

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action to be taken, you are recommended to seek your own personal financial advice immediately from your stockbroker, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.**

If you have sold or transferred all of your ordinary shares in Gladstone plc (“**Gladstone**” or the “**Company**”), please forward this letter to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

*Head & Registered Office:*

Gladstone House  
Hithercroft Road  
Wallingford  
Oxfordshire  
OX10 9BT

5 March 2010

*To the holders of Ordinary Shares, and for information only, to the holders of options under Gladstone’s Option Schemes.*

Dear Shareholder

Please see enclosed a copy of an announcement made by Constellation Software Inc. in respect of a mandatory cash offer under Rule 9 of the City Code on Takeovers and Mergers (the “**Code**”) that was released on 2 March 2010. I also set out below our response to that announcement released on the same day.

You should be aware that addresses, electronic addresses and certain other information provided by you for the receipt of communications from Gladstone may be provided to an offeror during the offer period as required under Section 4 of Appendix 4 of the Code.

The directors of Gladstone (“**Directors**”) accept responsibility for the information contained in this letter. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this letter is in accordance with the facts and does not omit anything likely to affect the import of such information.

**YOU NEED NOT TAKE ANY ACTION at this time and you will be kept fully informed of any developments.**

Yours faithfully,



Dr. Said Ziai  
*Chairman and CEO*



“2 March 2010

## **Gladstone plc**

(“Gladstone” or “the Company”)

### **Statement regarding Constellation Software Inc.**

The Company has noted the announcement made this afternoon by Constellation Software Inc. in respect of a mandatory cash offer under Rule 9 of the City Code on Takeovers and Mergers. The Company advises Shareholders to take no action until the Board is in a position to give its formal response to this announcement.

Copies of Gladstone’s recent announcements are available from the Company’s website at [www.gladstoneplc.com](http://www.gladstoneplc.com).

In accordance with Rule 2.10 of the City Code on Takeovers and Mergers, the Company confirms that it has 52,839,294 Ordinary Shares of 1p each in issue, of which 4,525,000 are held in treasury. Accordingly, the number of shares carrying voting rights is 48,314,294. The ISIN Code for these securities is GB0034268630.

– Ends –

#### **For further information, please contact:**

##### **Gladstone plc**

Dr. Said Ziai, Chairman and Chief Executive  
Nicholas Montgomery, Head of Group Finance

Tel: +44 (0) 1491 201010  
[www.gladstoneplc.com](http://www.gladstoneplc.com)

Financial Advisers:

##### **Deloitte Corporate Finance**

Jonathan Hinton / Léonie Grimes

Tel: +44 (0) 20 7936 3000

Nominated Adviser:

##### **Grant Thornton Corporate Finance**

Gerry Beaney / David Hignell

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##### **Abchurch Communications Limited**

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***Dealing Disclosure Requirements:***

*Under the provisions of Rule 8.3 of the City Code on Takeovers and Mergers (the “Code”), if any person is, or becomes, “interested” (directly or indirectly) in 1% or more of any class of “relevant securities” of the Company, all “dealings” in any “relevant securities” of that company (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of the Company, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Under the provisions of Rule 8.1 of the Code, all “dealings” in “relevant securities” of the Company by the Company, or by any of its respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.*

*A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel’s website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk).*

*“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.*

*Terms in quotation marks are defined in the Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Panel.*

*If you are in any doubt as to the application of Rule 8 to you, please contact an independent financial advisor authorised under the Financial Services and Markets Act 2000, consult the Panel’s website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk) or contact the Panel on telephone number +44 20 7638 0129; fax +44 20 7236 7013.*

*The Directors of the Company accept responsibility for the information contained in this announcement. To the best of knowledge and belief of the Directors, who have taken all reasonable care to ensure such is the case, the information contained in this announcement is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*Deloitte Corporate Finance is acting for the Company and for no-one else in connection with the possible offer for the Company and will not regard any other person as its client nor be responsible to anyone other than the Company for providing the protections afforded to clients of Deloitte Corporate Finance nor for providing advice in relation to the possible offer or any matter referred to herein. Deloitte Corporate Finance is a division of Deloitte LLP, which is authorised and regulated by the Financial Services Authority in respect of regulated activities.”*

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2 March 2010

**For Immediate Release**

**Mandatory Cash Offer  
by  
Constellation Software Inc.  
for the entire issued and to be issued ordinary share capital of  
Gladstone plc not already owned by Constellation Software Inc.**

