upon the Airsprung Shareholder's circumstances and subject to available exemptions or reliefs, give rise to a chargeable gain or allowable loss for the purposes of the UK taxation of chargeable gains.

For UK resident individual Airsprung Shareholders, any chargeable gain arising after taking account of reliefs and exemptions will be subject to capital gains tax at the rate of 18 per cent. or, for higher rate taxpayers, 28 per cent. Personal representatives and trustees will also pay capital gains tax at a flat rate of 28 per cent.

The capital gains annual exemption (£10,600 for 2011/2012) may be available for UK resident individual Airsprung Shareholders to offset any chargeable gain (to the extent it has not already been utilised).

For UK resident Airsprung Shareholders who are subject to United Kingdom corporation tax, an indexation allowance may be available to reduce the amount of the chargeable gain realised on a disposal of their Airsprung Shares. Indexation allowance increases the acquisition cost of an asset for tax purposes in line with the rise in the retail prices index and thus reduces the amount of the chargeable gain on disposal of the asset. Indexation allowance cannot be used to create or increase any allowable loss.

Non-United Kingdom resident Airsprung Shareholders

Airsprung Shareholders who are neither resident nor ordinarily resident in the United Kingdom will not normally be subject to United Kingdom tax on any gain accruing to them as a result of accepting the Offer unless: (a) the Airsprung Shareholder carries on a trade, profession or vocation in the United Kingdom through a branch or agency and, broadly, holds their Airsprung Shares for the purposes of the trade, profession, vocation, branch or agency; or (b) the Airsprung Shareholder falls within the anti-avoidance rules applying to temporary non-residents.

8.2 Stamp duty and stamp duty reserve tax

No UK stamp duty or stamp duty reserve tax will generally be payable by the Airsprung Shareholders as a result of accepting the Offer.

9. Airsprung Share Scheme

The Offer will extend to any Airsprung Shares which are unconditionally allotted or issued as a result of the exercise of existing options under the Airsprung Share Scheme within six months of the date on which the Offer closes. Appropriate proposals will be made to participants in the Airsprung Share Scheme that will, amongst other things, permit acceptance of the Offer in respect of such options conditional on the Offer becoming unconditional, with option holders receiving the balance between the Offer Price and the exercise price payable pursuant to such options.

10. Overseas Shareholders

The attention of Airsprung Shareholders who are citizens or residents of jurisdictions outside the United Kingdom or who are holding shares for such citizens or residents and any person (including, without limitation, any custodian, nominee or trustee) who may have an obligation to forward any document in connection with the Offer outside the United Kingdom is drawn to paragraph 6 of Part B, paragraph 1.3 of Part C and paragraph 3 of Part D of Appendix I and to the relevant provisions of the Form of Acceptance, which they should read before taking any action.

The Offer is not being made, directly or indirectly, in or into, any Restricted Jurisdiction. Accordingly, any accepting Airsprung Shareholder who is unable to give the warranties set out in paragraph 1.3 of

Part C (if such person holds Airsprung Shares in certificated form) or paragraph 3 of Part D (if such person holds Airsprung Shares in uncertificated form) of Appendix I may be deemed not to have validly accepted the Offer.

The availability of the Offer to Airsprung Shareholders who are not resident in the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. If you remain in any doubt you should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

All Airsprung Shareholders (including nominees, trustees or custodians) who would, or otherwise intend to, or may have a legal or contractual obligation to, forward this document and/or the Form of Acceptance and/or any related documents to any jurisdiction outside the United Kingdom, should read the further details in this regard, which are contained in paragraph 6 of Part B of Appendix I to this document before taking any action.

If you are in any doubt as to the procedure for acceptance, please contact Capita Registrars by telephone on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK. Lines are open between 9.00am and 5.00pm Monday to Friday. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice. You are reminded that, if you are a CREST sponsored member in respect of your Airsprung Shares, you should contact your CREST sponsor before taking any action.

11. Procedure for acceptance of the Offer

This section should be read together, where appropriate, with the instructions and the notes on any accompanying Form of Acceptance which shall be deemed to be incorporated in and form part of, the terms of the Offer.

Airsprung Shareholders who hold Airsprung Shares in certificated form should read this section in conjunction with the Form of Acceptance and Parts B and C of Appendix I to this document. Airsprung Shareholders who hold shares in uncertificated form (that is, through CREST) should read this section in conjunction with Parts B and D of Appendix I to this document. The instructions on the Form of Acceptance are deemed to form part of the terms of the Offer.

Airsprung Shares held in certificated form (that is, not CREST).

11.1 *Completion of the Form of Acceptance*

To accept the Offer in respect of Airsprung Shares in certificated form, you must complete the Form of Acceptance in accordance with the instructions set out below and on the Form of Acceptance. You should complete separate Forms of Acceptance for Airsprung Shares held in certificated form but under different designations. If you have any queries as to how to complete the Form of Acceptance, please telephone Capita Registrars on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK. Lines are open between 9.00 a.m. and 5.00 p.m. Monday to Friday. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice. Additional Forms of Acceptance are available from Capita Registrars upon request.

- 11.1.1 To accept the Offer in respect of all your Airsprung Shares in certificated form, you must complete Box 1 and sign Box 2 on the Form of Acceptance. You should also complete those of Boxes 3, 4, 5 and 6 which are appropriate in accordance with the instructions printed on the Form of Acceptance.

11.1.2 To accept the Offer in respect of less than all your Airsprung Shares in certificated form: you must insert in Box 1 on the enclosed Form of Acceptance such lesser number of Airsprung Shares in respect of which you wish to accept the Offer in accordance with the instructions printed thereon. You should then follow the procedure set out in paragraph 11.1.1 above in respect of such lesser number of Airsprung Shares.

If you do not insert a number in Box 1 of the Form of Acceptance, or if you insert in Box 1 a number which is greater than the number of Airsprung Shares that you hold and you have signed Box 2, your acceptance will be deemed to be made in respect of all the Airsprung Shares held by you.

11.2 *Return of Form of Acceptance*

To accept the Offer in respect of Airsprung Shares held in certificated form, the completed, signed and, in the case of individuals, witnessed, Form of Acceptance should be returned by post or by hand (during normal business hours only) to Capita Registrars at the address referred to on page 1 of this document with the relevant share certificate(s) and/or other document(s) of title as soon as possible, and in any event so as to arrive not later than 1.00 p.m. on 29 November 2011. A reply-paid envelope for use in the UK only is enclosed for your convenience. No acknowledgement of receipt of documents will be given by or on behalf of Portnard. The instructions printed on the Form of Acceptance are deemed to form part of the terms of the Offer.

Any Form of Acceptance received in an envelope postmarked in any Restricted Jurisdiction or otherwise appearing to Portnard or its agents to have been sent from any Restricted Jurisdiction may be rejected as an invalid acceptance of the Offer. For further information on Overseas Shareholders, see paragraph 10 of this Part I above.

The Form of Acceptance is issued only to the addressee(s) and the unique designated account printed on it. The Form of Acceptance is a personalised form and is not transferable between different: (i) accounts; or (ii) uniquely designated accounts. Portnard and Capita Registrars accept no liability for any instructions that do not comply with the conditions set out in this document and the Form of Acceptance. If you require further Forms of Acceptance, you should contact Capita Registrars at the address referred on page 1 of this document.

11.3 *Documents of title*

If your Airsprung Shares are in certificated form, a completed, signed and witnessed Form of Acceptance should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If for any reason the relevant share certificate(s) and/or other document(s) of title is/are lost or not readily available, you should nevertheless complete, sign and return the Form of Acceptance, as stated above, so as to be received by Capita Registrars by no later than 1.00 p.m. on 29 November 2011. You should send with the Form of Acceptance any share certificate(s) and/or other document(s) of title which you may have available and a letter stating that the remaining documents will follow as soon as possible or that you have lost one or more of your share certificate(s) and/or other document(s) of title. No acknowledgement of receipt of documents will be given. If you have lost your share certificate(s) and/or other document(s) of title, you should contact, as soon as possible, Capita Registrars for a letter of indemnity for lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned by post or by hand to Capita Registrars.

11.4 *Validity of acceptances*

Without prejudice to Part B and Part C of Appendix I to this document, subject to the provisions of the Code, Portnard reserves the right to treat as valid in whole or in part any acceptance of an Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title. In that event, no payment of cash under the Offer will be made until after the relevant share certificate(s) and/or other documents of title or indemnities satisfactory to Portnard have been received.

Airsprung Shares held in uncertificated form (that is, in CREST)

11.5 General

If your Airsprung Shares are in uncertificated form, to accept the Offer you should take (or procure the taking of) the action set out below to transfer the Airsprung Shares in respect of which you accept the Offer to the appropriate escrow balance(s) specifying Capita Registrars (in its capacity as a CREST participant under its participant ID referred to below) as the Escrow Agent, as soon as possible **and in any event so that the TTE Instruction settles not later than 1.00 p.m. on 29 November 2011. Note that the settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) – you should therefore ensure you time the input of any TTE Instructions accordingly.**

The input and settlement of a TTE Instruction in accordance with this paragraph 11.5 will (subject to satisfying the requirements set out in Parts B and D of Appendix I to this document) constitute an acceptance of the Offer in respect of the number of Airsprung Shares so transferred to escrow.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Only your CREST sponsor will be able to send the TTE Instruction(s) to Euroclear (formerly CRESTCo) in relation to your Airsprung Shares.

After settlement of a TTE Instruction, you will not be able to access the Airsprung Shares concerned in CREST for any transaction or charging purposes. If the Offer becomes unconditional, the Escrow Agent will transfer the Airsprung Shares concerned to itself in accordance with paragraph 5 of Part D of Appendix I to this document.

You are recommended to refer to the CREST Manual issued by Euroclear for further information on the CREST procedures outlined below.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Airsprung Shares to settle prior to 1.00 p.m. on 29 November 2011. In relation to this, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

11.6 To accept the Offer

To accept the Offer in respect of Airsprung Shares held in uncertificated form, you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear in respect of such shares. A TTE Instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain, in addition to the other information that is required for a TTE Instruction to settle in CREST, the following details:

- the ISIN number for the Airsprung Shares. This is GB0000119940;
- the number of Airsprung Shares in respect of which you wish to accept the Offer (that is, the number of Airsprung Shares) to be transferred to an escrow balance;
- your member account ID;
- your participant ID;
- the member account ID of the Escrow Agent. This is PORAIR01;
- the participant ID of the Escrow Agent for the Offer. This is RA10;
- the intended settlement date. This should be as soon as possible and in any event not later than 1.00 p.m. on 29 November 2011;
- the corporate action number of the Offer. This is allocated by Euroclear and will be available on screen from CREST;
- input with a standard delivery instruction priority of 80; and
- the contact name and telephone number in the shared note field.

11.7 *Validity of acceptances*

Holders of Airsprung Shares in uncertificated form who wish to accept the Offer should note that a TTE Instruction will only be a valid acceptance of that Offer as at the relevant closing date if it has settled on or before 1.00 p.m. on that date. A Form of Acceptance which is received in respect of Airsprung Shares held in uncertificated form will not constitute a valid acceptance and will be disregarded.

If you are in any doubt as to the procedure for acceptance of the Offer, please contact Capita Registrars by telephone on 0871 664 0321 or on +44 20 8639 3399 if telephoning from outside the UK or at the address referred to on page 1 of this document. Lines are open between 9.00 a.m. and 5.00 p.m. Monday to Friday. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

12. Settlement

The settlement procedure with respect to the Offer will comply with the rules of the Code. Subject to the Offer becoming unconditional and provided that the Form of Acceptance, share certificate(s) and/or other document(s) of title or the Electronic Acceptance are in order (except as provided in paragraph 6 of Part B of Appendix I to this document in the case of certain Overseas Shareholders), settlement of the consideration to which any Airsprung Shareholder is entitled under the Offer will be effected by the despatch of cheques or CREST messages as applicable: (i) in the case of acceptances received, complete in all respects, by the date on which the Offer becomes unconditional, within 14 days of such date, or (ii) in the case of acceptances received, complete in all respects, after the date on which the Offer becomes unconditional but while the Offer remains open for acceptance, within 14 days of such receipt, and in either case in the following manner:

12.1 *Airsprung Shares in uncertificated form (that is, in CREST)*

Where an acceptance relates to Airsprung Shares in uncertificated form, settlement of any cash consideration to which the accepting Airsprung Shareholder is entitled will be paid in pounds sterling by means of a CREST payment in favour of the accepting Airsprung Shareholder's payment bank in respect of the cash consideration due, in accordance with the CREST payment arrangements.

Portnard reserves the right to settle all or any part of the consideration referred to in this paragraph 12.1, for all or any accepting Airsprung Shareholder(s), in the manner referred to in paragraph 12.2 below, if, for any reason, it wishes to do so.

12.2 *Airsprung Shares in certificated form (that is, not in CREST)*

Where an acceptance relates to Airsprung Shares in certificated form, settlement of any cash due will be despatched by first class post by cheque drawn in sterling on a branch of a UK clearing bank (or by such other method as the Panel may approve).

