

This document comprises supplementary listing particulars relating to PHS Group plc as required by the Listing Rules made under section 142 of the Financial Services Act 1986 and has been delivered for registration to the Registrar of Companies in England and Wales in accordance with section 149 of that Act.

Application has been made to the UK Listing Authority for the ordinary share capital of PHS Group plc issued and to be issued in connection with the offer described in the Listing Particulars issued by PHS Group plc dated and published on 8 June 2001 to be admitted to the Official List of the UK Listing Authority and to the London Stock Exchange for such Ordinary Shares to be admitted to trading on the London Stock Exchange's market for listed securities. It is expected that admission to listing and trading will become effective and dealings will commence at 8.00 a.m. on 29 June 2001. **All dealings in Ordinary Shares prior to the commencement of unconditional dealings will be of no effect if Admission does not take place and will be at the sole risk of the parties.**

The Directors of PHS Group plc, whose names appear on page 6 of the Listing Particulars, accept responsibility for the information contained in this document. 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 document is in accordance with the facts and does not omit anything likely to affect the import of such information.

A discussion of certain risks and factors that should be considered in connection with an investment in the Ordinary Shares is set out in Part III: Risk factors of the Listing Particulars.

PHS Group plc

*(incorporated under the Companies Act 1985 and registered in England and Wales with
registered number 3805412)*

Supplementary listing particulars in connection with the Global Offer of 421,962,500 Ordinary Shares of 10p each at a price of 80p per Ordinary Share

Sponsor, financial adviser, global co-ordinator, bookrunner and stockbroker

Merrill Lynch International

Co-lead managers

Schroder Salomon Smith Barney

UBS Warburg

Ordinary share capital immediately following Admission

Authorised		Ordinary Shares of 10p each	Issued	
Number	Amount		Number	Amount
695,000,000	£69,500,000		517,045,452	£51,704,545

The Ordinary Shares offered by the Listing Particulars have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "Securities Act"), or under the applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered or sold within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act ("Regulation S")). Subject to certain exceptions, the Ordinary Shares may not be offered or sold in Australia, Canada or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada or Japan. The Underwriters may arrange for the offer and sale of Ordinary Shares in the United States only to qualified institutional buyers (as defined in Rule 144A under the Securities Act ("Rule 144A")) in transactions exempt from registration under the Securities Act. Prospective purchasers are hereby notified that the sellers of the Ordinary Shares may be relying on the exemption from the provisions of section 5 of the Securities Act provided by Rule 144A.



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In connection with the Global Offer, the Charterhouse Selling Shareholders have granted to Merrill Lynch International, on behalf of the Underwriters, an option (the "Over-allotment Option"), which will be exercisable, in whole or in part, upon notice by Merrill Lynch International for 30 days after Admission. Pursuant to the Over-allotment Option, Merrill Lynch International may require the Charterhouse Selling Shareholders to sell up to 63,294,375 Sale Shares at the Offer Price for the purpose only of meeting over-allotments, if any, in connection with the Global Offer.

In connection with the Global Offer, Merrill Lynch International, as stabilising manager, may over-allot or effect other transactions intended to enable it to satisfy any over-allotments or which stabilise or maintain the market price of the Ordinary Shares or any options, warrants or rights with respect to, or interests in, the Ordinary Shares, in each case at levels which might not otherwise prevail in the open market. Such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise. Such transactions, if commenced, may be discontinued at any time. Save as required by law or regulation, Merrill Lynch International does not intend to disclose the extent of any over-allotments and/or stabilisation transactions under the Global Offer, although individual investors may be required to disclose interests in Ordinary Shares acquired pursuant to the Global Offer in accordance with the disclosure requirements of the Companies Act 1985, as amended (the "Act").

Merrill Lynch International, which is regulated in the UK by The Securities and Futures Authority Limited, is acting for PHS Group plc and the Selling Shareholders and no one else in connection with the Global Offer. It will not regard any other person (whether or not a recipient of this document) as its customer in relation to the Global Offer and will not be responsible to anyone other than PHS Group plc and the Selling Shareholders for providing the protections afforded to customers of Merrill Lynch International nor for giving advice in relation to the Global Offer.

No person has been authorised to give any information or make any representations other than those contained in this document or in the Listing Particulars and, if given or made, such information or representations must not be relied on as having been so authorised. Neither the delivery of this document or the Listing Particulars nor any subscription or sale made under them shall, under any circumstances, create any implication that there has been no change in the affairs of PHS Group plc since the date of this document or that the information in it is correct as of any subsequent time.