- The Board of Constellation is pleased to announce that it has today acquired a further 6,588,273 ordinary shares in Gladstone plc ("Gladstone") representing approximately 13.64 per cent. of the ordinary share capital of Gladstone for £2,174,130 (33 pence per Gladstone Share) and that it now owns 21,007,887 Gladstone Shares, representing approximately 43.48 per cent. of the ordinary issued share capital of Gladstone. As a result of this share acquisition, as required under Rule 9 of the City Code, Constellation will be making a mandatory offer for the entire issued and to be issued ordinary share capital of Gladstone not already owned by Constellation at a price of 33 pence per Gladstone Share in cash, being the highest price paid by it for any Gladstone Shares.
- The Offer is conditional on Constellation having received, together with Gladstone shares already owned by Constellation or acquired during the period of the Offer, sufficient acceptances to its Offer to enable it to control 50 per cent. of the voting rights of Gladstone Shares.
- The Offer values the existing issued ordinary share capital and in the money share options of Gladstone at approximately £18.1 million in aggregate.
- The Offer represents a premium of approximately 17.9 per cent. to the Closing Price of 28 pence per Gladstone Share on 1 March 2010, being the latest practicable date prior to the release of the Announcement and a premium of 32 per cent. to the Closing Price of 25 pence per Gladstone Share on 5 November 2009, being the last Business Day prior to the release of the announcement on 6 November 2009 that Gladstone had received approaches from third parties regarding a possible offer for Gladstone, one of which led to an indicative offer at a price of 33 pence in cash per Gladstone Share.
- Herax is acting as financial adviser to Constellation.
- This announcement and all other documents, announcements or information published in relation to the Offer by Constellation will be available on the website of Herax ([www.heraxpartners.com](http://www.heraxpartners.com)).

**Enquiries:**

**Constellation Software Inc.**

John Billowits (Chief Financial Officer)

Tel: +1 416 861 0630

## **Herax (Financial Adviser to Constellation)**

Angus MacPherson  
Andres Reig-Schmidt

Tel: +44 (0)20 7399 1682

This summary should be read in conjunction with the full text of the Announcement. The Offer will be subject to the condition set out in Appendix I to the Announcement and the further terms which will be set out in the Offer Document, which is expected to be issued as soon as is reasonably practicable and, in any event, within 28 days of the Announcement.

Appendix II contains the sources and bases of information used in this summary and the Announcement.

Appendix III contains the definitions of certain expressions used in this summary and the Announcement.

Herax, which is authorised and regulated by the Financial Services Authority in the United Kingdom, is acting exclusively for Constellation and no one else in connection with the Offer and will not be responsible to anyone other than Constellation for providing the protections afforded to clients of Herax nor for providing advice in relation to the Offer, the content of this summary and the Announcement or any other matter or arrangement referred to herein.

The Offer Document and the Form of Acceptance will be sent to Gladstone Shareholders as soon as is reasonably practicable, other than to overseas Gladstone Shareholders in the circumstances permitted under the City Code or in accordance with any dispensation given by the Panel. The full terms of and condition to the Offer will be set out in the Offer Document and the Form of Acceptance. In deciding whether or not to accept the Offer, Gladstone Shareholders should rely solely on the information contained in, and follow the procedures set out in, the Offer Document and Form of Acceptance.

THE ANNOUNCEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO SUBSCRIBE FOR OR BUY ANY SECURITIES NOR THE SOLICITATION OF ANY VOTE OR APPROVAL IN ANY JURISDICTION, NOR SHALL THERE BE ANY SALE, ISSUE OR TRANSFER OF THE SECURITIES REFERRED TO IN THE ANNOUNCEMENT IN ANY JURISDICTION, IN CONTRAVENTION OF ANY APPLICABLE LAW. THE OFFER WILL BE MADE SOLELY BY MEANS OF THE OFFER DOCUMENT AND THE FORM OF ACCEPTANCE ACCOMPANYING THE OFFER DOCUMENT.

Unless otherwise determined by Constellation and subject to any dispensation required from the Panel, the Offer will not be made, directly or indirectly, in or into or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) or interstate or foreign commerce of, or through any facilities of a national securities exchange of any Restricted Jurisdiction, and the Offer, when made, should not be accepted by any such use, means, instrumentality or facilities from or within any Restricted Jurisdiction. Accordingly, copies of the Announcement are not being, and must not be, mailed or otherwise forwarded, distributed or sent, into or from any Restricted Jurisdiction and persons receiving the Announcement (including, without limitation custodians, nominees and trustees) should observe these restrictions and not mail or otherwise forward, distribute or send it in, into or from any Restricted Jurisdiction. Doing so may render invalid any purported acceptance of the Offer. Notwithstanding the foregoing, Constellation will retain the right to permit the Offer to be accepted and any sale of securities pursuant to the Offer to be completed if, in its sole discretion, it is satisfied that the transaction in question can be undertaken in compliance with applicable law and regulation.