13. General

If the Offer does not become unconditional:

- 13.1 in respect of certificated shares, share certificate(s) and/or other document(s) of title will be returned by post (or such other method as may be approved by the Panel) within 14 days of the Offer lapsing, to the person or agent whose name and address is set out in Box 3 or, if applicable, in Box 5 of the Form of Acceptance or, if none is set out, to the first named holder at his or her registered address; and

13.2 in respect of uncertificated shares, the Escrow Agent will, immediately upon the lapsing of the Offer (or within such longer period, not exceeding 14 days after the Offer lapsing, as the Panel may approve), give TFE Instructions to Euroclear to transfer all relevant Airsprung Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the Airsprung Shareholders concerned.

All communications, notices, certificates, documents of title and remittances sent by or to Airsprung Shareholders or their appointed agents will be delivered by, sent to or from them, or their appointed agents, at their own risk.

14. Further information

Your attention is drawn to the information contained in the Appendices, which form part of this document, and (in the case of certificated Airsprung Shares) in the accompanying Form of Acceptance which should be read in conjunction with this document.

15. Action to be taken

To accept the Offer in respect of certificated Airsprung Shares, the Form of Acceptance must be completed and returned by post, together with the relevant share certificate(s) and/or other documents of title, in the enclosed reply-paid envelope or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to be received no later than 1.00 p.m. on 29 November 2011.

If your Airsprung Shares are held in uncertificated form, acceptances should be made electronically through CREST so that the TTE Instruction settles no later than 1.00 p.m. on 29 November 2011 by following the procedure set out in paragraph 11.6 of this letter and Parts B and D of Appendix I to this document. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE Instruction to Euroclear.

You are advised to read this document carefully.

Yours faithfully,

Andrew Perloff

Chairman

For and on behalf of Portnard Limited

PART II

Letter of recommendation from the Airsprung Directors

Airsprung Group PLC

(Incorporated in England and Wales, with registered number 01277785)

Directors:

Stuart Lyons CBE (*Non-executive Chairman*)
Antonio Lisanti (*Chief Executive*)
Teian Dallaway (*Group Finance Director and Company Secretary*)
John Newman (*Non-executive Director*)
Stephen Yates (*Non-executive Director*)

Registered Office:

Canal Road
Trowbridge
Wiltshire
BA14 8RQ

8 November 2011

Dear Airsprung Shareholder

1. Introduction

On 29 September 2011, Portnard announced the terms of a mandatory cash offer of 27p per share for the issued and to be issued share capital of Airsprung not already held by Portnard and the parties acting in concert with it.

On 27 October 2011, the Airsprung Directors announced that they had reached agreement with the Portnard Directors on the terms of a recommended cash offer of 31p per share which is set out in the letter from Portnard in Part I of this document.

2. Background to and reasons for recommending the Offer

The mandatory cash offer announced by Portnard on 29 September 2011 was made following a significant market purchase which triggered the requirement for it to make a mandatory offer under Rule 9 of the Code. This purchase was made without the prior knowledge of the Airsprung Directors. Following the announcement of the mandatory cash offer, the Airsprung Directors held meetings with the Portnard Directors and demonstrated that the mandatory cash offer did not reflect a fair value for the Company. As a result, Portnard increased the cash offer to 31p per Airsprung Share which the Airsprung Directors believe represents a fair valuation of the Company based upon its recent trading, current position and prospects and market conditions.

The increased price of 31p per Airsprung Share is 14.8 per cent. higher than the original cash offer price of 27p and represents a premium of 55 per cent. to the Closing Price of 20p per Airsprung Share on 28 September 2011, the business day immediately preceding the date of announcement of the mandatory cash offer.

The Airsprung Directors have considered the likely impact of both the Offer and their response to it on the stability of Airsprung Group's business, its ability to secure orders and the continuity of employment of its employees. The assurances that the Airsprung Directors have received give the Airsprung Directors reasonable confidence that Portnard will take a responsible view of the interests of the employees and the maintenance of the Company's business relationships.

The Airsprung Directors have informed Portnard of Airsprung Group's commitment towards the members of the Airsprung Pension Plan. The Airsprung Directors have received assurances that Portnard has no intention of changing the current relationship between Airsprung Group and the Airsprung Pension Plan trustees and that consultations will continue to take place with the trustees on matters affecting the Airsprung Pension Plan.

3. Current trading and prospects

The Airsprung Directors regard Airsprung as a professionally managed business, which has shown a degree of resilience during the recent economic pressures, and believe that the prospects of Airsprung as an independent company would be sound. However, Airsprung Group operates in a cyclical sector and sales and profitability are affected by a number of factors outside management's control, for example, the prices of raw materials, housing activity, consumer spending, the level of VAT and the relative success of the Group's retail customers. Sales and profits both fell in the year to 31 March 2011. At the recent Annual General Meeting, the Airsprung Directors announced a modest improvement in the outlook for the full year and, since then, the Airsprung Group has succeeded in winning significant new business. Against that, the economic environment remains challenging, and many retailers continue to find trading exceptionally difficult. The effect of these factors has been reflected in the Company's share price prior to the recent purchases by Portnard and the parties acting in concert with it. In considering the Offer, the Airsprung Directors have had regard to the current and projected economic environment and to Airsprung Group's past performance, present trading and future prospects. In assessing the Offer, the Airsprung Directors have also taken into account the strong asset backing enjoyed by the Group, particularly in respect of the manufacturing site in Trowbridge.

4. Management, employees and locations

Your attention is drawn to the statement of Portnard's plans upon the Offer becoming unconditional, as set out in paragraph 3 of the letter from Portnard in Part I of this document.

The Airsprung Directors are pleased to note the statements made by Portnard in its letter in Part I of this document that, upon the Offer becoming unconditional, the Portnard Directors intend to operate the Airsprung Group as a trading business from its current locations, operated on a day to day basis by the existing senior management. Portnard has also stated that the existing employment rights of all Airsprung Group employees will continue to be fully safeguarded and their accrued rights to pension benefits protected.

Airsprung employees are split between the following business divisions:

Division	Location	Number of employees
Airsprung Beds*	Trowbridge, Wiltshire**	270
Airofreem	Trowbridge, Wiltshire	21
Airsprung Group PLC****	Trowbridge, Wiltshire	12
Arena Design	Trowbridge, Wiltshire	8
Hush-a-Bye***	Trowbridge, Wiltshire	17
Gainsborough	Trowbridge, Wiltshire	60
Cavendish	Chorley, Lancashire	43
Collins and Hayes	St. Leonards on Sea, Sussex	155
Total		586

* Including Chilton site

** (3 at Spennymoor, County Durham)

*** Employed by Airsprung Beds

**** Includes Non-executive Directors

5. Airsprung Share Scheme

In due course, participants in the Airsprung Share Scheme will be contacted regarding the exercise of their options under the Airsprung Share Scheme and appropriate proposals will be made to participants that will, amongst other things, permit acceptance of the Offer in respect of such options conditional on the Offer becoming unconditional.

6. Irrevocable undertakings to accept the Offer

Portnard has received irrevocable undertakings from the Airsprung Directors to accept or procure the acceptance of the Offer in respect of their entire beneficial interests in the issued Airsprung Shares, amounting to, in aggregate 6,247,658 Airsprung Shares, representing approximately 26.2 per cent. of the existing issued share capital of Airsprung. Accordingly, Portnard and the parties acting in concert with it either own or are otherwise interested in a total of 16,513,214 Airsprung Shares, representing approximately 69.2 per cent. of the issued Airsprung Shares.

Further details of the irrevocable undertakings are set out in paragraph 4.3 of Appendix II.

7. De-listing, re-registration as a private company and compulsory acquisition

Your attention is drawn to paragraph 7 of the letter from Portnard set out in Part I of this document in relation to Portnard's intentions regarding the de-listing and cancellation of trading in Airsprung's Shares and re-registration of Airsprung as a private company following the Offer becoming unconditional.

8. Action to be taken

To accept the Offer in respect of certificated Airsprung Shares, the Form of Acceptance must be completed and returned by post, together with the relevant share certificate(s) and/or other documents of title, in the enclosed reply-paid envelope or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to be received no later than 1.00 p.m. on 29 November 2011.

If your Airsprung Shares are held in uncertificated form, acceptances should be made electronically through CREST so that the TTE Instruction settles no later than 1.00 p.m. on 29 November 2011 by following the procedure set out in paragraphs 11.5 and 11.6 of the letter from Portnard in Part I of this document and Parts B and D of Appendix I to this document. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE Instruction to Euroclear.

9. Further information

The terms and condition of the Offer are set out in full in Appendix I to this document. Your attention is drawn to the letter from Portnard set out in Part I of this document, the condition and further terms of the Offer set out in Appendix I and the additional information on Portnard and Airsprung contained in Appendix II.

10. Recommendation

The Airsprung Directors, who have been so advised by finnCap, consider the terms of the Offer to be fair and reasonable. In providing its advice to the Airsprung Directors, finnCap has taken into account the commercial assessments of the Airsprung Directors.

The Airsprung Directors unanimously recommend that Airsprung Shareholders accept the Offer, as they have irrevocably undertaken to do (or procure to be done) in respect of their own beneficial interests amounting to, in aggregate, 6,247,658 Airsprung Shares, representing approximately 26.2 per cent. of Airsprung's issued share capital as at 7 November 2011, being the latest practicable date prior to the publication of this document.

Yours faithfully

Stuart Lyons CBE
Chairman

Airsprung Group PLC

APPENDIX I

Condition and Further terms of the Offer and Acceptance

Part A: Condition of the Offer

The Offer is subject to valid acceptances being received (and not, where permitted, withdrawn) by no later than 1.00 p.m. on the First Closing Date (or such later time(s) and/or date(s) as Portnard may, with the consent of the Panel or in accordance with the Code, decide) in respect of Airsprung Shares which, together with Airsprung Shares acquired or agreed to be acquired before such time(s), will result in Portnard and/or any person acting in concert with it holding Airsprung Shares carrying, in aggregate, more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Airsprung, including (to the extent, if any, required by the Code or the Panel for this purpose) any such voting rights attaching to any Airsprung Shares that are unconditionally allotted or issued before the Offer becomes unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise; and for this purpose shares which have been unconditionally allotted, whether pursuant to the exercise of any outstanding conversion or subscription rights or otherwise, shall be deemed to carry the voting rights which they will carry upon being registered in the register of members of Airsprung.

The Offer from Portnard complies with the applicable rules and regulations of AIM and the Code. The Offer and any acceptances under it are governed by English law and are subject to the jurisdiction of the courts of England and Wales and to the further terms set out in this Appendix I and (in respect of Airsprung Shares held in certificated form) in the Form of Acceptance and such further terms as may be required to comply with the Code and other applicable laws.

The Airsprung Shares which will be acquired under the Offer will be acquired by Portnard fully paid, or credited as fully paid, with full title guarantee and free from all liens, charges, mortgages, encumbrances, equitable interests, pre-emption rights and other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching to them, including, without limitation, the right to receive and retain all dividends and other distributions (if any) declared, paid or made after 8 November 2011.

The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

The Offer will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet or e-mail) of interstate or foreign commerce of, or of any facility of a national securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility or otherwise from within, any Restricted Jurisdiction.

The Offer will be on the terms set out in this Appendix I, the Form of Acceptance (in the case of Airsprung Shares held in certificated form) and such further terms as may be required to comply with the Code and other applicable laws.

Part B: Further Terms of the Offer

The following further terms apply, unless the context requires otherwise, to the Offer. Except where the context requires otherwise, any reference in Part B, Part C and Part D of Appendix I and in the Form of Acceptance to:

- (i) “**acceptance condition**” means the condition as to acceptances set out in Part A of this Appendix I
- (ii) “**Airsprung Shareholders**” means holders of Airsprung Shares and shall include reference to the person or persons executing a Form of Acceptance and, in the event of more than one person executing a Form of Acceptance, the provisions of Part B and Part C of Appendix I shall apply to them jointly and to each of them. References to the masculine gender shall include the feminine
- (iii) “**Day 21 of the Offer**” means 29 November 2011
- (iv) “**Day 42 of the Offer**” means 20 December 2011
- (v) “**Day 46 of the Offer**” means 24 December 2011
- (vi) “**Day 60 of the Offer**” means 7 January 2012
- (vii) an “**extension of the Offer**” shall include an extension of the date by which the acceptance condition has to be fulfilled

1. Acceptance Period

The Offer will be open for acceptance until 1.00 p.m. on 29 November 2011.

