

1 July 2009

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser 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.

This announcement is not for release, publication or distribution in or into the United States, Canada, Australia or Japan or any other jurisdiction where it is unlawful to do so.

The following is an announcement made by Kenneth Dulieu, Clifford Cavender, Paul Ashton and Paul Jackson pursuant to their obligations under the City Code on Takeovers and Mergers. A copy of this announcement is available on the following website: <http://www.vantisplc.com/ClientRegulatoryAnnouncements>. This announcement has also been released through a regulatory information service.

This announcement has been approved for the purposes of section 21 of the Financial Services and Markets Act 2000 by Vantis Corporate Finance Limited, of 82 St John Street London EC1M 4JN. Vantis Corporate Finance Limited, which is authorised and regulated by the Financial Services Authority, is acting exclusively for Kenneth Dulieu, Clifford Cavender, Paul Ashton and Paul Jackson in relation to the Offer and is not acting for any other person and will not be responsible to any other person for providing the protections afforded to the customers of Vantis Corporate Finance Limited or for advising them on the contents of this announcement or any other matter in relation to the Offer.

**MANDATORY CASH OFFER UNDER RULE 9 OF THE CITY CODE TO ACQUIRE
ORDINARY SHARES IN CAPCON HOLDINGS PLC TO BE MADE BY KENNETH DULIEU,
CLIFFORD CAVENDER, PAUL ASHTON AND PAUL JACKSON**

1. **Introduction**

Kenneth Dulieu, Clifford Cavender and Paul Jackson (each a director of the Company) together with Paul Ashton are deemed to be acting in concert as defined in the City Code and collectively hold 4,629,216 Shares representing approximately 39.6 per cent. of the voting rights in the Company.

Clifford Cavender will exercise a Share Option held by him in respect of 193,750 Option Shares before the Offer closes or expires if the Acceptance Condition is unlikely to be met and the exercise of this Share Option will enable the Acceptance Condition to be met. In that event the Offerors will then collectively hold or be otherwise interested in 4,822,966 Shares, representing approximately up to 40.6 per cent. of the voting rights in the Company as enlarged by the issue of such Option Shares and on the basis that the Share Option for 193,750 Option Shares is the only Share Option exercised.

As required under Rule 9 of the City Code, the Offerors, either individually, collectively or through a newly incorporated limited liability vehicle, will be making a mandatory offer for the Shares not already held by any of them at a price of 6 pence per Share in cash, being a price greater than the highest price paid for Shares by any of the Offerors, other than by one Offeror to another of the Offerors, both in the 12 months prior to 30 April 2008, being the date of the subscription for Shares by Paul Ashton described in paragraph 3 below, and during the period since that date and the date of this announcement.

The definitions of capitalised terms used in this announcement are contained in Appendix II to this announcement.

2. **The Offer**

The Offer will be made on the terms set out below and in Appendix I of this announcement and will be further subject to the terms to be set out in the Offer Document and in the relevant form of acceptance, both of which will be posted to Company shareholders (or made available electronically in accordance with the City Code) as soon as practicable, and in any event within 28 days of 1 July 2009.

The Offer will be made on the following basis:

| | |
|-----------------------|------------------------|
| for each Share | 6 pence in cash |
|-----------------------|------------------------|

The Offer will extend to all issued Shares which are not held by the Offerors and any further Shares which are unconditionally allotted or issued and fully paid (including those issued pursuant to the exercise of Share Options before the Offer closes).

The Offer will remain open for acceptance, subject to the provisions of Appendix I of this announcement and the terms of the Offer Document, until 1.00 pm on the 21st day after the date of publication of the Offer Document.

The Offer values the total current issued share capital of the Company at approximately £700,818 based on the current 11,680,292 Shares.

The Offer will be conditional upon the Acceptance Condition.

The Offerors may acquire Shares before the Offer closes at a price which is at or less than the Offer Price.