### **Further Information on the Offer**

No offer will be made for the Gladstone Deferred Shares as there is no requirement under the City Code for such an offer to be made. Accordingly the Gladstone Deferred Shares shall not be taken into account for the purposes of the acceptance condition in Rule 10 of the City Code.

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

This summary and the Announcement have been prepared for the purposes of complying with English law and the City Code and information disclosed may not be the same as that which would have been disclosed if this summary and the Announcement had been prepared in accordance with the laws of jurisdictions outside England.

The Offer will be subject to the applicable rules and regulations of the Financial Services Authority, the London Stock Exchange and the City Code.

### **Forward Looking Statements**

The Announcement, including information included or incorporated by reference in the Announcement, may contain "forward-looking statements" concerning Gladstone and Constellation. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward-looking statements. The 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 the companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements. Constellation assumes no obligation and does not intend to update these forward-looking statements, except as required pursuant to applicable law.

### **Dealing Disclosure Requirements**

Under the provisions of Rule 8.3 of the Code, if any person is, or becomes, "interested" (directly or indirectly) in 1% or more of any class of "relevant securities" of Gladstone, all "dealings" in any "relevant securities" of that company (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30p.m. (London time) on the Business Day following the date of the relevant transaction. This requirement will continue until the date on which the Offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of Gladstone, they will be deemed to be a single person for the purpose of Rule 8.3 of the Code.

Under the provisions of Rule 8.1 of the Code, all "dealings" in "relevant securities" of Gladstone by Constellation or by Gladstone, or by any of their respective "associates", must be disclosed by no later than 12.00 noon (London time) on the Business Day following the date of the relevant transaction. A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk).

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8 of the Code, you should contact an independent financial adviser authorised under FSMA or consult the Panel's website or contact the Panel on telephone number +44 (0)20 7638 0129.

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2 March 2010

**For Immediate Release**

**Mandatory Cash Offer  
by  
Constellation Software Inc.  
for the entire issued and to be issued ordinary share capital of  
Gladstone plc not already owned by Constellation Software Inc.**

**1. INTRODUCTION**

The Board of Constellation is pleased to announce that it has today acquired a further 6,588,273 ordinary shares in Gladstone plc ("Gladstone") representing approximately 13.64 per cent. of the ordinary issued share capital of Gladstone for £2,174,130 (33 pence per Gladstone Share). Constellation therefore now owns 21,007,887 Gladstone Shares, representing approximately 43.48 per cent. of the ordinary issued share capital of Gladstone. As a result of this share acquisition, as required under Rule 9 of the City Code, Constellation will be making a mandatory offer for the entire issued and to be issued ordinary share capital of Gladstone not already owned by Constellation at a price of 33 pence per Gladstone Share in cash, being the highest price paid by it for any Gladstone Shares.

The Offer Document and the Form of Acceptance will be posted to Gladstone Shareholders as soon as reasonably practicable, other than to overseas Gladstone Shareholders in the circumstances permitted under the City Code or in accordance with any dispensation given by the Panel.

**2. SUMMARY OF THE TERMS OF THE OFFER**

The Offer, which will be subject to the terms and condition set out in Appendix I to this Announcement and the further terms to be set out in the Offer Document and, if relevant, the Form of Acceptance, will be made on the following basis:

**For each Gladstone Share 33 pence in cash**

The Offer values the existing issued ordinary share capital and in the money share options of Gladstone at approximately £18.1 million in aggregate.

The Offer represents a premium of approximately 17.9 per cent. to the Closing Price of 29 pence per Gladstone Share on 1 March 2010, being the latest practicable date prior to the release of the Announcement and a premium of 32 per cent. to the Closing Price of 25 pence per Gladstone Share on 5 November 2009, being the last Business Day prior to the release of the announcement on 6 November 2009 that Gladstone had received approaches from third parties regarding a possible offer for Gladstone, one of which led to an indicative offer at a price of 33 pence in cash per Gladstone Share.

Constellation owns 21,007,887 Gladstone Shares which represents approximately 43.48 per cent. of the existing issued ordinary share capital of Gladstone.

The Offer is conditional on Constellation having received, together with Gladstone shares already owned by Constellation or acquired during the period of the Offer, sufficient acceptances to its Offer to enable it to control 50 per cent. of the voting rights of Gladstone Shares. As a result, if Constellation receives acceptances in respect of 3,149,261 Gladstone Shares, representing approximately 6.52 per cent. of the existing issued share capital of Gladstone the Offer will be capable of becoming or being declared unconditional as to acceptances.