- 1.1 Although no revision is envisaged, if the Offer (in its original or previously revised form) is revised it will remain open for acceptance for a period of at least 14 days following the date on which written notification of the revision is posted to Airsprung Shareholders. Except with the consent of the Panel, no revision of the Offer may be made or posted to Airsprung Shareholders after Day 46 of the Offer or, if later, the date falling 14 days prior to the last date on which the Offer can become unconditional.
- 1.2 The Offer, whether revised or not, will not (except with the consent of the Panel) be capable of becoming unconditional after midnight on Day 60 of the Offer (or any earlier time and/or date beyond which Portnard has stated that the Offer will not be extended and in respect of which it has not, where permitted, withdrawn that statement) nor of being kept open for acceptances after that time and/or date unless it has previously become unconditional. However, Portnard reserves the right, with the consent of the Panel, to extend the Offer to any later time(s) and/or date(s). Except with the consent of the Panel, Portnard may not, for the purpose of determining whether the acceptance condition has been satisfied, take into account acceptances received, or purchases of Airsprung Shares made, in respect of which relevant documents have been received by Capita Registrars after 1.00 p.m. on Day 60 of the Offer (or any earlier time and/or date beyond which Portnard has stated that the Offer will not be extended and in respect of which it has not, where permitted, withdrawn that statement) or such later time and/or date as Portnard may, with the permission of the Panel, decide. If the Offer is extended beyond midnight on Day 60 of the Offer, acceptances received and purchases made in respect of which relevant documents have been received by Capita Registrars after 1.00 p.m. on the relevant date may (except where the Code otherwise permits) only be taken into account with the consent of the Panel.
- 1.3 If the Offer becomes unconditional, it will remain open for acceptance for not less than 14 days from the date on which it would otherwise have expired. If the Offer has become unconditional and it is stated by or on behalf of Portnard that the Offer will remain open until further notice, then not less than 14 days’ notice in writing will be given to Airsprung Shareholders prior to the closing of the Offer.
- 1.4 If a competitive situation (as determined by the Panel) arises after Portnard has made a Rule 31.5 “no extension” statement and/or a “no increase” statement (as referred to in the Code) in

relation to the Offer, Portnard may (if it has specifically reserved the right to do so at the time such statement was made, or otherwise with the consent of the Panel) choose not to be bound by or withdraw such statement and be free to revise and/or extend the Offer provided that in each circumstance it complies with the requirements of the Code and, in particular, that:

- 1.4.1 it announces the withdrawal and that it is free to extend or revise the Offer (as appropriate) as soon as possible and in any event within four business days after the firm announcement of the competing offer;
 - 1.4.2 it notifies Airsprung Shareholders to that effect in writing at the earliest opportunity or, in the case of Airsprung Shareholders with registered addresses outside the United Kingdom or whom Portnard reasonably believes to be nominees, custodians or trustees holding Airsprung Shares for such persons, by announcement in the United Kingdom at the earliest opportunity; and
 - 1.4.3 any Airsprung Shareholders who accepted the Offer after the date of the “no extension” or “no increase” statement are given a right of withdrawal as described in paragraph 3.3 of this Part B. Portnard may (if it has reserved the right to do so) choose not to be bound by the terms of a “no increase” and/or a “no extension” statement if it would otherwise prevent the posting of an increased or improved Offer (either as to value or form of consideration or otherwise) which is recommended for acceptance by the Board of Airsprung, or in other circumstances permitted by the Panel.
- 1.5 For the purpose of determining at any particular time whether the acceptance condition has been satisfied, Portnard shall not be bound (unless otherwise required by the Panel) to take into account any Airsprung Shares which have been unconditionally allotted or issued or which arise as a result of the exercise of subscription or conversion rights before such determination takes place, unless Capita Registrars on behalf of Portnard has received written notice of the relevant details of such allotment or issue subscription or conversion (including the price thereof) before that time. Notification by e-mail, telex, facsimile or other electronic transmissions or copies will not be sufficient to constitute written notice for this purpose.

2. Announcements

- 2.1 By 8.00 a.m. on the business day (the “**relevant day**”) following the day on which the Offer is due to expire, or becomes unconditional, or is revised or extended, as the case may be (or such later time(s) and/or date(s) as the Panel may agree), Portnard will make an appropriate announcement and simultaneously inform a Regulatory Information Service of the position. Such announcement will also state (unless otherwise permitted by the Panel):
- 2.1.1 the number of Airsprung Shares for which acceptances of the Offer have been received (showing the extent, if any, to which such acceptances have been received from persons acting in concert with Portnard) or in respect of Airsprung Shares which were subject to an irrevocable commitment or a letter of intent procured by Portnard or any of its associates);
 - 2.1.2 details of any relevant securities of Airsprung in which Portnard or any person acting in concert with it has an interest or in respect of which it has a right to subscribe, in each case specifying the nature of the interests or rights concerned. Similar details of any short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, must also be stated;
 - 2.1.3 details of any relevant securities of Airsprung in respect of which Portnard or any of its associates has an outstanding irrevocable commitment or letter of intent; and
 - 2.1.4 details of any relevant securities of Airsprung which Portnard or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold, and will in each case specify the percentages of the Airsprung

Shares represented by these figures. Any such announcement shall include a prominent statement of the total numbers of Airsprung Shares which may count towards satisfaction of the acceptance condition and the percentage of Airsprung Shares represented by this figure.

- 2.2 Any decision to extend the time and/or date by which the acceptance condition has to be fulfilled may be made by Portnard at any time up to, and will be announced not later than, 8.00 a.m. on the relevant day (or such later time and/or date as the Panel may agree). The announcement will state the next expiry date (unless the Offer is unconditional, in which case the announcement may state that the Offer will remain open until further notice).
- 2.3 In computing the number of Airsprung Shares represented by acceptances and/or purchases, there may, at the discretion of Portnard, be included or excluded for announcement purposes, acceptances and purchases which are not complete in all respects or are subject to verification provided that such acceptances or purchases of Airsprung Shares shall not be included unless they could be counted towards fulfilling the acceptance condition in accordance with paragraph 5.11 below.
- 2.4 References in this Part B of Appendix I to the making of an announcement or the giving of notice, by or on behalf of Portnard, include the release of an announcement by public relations consultants of Portnard or by Merchant Securities to the press, and the delivery by hand or telephone, e-mail, telex, facsimile or other electronic transmission of an announcement to a Regulatory Information Service. An announcement made otherwise than to a Regulatory Information Service shall be notified simultaneously to a Regulatory Information Service (unless the Panel otherwise permits).

3. Rights of Withdrawal

- 3.1 If Portnard, having announced the Offer to be unconditional, fails to comply by 3.30 p.m. on the relevant day (as defined in paragraph 2.1 of this Part B) (or such later time and/or date as the Panel may agree) with any of the other relevant requirements specified in paragraph 2.1 of this Part B, an accepting Airsprung Shareholder may (unless the Panel agrees otherwise) immediately after that time withdraw his acceptance of the Offer by written notice (signed by the accepting Airsprung Shareholder (or his agent duly appointed in writing and evidence of whose appointment in a form reasonably satisfactory to Portnard is produced with the notice)) given by post or by hand (during normal business hours only) to Capita Registrars at the address referred on page 1 of this document. Alternatively, in the case of Airsprung Shares held in uncertificated form, withdrawals can also be effected in the manner set out in paragraph 3.8 of this Part B. Subject to paragraph 1.5 of this Part B, this right of withdrawal may be terminated not less than eight days after the relevant day by Portnard confirming, if such is the case, that the Offer is still unconditional and complying with the other relevant requirements specified in paragraph 2.1 of this Part B. If any such confirmation is given, the first period of 14 days referred to in paragraph 1.3 of this Part B will run from the date of such confirmation and compliance.
- 3.2 If by 3.00 p.m. on Day 42 of the Offer (or such later time and/or date as the Panel may agree) the Offer has not become unconditional, an accepting Airsprung Shareholder may withdraw his acceptance at any time thereafter by written notice received by Capita Registrars on behalf of Portnard to Capita Registrars at the address referred on page 1 of this document (or in the case of Airsprung Shares held in uncertificated form, in the manner set out in paragraph 3.8 of this Part B), before the earlier of:
 - 3.2.1 the time when the Offer becomes unconditional; and
 - 3.2.2 the final time for lodgement of acceptances of the Offer which can be taken into account in accordance with paragraph 1.2 of this Part B.
- 3.3 If Portnard withdraws a “no extension” statement or a “no increase” statement after a competitive situation in accordance with paragraph 1.4 above, any Airsprung Shareholder who

accepts the Offer after the date of such statement may withdraw his acceptance thereafter in the manner referred to in paragraph 3.1 above (or, in the case of Airsprung Shares in uncertificated form, in the manner referred to in paragraph 3.8 below) not later than the eighth day after the date on which notice of the withdrawal of such statement is posted to Airsprung Shareholders.

- 3.4 Except as provided by this paragraph 3, acceptances and elections will be irrevocable.
- 3.5 If the Panel determines that Portnard is not permitted to invoke, or cause or permit Portnard to invoke, a condition to the Offer it may instead determine that accepting Airsprung Shareholders shall be entitled to withdraw their acceptances on such terms and by such time as the Panel considers appropriate and notwithstanding that the Offer has become unconditional as to acceptances. The Panel may also determine that the timetable applicable to the Offer shall be varied in such manner as it may determine. Exercise of such withdrawal rights by accepting Airsprung Shareholders could result in the Offer, if it has by then become unconditional as to acceptances, ceasing to be unconditional as to acceptances.
- 3.6 In this paragraph 3 “**written notice**” (including any letter of appointment, direction or authority) means notice in writing bearing the original signature(s) of the relevant accepting Airsprung Shareholder(s) or his/their agent(s) duly appointed in writing (evidence of whose appointment in a form reasonably satisfactory to Portnard is produced with the notice). E-mail, telex, facsimile or other electronic transmission, or copies, will not be sufficient to constitute written notice. No notice which is postmarked in, or otherwise appears to Portnard, its agents or advisers to have been sent from, a Restricted Jurisdiction will be treated as valid.
- 3.7 To be effective, a written notice of withdrawal must be received on a timely basis by the party (Capita Registrars) to whom the acceptance was originally sent at their respective address and must specify the name of the person who has tendered the Airsprung Shares, the number of Airsprung Shares to be withdrawn and the name of the registered holder, if different from the name of the person whose acceptance is to be withdrawn.
- 3.8 In the case of Airsprung Shares being held in uncertificated form, if withdrawals are permitted pursuant to paragraphs 3.1, 3.2 and 3.5 of this Part B, an accepting Airsprung Shareholder may withdraw his acceptance through CREST by sending (or, if a CREST personal member, procuring that his CREST sponsor sends) a valid ESA instruction to settle in CREST in relation to each Electronic Acceptance to be withdrawn. Each ESA instruction must, in order for it to be valid and settle, include the following details:
- the number of Airsprung Shares in uncertificated form to be withdrawn, together with their ISIN number. This is GB0000119940;
 - the member account ID of the accepting Airsprung Shareholder;
 - the participant ID of the accepting Airsprung Shareholder;
 - the participant ID of the Escrow Agent. This is RA10;
 - the member account ID of the Escrow Agent. This is PORAIR01;
 - the CREST Transaction ID of the Electronic Acceptance to be withdrawn to be inserted at the beginning of the shared note field;
 - input with standard delivery instruction priority of 80;
 - the intended settlement date for the withdrawal;
 - the corporate action number for the Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
 - the name and contact telephone number of the accepting Airsprung Shareholder inserted into the shared note field.

Any such withdrawal will be conditional upon Capita Registrars verifying that the withdrawal request is validly made. Accordingly, Capita Registrars will, on behalf of Portnard, reject or

accept the withdrawal by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

- 3.9 Immediately (or within such longer period, not exceeding 14 days, as the Panel may determine) upon an Airsprung Shareholder validly withdrawing his acceptance in respect of Airsprung Shares held in uncertificated form, Capita Registrars will give TFE Instructions to Euroclear to transfer all Airsprung Shares held in escrow balances, and in relation to which it is the Escrow Agent for the purposes of the Offer, to the original available balances of the Airsprung Shareholder concerned and, in respect of Airsprung Shares held in certificated form, Capita Registrars will return all share certificates and/or other documents of title to the Airsprung Shareholder concerned.
- 3.10 The Airsprung Shares in respect of which acceptances have been properly withdrawn in accordance with this paragraph 3 may subsequently be re-assented to the Offer by following one of the procedures described in paragraph 11 of the letter from Portnard set out in Part I of this document, at any time while the Offer remains open for acceptance.
- 3.11 Any question as to the validity (including time of receipt) of any notice of withdrawal will be determined by Portnard, whose determination (save as the Panel otherwise determines) will be final and binding. None of Portnard, Merchant Securities, Capita Registrars or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or will incur any liability for failure to give such notification or for any determination under this paragraph.

4. Revised Offer

- 4.1 Although no such revision is envisaged, if the Offer (in its original or any previously revised form(s)) is revised (either in its terms or in the value), and any such revised Offer represents on the date on which such revision is announced (on such basis as Merchant Securities may consider appropriate) an improvement in the value of the consideration of the Offer as so revised compared with the value of the consideration or terms previously offered, or in the overall value received by an Airsprung Shareholder (under or in consequence of the Offer or otherwise), the benefit of the revised Offer shall (subject to paragraphs 4.2, 4.3 and 6 of this Part B) be made available to any Airsprung Shareholder who has validly accepted the Offer in its original or any previously revised form(s) and who has not validly withdrawn such acceptance (a “**Previous Acceptor**”). The acceptance by or on behalf of a Previous Acceptor of the Offer (in its original or any previously revised form(s)) shall, subject as provided in paragraphs 4.2, 4.3 and 6 of this Part B, be deemed to be an acceptance of the Offer as so revised and shall also constitute the appointment of Portnard and/or of Merchant Securities and/or each of their respective directors and agents as his attorney and/or agent with authority to:

4.1.1 accept any such revised Offer on behalf of such Previous Acceptor; and

4.1.2 to execute on behalf and in the name of such Previous Acceptor all such further documents (if any) and take such further actions (if any) as may be required to give effect to such acceptances.

In making any such acceptance, the attorney and/or agent will take into account the nature of any previous acceptance made by the Previous Acceptor and such other facts or matters as he may reasonably consider relevant.