A copy of this announcement, and when it is published the Offer Document, will be published on Vantis Corporate Finance Limited's website, <http://www.vantisplc/ClientRegulatoryAnnouncements>.

The Offer applies to the Settlement Shares.

3. **Background and reasons for the Offer**

The Offerors are making the Offer as a result of the placing by the Company of 1,523,516 Shares with Paul Ashton, subsequently determined to be acting in concert

with the other Offerors, at a price of 3.875 pence per Share on 30 April 2008, as required by Rule 9 of the City Code.

4. Information on the Company

Capcon Holdings Plc is a UK-incorporated public company whose shares are admitted to trading on AIM. Its principal activity is the provision of risk management services that include investigation of commercial and insurance fraud, employment screening, money laundering investigations, due diligence, risk assessment, contingency planning, crisis management, research and intelligence gathering, stocktaking and audit services.

On 29 June 2009, the Company announced its interim results for the 6 months ended 31 March 2009 which are available on the Company's website at <http://www.capconplc.com>.

5. Information on the Offerors

Kenneth Dulieu

After a career with the police force, Ken Dulieu was appointed security adviser to divisions of Allied Breweries and Whitbread plc. In 1983 he founded K&J Dulieu Limited (trading as Capitol Consultants), later renamed Capitol Group plc in 1994 upon its admission to the Official List of the London Stock Exchange, where he was chief executive of that company until its sale to Carlisle Holdings plc in 1998. He is currently executive chairman of the company and he is a member of the remuneration, nomination and audit committees. He is also a Non Executive Director of Vantis plc.

Clifford Cavender

Clifford Cavender is a fellow of the Chartered Institute of Management Accountants and a member of the Chartered Institute of Management. He trained and qualified with Reed International plc. Subsequently, he held various senior positions, including five years as finance director for Pizza Express Limited, before joining Capitol Group plc in 1994 as finance director and company secretary. He became finance director and company secretary of Capcon Limited, a subsidiary of Capcon Holdings plc, at the time that it purchased certain of its businesses from Carlisle Holdings plc in 1999.

Paul Ashton

Paul Ashton qualified as a chartered accountant in 1975 and has extensive public company experience. He joined Morgan Brown & Spofforth in 1977 and was made a partner in 1978. Until 2000, Paul was managing partner of Morgan Brown & Spofforth. He is a director of Vantis plc where he has specific responsibility for the merger and acquisition strategy.

Paul Jackson

Paul Jackson qualified as a chartered accountant in 1974 and is chief executive of Vantis plc. He was appointed a non-executive director of the Company on 1 May 2001 and he chairs the audit and remuneration committees. He also undertakes corporate finance activities on behalf of the Company.

6. Management and Employees

The Offerors' current intention is that the existing employment rights, including pension rights, of the management and employees of the Company will not be affected by the Offer.

7. Financing of the Offer

It is estimated that full acceptance of the Offer would require payment by the Offerors, under the terms of the Offer, of an amount of approximately £431,500 in cash, which will be satisfied out of the Offerors' existing cash resources. Vantis Corporate Finance Limited of 82 St John Street, London EC1M 4JN is satisfied that the necessary financial resources are available to the Offerors' to enable them to satisfy in full the maximum cash consideration payable under the terms of the Offer.

8. Disclosure of interests in the Company

| Offeror | Shares | Share Options |
|-------------------|------------------|----------------------|
| Kenneth Dulieu | 2,658,200 | 100,000 |
| Clifford Cavender | 270,000 | 418,350 |
| Paul Ashton | 1,526,016 | None |
| Paul Jackson | 175,000 | None |
| Total | 4,629,216 | 518,350 |

Kenneth Dulieu's son, an employee of the Company, holds an interest in Share Options, not dealt with above as part of Kenneth Dulieu's interest, over 223,750 Shares of which 68,750 are capable of being exercised.