The Gladstone Shares will be acquired pursuant to the Offer fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever and together with all rights now and hereafter attaching to them, including, without limitation, the right to receive in full and retain all dividends and other distributions (if any) declared, made or paid in respect of the Gladstone Shares on or after 2 March 2010.

### **3. BACKGROUND TO AND REASONS FOR THE OFFER**

Constellation's strategy is to acquire, manage and build vertical market software ("VMS") businesses. Generally, these businesses provide mission critical software solutions that address the specific needs of customers in particular vertical markets.

Constellation identified that Gladstone represented an opportunity to establish a position in the UK health club and leisure centre sectors and Constellation acquired a substantial shareholding in Gladstone in March 2008. In October 2008 Constellation made a public offer for Gladstone at a price of 25 pence per Gladstone Share. This offer lapsed in December 2008. Constellation remains convinced that Gladstone represents a good opportunity to service the UK health club and leisure centre market and therefore acquired further Gladstone Shares to bring its shareholding in Gladstone to approximately 43.48 per cent. of the existing issued share capital of Gladstone and is making a new offer for Gladstone of 33 pence per Gladstone Share, which is a 32 per cent premium to the offer made in October 2008.

### **4. INFORMATION ON CONSTELLATION**

Constellation, which is listed on the Toronto Stock Exchange, is an international provider of market leading software and services to a select number of industries, both in the public and private sectors. Its strategy is to acquire, manage and build market-leading software businesses that develop specialized, mission-critical software solutions to address the specific needs of its particular industries.

Constellation was founded in 1995 to assemble a portfolio of vertical market software companies that have the potential to be leaders in their particular market. Since then, Constellation has grown rapidly through a combination of acquisitions and organic growth, and established a strong group of companies with a large, diverse customer base comprised of over 16,000 customers as at 31 December 2009 operating in over 30 countries around the world.

Constellation has six operating groups which currently service customers in over 30 different vertical markets worldwide. Its businesses are aggregated into two distinct segments for financial reporting purposes: (i) the public sector segment, which includes businesses focusing upon government and government-related customers, and (ii) the private sector segment, which includes businesses focusing upon commercial customers.

Constellation is headquartered in Toronto, Canada, has offices in North America, Europe and Australia, and, as at 31 December 2009, had over 2,500 employees.

In the results of its financial year ended 31 December 2008, the Constellation Group had revenues of US\$ 330.5 million, profit before tax of US\$ 17.0 million, gross assets of US\$ 385.8 million and net assets of US\$ 95.4 million.

## **5. INFORMATION ON GLADSTONE**

Gladstone, which is listed on AIM, is a provider of innovative software solutions and services to different vertical markets where intelligent management of membership activities, bookings and service requirements are mission critical to the financial success and efficiency of its clients' operations. Gladstone's software solutions are currently targeted at the global health and leisure and education markets.

Gladstone Health and Leisure is a leading supplier of Health and Leisure membership management and bookings systems to major health and fitness groups, local authority leisure centres, trusts, universities and a large number of private and single site clubs. It also provides central database solutions for multi-site operators, facilitating central and cross-site on-line booking, membership management and central administration, CRM, marketing and reporting.

Gladstone Education provides a wide range of Educational Facilities Management systems and software-based solutions, such as e-registration, cashless payments, and biometric recognition, for schools, academies and colleges.

In the results for its financial year ended 31 August 2009, Gladstone had revenues of £ 9.7 million, profit before tax of £ 1.2 million, gross assets of £ 20.0 million and net assets of £ 15.6 million.

## **6. STRATEGY**

Constellation's strategy is to acquire, manage and build market-leading software businesses that develop specialised, mission-critical software solutions to address the specific needs of its particular industries. Constellation intends to build an industry-leading health club and leisure centre software company in the UK based upon the Gladstone Acquisition.

## **7. DIRECTORS, MANAGEMENT, EMPLOYEES AND LOCATIONS**

Constellation attaches importance to the skills and experience of the employees of Gladstone. Constellation confirms that the employment rights, including pension rights, of the management and employees of Gladstone and its subsidiaries will be fully safeguarded as required by applicable law. Based on information currently available, Constellation does not presently intend to make material changes to the conditions of employment.

Upon the Offer becoming or being declared unconditional in all respects and subject to the passing of a shareholder resolution by Gladstone shareholders, Constellation will appoint to the Gladstone Board nominees sufficient in number to comprise a majority. The reconstituted Gladstone Board will thereafter conduct a review of Gladstone's operations.

Subject to the review of operations described above, Constellation does not currently envisage any changes to the locations of the places of business of Gladstone and its subsidiaries nor does it expect to redeploy any of their fixed assets.