- 4.2 The deemed acceptances referred to in this paragraph 4 shall not apply and the authorities conferred by this paragraph 4 shall not be exercised by Portnard or Merchant Securities or any of their respective directors, authorised representatives and agents if, as a result thereof, a Previous Acceptor would (on such basis as Merchant Securities may consider appropriate) thereby receive and/or retain less in aggregate consideration under the revised Offer or otherwise than he would have received in aggregate as a result of the acceptance of the Offer in the form in which it was originally accepted by him or on his behalf, having regard to any

previous acceptance or election originally made by him, unless such Previous Acceptor has previously otherwise agreed in writing.

4.3 The deemed acceptances referred to in this paragraph 4 shall not apply and the authorities conferred by this paragraph 4 shall be ineffective to the extent that a Previous Acceptor:

4.3.1 in respect of Airsprung Shares in certificated form, lodges with Capita Registrars in its capacity as receiving agent at the address and in the manner specified in paragraph 3.1 of this Part B, within 14 days of the posting of the document pursuant to which the revised Offer referred to in paragraph 4.1 above is made available to Airsprung Shareholders, a Form of Acceptance or some other form issued by or on behalf of Portnard in which he validly elects to receive the consideration receivable by him under that revised Offer in some other manner than that set out in his original acceptance; or

4.3.2 in respect of Airsprung Shares in uncertificated form, sends (or, if a CREST personal member, procures that his CREST sponsor sends) a valid ESA instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be varied. Each such ESA instruction must, in order for it to be valid and settle, include the following details:

- the number of Airsprung Shares in respect of which the changed election is made, together with the ISIN number. This is GB0000119940;
- the member account ID of the Previous Acceptor, together with his participant ID;
- the member account ID of the Escrow Agent included in the relevant Electronic Acceptance. This is PORAIR01;
- the participant ID of the Escrow Agent. This is RA10;
- the CREST Transaction ID of the Electronic Acceptance in respect of which an election is to be changed;
- the intended settlement date for the changed election;
- the corporate action number for the Offer, and in order that the desired change of election can be effected must include:
- the member account ID of the Escrow Agent relevant to the new election; and
- input with standard delivery instruction priority of 80

Any such change of election in respect of Airsprung Shares in uncertificated form shall be conditional upon Capita Registrars verifying that the request is validly made. Accordingly, Capita Registrars shall, on behalf of Portnard, reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

4.4 The authorities conferred by this paragraph 4 and any acceptance of a revised Offer shall be irrevocable unless and until the Previous Acceptor becomes entitled to withdraw his acceptance under paragraph 3 above and duly and validly does so.

4.5 Portnard and Merchant Securities reserve the right (subject to paragraphs 3 and 4.1 above) to treat a valid Form of Acceptance or TTE Instruction relating to the Offer (in its original or any previously revised form(s)) which is received (or dated) after the announcement or the issue of the Offer in any revised form as a valid acceptance of the revised Offer (and, where applicable, a valid election for the alternative form(s) of consideration). Such acceptance shall constitute an authority in the terms of paragraph 4.1 above, *mutatis mutandis*, on behalf of the relevant Airsprung Shareholder.

5. General

- 5.1 Except with the consent of the Panel, the Offer will lapse unless all the conditions to the Offer have been fulfilled or (if capable of waiver) waived or (where appropriate) have been determined by Portnard to be, and continue to be, satisfied by midnight on Day 42 of the Offer or by midnight on the date which is 21 days after the date on which the Offer becomes unconditional (whichever is the later) or such later date as Portnard may, with the consent of the Panel, decide, provided that Portnard shall be under no obligation to waive or treat as satisfied any condition by a date earlier than the latest date specified above for the satisfaction thereof notwithstanding that the other conditions of the Offer may at such earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any such conditions may not be capable of fulfilment.
- 5.2 The Offer will lapse (unless otherwise agreed with the Panel) if, before the later of Day 21 of the Offer and the date when the Offer becomes unconditional as to acceptances:
- 5.2.1 the Office of Fair Trading has referred the Offer to the Competition Commission; or
- 5.2.2 the European Commission pursuant to Council Regulation ((EC) 139/2004 has initiated proceedings under Article 6(1)(c) thereof or has made a referral to a competent authority of the United Kingdom under Article 9(1) thereof.
- If the Offer lapses, the Offer shall cease to be capable of further acceptance and accepting Airsprung Shareholders and Portnard will thereupon cease to be bound by prior acceptances submitted on or before the dates when the Offer so lapses.
- 5.3 No acknowledgement of receipt of any Form of Acceptance, transfer by means of CREST, share certificate(s) and/or other document(s) of title will be given by, or on behalf of Portnard. All communications, notices, certificates, documents of title, other documents and remittances to be delivered by, or to or sent to or from, Airsprung Shareholders (or their designated agent(s)) or as otherwise directed will be delivered by or to or sent to or from such Airsprung Shareholders (or their designated agent(s)) at their own risk.
- 5.4 The expression “**Offer Period**” when used in this document means the period beginning on and including 29 September 2011 (being the date of the announcement of Portnard’s firm intention to make an offer for Airsprung) and ending on whichever of the following dates shall be the latest:
- 5.4.1 Day 21 of the Offer;
- 5.4.2 the time and date on which the Offer lapses or is withdrawn; and
- 5.4.3 the time and date on which the Offer becomes unconditional.
- 5.5 All references in this document and in the Form of Acceptance to Day 21 of the Offer, shall (except in the definition of Offer Period in paragraph 5.4 above and where the context otherwise requires) be deemed, if the expiry date of the Offer is extended, to refer to the expiry date of the Offer as so extended.
- 5.6 Except with the consent of the Panel, settlement of the consideration to which any Airsprung Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set off, counterclaim or other analogous right to which Portnard or Merchant Securities may otherwise be, or claim to be, entitled as against such Airsprung Shareholder.
- 5.7 The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Offer. Words and expressions defined in this document shall, unless the context otherwise requires, have the same meanings when used in the Form of Acceptance. The provisions of this Appendix I shall be deemed to be incorporated into and form part of the Form of Acceptance.

- 5.8 The Offer, the Form of Acceptance and all acceptances and/or all elections and all contracts made pursuant thereto and action taken or made or deemed to be taken or made under any of the foregoing shall be governed by and construed in accordance with English law. No parties other than Portnard, Merchant Securities or Airsprung Shareholders shall have any right under The Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Offer. Execution by or on behalf of an Airsprung Shareholder of a Form of Acceptance will constitute his irrevocable submission to the exclusive jurisdiction of the courts of England in relation to all matters arising out of or in connection with the Offer and the Form of Acceptance, and his agreement that nothing shall limit the rights of Portnard or Merchant Securities to bring any action, suit or proceeding arising out of or in connection with the Offer and the Form of Acceptance in any other manner permitted by law or in any court of competent jurisdiction.
- 5.9 Any omission or failure to (or decision not to) despatch this document or the Form of Acceptance or any document required to be given under the terms of the Offer and/or any notice required to be despatched under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made or should be made shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person.
- 5.10 Subject to paragraph 5.11 below, Portnard and Merchant Securities reserve the right to treat acceptances of the Offer and/or elections pursuant thereto as valid if not entirely in order or not accompanied by the relevant share certificates and/or other relevant documents of title, or if received by or on behalf of either of them at any place or places or in any manner determined by them otherwise than as stated in this document or in the Form of Acceptance.
- 5.11 Notwithstanding the right reserved by Portnard and Merchant Securities to treat a Form of Acceptance as valid (even though not entirely in order as set out in paragraph 5.10 above or not accompanied by the relevant share certificate(s) and/or other document(s) of title or indemnities reasonably satisfactory to Portnard and Merchant Securities or not accompanied by the relevant transfer to escrow), except with the consent of the Panel:
- 5.11.1 an acceptance of the Offer will only be counted towards fulfilling the acceptance condition if the requirements of Note 4 and, if applicable, Note 6 on Rule 10 of the Code are satisfied in respect of it and Airsprung Shares not falling within Note 8 on Rule 10 of the Code will not be counted towards fulfilling the acceptance condition;
- 5.11.2 a purchase of Airsprung Shares by Portnard or its nominee(s) (or, if relevant, any person acting in concert with Portnard, or its nominee(s)) will only be counted towards fulfilling the acceptance condition if the requirements of Note 5 and, if applicable, Note 6 on Rule 10 of the Code are satisfied in respect of it; and
- 5.11.3 the Offer will not become unconditional unless Capita Registrars has issued a certificate to Portnard or Merchant Securities (or their respective agents) stating the number of Airsprung Shares in respect of which acceptances have been received which comply with sub-paragraph 5.11.1 above and the number of Airsprung Shares otherwise acquired, whether before or during the Offer Period, which comply with sub-paragraph 5.11.2 above, in each case, and if applicable, Note 6 on Rule 10 of the Code. Merchant Securities will send a copy of such certificate to the Panel and to Airsprung as soon as possible after it is issued.
- 5.12 All powers of attorney, appointments of agents and authorities conferred by this Appendix I or in the Form of Acceptance are given by way of security for the performance of the obligations of Airsprung Shareholders concerned and are irrevocable (in accordance with section 4 of the Powers of Attorney Act 1971), except in the circumstances where the donor of such power of attorney, appointment or authority is entitled to withdraw his acceptance in accordance with paragraph 3 of this Part B and duly does so.
- 5.13 The Offer extends to persons to whom the Offer is made or should be made but to whom this document, the Form of Acceptance and any related documents may not be despatched or by

whom such documents may not be received and such persons may inspect or collect copies of these documents from Capita Registrars.

- 5.14 Portnard and Merchant Securities reserve the right to notify any matter, including the making of the Offer, to all or any Airsprung Shareholders with a registered address outside the United Kingdom (or whom Portnard or Merchant Securities know to be nominees, trustees or custodians holding Airsprung Shares) for persons who are citizens, residents or nationals of jurisdictions outside the United Kingdom, by announcement in the United Kingdom to the London Stock Exchange, or by paid advertisement in a daily newspaper published and circulated in the United Kingdom or in the London Gazette, in which event such notice shall be deemed to have been sufficiently given, notwithstanding any failure by an Airsprung Shareholder to receive or see such notice, and all references in this document to notice in writing, by or on behalf of Portnard, Merchant Securities and/or their respective agents and/or public relations consultants shall be construed accordingly.
- 5.15 The Offer is made on 8 November 2011 and is capable of acceptance from and after that time. The Offer is being made by means of this document and by means of an advertisement to be dated on or around 9 November 2011 to be inserted in the London Gazette. Copies of this document, are available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Portnard's website at www.portnard.com and are available for collection from Merchant Securities at 51-55 Gresham Street, London EC2V 7HQ and from Capita Registrars at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU from that time.
- 5.16 If the Offer does not become unconditional:
- 5.16.1 in respect of Airsprung Shares held in certificated form, Forms of Acceptance, the relevant share certificates and any other documents of title will be returned by Portnard by post (or by such other method as may be approved by the Panel) within 14 days of the Offer lapsing or being withdrawn to the person or agent whose name and address outside a Restricted Jurisdiction, is set out in the relevant box on the Form of Acceptance or, if none is set out, to the first named holder at his registered address outside the Restricted Jurisdiction. No such documents will be sent to an address in a Restricted Jurisdiction; and
- 5.16.2 in respect of Airsprung Shares held in uncertificated form, Capita Registrars will, immediately after the lapsing or withdrawal of the Offer (or within such longer period as the Panel may permit, not exceeding 14 days of the lapsing or withdrawal of the Offer), give instructions to Euroclear to transfer all the Airsprung Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of Airsprung Shareholders concerned.
- 5.17 If sufficient acceptances under the Offer are received and/or sufficient Airsprung Shares are otherwise acquired and in either case Portnard acquires sufficient voting rights carried by such Portnard Shares, Portnard intends to apply the provisions of sections 974 to 991 of the Companies Act to acquire compulsorily any outstanding Airsprung Shares to which the Offer relates.
- 5.18 In relation to any acceptance of the Offer in respect of a holding of Airsprung Shares which are in uncertificated form, Portnard reserves the right to make such alterations, additions or modifications to the terms of the Offer as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST or otherwise, provided that such alterations, additions or modifications are consistent with the requirements of the Code or are otherwise made with the consent of the Panel.
- 5.19 If Portnard holds 75 per cent. or more of the voting share capital of Airsprung after the Offer becomes unconditional Portnard intends to procure that Airsprung makes an application to the London Stock Exchange for the cancellation of trading in the Airsprung Shares on AIM. It is anticipated such cancellation will take effect no earlier than 20 business days after the date on

which the Offer becomes unconditional subject to compliance with applicable requirements of the AIM Rules.