The Ordinary Shares offered by this document have not been approved or disapproved by US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority nor have such authorities passed upon the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The distribution of this document and the offer of the Ordinary Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer of, or the solicitation of an offer to subscribe for or buy, any of the Ordinary Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

The Ordinary Shares are not transferable except in accordance with, and the distribution of this document is subject to, the restrictions set out at paragraph 12 "Securities laws" in Part VIII: Additional information of the Listing Particulars.

The contents of this document should not be construed as legal, business or tax advice. Each prospective investor should consult his, her or its own solicitor, financial adviser or tax adviser for legal, financial or tax advice.

Notice to New Hampshire Residents only

Neither the fact that a registration statement or an application for a licence has been filed under Chapter 421-B of the New Hampshire Revised Statutes ("RSA 421-B") with the State of New Hampshire nor the fact that a security is effectively registered or a person is licensed in the State of New Hampshire constitutes a finding by the Secretary of State of the State of New Hampshire that any document filed under RSA 421-B is true, complete and not misleading. Neither any such fact nor the fact that an exemption or exception is available for a security or a transaction means that the Secretary of State of the State of New Hampshire has passed in any way upon the merits or qualifications of, or recommended or given approval

to, any person, security or transaction. It is unlawful to make or cause to be made, to any prospective purchaser, customer or client any representation inconsistent with the provisions of this paragraph.

Available information

For so long as any of the Ordinary Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, PHS Group plc will, during any period in which it is not subject to section 13 or 15(d) under the US Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) of the Exchange Act, make available to any holder or beneficial owner of an Ordinary Share, or to any prospective purchaser of an Ordinary Share designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

Forward-looking statements

Certain statements contained in the Listing Particulars as supplemented by this document, constitute "forward-looking statements" within the meaning of section 27A of the Securities Act and section 21E of the Exchange Act. The words "believe", "expect", "anticipate", "may", "shall", "intend", "plan" and similar expressions identify forward-looking statements. All statements other than statements of historical facts contained in this document, including, without limitation, those regarding industry data and market information, and PHS Group plc's financial position, business strategy, plans and objectives of management for future operations are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors, which may cause the actual results, performance or achievements of PHS Group plc, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such statements are inherently based on numerous assumptions regarding all present and future business strategies and the environment in which PHS Group plc will operate in the future. Such risks, uncertainties and other factors include, but are not limited to, those discussed in Key information, in Part I: Business of the Group, Part III: Risk factors and Part IV: Financial information of the Listing Particulars. The forward-looking statements speak only as at the date of the Listing Particulars.

Currency and financial statement presentation

Unless otherwise indicated, all references in this document to "pounds sterling", "£" or "p" are to the lawful currency of the United Kingdom. PHS Group plc prepares its financial statements in pounds sterling.

Unless otherwise indicated, financial information in the Listing Particulars, as supplemented by this document, including the *pro forma* financial information in Part VI of the Listing Particulars, has been prepared in accordance with UK GAAP. UK GAAP differs in certain significant respects from US GAAP. For a discussion of the most significant differences between UK GAAP and US GAAP relevant to PHS Group Plc, see "Significant differences between UK GAAP and US GAAP" in the Listing Particulars.

The report on *pro forma* financial information in Part VI: *Pro forma* financial information of the Listing Particulars is included solely to comply with the requirements of the UK Listing Authority. The form of these reports does not comply with auditing standards generally accepted under US GAAP, since US GAAP does not provide for an expression of an opinion on a review of *pro forma* financial statements or the performance of agreed upon procedures on specified data. To express an opinion on *pro forma* financial statements in conformity with US GAAP, an examination greater in scope than that performed would be required.

Percentages in the Listing Particulars have been rounded and accordingly may not add up to 100 per cent.

Enforcement of judgments

PHS Group plc is a public limited company incorporated under the laws of England and Wales. The Directors are citizens or residents of countries other than the United States. All or a substantial portion of the assets of such persons and substantially all of the assets of the Group are located outside the US. As a result, it may not be possible for investors to effect service of process within the United States on the Company or such persons or to enforce against them judgements of US courts predicated on the civil liability provisions of the US federal securities laws. In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in England.

Introduction

This document is supplemental to and must be read in conjunction with the Listing Particulars. It updates and adds to certain information set out in the Listing Particulars to reflect the announcement on 26 June 2001 of the number of Ordinary Shares the subject of the Global Offer and the Offer Price of 80 pence per Ordinary Share, and certain events which have occurred since the date of publication of the Listing Particulars. Pricing information was previously included in the Listing Particulars on the basis of the Price Range except where otherwise stated and assumed an Offer Price of 130 pence, being the mid-point of the Price Range.