Constellation does not anticipate the Offer having any effect on the rights and continued employment of the current employees and management of the Constellation group save for those persons who are envisaged to be appointed to the board of Gladstone if the Offer becomes or is declared unconditional in all respects as further described above.

As a result of the Offer, and subject to the review of operations described above, Constellation does not currently envisage any changes to the locations of the places of business of Constellation and its subsidiaries nor does it have any current intention to redeploy any of their fixed assets, in each case in the jurisdictions where Gladstone and its subsidiaries also have places of business.

## **8. GLADSTONE SHARE OPTION SCHEMES**

The Offer will extend to any Gladstone Shares unconditionally allotted or issued fully paid (or credited as fully paid) whilst the Offer remains open for acceptance (or until such earlier date as, subject to the City Code, Constellation may decide, being not earlier than the date on which the Offer becomes or is declared unconditional as to acceptances, or if later, the final closing date of the Offer), including those allotted or issued as a result of the exercise of options or awards under the Gladstone Employee Share Schemes.

Constellation intends to make appropriate proposals to the holders of options and awards under the Gladstone Employee Share Schemes upon the Offer becoming or being declared unconditional in all respects, to the extent that such options and awards have not by then been exercised.

## **9. INTERESTS IN GLADSTONE SHARES**

Constellation is the beneficial owner of a total 21,007,887 Gladstone Shares, representing approximately 43.48 per cent. of the existing issued ordinary share capital of Gladstone. Pershing Nominees Limited holds 13,860,000 Gladstone shares as nominee for Constellation (representing approximately 28.69 per cent. of the existing issued Gladstone shares) and Royal Bank of Canada Europe Limited holds 7,147,887 Gladstone shares as nominee for Constellation (representing approximately 14.79 per cent. of the existing issued Gladstone shares).

Save for the Gladstone Shares referred to in this paragraph 9 neither Constellation, nor any of its directors, nor any member of the Constellation Group, nor so far as they are aware, any person acting in concert with Constellation, owns or controls or has any interests in securities in any Gladstone Shares (including pursuant to any long exposure, whether conditional or absolute, to changes in the prices of securities) or any rights to subscribe for or purchase or any option to acquire or any obligation to take delivery of, any Gladstone Shares or has entered into any derivatives referenced to Gladstone Shares or which result in that person holding a long position in securities related to Gladstone Shares ("Relevant Gladstone Securities") which remain outstanding, nor does any such person hold any short positions in relation to Relevant Gladstone Securities (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 Relevant Gladstone Securities.

Neither Constellation nor, so far as they are aware, any person acting in concert with Constellation has borrowed or lent any Relevant Gladstone Securities.

## **10. FINANCING THE OFFER**

Full acceptance of the Offer, assuming the exercise of all outstanding options with an exercise price of less than 33 pence per Gladstone Share under the Gladstone Employee Share Schemes and the acceptance of the Offer by all Gladstone Shareholders before the Offer closes, will result in the payment of approximately £9.8 million in cash.

The cash consideration payable under the terms of the Offer is to be financed out of a credit facility established by a syndicate of lenders which includes Bank of Montreal, Wells Fargo Foothill Canada ULC, National Bank of Canada, The Bank of Nova Scotia and Bank of America, NA (or their respective affiliates). Herax, financial adviser to Constellation, has confirmed that it is satisfied that sufficient financial resources are available to Constellation to satisfy the cash consideration payable to Gladstone Shareholders as a result of full acceptance of the Offer.

## **11. COMPULSORY ACQUISITION AND DELISTING**

If Constellation receives acceptances under the Offer in respect of, and/or otherwise acquires 90 per cent. or more in value of the Gladstone Shares to which the Offer relates (and not less than 90 per cent. of the voting rights carried by Gladstone Shares) Constellation intends to exercise its rights pursuant to the provisions of Part 28 of the CA 2006 to acquire compulsorily any remaining Gladstone Shares in respect of which acceptances have not then been received on the same terms as the Offer.

If the Offer becomes or is declared unconditional in all respects, and sufficient acceptances under the Offer are received and subject to any applicable requirements of the London Stock Exchange, Constellation intends to procure that Gladstone makes an application to cancel the trading of Gladstone Shares and the listing of Gladstone Shares on AIM. Notice of such cancellation will commence not less than 20 business days prior thereto either on Constellation attaining 75 per cent. or more of the voting rights as described above or on the first date of issue of the squeeze out notices under Chapter 3 of Part 28 of the CA 2006. Constellation will notify Gladstone Shareholders when the required threshold has been attained and confirm that the notice period has commenced and the anticipated date of cancellation. De-listing would significantly reduce the liquidity and marketability of any Gladstone Shares not assented to the Offer at that time and the value of any such Gladstone Shares may be affected as a consequence.