6. Overseas Shareholders

- 6.1 The making of the Offer in, or to certain persons resident in, or citizens or nationals of, jurisdictions outside the United Kingdom or to nominees of, or custodians, trustees or guardians for such persons may be prohibited or affected by the laws or regulatory requirements of the relevant overseas jurisdiction. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any Overseas Shareholder wishing to accept the Offer to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities. Any such Overseas Shareholder will be responsible for the payment of any issue, transfer or other taxes or duties due in that jurisdiction of whomsoever payable and Portnard and Merchant Securities and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such issue, transfer or other taxes as such person may be required to pay. **If you are an Overseas Shareholder and you are in doubt about your position, you should consult your professional adviser in the relevant jurisdiction.**
- 6.2 In particular, the Offer is not being made, directly or indirectly, in or into or by the use of the mails of, or by any means or instrumentality (including, without limitation, e-mail, facsimile transmission, telex, telephone, the internet or other forms of electronic transmission) of interstate or foreign commerce, or of any facility of a national securities exchange of a Restricted Jurisdiction and the Offer cannot be accepted by any such use, means, instrumentality or facility from or within a Restricted Jurisdiction.
- 6.3 Portnard will not (unless otherwise determined by Portnard in its sole discretion and save as provided for in paragraph 6.8 below) mail or deliver, or authorise the mailing or delivery of, this document, the Form of Acceptance or any document(s) related to the Offer in, into or from a Restricted Jurisdiction, including, without limitation, to Airsprung Shareholders or participants in the Airsprung Share Scheme with registered addresses in a Restricted Jurisdiction or to persons whom Portnard knows to be trustees, nominees or custodians holding Airsprung Shares for such persons. Persons receiving such documents (including, without limitation, trustees, nominees or custodians) must not distribute, send or mail them in, into or from a Restricted Jurisdiction or use the mails of a Restricted Jurisdiction or any such means or instrumentality (including, without limitation, telephonically or electronically) for any purpose, directly or indirectly, in connection with the Offer and doing so may invalidate any related purported acceptance of the Offer. Persons wishing to accept the Offer must not use the mails or any such other instrumentality of a Restricted Jurisdiction for any purpose, directly or indirectly related to acceptance of the Offer or such election. Envelopes containing Forms of Acceptance should not be postmarked in, or otherwise despatched from, a Restricted Jurisdiction, and all acceptors must provide addresses outside a Restricted Jurisdiction for the receipt of the consideration to which they are entitled under the Offer and which is despatched by post pursuant to paragraph 1.5.2 of Part C of this Appendix I or for the return of Forms of Acceptance and (in relation to Airsprung Shares in certificated form) any Airsprung share certificate(s) and/or other document(s) of title.
- 6.4 An Airsprung Shareholder will be deemed not to have validly accepted the Offer if:
- 6.4.1 he or she puts “NO” in Box 4 of the Form of Acceptance and thereby does not make the representations and warranties set out in paragraph 1.3 of Part C of this Appendix I;
- 6.4.2 he or she inserts in Box 3 of the Form of Acceptance a registered address in a Restricted Jurisdiction, or having a registered address in a Restricted Jurisdiction, he does not insert in Box 5 of the Form of Acceptance the name and address of a person or agent

outside a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under or in consequence of the Offer to be sent;

- 6.4.3 he or she inserts in Box 6 of the Form of Acceptance a telephone number in a Restricted Jurisdiction;
- 6.4.4 in any case, the Form of Acceptance received from him or her is received in an envelope postmarked in, or which otherwise appears to Portnard or its agents to have been sent from a Restricted Jurisdiction; or
- 6.4.5 (in respect of uncertificated Airsprung Shares), he or she makes a Restricted Escrow Transfer (as defined in paragraph 6.6.1 below) unless he also makes a related Restricted ESA Instruction (as defined in paragraph 6.6.2 below) which is accepted by Capita Registrars.

Portnard reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph 1.3 of Part C of this Appendix I could have been truthfully given by the relevant Airsprung Shareholder and, if such investigation is made and, as a result, Portnard reasonably determines that such representations and warranties could not have been so given, such acceptance shall not be valid.

- 6.5 If, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Form of Acceptance or any related offering documents in, into or from a Restricted Jurisdiction or uses the mails of or any means or instrumentality (including, without limitation, e-mail, facsimile transmission, telex and telephone) of interstate or foreign commerce of, or any facility of a national securities exchange of such jurisdictions in connection with such forwarding, such person should:
 - 6.5.1 inform the recipient of such fact;
 - 6.5.2 explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
 - 6.5.3 draw the attention of the recipient to this paragraph 6.
- 6.6 If an Airsprung Shareholder holding Airsprung Shares in uncertificated form is unable to give the representations and warranties set out in paragraph 3 of Part D of this Appendix I, but nevertheless can produce evidence satisfactory to Portnard that he is able to accept the Offer in compliance with all legal and regulatory requirements and without Portnard or its agents being in breach of any such requirements, he may only purport to accept the Offer by sending (or if a CREST sponsored member, procuring that his CREST sponsor sends) both:
 - 6.6.1 a valid TTE Instruction to a designated escrow balance detailed below (a “**Restricted Escrow Transfer**”); and
 - 6.6.2 one or more valid ESA Instructions (a “**Restricted ESA Instruction**”) which specify the form of consideration which he wishes to receive (consistent with the alternatives offered under the Offer).
- 6.7 Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA Instruction(s) settle in CREST and Portnard decides, in its absolute discretion, to exercise its right to waive, vary or modify the terms of the Offer related to Overseas Shareholders to the extent required to permit such acceptance to be made in each case during the acceptance period set out in paragraph 1 of this Part B of this Appendix I. If Portnard decides to permit such acceptance to be made, Capita Registrars will on behalf of Portnard accept the purported acceptance as an Electronic Acceptance on the terms of this document as so waived, varied or modified by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, Capita Registrars will on behalf of Portnard reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message.

Each Restricted Escrow Transfer must, in order for it to be valid and settle, include the following details:

- the corporate action ISIN number of the Airsprung Shares. This is GB0000119940;
- the number of Airsprung Shares in uncertificated form in respect of which the accepting holders of Airsprung Shares wishes to accept the Offer (i.e. the number of Airsprung Shares in uncertificated form to be transferred to an escrow balance);
- the participant ID of the accepting holder of Airsprung Shares;
- the member account ID of the accepting holder of Airsprung Shares;
- the participant ID of the Escrow Agent. This is RA10;
- the member account ID of the Escrow Agent specific to a Restricted Escrow Transfer. This is RESTRICT;
- the intended settlement date. This should be as soon as possible and in any event not later than 1.00 p.m. in the United Kingdom on 29 November 2011;
- the corporate action number for the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- input with standard delivery instruction priority of 80; and
- the contact name and telephone number of the accepting holder of Portnard Shares inserted in the shared note field.

Each Restricted ESA Instruction must, in order for it be valid and settle include the following details:

- the corporate action ISIN number of Airsprung Shares. This is GB0000119940;
- the number of Airsprung Shares in uncertificated form relevant to that Restricted ESA Instruction;
- the participant ID of the accepting holder of Airsprung Shares;
- the member ID of the accepting holder of Airsprung Shares;
- the participant ID of the Escrow Agent. This is RA10;
- the member account ID of the Escrow Agent set out in the Restricted Escrow Transfer. This is RESTRICT;
- the member account ID of the Escrow Agent relevant to the form of consideration required in respect of the Offer. This is PORAIR01;
- the CREST transaction ID of the Restricted Escrow Transfer to which the Restricted ESA Instruction relates to be inserted at the beginning of the shared note field;
- the intended settlement date. This should be as soon as possible and in any event not later than 1.00 p.m. in the United Kingdom on 29 November 2011;
- the corporate action number for the Offer; and
- input with standard delivery instruction priority of 80.

6.8 The provisions of this paragraph 6 supersede any terms of the Offer which are inconsistent with them.

The provisions of this paragraph 6 and/or any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards (a) specific Airsprung Shareholder(s) or on a general basis by Portnard in its absolute discretion but only if Portnard is satisfied that such waiver, variance or modification will not constitute a breach of any applicable securities or other law.

6.9 Neither Portnard nor Merchant Securities nor any agent or adviser or director of Portnard or of Merchant Securities nor any person acting on behalf of either or both of them shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer, pursuant to the provisions of this paragraph 6 of Part B of this Appendix I or otherwise in connection therewith.

Part C: Form of Acceptance

1. Each Airsprung Shareholder by whom, or on whose behalf, a Form of Acceptance is executed irrevocably undertakes, represents, warrants and agrees to and with Portnard and Merchant Securities and their respective agents (so as to bind him, his personal representatives and his heirs, successors and assigns) that:
 - 1.1 the execution of a Form of Acceptance shall constitute whether or not any boxes are completed:
 - 1.1.1 subject to paragraph 6 of Part B of this Appendix I, an acceptance of the Offer in respect of the number of Airsprung Shares in certificated form inserted or deemed to be inserted in Box 1 of the Form of Acceptance and if no number of Airsprung Shares is inserted in Box 1 or a number greater than the relevant Airsprung Shareholder's registered holding of Airsprung Shares held in certificated form appears in Box 1 or the Form of Acceptance is otherwise completed incorrectly, but the Form of Acceptance is signed, it will be deemed to be an acceptance by such Airsprung Shareholder of the terms of the Offer in respect of the total number of Airsprung Shares registered in his name; and
 - 1.1.2 an authority to Portnard or its agents to execute any further documents, take any further action and/or give any further assurances which may be required in connection with his acceptance of the Offer and an undertaking to execute all or any further documents, take any further action and/or give any such further assurances as may be required to enable Portnard to obtain full benefit of this Part C and/or to perfect any of the authorities expressed to be given under this Part C,

in each case, on and subject to the terms and conditions set out or referred to in this document and the Form of Acceptance and that, subject to the rights of withdrawal set out in paragraph 3 and paragraph 4 of Part B of this Appendix I above, each such acceptance and election shall be irrevocable;

- 1.2 he is irrevocably and unconditionally entitled to transfer the Airsprung Shares in respect of which the Form of Acceptance is completed and that the Airsprung Shares in certificated form in respect of which the Offer is accepted, or deemed to be accepted, are sold with full title guarantee and free from all liens, charges, mortgages, encumbrances, equitable interests, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including, without limitation, the right to receive all dividends or other distributions announced, declared, paid or made on or after 8 November 2011;
- 1.3 unless "NO" is inserted, or deemed to be inserted, in Box 4 of the Form of Acceptance, such Airsprung Shareholder:
 - 1.3.1 (if such Airsprung Shareholder is a citizen, resident, or national of a jurisdiction outside the United Kingdom) has observed the laws of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or other requisite payments due in any such jurisdiction in connection with such acceptance and has not taken or omitted to take any action that will or may result in Portnard, Merchant Securities or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance thereof; or
 - 1.3.2 has not received or sent copies or originals of this document, the Form of Acceptance or any related offer documents in, into or from a Restricted Jurisdiction, or any other jurisdiction where such actions may constitute a breach of any legal or regulatory requirements, and has not utilised in connection with the Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce of, or any facilities of a national securities exchange of a Restricted Jurisdiction or such other jurisdiction, is accepting the Offer from outside a Restricted Jurisdiction and is not an agent or

fiduciary acting on a non discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given any instructions with respect to the Offer from outside a Restricted Jurisdiction;

- 1.4 the execution of the Form of Acceptance and its delivery to Capita Registrars in its capacity as receiving agent, constitutes, subject to the Offer becoming unconditional in accordance with its terms and to the accepting Airsprung Shareholder not having validly withdrawn his acceptance, the irrevocable separate appointment of each of Portnard and Merchant Securities and/or any of their respective directors or agents as such shareholder's attorney and/or agent, and an irrevocable instruction to the attorney and/or agent:
 - 1.4.1 to complete and execute all or any form(s) of transfer and/or other document(s) at the discretion of the attorney and/or agent in relation to the Airsprung Shares referred to in paragraph 1.1.2 of this Part C in favour of Portnard or such other person or persons as Portnard may direct;
 - 1.4.2 to deliver such form(s) of transfer and/or renunciation(s) and/or other document(s) at the discretion of the attorney and/or agent, together with any share certificate(s) and/or other document(s) relating to such Airsprung Shares, for registration within six months of the Offer becoming unconditional; and
 - 1.4.3 to execute all such documents and to do all such other acts and things as may in the opinion of such attorney and/or agent be necessary or expedient for the purpose of, or in connection with, the acceptance, or deemed acceptance, of, the Offer and to vest in Portnard or its nominee(s) or as it may direct such Airsprung Shares;
- 1.5 the execution of the Form of Acceptance and its delivery to Capita Registrars in its capacity as receiving agent constitutes, subject to the Offer becoming unconditional in accordance with its terms and to the accepting Airsprung Shareholder not having validly withdrawn his acceptance, separate irrevocable authorities and requests:
 - 1.5.1 to Airsprung or its agents, to procure the registration of the transfer of the Airsprung Shares pursuant to the Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect thereof to Portnard or as it may direct;
 - 1.5.2 (subject to the provisions of paragraph 6 of Part B of this Appendix I) to Portnard or Merchant Securities or their agents, to procure the despatch by post (or by such other method as may be approved by the Panel) of a cheque drawn on a branch of a UK bank in respect of any cash consideration to which such Airsprung Shareholder is entitled under the Offer at the risk of such holder to the person whose name and address (outside a Restricted Jurisdiction) is set out in Box 3 or Box 5 of the Form of Acceptance or, if none is set out, the first-named holder in Box 2 of the Form of Acceptance (with an address outside a Restricted Jurisdiction); or if none, to such address as is determined by Portnard;
- 1.6 the execution of the Form of Acceptance constitutes a separate authority to any director of Portnard and to any director of Merchant Securities and/or their respective agents and the irrevocable appointment of any such director and/or agent as such Airsprung Shareholder's attorney and/or agent within the terms of paragraph 4 of Part B of this Appendix I;
- 1.7 after the Offer becomes unconditional (or if the Offer would become unconditional or lapse immediately upon the outcome of the resolution in question) or if the Panel otherwise gives its consent and pending registration:
 - 1.7.1 Portnard or its agents be entitled to direct the exercise of any votes attaching to any Airsprung Shares in certificated form in respect of which the Offer has been accepted or is deemed to have been accepted and such acceptance has not been validly withdrawn and any other rights and privileges attaching to such Airsprung Shares, including the right to requisition a general meeting or separate class meeting of Airsprung, such votes