Clifford Cavender's Share Options include 193,750 Share Options which are exercisable before the Offer closes or expires and he will exercise them before the Offer closes or expires, if the Acceptance Condition is unlikely to be met and the exercise of this Share Option will enable the Acceptance Condition to be met

A further 68,750 Share Options, held by persons other than the Offerors and their relations, are currently exercisable.

The Share Options have an exercise price of 6 pence which is the same as the Offer Price. Some of the Share Options have a performance condition to be met before they can be exercised.

The option exercise period for the Share Options held by Kenneth Dulieu is 31 March 2006 to 31 March 2013. The option exercise periods for the Share Options held by Clifford Cavender are 17 May 2004 to 16 May 2011 in respect of 193,750 Share Options and 31 March 2006 to 31 March 2013 in respect of 224,600 Share Options. The option exercise periods for the Share Options held by Ken Dulieu's son are 17 May 2004 to 16 May 2011 in respect of 68,750 Share Options, 31 March 2006 to 31 March 2013 in respect of 80,000 Share Options and 7 April 2007 to 6 April 2014 in respect of 75,000 Share Options.

Pursuant to a court order dated 3 October 2008 the board of directors of the Company has the power to direct the sale of 300,000 Shares registered in the name of European Pensions Management Limited and 173,912 Shares registered in the name of Richagent Limited. These Shares are defined in this announcement as the Settlement Shares.

Save for the interests of the Offerors described above, neither the Offerors nor any person acting in concert with the Offerors has any interest in, or right to subscribe for, any relevant securities of the Company, or 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.

Neither the Offerors nor any of their associates have procured any irrevocable commitment or letter of intent in respect of any relevant securities of the Company.

Neither the Offerors nor any of their associates have borrowed or lent any relevant securities of the Company (save for any borrowed shares which have been either on-lent or sold).

There are no arrangements of the kind referred to in Note 6(b) to Rule 8 of the City Code which exist between the Offerors or any associate of the Offerors and any other person in relation to any relevant securities of the Company.

For the purposes of this paragraph 8, the terms "acting in concert", "associate", "interest" and "relevant securities" have the same meanings as defined in the City Code.

9. Number of relevant securities in issue

Pursuant to Rule 2.10 of the Code, it is announced that the number of Shares in issue is 11,680,292.

The International Securities Identification Number ("ISIN") for the Shares is GB0030493232.

10. Further details

The Offer Document, setting out full details of the Offer, and the related form of acceptance will be published as soon as practicable, and in any event within 28 days of 1 July 2009.

The Offer will not be made directly or indirectly in or into the United States, Canada, Japan or Australia. Accordingly, copies of this announcement are not being, and must not be, mailed or otherwise distributed or sent in or into or from the United States, Canada, Japan or Australia. The availability of the Offer to persons outside the United Kingdom may be affected by the laws of other jurisdictions. Such persons should inform themselves about and observe any applicable requirements of those jurisdictions.

This announcement does not constitute, or form part of, an offer or an invitation to purchase or sell Shares or any other securities.

There are no agreements or arrangements to which the Offerors are a party which relate to the circumstances in which they may or may not invoke or seek to invoke a pre-condition or a condition to the Offer.

There are no inducement fees or similar arrangements between the Company and any of the Offerors.

Vantis Corporate Finance Limited has given and not withdrawn its written consent to the inclusion in this announcement of the references to it in the form and context in which they appear.

This announcement has been made by the Offerors who accept responsibility for the information contained in it. To the best of the knowledge and belief of the Offerors (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.

11. Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, "interested" (directly or indirectly) in one per cent or more of any class of "relevant securities" of the Company, all "dealings" in any "relevant securities" of the 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 Offerors or by any of their "associates", must be disclosed by no

later than 12 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.

“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 City 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.