It is also intended that, following the Offer becoming or being declared unconditional in all respects and after the de-listing referred to above becoming effective, Gladstone will be re-registered as a private company under the relevant provisions of the CA 2006.

## **12. GENERAL**

The Offer Document and the Form of Acceptance will be sent to Gladstone Shareholders as soon as is reasonably practicable, other than to overseas Gladstone Shareholders in the circumstances permitted under the City Code or in accordance with any dispensation given by the Panel. The full terms of and condition to the Offer will be set out in the Offer Document and the Form of Acceptance. In deciding whether or not to accept the Offer, Gladstone Shareholders should rely solely on the information contained in, and follow the procedures set out in, the Offer Document and Form of Acceptance.

The availability of the Offer to persons 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 your professional adviser in the relevant jurisdiction without delay. Further details in relation to overseas shareholders will be contained in the Offer Document.

Unless otherwise determined by Constellation and subject to any dispensation required from the Panel, the Offer will not be made, directly or indirectly, in or into or by the use of the mails of, or by any means or instrumentality (including without limitation, telephonically or electronically) or interstate or foreign commerce of, or through any facilities of a national securities exchange of a Restricted Jurisdiction, and the Offer, when made, should not be accepted by any such use, means, instrumentality or facilities from or within any Restricted Jurisdiction. Accordingly, copies of this Announcement are not being, and must not be, mailed or otherwise forwarded distributed or sent, into or from any Restricted Jurisdiction and persons receiving this Announcement (including, without limitation custodians, nominees and trustees) should observe these restrictions and not mail or otherwise forward, distribute or send it in, into or from any Restricted Jurisdiction. Doing so may render invalid any purported acceptance of the Offer. Any person (including, without limitation, custodians, nominees and trustees) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this Announcement and/or any other related document to any jurisdiction outside the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Notwithstanding the foregoing, Constellation will retain the right to permit the Offer to be accepted and any sale of securities pursuant to the Offer to be completed if, in its sole discretion, it is satisfied that the transaction in question can be undertaken in compliance with applicable law and regulation.

The Offer will be subject to the condition set out in Appendix I. The bases and sources of certain financial information contained in this Announcement are set out in Appendix II. Certain terms used in this Announcement are defined in Appendix III.

**Enquiries:**

**Constellation Software Inc.**

John Billowits (Chief Financial Officer)

Tel: +1 416 861 0630

**Herax (Financial Adviser to Constellation)**

Angus MacPherson  
Andres Reig-Schmidt

Tel: +44 (0)20 7399 1682

Herax, which is authorised and regulated by the Financial Services Authority in the United Kingdom, is acting exclusively for Constellation and no one else in connection with the Offer and will not be responsible to anyone other than Constellation for providing the protections afforded to clients of Herax nor for providing advice in relation to the Offer, the content of this Announcement or any other matter or arrangement referred to herein.

The directors of Constellation accept responsibility for the information contained in this Announcement, save that the only responsibility accepted by them in respect of information in the Announcement relating to Gladstone, which has been compiled from public sources, is to ensure that such information has been correctly and fairly reproduced and presented. Subject to the above, to the best of the knowledge and belief of the directors of Constellation (who have taken all reasonable care to ensure that such is the case), the information contained in this Announcement for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

THIS ANNOUNCEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO SUBSCRIBE FOR OR BUY ANY SECURITIES NOR THE SOLICITATION OF ANY VOTE OR APPROVAL IN ANY JURISDICTION, NOR SHALL THERE BE ANY SALE, ISSUE OR TRANSFER OF THE SECURITIES REFERRED TO IN THIS ANNOUNCEMENT IN ANY JURISDICTION IN CONTRAVENTION OF ANY APPLICABLE LAW. THE OFFER WILL BE MADE SOLELY BY MEANS OF THE OFFER DOCUMENT AND THE FORM OF ACCEPTANCE ACCOMPANYING THE OFFER DOCUMENT. IN DECIDING WHETHER OR NOT TO ACCEPT THE OFFER, GLADSTONE SHAREHOLDERS MUST RELY SOLELY ON THE TERMS AND CONDITION OF THE OFFER AND THE INFORMATION CONTAINED AND PROCEDURES DESCRIBED IN THE OFFER DOCUMENT AND THE ACCOMPANYING FORM OF ACCEPTANCE.

**Further Information on the Offer**

No offer will be made for the Gladstone Deferred Shares as there is no requirement under the City Code for such an offer to be made. Accordingly the Gladstone Deferred Shares shall not be taken into account for the purposes of the acceptance condition in Rule 10 of the City Code.