- (where relevant) to be cast so far as possible to satisfy any outstanding condition of the Offer; and
- 1.7.2 the execution of the Form of Acceptance by an Airsprung Shareholder constitutes, with regard to the Airsprung Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
 - 1.7.2.1 an authority to Airsprung and/or its agents from such Airsprung Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to him as a member of Airsprung to Portnard at its registered office;
 - 1.7.2.2 an authority for Portnard or any of its agents to sign any such documents and do such things as may in the opinion of such person seem necessary or desirable in connection with the exercise of such votes or other rights or privileges attaching to such Airsprung Shares (including, without limitation, an authority to sign any consent to short notice of a general or separate class meeting on his behalf (and any adjournment thereof) and/or to execute a form of proxy in respect of such Airsprung Shares appointing any person nominated by Portnard to attend general or separate class meetings of Airsprung or its members or any of them (and any adjournment thereof) and to exercise the votes attaching to such Airsprung Shares on his behalf), such votes (where relevant) to be cast so far as possible to satisfy any outstanding condition of the Offer; and
 - 1.7.2.3 the agreement of such Airsprung Shareholder not to exercise any of such rights without the consent of Portnard and the irrevocable undertaking of such shareholder not to appoint a proxy or representative for or to attend any such meetings;
 - 1.8 he will deliver, or procure the delivery of, to Capita Registrars in its capacity as receiving agent, at the address referred to on page 1 of this document his share certificate(s) and/or other document(s) of title in respect of the Airsprung Shares held by him in certificated form in respect of which the Offer has been accepted, or deemed to be accepted, and not validly withdrawn, or an indemnity reasonably acceptable to Portnard in lieu thereof, as soon as possible and in any event within six months of the Offer becoming unconditional;
 - 1.9 if he accepts the Offer, he shall do all such acts and things as shall, in the opinion of Portnard or Capita Registrars in its capacity as receiving agent, be necessary or expedient to vest in Portnard or its nominees or such other persons as Portnard may decide the number of Airsprung Shares inserted, or deemed inserted, in Box 1 of the Form of Acceptance and all such acts and things as may be necessary or expedient to enable Capita Registrars in its capacity as receiving agent to perform its function for the purposes of the Offer;
 - 1.10 the terms and conditions of the Offer shall be incorporated and, deemed to be incorporated, in and form part of the Form of Acceptance, which shall be read and construed accordingly;
 - 1.11 he agrees to ratify each and every act or thing which may be done or effected by Portnard, Merchant Securities or Capita Registrars in its capacity as receiving agent or by any of their respective directors or agents or Airsprung or its agents, as the case may be, in the proper exercise of any of his or its powers and/or authorities conferred by or referred to in Part B or in this Part C of Appendix I and to indemnify each such person against any losses arising therefrom;
 - 1.12 the execution of the Form of Acceptance constitutes his submission, in relation to all matters arising out of the Offer and the Form of Acceptance, to the jurisdiction of the courts of England and his agreement that nothing shall limit the right of Portnard or Merchant Securities to bring any action, suit or proceeding arising out of or in connection with the Offer or in any other manner permitted by law or in any court of competent jurisdiction;

1.13 if any provision of Part B of Appendix I or of this Part C shall be unenforceable or invalid or shall not operate so as to afford Portnard or Merchant Securities or Capita Registrars in its capacity as receiving agent and/or any director or duly authorised representative of any of them, or agent of either of them, the full benefit of the authorities and powers of attorney expressed to be given therein, he agrees with all practicable speed do all such acts and things and execute all such documents as may be required or desirable to enable Portnard and Merchant Securities and/or any director or agent of either of them to secure the full benefit of such authorities and powers of attorney; and

1.14 on execution the Form of Acceptance shall take effect as a Deed.

References in this Part C to an Airsprung Shareholder shall include references to the person or persons executing a Form of Acceptance, and in the event of more than one person executing a Form of Acceptance, the provisions of this Part C shall apply to them jointly and to each of them.

Part D: Electronic Acceptance

Each Airsprung Shareholder who holds Airsprung Shares in uncertificated form by whom, or on whose behalf, an Electronic Acceptance is made irrevocably undertakes, represents, warrants and agrees to and with Portnard and Capita Registrars so as to bind him and his personal representatives, heirs, successors and assigns that:

1. The Electronic Acceptance shall constitute:
 - 1.1 subject to paragraph 5 of Part B of this Appendix I, an acceptance of the Offer in respect of the number of Airsprung Shares in uncertificated form to which a TTE Instruction relates;
 - 1.2 an undertaking that he will execute any further documents and give any further assurances which may be required to enable Portnard to obtain the full benefits of the terms of this Part D and/or to perfect any authorities expressed to be given thereunder; and
 - 1.3 a representation and warranty that he is the beneficial owner of the number of Airsprung Shares to which a TTE Instruction relates or, if he is not, he is irrevocably and unconditionally entitled to transfer such Airsprung Shares in uncertificated form and that the entire beneficial interest therein will be acquired under the Offer, on and subject to the terms and conditions set out or referred to in this document and that, subject to paragraphs 3 and 4 of Part B of this Appendix I, such acceptance and/or election shall be irrevocable.
2. Airsprung Shares in uncertificated form in respect of which the Offer is accepted or deemed to be accepted are sold fully paid and free from all liens, mortgages, equitable interests, charges, encumbrances, pre-emption rights and any other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching thereto including, without limitation, the right to receive all dividends and other distributions declared, made or paid hereafter.
3. Such Airsprung Shareholder:
 - 3.1 has not received or sent copies or originals of this document, the Form of Acceptance or any related documents in, into or from a Restricted Jurisdiction and has not otherwise utilised in connection with the Offer, directly or indirectly, the use of mails of, or any means or instrumentality (including, without limitation, facsimile transmission, email, telex, telephone and the internet) of interstate or foreign commerce of, or any facility of a national securities exchange of, a Restricted Jurisdiction, at the time of the input and settlement of the relevant TTE Instruction(s), and in respect of Airsprung Shares in uncertificated form to which an Electronic Acceptance relates, he is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to the Offer from outside a Restricted Jurisdiction; and
 - 3.2 if such Airsprung Shareholder is not resident in the UK he has observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due from him, in connection with such acceptance in any territory, and that he has not taken or omitted to take any action which will or may result in Portnard, Merchant Securities or any other person acting in breach of any legal or regulatory requirements of any territory in connection with the Offer or his acceptance thereof provided that the warranties and representations above shall be deemed not to be given if such Airsprung Shareholder purports to accept the Offer by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) a Restricted Escrow Transfer and a Restricted ESA Instruction pursuant to paragraph 6.6 of Part B of this Appendix I.
4. The Electronic Acceptance constitutes, subject to the Offer becoming unconditional in accordance with its terms and to the relevant Airsprung Shareholder not having validly withdrawn his acceptance, the irrevocable appointment of Portnard and/or any of Portnard's directors or

agents as such Airsprung Shareholder's agent and/or attorney and an irrevocable instruction and authorisation to the agent and/or attorney to do all such acts and things as may in the opinion of such agent and/or attorney be necessary or expedient for the purposes of, or in connection with, the acceptance of the Offer to vest in Portnard or its nominee(s) the Airsprung Shares in uncertificated form referred to in his acceptance (the "**Electronic Acceptance Shares**").

5. The Electronic Acceptance constitutes the irrevocable appointment of Capita Registrars as the Escrow Agent and an irrevocable instruction and authority to the Escrow Agent, subject to the Offer becoming unconditional in accordance with its terms and to such accepting Airsprung Shareholder not having validly withdrawn his acceptance, to transfer to itself (or to such other person or persons as Portnard or its agents may direct) by means of CREST all or any of the Electronic Acceptance Shares and, if the Offer does not become unconditional, to give TFE Instructions to Euroclear, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 days after the lapsing of the Offer), to transfer all the Electronic Acceptance Shares to the original available balance of the accepting Airsprung Shareholder.
6. The Electronic Acceptance constitutes, subject to the Offer becoming unconditional in accordance with its terms and to an accepting Airsprung Shareholder not having validly withdrawn his acceptance, an irrevocable authority and request, subject to the provisions of paragraph 6 of Part B of this Appendix I, to Portnard or its agents to procure the making of a CREST payment in favour of the accepting Airsprung Shareholder's payment bank in accordance with the CREST payment arrangements in respect of any cash consideration to which such accepting Airsprung Shareholder is entitled, provided that Portnard may (if for any reason it wishes to do so) determine that all or any part of such cash consideration shall be paid by cheque, despatched by post and, if the accepting Airsprung Shareholder is a CREST member whose registered address is in a Restricted Jurisdiction, any cash consideration to which he is entitled shall in any case be paid by cheque despatched by post and in either case all such cheques shall be despatched at the risk of such Airsprung Shareholder to the first-named holder at an address outside a Restricted Jurisdiction stipulated by such holder or as otherwise determined by Portnard.
7. The Electronic Acceptance constitutes a separate authority to any Portnard Director or Portnard's agents within the terms of paragraph 4 of Part B of this Appendix I in respect of the Electronic Acceptance Shares.
8. The Electronic Acceptance constitutes the same undertakings, acceptances, acknowledgements and authorities as set out in paragraph 1.7 of Part C of this Appendix I as if the same had been restated in this Part D *mutatis mutandis*.
9. After the Offer becomes unconditional (or if the Offer would become unconditional or lapse depending upon the outcome of the resolution in question) and in such other circumstances as Portnard may request and the Panel may permit and pending registration:
 - 9.1 Portnard or its agents shall be entitled to direct the exercise of any votes attaching to any uncertificated Airsprung Shares in respect of which the Offer is accepted or deemed to have been accepted and such acceptance has not been validly withdrawn and any and all other rights and privileges attaching to such Electronic Acceptance Shares, including the right to requisition the convening of a general meeting or separate class meeting of Portnard; and
 - 9.2 an Electronic Acceptance by an Airsprung Shareholder constitutes in respect of uncertificated Airsprung Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
 - 9.2.1 an authority to Airsprung and/or its agents from such Airsprung Shareholder to send any notice, warrant, document or other communication which may be required to be sent to him as a member of Airsprung (including any share certificate(s) or other

document(s) of title issued as a result of a conversion of such Airsprung Shares into certificated form) to Portnard at its registered office;

9.2.2 an authority to Portnard and/or its agents to sign any consent to short notice on his behalf and/or attend and/or execute a form of proxy in respect of such Airsprung Shares appointing any person nominated by Portnard to attend general meetings and separate class meetings of Airsprung or its members (or any of them) (and any adjournments thereof) and to exercise the votes attaching to such shares on his behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding condition of the Offer; and

9.2.3 the agreement of such Airsprung Shareholder not to exercise any of such rights without the consent of Portnard and the irrevocable undertaking of such Airsprung Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting.

10. If, for any reason, any Airsprung Shares in respect of which a TTE Instruction has been effected in accordance with paragraph 11.6 of the letter from Portnard contained in Part I of this document are converted to certificated form, he will (without prejudice to sub-paragraph 1.1 above) immediately deliver or procure the immediate delivery of the share certificate(s) or other documents of title in respect of all such Airsprung Shares as so converted to Capita Registrars at the address referred on page 1 of this document or to such address as Portnard or its agent may direct.
11. The creation of a CREST payment obligation in favour of his payment bank in accordance with the CREST payment arrangements referred to in paragraph 6 above shall, to the extent of the obligations so created, discharge in full any obligation of Portnard to pay him the cash consideration to which he is entitled pursuant to the Offer.
12. If he accepts the Offer and does not validly withdraw such acceptance, he shall do all such acts and things as shall be necessary or expedient to enable Capita Registrars to perform its functions as Escrow Agent for the purposes of the Offer.
13. He agrees to ratify each and every act or thing which may be lawfully done or effected by Portnard or by Capita Registrars or their respective directors, agents or attorneys, as the case may be, in the proper exercise of any of his powers and/or authorities hereunder.
14. If any provision of this Part D shall be unenforceable or invalid or shall not operate so as to afford Portnard or Capita Registrars and/or their respective directors and agents the full benefit of authorities and powers of attorney expressed to be given in this Part D he shall with all practicable speed do such acts or things and execute all such documents as may be required to enable Portnard or Capita Registrars and/or any of their respective directors or agents to secure the full benefits of such authorities and powers of attorney.
15. The making of an Electronic Acceptance constitutes his submission, in relation to all matters arising out of the Offer and the Electronic Acceptance, to the jurisdiction of the courts of England and his agreement that nothing shall limit the rights of Portnard and/or any of Portnard's directors or agents to bring any action, suit or proceeding arising out of or in connection with the Offer and the Electronic Acceptance in any other manner permitted by law or in any court of competent jurisdiction.
16. By virtue of the Regulations the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the relevant holder of Portnard Shares in the terms of the powers and authorities expressed to be given by this Part D to Portnard and any of Portnard's directors or agents.
17. A reference in this Part D to a holder of Airsprung Shares shall include references to the person or persons making an Electronic Acceptance and, in the event of more than one person making an Electronic Acceptance, the provisions of this Part D shall apply to them jointly and severally.