Definitions

Words and expressions defined in the Listing Particulars have the same respective meanings when used in this document, unless the context requires otherwise. The following definitions are used in this document:

"Charterhouse Selling Shareholders"	Charterhouse General Partners, CHEF Nominees Limited with registered number 1732523 and Fund Nominees Limited with registered number 3341264;
"Listing Particulars"	the listing particulars dated and published on 8 June 2001 relating to the Company; and
"Offer Price"	80 pence per Ordinary Share.

Timetable of principal events

	2001
Publication of supplementary listing particulars and announcement of the Offer Price	26 June
Conditional dealings commence.....	27 June
Latest time and date for receipt of Employee Revocation Forms	5.00 p.m. on 28 June
Admission and commencement of unconditional dealings.....	8.00 a.m. on 29 June
CREST accounts credited.....	29 June
Despatch of definitive share certificates (where applicable).....	29 June

Each of the times and dates in the above timetable is subject to change at the discretion of the Company and Merrill Lynch International. References to times are to UK time unless otherwise stated. Temporary documents of title will not be issued.

It should be noted that, if Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned.

Global Offer statistics

Offer Price	80p
Number of Ordinary Shares being offered ⁽¹⁾	421,962,500
New Ordinary Shares	312,500,000
Sale Shares	109,462,500
Number of Sale Shares subject to Over-allotment Option	63,294,375
Number of Ordinary Shares in issue following the Global Offer.....	517,045,452
Percentage of enlarged issued share capital being offered ⁽¹⁾	81.6 per cent.
Market capitalisation of the Company at the Offer Price	£413,636,362
Net proceeds of the Global Offer receivable by the Company ⁽²⁾	£236,000,000

Notes

- (1) Assumes the Over-allotment Option is not exercised.
- (2) The net proceeds to the Company are stated after deduction of the underwriting commissions and expenses of the Global Offer payable by the Company, expected to be approximately £14,000,000.

Dividend policy

The Group intends to reinvest a proportion of its earnings to finance the growth of the business. Subject to the availability of sufficient distributable reserves, the Group intends to pay dividends in the near future at or above 10 per cent. per annum of earnings per share. This policy will be reviewed periodically in the context of the Group's financial condition. Any change in this policy will be at the discretion of the Directors after taking into account various factors, including the Group's operating results, current and anticipated cash needs, and plans for expansion.

The Global Offer

Shares and allotment

The number of Ordinary Shares available in the Global Offer will be 421,962,500, assuming no exercise of the Over-allotment Option, which the Charterhouse Selling Shareholders have granted to Merrill Lynch International, on behalf of the Underwriters, to purchase up to 63,294,375 Sale Shares (and which is exercisable for 30 days after Admission).

Of the Ordinary Shares being offered:

- 657,913 New Ordinary Shares have been allocated to satisfy valid applications under the Employee Offer; and
- 421,169,587 Ordinary Shares have been allocated to the Institutional Offer of which 311,707,087 are New Ordinary Shares and 109,462,500 are Sale Shares.

In addition John Allan will subscribe for 135,000 New Ordinary Shares at the Offer Price, conditional on Admission, such subscription to be satisfied by the application of director's fees as described in paragraph 5 of Part VIII: Additional information of the Listing Particulars. New Ordinary Shares allocated to the Employee Offer for which employees exercise revocation rights will be taken up by the Underwriters or institutional investors procured by them.

The Selling Shareholders are Charterhouse General Partners, the Executive Directors, and members of the executive management team. The Selling Shareholders will be selling in total 109,462,500 Sale Shares in the Global Offer. Charterhouse General Partners will be selling 106,425,000 Sale Shares, representing 63.6 per cent. of its holding, the Executive Directors will be selling an aggregate of 1,215,000 Sale Shares, representing 10 per cent. of their respective holdings, and members of the executive management team will be selling an aggregate of 1,822,500 Sale Shares.