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

The Offer will be subject to the applicable rules and regulations of the Financial Services Authority, the London Stock Exchange and the City Code.

### **Forward Looking Statements**

This Announcement, including information included or incorporated by reference in this Announcement, may contain "forward-looking statements" concerning Gladstone and Constellation. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward-looking statements. The 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 the companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements. Constellation assumes no obligation and does not intend to update these forward-looking statements, except as required pursuant to applicable law.

### **Dealing Disclosure Requirements**

Under the provisions of Rule 8.3 of the Code, if any person is, or becomes, "interested" (directly or indirectly) in 1% or more of any class of "relevant securities" of Gladstone, all "dealings" in any "relevant securities" of that company (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30p.m. (London time) on the Business Day following the date of the relevant transaction. This requirement will continue until the date on which the Offer becomes, or is declared, unconditional as to acceptances or is otherwise withdrawn or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of Gladstone, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Code, all "dealings" in "relevant securities" of Gladstone by Constellation or by Gladstone, or by any of their respective "associates", must be disclosed by no later than 12.00 noon (London time) on the Business Day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk).

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8 of the Code, you should contact an independent financial adviser authorised under FSMA or consult the Panel's website or contact the Panel on telephone number +44 (0)20 7638 0129.

**If you are in any doubt about the Offer, the contents of this Announcement or what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent professional adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

## APPENDIX I

### Condition and certain further terms of the Offer

The Offer will be conditional upon valid acceptances of the Offer being received (and not, where permitted, withdrawn) by no later than 1.00 p.m. on the first closing date of the Offer (or such later time(s) and/or date(s) as Constellation may, subject to the rules of the Code, decide) in respect of Gladstone Shares which, together with Gladstone Shares that Constellation and/or its wholly-owned subsidiaries have acquired or agreed to acquire, pursuant to the Offer or otherwise, carry in aggregate more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Gladstone including for this purpose (to the extent, if any, required by the Panel) any such voting rights attached to any Gladstone Shares unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances (whether pursuant to the exercise of conversion or subscription rights or otherwise).

The Offer will lapse if it is referred to the Competition Commission or if the European Commission initiates proceedings under Article 6(1)(c) of the Merger Regulation, or following a referral under Article 9(1) of the Merger Regulation, there is a subsequent reference to the Competition Commission before 1.00 p.m. (London time) on the first closing date of the Offer or the time and date on which the Offer becomes or is declared unconditional as to acceptances, whichever is the later. In such circumstances, the Offer will cease to be capable of further acceptance and persons accepting the Offer and Constellation shall thereupon cease to be bound by Forms of Acceptance delivered on or before the date on which the Offer so lapses.

If the Offer lapses, it will cease to be capable of further acceptance. Gladstone Shareholders who have already accepted the Offer shall then cease to be bound by acceptances delivered on or before the date on which the Offer lapses.

The Offer will be governed by English law and be subject to the exclusive jurisdiction of the English courts, to the condition set out above and the further terms set out in the Offer Document and Form of Acceptance.

## **APPENDIX II**

### **Bases and Sources**

- (a) Unless otherwise stated, the financial information relating to Gladstone has been extracted or derived, without material adjustment, from Gladstone's audited accounts and the audited consolidated financial statements for Gladstone for the year ended 31 August 2009.
- (b) References to the existing issued share capital of Gladstone are references to Gladstone Shares in issue on 1 March 2010 (being the last practicable Business Day prior to the release of this Announcement), being 48,314,294 Gladstone Shares (excluding 4,525,000 Gladstone Shares held in treasury).
- (c) The value attributed to the existing issued and to be issued share capital of Gladstone is based upon the 48,314,294 Gladstone Shares being in issue on 1 March 2010 (being the latest practicable date prior to the date of this Announcement) and on all outstanding options and awards granted under the Gladstone Employee Share Schemes which have an exercise price per Gladstone Share lower than the Offer Price having been exercised.
- (d) Gladstone Share prices represent the Closing Price on the relevant date.