APPENDIX II

Additional Information

1. Responsibility for information in this document

- 1.1 The Portnard Directors (whose names are set out in paragraph 2.1 below) accept responsibility for the information contained in this document other than relating to the Airsprung Group, the directors of Airsprung and their immediate families and related trusts and companies and the recommendation and opinions of the Airsprung Directors relating to the Offer contained in the letter from the Airsprung Directors set out in Part II of this document. To the best of the knowledge and belief of the Portnard Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Airsprung Directors (whose names are set out in paragraph 2.2 below) accept responsibility for the information contained in this document relating to the Airsprung Group, the directors of Airsprung and their immediate families and related trusts and companies and the recommendation and opinions of the Airsprung Directors relating to the Offer contained in the letter from the Airsprung Directors set out in Part II of this document. To the best of the knowledge and belief of the Airsprung Directors (who have taken all reasonable care to ensure that such is the case), the information for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors, registered offices and trading addresses

- 2.1 The Portnard Directors and their respective functions are set out below:

Andrew Perloff (*Executive Chairman*)
Harold Perloff (*Director*)
Simon Peters (*Director*)

The registered office and trading address of Portnard is 26 New Street, St. Helier, Jersey JE2 3RA.

- 2.2 The Airsprung Directors and their respective functions are set out below:

Stuart Lyons CBE (*Chairman*)
Antonio Lisanti (*Chief Executive Officer*)
Tean Dallaway (*Group Finance Director and Company Secretary*)
John Newman (*Non-executive Director*)
Stephen Yates (*Non-executive Director*)

Airsprung is a public limited company incorporated under the laws of England and Wales. The registered office and trading address of Airsprung is Canal Road, Trowbridge, Wiltshire BA14 8RQ.

3. Persons acting in concert

In addition to the Portnard Directors, the persons who, for the purposes of the Code, are acting in concert with Portnard include:

Name	Type	Registered Office/ Service Address	Relationship with Portnard
Merchant Securities	Private limited company registered in England and Wales	51-55 Gresham Street, London EC2V 7HQ	Financial Adviser
Maland Pension Fund	Pension fund for the sole benefit of Andrew Perloff	26 New Street, St Helier, Jersey JE2 3RA	Director's pension fund
Raymond James Investment Services Limited	Private limited company registered in England and Wales	37 Victoria Road, Mill Hill, London NW7 4SA	Broker

In addition to the Airsprung Directors, the persons who, for the purposes of the Code, are acting in concert with Airsprung are:

Name	Type	Registered Office	Relationship with Airsprung
finnCap	Private limited company registered in England and Wales	60 New Broad Street, London EC2M 1JJ	Financial Adviser

4. Disclosure of Interests and Dealings

For the purpose of this paragraph 4:

- (a) “**acting in concert**” has the meaning given to it in the Code;
- (b) “**arrangement**” includes arrangements of the kind referred to in Note 6(b) on Rule 8 of the Code and indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to securities which may be an inducement to deal or refrain from dealing;
- (c) “**connected adviser**” has the meaning given to it in the Code;
- (d) “**control**” means an interest, or interests, in shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or holdings give(s) de facto control;
- (e) “**dealing**” has the meaning given to it in the Code;
- (f) “**derivative**” has the meaning given to it in the Code;
- (g) “**disclosure period**” means the period beginning on 29 September 2010 (being the date 12 months prior to the commencement of the Offer Period) and ending on 7 November 2011 (being the latest practicable date prior to the publication of this document);
- (h) “**interest**” or “**interests**” in relevant securities shall have the meaning given to it in the Code and references to interests of Portnard or interests of Portnard Directors in relevant securities shall include all interests of any other person whose interests in shares Portnard Directors are taken to be interested in pursuant to Part 22 of the Act;
- (i) “**relevant Airsprung securities**” mean relevant securities (such term having the meaning given to it in the Code in relation to an offeree) of Airsprung including equity share capital of Airsprung (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof; and

- (j) “**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

4.1 *Interests in Airsprung*

- 4.1.1 As at the close of business on 7 November 2011 (being the latest practicable date prior to the publication of this document), the interests of the Airsprung Directors (within the meaning of sections 820-825 of the Act) in the share capital of Airsprung were (with the exception of options in respect of Airsprung Shares which are set out in paragraph 4.1.2 below) as follows:

	Number of Airsprung Shares	Percentage of existing issued share capital of Airsprung
Stuart Lyons CBE	1,500,000	6.28
Antonio Lisanti	3,500,000	14.65
Tean Dallaway	170,700	0.71
John Newman	100,000	0.04
Stephen Yates	977,658	4.09
Jeremy Yates and Jane Yates*	1,208,178	5.06
Jonathan and Alice Yates*	84	0.00
	7,456,620	31.21

*Stephen Yates’s immediate family.

- 4.1.2 As at the close of business on 7 November 2011 (being the latest practicable date prior to the publication of this document), the following Airsprung Share Options had been granted to certain directors of Airsprung and persons connected with them and remained outstanding:

Name	Number of Airsprung Share Options	Date of grant	Exercise price pence (p)	Expiry date
A. Pocock	10,000	29.07.08	26	29.07.12
A. Skinner	20,000	29.07.08	26	29.07.12
A. Skinner	10,000	06.07.08	15.5	06.07.12
B. Bowes	20,000	29.07.08	26	29.07.12
B. Bowes	10,000	06.07.08	15.5	06.07.12
J. Francis	20,000	29.07.08	26	29.07.12
J. Lewis	10,000	29.07.08	26	29.07.12
J. Murphy	30,000	29.07.08	26	29.07.12
J. Murphy	10,000	06.07.08	15.5	06.07.12
M. McCann	20,000	29.07.08	26	29.07.12
M. McCann	10,000	06.07.08	15.5	06.07.12
R. Panes	20,000	29.07.08	26	29.07.12
R. Panes	10,000	06.07.08	15.5	06.07.12
T. Dallaway	50,000	29.07.08	26	29.07.12
T. Dallaway	10,000	06.07.08	15.5	06.07.12
T. Dallaway	100,000	26.07.10	38.5	26.07.14
T. Dallaway	100,000	07.08.11	13.5	07.08.15
T. Dallaway	100,000	07.08.12	23.5	07.08.16
T. Lisanti	600,000	29.07.08	26	29.07.12
T. Lisanti	207,000	06.07.08	15.5	06.07.12
T. Lisanti	193,000	06.07.08	15.5	06.07.12
	1,560,000			

- 4.1.3 As at 7 November 2011 (the latest practicable date prior to the publication of this document), the Concert Party held the following interests in, or rights to subscribe in respect of, relevant Airsprung securities:

	Number of Airsprung Shares	Percentage of issued share capital (%)
Portnard	7,156,000	29.96
Maland	2,950,000	12.35

4.2 Dealings in Airsprung Shares

- 4.2.1 The following dealings for value in relevant Airsprung securities by members of the Concert Party have taken place during the disclosure period:

Party	Transaction Type	No. of Airsprung Shares	Date	Price (pence)
Maland	Purchase	50,000	13 December 2010	19
Maland	Purchase	50,000	14 December 2010	22
Maland	Purchase	75,000	10 January 2011	22
Maland	Purchase	50,000	24 January 2011	22
Maland	Purchase	475,000	11 February 2011	22.5
Maland	Purchase	450,000	3 May 2011	23.75
Maland	Sale	50,000	1 June 2011	26
Maland	Purchase	1,879,778	22 June 2011	25.5
Maland	Sale	29,778	23 September 2011	19
Portnard	Purchase	7,156,000	28 September 2011	27

- 4.2.2 The following dealings for value in relevant Airsprung securities by the Airsprung Directors or their immediate families have taken place during the disclosure period:

Party	Transaction Type	No. of Airsprung Shares	Date	Price (pence)
Jeremy Yates and Jane Yates	Sale	600,000	24 February 2011	22

4.3 Irrevocable undertakings

The following Airsprung Directors have given irrevocable undertakings to Portnard that they will accept or procure the acceptance of the Offer in respect of any Airsprung Shares held by them:

	Number of Airsprung Shares	Percentage of existing issued share capital of Airsprung
Stuart Lyons CBE	1,500,000	6.28
Antonio Lisanti	3,500,000	14.65
Teian Dallaway	170,000	0.71
John Newman	100,000	0.04
Stephen Yates	977,658	4.09
	6,247,658	25.77

4.4 Interests and Dealings – General

Save as disclosed in paragraph 4 (and, in each case, during the disclosure period):

- 4.4.1 none of: (i) Portnard; (ii) the Portnard Directors or any member of the immediate families, any related trusts or any connected person of any of the Portnard Directors; or (iii) any person acting

- in concert with Portnard held an interest or short position in, or right to subscribe for, relevant securities of Airsprung, or had any arrangement in relation to relevant securities of Airsprung and nor has any such person dealt for value therein during the disclosure period;
- 4.4.2 neither Portnard nor any person acting in concert with Portnard has borrowed or lent (including for these purposes any financial collateral arrangements) any relevant securities of Airsprung, save for any borrowed shares which have been either on-lent or sold;
- 4.4.3 none of: (i) Airsprung; or (ii) any of the Airsprung Directors or any member of the immediate families, any related trusts or any connected person of any of the Airsprung Directors held an interest or short position in, or right to subscribe for, relevant securities of Portnard and nor has any such person dealt for value therein since the start of the Offer Period;
- 4.4.4 none of: (i) Airsprung; (ii) the Airsprung Directors or any member of the immediate families, any related trusts or any connected person of any of the Airsprung Directors; or (iii) any person acting in concert with Airsprung held an interest or short position in, or right to subscribe for, relevant securities of Airsprung, or had any arrangement in relation to relevant securities of Airsprung and nor has any such person dealt for value therein since the start of the Offer Period;
- 4.4.5 neither Airsprung nor any person acting in concert with Airsprung, has borrowed or lent (including for these purposes any financial collateral arrangements) any relevant securities of Airsprung, save for any borrowed shares which have been either on-lent or sold;
- 4.4.6 save as disclosed in paragraph 4.3 above Portnard has not received any irrevocable or other commitment to accept the Offer;
- 4.4.7 save as disclosed herein, no arrangement exists between any person and Portnard or any person acting in concert with Portnard in relation to relevant Airsprung securities including, in addition to indemnity and option arrangements, any agreement or understanding, formal or informal, of whatever nature, which may be an inducement to deal or refrain from dealing; and
- 4.4.8 no agreement, arrangement or understanding (including any compensation arrangement) exists between Portnard or any person acting in concert with it and any of the Airsprung Directors or the recent directors, shareholders or recent shareholders of Airsprung or any person interested or recently interested in the Shares having any connection with or dependence upon or which is conditional upon success of the Offer.

5. Market quotations

The following table shows the middle market Closing Price for an Airsprung Share on the first dealing day of each of the six months immediately prior to the date of this document from 1 June 2011 to 1 November 2011 inclusive, 28 September 2011 (the last business day before commencement of the Offer Period) and on 7 November 2011 (the latest practicable date prior to the publication of this document):

Date	Closing Price (pence)
1 June 2011	26.50
1 July 2011	25.00
1 August 2011	22.75
1 September 2011	23.00
28 September 2011	20.00
3 October 2011	27.00
1 November 2011	30.50
7 November 2011	30.50

6. Material Contracts

6.1 Portnard

There are no contracts (not being contracts entered into in the ordinary course of business), entered into by Portnard or any of its subsidiaries in the two years before the commencement of the Offer Period which are or may be material.

6.2 Airsprung

There are no contracts (not being contracts entered into in the ordinary course of business), entered into by Airsprung in the two years before the commencement of the Offer Period which are or may be material save as follows:

6.2.1 Financing Agreements with Svenska Handelsbanken AB (publ) (Handelsbanken) £2,500,000 LIBOR Revolving Loan Facility (“Revolving Facility”)

Under a facility letter dated 10 December 2010 (“Facility Letter”) Handelsbanken made available to Airsprung a floating rate LIBOR revolving credit facility limited to £2,500,000, reducing by £100,000 on the second anniversary of the first drawdown date and every six months thereafter. The applicable interest rate on sums utilised is 2.5 per cent. per annum over LIBOR and in addition a non-utilisation fee of 1.2 per cent. of the amount undrawn under the Revolving Facility is payable each month.

The Revolving Facility must be repaid on or before the fourth anniversary of the first drawdown date (which was 10 December 2010). Sums drawn down under the Revolving Facility have been used for the acquisition of the share capital of Collins & Hayes and to provide working capital.

Airsprung’s liabilities under the Revolving Facility are secured by the following documents, all granted in favour of Handelsbanken:

- (a) an all-assets debenture granted by Airsprung dated 17 December 2010;
- (b) a legal charge granted by Airsprung Beds dated 17 December 2010 over its freehold property at Canal Road, Trowbridge, Wiltshire;
- (c) an all monies unlimited cross guarantee granted by Airsprung, Airsprung Beds, Airsprung Furniture and Collins & Hayes dated 11 December 2010;
- (d) an all-assets debenture granted by Airsprung Furniture dated 17 December 2010;
- (e) an all-assets debenture granted by Airsprung Beds dated 17 December 2010; and
- (f) an all-assets debenture granted by Collins & Hayes dated 1 February 2011.

Under the terms of the Facility Letter, Handelsbanken’s prior written consent is required if there is any change in the ownership structure or control of Airsprung.

6.2.2 Argos Supplier Agreement with HSBC

Under a supplier agreement dated 24 January 2011, HSBC made available to Airsprung Furniture a supplier invoice discounting facility with a facility limit of £4,000,000. This facility relates solely to the funding of invoices raised in respect of Airsprung Furniture’s supply arrangements with Argos Limited.