Additional information

1. Share Capital

- 1.1 Conditional on Admission, the Company will issue 312,500,000 New Ordinary Shares pursuant to the Global Offer.
- 1.2 The authorised, issued and fully paid share capital of the Company as at the date of publication of this document is as follows:

Authorised			Issued	
Number	Amount		Number	Amount
20,500,000	£205,000	ordinary shares of 1p each	20,202,020	£202,020

- 1.3 The authorised, issued and fully paid share capital of the Company immediately following Admission will be as follows:

Authorised			Issued	
Number	Amount		Number	Amount
695,000,000	£69,500,000	Ordinary Shares of 10p each	517,045,452	£51,704,545

2. Directors' and other interests in the Company

- 2.1 The interests of the Directors, in the share capital of the Company (all of which are beneficial unless otherwise stated), which
- (a) have or will have been notified to the Company pursuant to sections 324 and 328 of the Act,
 - (b) are required to be entered into the register referred to in section 325 of the Act; or
 - (c) are interests of a connected person (within the meaning of section 346 of the Act) which would, if the connected person were a director, be required to be disclosed under (a) or (b) above and the existence of which is known to or could with reasonable diligence be ascertained by that Director

as at 25 June 2001 (the latest practicable date prior to the publication of this document) were and are anticipated following Admission to be as follows:

Name	Number of ordinary shares of 1p each	Percentage of existing share capital	Number of Ordinary Shares after Admission	Percentage of share capital after Admission
Robert Mackenzie	202,020	1.0%	2,045,452	0.4%
Peter Cohen	800,000	4.0%	7,290,000	1.4%
Keith Bland	400,000	2.0%	3,645,000	0.7%
John Allan	—	—	135,000	0.0%

- 2.2 The interests of the Directors together represent approximately 7 per cent. of the issued share capital of the Company as at 25 June 2001 (the latest practicable date prior to publication of this document) and are expected to represent approximately 2.5 per cent. of the issued share capital of the Company on Admission.
- 2.3 Save as set out in this document on Admission none of the Directors will have any interest in the share or loan capital of the Company and there is no person to whom any capital of any member of the Group is under option or agreed unconditionally to be put under option.
- 2.4 In so far as is known to the Company, as at 25 June 2001 (being the last practicable date prior to the publication of this document) the name of each person, other than a Director, who, directly or indirectly, was interested in 3 per cent. or more of the Company's capital, and the amount of such person's interest was (and following Admission is expected to be) as follows:

Name	Number of ordinary shares of 1p each	Percentage of existing share capital	Number of Ordinary Shares after Admission ⁽¹⁾	Percentage of share capital after Admission ⁽¹⁾
Charterhouse General Partners	16,532,920	81.8%	60,970,815	11.8%

(1) Assumes no exercise of the Over-allotment Option

- 2.5 Save as disclosed in this paragraph 2, the Directors are not aware of any interest (within the meaning of Part VI of the Act) which will represent 3 per cent. or more of the issued share capital of the Company following Admission.
- 2.6 The Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

3. Significant change

Save as disclosed in this document, there has been no significant change and no significant new matter has arisen in relation to the Group since 8 June 2001, the date of the Listing Particulars.

4. General

- 4.1 Based on the Offer Price, the net proceeds to the Company of the Global Offer will be £236,000,000, after deduction of underwriting commission and expenses by the Company.
- 4.2 The aggregate costs and expenses relating to the issue of the Ordinary Shares, including the listing fees of the UK Listing Authority, professional fees and expenses and the costs of printing and distribution of documents are estimated to amount to £14,000,000 (including VAT) and are payable by the Company. Included within the total are commissions which are expected to be approximately £8,750,000 payable to the Underwriters.
- 4.3 Each Ordinary Share will be issued at a premium of 70 pence to its nominal value.
- 4.4 £3,023,000 of the subordinated loan notes in issue, referred to on page 69 of the Listing Particulars, are in favour of Charterhouse Development Limited and the subscription agreement referred to on page 100 of the Listing Particulars was entered into by Charterhouse Development Limited.

- 4.5 Peter Cohen resigned as a director of Holt Lloyd Group Limited in March 1998.
- 4.6 The £107 million Credit Facility referred to on page 101 of the Listing Particulars was entered into by the Company on 7 June 2001.
- 4.7 The noon buying rates for 2001 referred to on page 102 of the Listing Particulars were for the period ended 5 June 2001.

5. Documents available for inspection

Copies of this document, the Listing Particulars and the documents listed in paragraph 19 of Part VIII of the Listing Particulars are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of not less than 14 days from the date of publication of this document at the offices of Allen & Overy, One New Change, London EC4M 9QQ and at the Company's registered office at Western Industrial Estate, Caerphilly, South Wales CF83 1XH.

26 June 2001

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FINANCIAL SERVICES AUTHORITY UK LISTING AUTHORITY	Document Approved	Date: 26 th June 2001	Signed: 1 <i>[Signature]</i>

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