## APPENDIX III

### Definitions

The following definitions apply throughout this Announcement, unless the context otherwise requires:

<b>"Acquisition"</b>	the proposed acquisition of the whole of the issued and to be issued share capital of Gladstone by Constellation by means of the Offer;
<b>"Act" or "Companies Act"</b>	the Companies Act 2006 (as amended);
<b>"AIM"</b>	the AIM market of the London Stock Exchange;
<b>"Announcement"</b>	this announcement made by Constellation under Rule 2.5 of the City Code regarding the proposed acquisition of Gladstone by means of the Offer;
<b>"Australia"</b>	the Commonwealth of Australia, its possessions and territories and all areas subject to its jurisdiction or any political subdivisions thereof;
<b>"authorisations"</b>	authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals;
<b>"Board"</b>	the board of directors of Constellation;
<b>"Business Day"</b>	a day on which AIM is open for normal business;
<b>"Canada"</b>	Canada, its possessions and territories and all areas subject to its jurisdiction or any political subdivision thereof;
<b>"Closing Price"</b>	the closing middle market quotation of a Gladstone Share for the day to which such price relates, as derived from the London Stock Exchange;
<b>"Code" or "City Code"</b>	the City Code on Takeovers and Mergers;
<b>"Constellation" or "Company"</b>	Constellation Software Inc., a public corporation incorporated under the Ontario Business Corporations Act with registered number 1517581 and having its registered office at 20 Adelaide Street East, Suite 1200, Toronto, Ontario, Canada M5C 2T6;
<b>"Constellation Director"</b>	a director of Constellation;
<b>"Constellation Group"</b>	Constellation, its subsidiaries and subsidiary undertakings, and "member of the Constellation Group" shall be construed accordingly;
<b>"Form of Acceptance"</b>	the form of acceptance and authority relating to the Offer which accompanies the Offer Document;
<b>"FSMA"</b>	the Financial Services and Markets Act 2000 (as amended);
<b>"Gladstone"</b>	Gladstone plc, a public limited company incorporated in England and Wales with registered number 3327360 and having its

	registered office at Gladstone MRM, Hithercroft Road, Wallingford, Oxfordshire OX10 9BT;
<b>"Gladstone Deferred Shares"</b>	non-voting deferred shares of nine pence each in the capital of Gladstone;
<b>"Gladstone Director"</b>	a director of Gladstone;
<b>"Gladstone Employee Share Schemes"</b>	the Gladstone Search and Selection PLC Enterprise Management Incentive Plan, the Gladstone Search and Selection PLC 2001 Executive Share Option Plan, the Gladstone Performance Share Plan and any options granted by the Gladstone Employee Benefit Trust;
<b>"Gladstone Shareholders"</b>	holders of Gladstone Shares;
<b>"Gladstone Shares"</b>	ordinary shares of one penny each in the capital of Gladstone;
<b>"Herax"</b>	Herax Partners LLP, being the financial adviser to Constellation;
<b>"Japan"</b>	Japan, its possessions and territories and all areas subject to its jurisdiction or any political subdivision thereof;
<b>"London Stock Exchange"</b>	London Stock Exchange plc, together with any successors thereto;
<b>"Merger Regulation"</b>	Council Regulation 139/2004/EC;
<b>"Offer"</b>	the mandatory cash offer to be made by Constellation pursuant to Rule 9 of the City Code to acquire the entire issued and to be issued share capital of Gladstone, on the terms and subject to the condition set out in the Offer Document and the Form of Acceptance and (where the context permits) any subsequent revision, variation, extension or renewal thereof;
<b>"Offer Document"</b>	the document containing the Offer which will be posted to Gladstone Shareholders as soon as is reasonably practicable;
<b>"Offer Period"</b>	the period commencing on 6 November 2009 (being the date of Gladstone's announcement regarding a possible offer) and ending on the date which is the latest of (i) the first closing date of the Offer, (ii) the date on which the Offer becomes or is declared unconditional as to acceptances and (iii) the date on which the Offer lapses or is withdrawn;
<b>"Offer Price"</b>	33 pence per Gladstone Share;
<b>"Panel Executive"</b>	the body responsible for the day-to-day regulation of takeovers under the Code;
<b>"Restricted Jurisdiction"</b>	the United States, Canada, Australia and Japan and any other jurisdiction to which or where the extension or acceptance of the Offer would breach or violate the law of that jurisdiction or the offering of the New Constellation Shares would require registration

<b>"subsidiary", "subsidiary undertaking", "associated undertaking" and "undertaking"</b>	have the meanings given to them by the Companies Act and "substantial interest" means a direct or indirect interest in 20 per cent. or more of the equity capital of an undertaking;
<b>"UK" or "United Kingdom"</b>	the United Kingdom of Great Britain and Northern Ireland; and
<b>"United States" or "US"</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia and all other areas subject to its jurisdiction.

All references to legislation in this Announcement are to legislation of England and Wales, unless the contrary is indicated. Any reference made to any provision of any legislation includes any amendment, modification, re-enactment or extension thereof.

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

References to "£", "Sterling", "p", "penny" and "pence" are to the lawful currency of the United Kingdom.

References to "US\$", "US dollars", "c", and "cent" are to the lawful currency of the United States of America.

References to time are to London time.