The initial discount rate applicable to the Argos Supplier Agreement is 1 per cent. over 3 month LIBOR per annum, however, other rates may apply depending on the time at which specific invoices are notified to HSBC by Airsprung Furniture.

6.2.3 Financing Agreements with Leumi ABL Limited (“Leumi”)

(a) Receivables Finance Agreement with Collins & Hayes (“RFA”)

Under a receivables finance agreement dated 19 January 2010 (as amended), Leumi made available to Collins & Hayes a confidential invoice discounting facility with an aggregate limit of £1,425,000. The minimum period of the RFA has now ended and Collins & Hayes

has served notice of termination on Leumi; the RFA will therefore end on 29 February 2012.

The discount and other fees applicable to the current facilities under the RFA are as follows:

- (a) in respect of approved sterling invoices, 2.5 per cent. over the base rate of Lloyds TSB Bank plc. A service fee of £1,000 plus VAT is payable each month; and
- (b) in respect of approved euro invoices, 2.75 per cent. over 3 month EURIBOR. A service fee of £100 plus VAT is payable each month.

A quarterly audit fee of £500 plus VAT is also payable by Collins & Hayes.

Collins & Hayes' liabilities under the RFA are secured by an all-assets debenture in favour of Leumi dated 19 January 2010. Airsprung also guarantees Collins & Hayes' performance and repayment liabilities to Leumi under the RFA and the ILA referred to below.

Notwithstanding the planned termination of the RFA, Leumi retains the right to terminate the RFA immediately if before that date there is a change in control in Collins & Hayes' parent company. Collins & Hayes is party to a deed of release and priority dated 1 February 2011 pursuant to which the rights of Leumi and Handelsbanken under their respective security granted by Collins & Hayes are regulated.

(b) *Inventory Loan Agreement with Collins & Hayes ("ILA")*

Under an inventory loan agreement dated 19 January 2010, Leumi made available to Collins & Hayes a working capital loan facility of up to £100,000. The facility is due to be repaid on 19 January 2012. The interest rate payable by Collins & Hayes under the ILA is 2.75 per cent. over the base rate of Lloyds TSB Bank plc although this facility is no longer utilised.

Collins & Hayes's liabilities under the ILA are secured by the all-assets debenture in favour of Leumi referred to above.

Collins & Hayes has served notice of termination on Leumi and all arrangements with Leumi will cease on 29 February 2012.

6.2.4 *Acquisition of Collins & Hayes*

Under a share purchase agreement ("SPA") entered into by Matthew Miller and others (the former shareholders of Collins & Hayes, the Sellers) and Airsprung Furniture dated 11 December 2010, Airsprung Furniture acquired the entire issued share capital of Collins & Hayes (the "Shares").

The price paid by Airsprung Furniture for the Shares on completion on 11 December 2010 was £2,320,983 in cash, subject to the retention of £317,000 in relation to possible liabilities of Collins & Hayes or a shortfall in finished goods. £67,000 of such retention has been released to the Sellers, but £250,000 remains in a joint solicitors' retention account. This sum may be applied in relation to any shortfall in the finished goods of the Company as at 30 September 2011, as compared with the finished goods as at the date of completion (to the extent such shortfall exceeds £50,000).

Airsprung Furniture agreed to use its reasonable endeavours to release Nicholas Gold (one of the Sellers) from the personal guarantee he provided in relation to Collins & Hayes's banking facilities with Clydesdale Bank plc and to indemnify him pending such release (subject always to a maximum liability of £50,000).

The SPA contains warranties in relation to Collins & Hayes and its affairs. The SPA also includes indemnities in relation to matters relating to Collins & Hayes.

The SPA contains restrictive covenants given by the Sellers.

7. Service Contracts

7.1 Executive Directors

7.1.1 There are currently two executive directors on the board of Airsprung: Antonio Lisanti and Tean Dallaway. Particulars of the executive directors' service contracts are set out below:

Director	Contract date	Notice period	Notice Period on change of control	Annual remuneration	Non-pensionable benefits
Antonio Lisanti – Group Chief Executive	7 September 2005 (employment commenced on 29 April 2002)	Not less than 12 months' written notice	For 12 months from the date of change of control, employment is terminable on not less than 24 months' written notice, reducing to 12 months' written notice after the expiry of 12 months from the date of change of control	£182,004	Company car Private fuel allowance of £2,076 per annum Medical expenses insurance Death in service cover at 4 times annual salary Permanent health insurance
Tean Dallaway – Group Finance Director and Company Secretary	6 September 2005 (employment commenced on 9 May 1994)	Not less than 6 months' written notice	For the first 12 months from the date of change of control, employment is terminable on not less than 24 months' notice, reducing to a 12 month notice period for the subsequent 12 months. The notice period shall revert to 6 months after the expiry of 24 months from the date of change of control	£97,008	Company car Medical expenses insurance Death in service cover at 4 times annual salary Permanent health insurance

7.1.2 The executive directors are employed on permanent contracts which have no fixed terms. The executive directors have no contractual right to compensation on early termination beyond payment of their contractual notice periods. However, usual practice for employees is that all benefits remain during the notice period or the employee receives remuneration for the value of those benefits. The lengths of the contractual notice periods increase after a change of control of Airsprung.

7.1.3 The principal components of the executive directors' remuneration are base salary (which is reviewed annually), participation in the Airsprung Share Scheme, employer contributions to a personal pension plan and death in service insurance. The executive directors' benefits also include participation in the Company's permanent health insurance scheme, medical expenses insurance, a vehicle, its running costs and related expenses, 31 working days' holiday per year (in addition to bank and public holidays) and sick pay (which includes statutory sick pay) at full pay.

7.2 Non-Executive Directors

(i) There are three non-executive directors on the Airsprung board: Stuart Lyons, CBE, John Newman and Stephen Yates. Particulars of the non-executive directors' letters of appointment are set out below:

Director	Contract date	Unexpired term	Notice period	Fee
Stuart Lyons, CBE	7 September 2005 (Appointed 7 September 2005)	Ends 7 September 2012	n/a	£66,624
John Newman	20 September 2005 (Appointed 6 November 2003)	Ends 30 September 2012	n/a	£25,008
Stephen Yates	11 April 2007 (Appointed 1 April 2007)	Ends 31 March 2012	n/a	£18,444

- (ii) The non-executive directors' appointments are for a fixed term of 12 months and on the expiration of that 12 month period the contracts are open to renewal by mutual agreement.
 - (iii) In the event of early termination, the non-executive directors are entitled to receive payment in respect of the unexpired term of their appointment except in certain circumstances. They are not entitled to any additional payments on a change of control.
 - (iv) All directors are required to retire by rotation every 3 years. All directors have been re-elected at an AGM in the previous 3 years.
- 7.3 Except as stated above, there are no other contracts of service between the Airsprung Directors and Airsprung.
- 7.4 Except as stated above, none of the agreements set out in this paragraph 7 has been entered into or amended during the six months prior to commencement of the Offer Period.

8. Financing of the Offer

- 8.1 Full acceptance of the Offer will result in a maximum cash consideration of approximately £4.3 million becoming payable by Portnard, which will be provided from Portnard's existing cash resources. This is based on the existing issued share capital of Airsprung on 7 November 2011 (being the latest practicable date prior to the posting of this document). Following the exercise of all of the options under the Airsprung Share Scheme with an exercise price of 31 pence or less per Airsprung Share, additional cash consideration of £0.5 million will become payable which will be provided from Portnard's existing cash resources.
- 8.2 Merchant Securities, the financial adviser to Portnard, has confirmed that it is satisfied that Portnard has sufficient cash resources available to it to satisfy in full the cash consideration payable by Portnard as a result of full acceptance of the Offer.
- 8.3 Portnard is an investment holding company. It is a non-trading company and has no subsidiaries. It is anticipated that following completion of the Offer, Portnard will act as the holding company for Airsprung. In addition to its holding in Airsprung, Portnard's other principal asset is a 45.9 per cent. interest in Panther Securities plc, which at 7 November 2011, the latest practical date prior to the publication of the document, had a value of £25.5 million, based on a share price of 330 pence per share. At 31 March 2011, Portnard had net assets of approximately £7.7 million, which comprised cash of £7.1 million, investments at cost of £0.2 million (being the investment in Panther Securities plc) and stock of investments of £0.3 million. In the year ended 31 March 2011, Portnard achieved a profit before taxation of £50,699.

The assets and liabilities of a consolidated Portnard and Airsprung group, assuming full acceptance of the Offer, would comprise the assets and liabilities of Airsprung at the date of acquisition (save that the extent and amount of any fair value adjustments required post acquisition is not yet known) the 45.9 interest in Panther Securities plc and the balance of cash remaining following the payment of any consideration due under the Offer and the purchase of 7,156,000 Airsprung Shares on 28 September 2011.

The earnings of a consolidated Portnard and Airsprung group, assuming full acceptance of the Offer, would comprise primarily the earnings of Airsprung.

9. Consents

- 9.1 Merchant Securities has given and not withdrawn its written consent to the issue of this document with the inclusion herein of its name in the form and context in which they appear.
- 9.2 finnCap has given and not withdrawn its written consent to the issue of this document with the inclusion herein of its name in the form and context in which they appear.

10. Other information

- 10.1 The value of the current share capital of Airsprung is calculated on the basis of there being 23,888,698 Airsprung Shares in issue.

- 10.2 There is no agreement, arrangement or understanding between Portnard and any other person pursuant to which any Airsprung Shares which Portnard will acquire pursuant to the Offer will be transferred to any other person.
- 10.3 All share prices in this document are derived from Bloomberg.
- 10.4 All references in this document and the Form of Acceptance are to London time unless the context provides otherwise.
- 10.5 The emoluments of the Portnard Directors will not be affected by the Offer or by any other associated transaction.
- 10.6 The estimated aggregate fees and expenses net of VAT expected to be incurred by Portnard in connection with the Offer are £101,000, comprising:
- 10.6.1 financial and corporate broking advice – £55,000;
 - 10.6.2 legal advice – £30,000;
 - 10.6.3 printing – £6,000;
 - 10.6.4 Receiving Agent services – £8,000; and
 - 10.6.5 other costs and expenses – £2,000.
- 10.7 The estimated aggregate fees and expenses net of VAT expected to be incurred by Airsprung in connection with the Offer are £198,000, comprising:
- 10.7.1 financial and corporate broking advice – £75,000;
 - 10.7.2 legal advice – £90,000 (a secondee from Bond Pearce LLP is also assisting the Company at an aggregate fee of approximately £23,000);
 - 10.7.3 printing – £6,000; and
 - 10.7.4 other costs and expenses – £4,000.
- 10.8 The Airsprung Directors are not aware of any significant change in the financial or trading position of Airsprung since 31 March 2011 (being the date to which the last audited accounts of Airsprung were prepared).

11. Documents available for inspection

- 11.1 Copies of the following documents are available for inspection on Portnard's website: www.portnard.com during the period in which the Offer remains open for acceptance:
- 11.1.1 the Memorandum and Articles of Association of Portnard;
 - 11.1.2 the unaudited financial statements of Portnard for the two years ended 31 March 2011;
 - 11.1.3 the irrevocable undertakings to accept the Offer referred to in paragraph 4.3 of this Appendix II;
 - 11.1.4 the written consent referred to in paragraph 9.1 of this Appendix II; and
 - 11.1.5 the Announcement, the announcement issued by Airsprung on 27 October 2011, this document and the Form of Acceptance.
- 11.2 Copies of the following documents are available for inspection on Airsprung's website: www.airsprung-group.co.uk during the period in which the Offer remains open for acceptance:
- 11.2.1 the Memorandum and Articles of Association of Airsprung;
 - 11.2.2 the published audited consolidated accounts of Airsprung for the two years ended 31 March 2011;
 - 11.2.3 the written consent referred to in paragraph 9.2 of this Appendix II; and
 - 11.2.4 the announcement issued by Airsprung on 27 October 2011 and this document.

12. Documents incorporated by reference

- 12.1 Paragraph 4 of Part I incorporates financial information only on the Airsprung Group by reference to Airsprung's consolidated audited annual report and accounts for the financial years ended 31 March 2010 and 31 March 2011. These documents are available, free of charge, for inspection at the following web addresses:

Airsprung Annual Report and Accounts 2011

www.airsprung-group.co.uk/downloads/2011_Annual_report.pdf

Airsprung Annual Report and Accounts 2010

www.airsprung-group.co.uk/downloads/2010_Annual_report.pdf

The above financial statements are available in "read only" format and can be printed from the relevant websites as set out above.

- 12.2 Paragraph 5 of Part I incorporates financial information on Portnard by reference to audited financial statements for the financial years ended 31 March 2010 and 31 March 2011. These documents are available, free of charge, for inspection at www.portnard.com

The financial statements are available in "read only" format and can be printed from this website.

- 12.3 Any Airsprung Shareholder or holder of options or awards under the Airsprung Share Scheme may request a copy of such documents in hard copy form. A hard copy of such documents will not be sent to such persons unless requested from Merchant Securities by way of either written request to Merchant Securities Limited, 51-55 Gresham Street, London EC2V 7HQ or request by telephone on 020 7628 2200 (when telephoning from inside the UK) or +44 20 7628 2200 (when telephoning from outside the UK). If requested, copies will be provided within two business days of such request.

Dated: 8 November 2011

