



18 September 2012

Press Release

ShareSoc Issues New Recommendations for voting at the prospective Victoria Plc General Meeting.

On the 28th August, ShareSoc issued voting recommendations for the Annual General Meeting (AGM) of Victoria Plc on the 31st August. We suggested shareholders should support the existing board based on what the company had stated concerning the past proposals from the "Concert Party" of Alexander Anton, Geoff Wilding, New Fortress Finance and other members of the Anton family. But a number of directors were removed at the AGM as more votes were submitted against their re-election than were supportive.

Another General Meeting requisitioned by New Fortress is scheduled for the 3rd October when there are resolutions to remove all the existing directors and appoint Alexander Anton, Geoff Wilding and Andrew Harrison.

Both the company and the Concert Party have now issued circulars to shareholders in respect of this meeting, and after studying those documents and considering the issues, we have this to say:

1. The reasons for the board dispute. As we are unable to ascertain the exact reasons why the board dispute arose which caused Mr Anton and Mr Wilding to resign from the board (each side seems to give a different version of those events), we will not comment on that dispute, but simply look at what was stated at the AGM and in the subsequent circulars about future intentions.

2. The incentive scheme. Our major concern (as stated in our previous press release) was the alleged incentive scheme whereby non-executive directors were apparently going to receive very large benefits from any increase in the value of the company. It is clear from the circular issued by the Concert Party (and comments made by Mr Wilding at the AGM and directly to ShareSoc subsequently), that:

A – Mr Wilding will act as an Executive Director of the company.

B – Any incentive scheme devised by the new directors will be put to shareholders for approval (and will be designed to meet regulatory and corporate governance standards).

C – It is likely that the only beneficiary of an approved incentive plan will be executive directors or management of the Company (i.e. non-executive directors will be paid only normal fees by implication).

These commitments overcome our major objections to the proposals put forward by the Concert Party. Clearly the likely incentive scheme to be put to shareholders in due course might involve substantial rewards to Mr Wilding, if he is successful in returning value to shareholders. ShareSoc has no objections in principle to such an arrangement so long as it is not too excessively balanced against shareholders but that will be for a later vote to decide.

3. The respective business plans and strategy. Any analysis of the position of the company shows that in general the company has been poorly performing for some time and is not giving a reasonable return on the assets employed. This is particularly so of the UK operations (most of the profits seem to arise in Australia).

Some information on the likely respective strategies to improve matters are given in the two circulars, although of course these may be subject to change, particularly as any new management team learns more about the business. They do not differ enormously in scope. In essence, it would appear that the Concert Party's strategy may be somewhat more aggressive in style in terms of restructuring of the business and disposing of under-performing assets. This is to be expected given their proposed incentive scheme which might stimulate more action.

Therefore we recommend:

1. Shareholders who support a more aggressive approach to improving the performance of the company should vote "FOR" all the resolutions on the General Meeting agenda (i.e. support the Concert Party).

2. Those shareholders who would be happy for the company to continue more in its current form and under the existing management should vote "AGAINST" all the resolutions on the General Meeting agenda.

All shareholders in Victoria Plc should ensure they can and do vote as it is likely to be a very close vote.

If shareholders are undecided which side to support, they should attend the General Meeting on the 3rd October in Birmingham to hear more, and so they can put questions to the respective parties before voting (there is likely to be a poll).

For further information, please contact:

Roger W. Lawson,
Chairman, ShareSoc
Telephone: 020-8467-2686
Email: info@sharesoc.org

Or Stan Grierson, ShareSoc, on
Telephone 01628-522514

About the UK Individual Shareholders Society (ShareSoc)

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