Appendix I Certain Terms of the Offer

1. The Offer will be conditional upon the Offerors having received valid acceptances (which are not, where permitted, withdrawn) in respect of Shares which, together with the Shares acquired or agreed to be acquired before or during the Offer, will result in the Offerors holding Shares carrying more than 50% of the voting rights then normally exercisable at general meetings of the Company.
2. The Offer will extend to all existing Shares (other than Shares held by the Offerors) and any further Shares which are unconditionally allotted or issued and fully paid before the Offer closes (including pursuant to the exercise of any Share Options).
3. The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Person who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
4. The Shares which are the subject of the Offer will be acquired, fully paid, free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights of any nature whatsoever and together with all rights now or hereafter attaching thereto, including (without limitation) voting rights and the right to receive and retain in full all dividends and other distributions, if any, announced, declared, made or paid after the date hereof.
5. The Offer will comply with the rules of AIM and the provisions of the City Code. The Offer and any acceptances under it will be governed by English law and be subject to the jurisdiction of the courts of England.

Appendix II

Definitions

The following definitions apply throughout this announcement unless the context otherwise requires

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| “Acceptance Condition” | the condition that the Offerors receive acceptances in respect of Shares which, together with the Shares acquired or agreed to be acquired before or during the Offer, will result in the Offerors and any person acting in concert with them holding Shares carrying more than 50% of the voting rights then normally exercisable at general meetings of the Company; |
| “AIM” | the AIM Market of the London Stock Exchange; |
| “Canada” | Canada, its provinces, territories and all areas subject to its jurisdiction; |
| “City Code” | the City Code on Takeovers and Mergers; |
| “Company” | Capcon Holdings Plc registered in England and Wales under number 4196004; |
| “Company Share Option Scheme” | the arrangements for the grant of options to employees of the Company and its subsidiaries over unissued shares in the capital of the Company pursuant to share option schemes approved by a special resolution of the Company passed on 17 May 2001; |
| “Concert Party” or “acting in concert” | has the meaning given in the City Code; |
| “Japan” | Japan, its cities, prefectures, territories and possessions; |
| “London Stock Exchange” | the London Stock Exchange Plc; |
| “Offer” | the mandatory cash offer by the Offerors to acquire the Shares not held by the Offerors on the terms to be set out in the Offer Document including, where the context requires, any subsequent revision, variation, extension or renewal of such offer; |

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| “Offer Document” | the formal offer document to be sent to Company shareholders setting out the terms of the Offer; |
| “Offer Price” | 6 pence per Share; |
| “Offerors” | Kenneth Dulieu, Clifford Cavender, Paul Ashton and Paul Jackson either individually, collectively or through a newly incorporated limited liability vehicle; |
| “Option Shares” | unissued ordinary shares of 1 pence each in the capital of the Company that are subject to subsisting Share Options; |
| “Settlement Shares” | together, the 300,000 Shares registered in the name of European Pensions Management Limited, and the 173,912 Shares registered in the name of Richagent Limited in respect of which the board of directors of the Company has (inter alia) power to direct sale, pursuant to a court order dated 3 October 2008, further details of which can be found in the Company’s announcement dated 10 December 2008; |
| “Shares” and “Share” | the existing issued or unconditionally allotted and paid (or credited as fully paid) ordinary shares of 1 pence each in the capital of the Company and any further shares which are unconditionally allotted or issued fully paid (or credited as fully paid) on or prior to the date on which the Offer closes (excluding, for the avoidance of doubt, treasury shares) and “Share” shall mean any one of the Shares; |
| “Share Options” | together: (1) the options granted by the Company by several deeds dated 17 May 2001 (as amended by agreement between the Company and each of the option holders dated 20 December 2007); and (2) share options issued under the Company Share Option Scheme on 17 May 2001, 31 March 2003 and 7 April 2004; |
| “Takeover Panel” | the Panel on Takeovers and Mergers; |

“United Kingdom” or “UK”

the United Kingdom of Great Britain and Northern Ireland; and

“United States”

the United States of America, its territories or possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdictions.