THIS DOCUMENT AND THE ACCOMPANYING FORMS OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the UK Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all of your Shares, please forward this document, together with the Forms of Proxy, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you sell or have sold part only of your holding of Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

Close Brothers Corporate Finance Limited is acting exclusively for Johnson Service Group and for no one else in relation to the matters described in this document and is not advising any other person and accordingly will not be responsible to anyone other than Johnson Service Group for providing the protections afforded to the customers of Close Brothers Corporate Finance Limited or for providing advice in relation to the matters described in this document.

Johnson Service Group PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 523335)

Proposed Disposal of Johnson Clothing Limited

Proposed Delisting and Admission to AIM

Notices of Extraordinary General Meetings

This document should be read as a whole. Your attention is drawn to the letter to Shareholders from the Chairman of Johnson Service Group which is set out in Part I of this document **and in particular the section headed "Importance of the vote and working capital".** This document contains a recommendation that you vote in favour of the resolutions to be proposed at the Extraordinary General Meetings referred to below.

Notice of the Disposal Extraordinary General Meeting of Johnson Service Group to be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD at 1.15 p.m. on 28 April 2008 and notice of the AIM Extraordinary General Meeting of Johnson Service Group to be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD at 11.00 a.m. on 8 May 2008 are set out at the end of this document.

The Forms of Proxy to be used in connection with the resolutions to be proposed at the Extraordinary General Meetings are enclosed. Whether or not you intend to attend the Extraordinary General Meetings in person, you are requested to complete the Forms of Proxy in accordance with the instructions printed on them and return them as soon as possible by post or (during normal business hours only) by hand but, in any event, so as to be received by Capita Registrars, Proxies Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 1.15 p.m. on 26 April 2008 (in the case of the Disposal Form of Proxy (coloured blue)) or 11.00 a.m. on 6 May 2008 (in the case of the AIM Form of Proxy (coloured pink)) (or, in either case, in the case of an adjournment, not later than 48 hours before the time fixed for their holding of the adjourned meeting). If you are a member of CREST you may be able to use the CREST electronic proxy appointment service. Proxies sent electronically must be sent as soon as possible and, in any event, so as to be received by no later than 1.15 p.m. on 26 April 2008 (in the case of the Disposal Form of Proxy (coloured blue)) or 11.00 a.m. on 6 May 2008 (in the case of the AIM Form of Proxy (coloured pink)) (or, in either case, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

Your attention is drawn to the risk factors set out in Part II of this document.

A summary of the action to be taken by Shareholders is set out in paragraph 15 of Part I of this document and in the accompanying notices of Extraordinary General Meetings. The completion and return of the Forms of Proxy will not prevent you from attending the Extraordinary General Meetings and voting in person (in substitution for your proxy vote) if you so wish (and are so entitled).

Forward-Looking Statements

The statements contained in this Circular that are not historical facts may be "forward-looking" statements. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond Johnson Service Group's control and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates", "plans", "assumes" or "anticipates" or the negative of such words or other variations on them or comparable terminology, or by discussions of strategy that involve risks and uncertainties. In addition, from time to time, Johnson Service Group or its representatives have made or may make forward-looking statements orally or in writing. Such forward-looking statements may be included in, but are not limited to, press releases or oral statements made by or with the approval of one of Johnson Service Group's authorised executive officers. These forward-looking statements and other statements contained in this Circular regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing Johnson Service Group and its subsidiaries. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. See Part II of this Circular for further information in this regard. The forward-looking statements contained in this Circular speak only as at the date of this document. Except to the extent required by applicable law, the Listing Rules or the Disclosure and Transparency Rules, Johnson Service Group will not necessarily update any of them in light of new information or future events and undertakes no duty to do so.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Disposal Form of Proxy (coloured blue) for the Disposal Extraordinary General Meeting	1.15 p.m. on 26 April 2008
Disposal Extraordinary General Meeting	1.15 p.m. on 28 April 2008
Expected date of Completion	28 April 2008
Latest time and date for receipt of AIM Form of Proxy (coloured pink) for the AIM Extraordinary General Meeting	11.00 a.m. on 6 May 2008
AIM Extraordinary General Meeting	11.00 a.m. on 8 May 2008
Last day of dealings in Shares on the Official List	9 June 2008
Admission to AIM and first day of dealing in Shares on AIM	8.00 a.m. on 10 June 2008

Notes:

(1) If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement through the Regulatory Information Service of the London Stock Exchange.

(2) The date of Completion is expected to be 28 April 2008. The timing of Completion is dependent upon, amongst other things, the passing of the Disposal Resolution at the Disposal Extraordinary General Meeting and, if there is any delay in the passing of such Disposal Resolution, the date of Completion may change. The date of Completion may also be changed by agreement between the Company and the Purchaser.

(3) All references in this document are to London times unless otherwise stated.

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Simon Sherrard (*Chairman*) John Talbot (*Interim Chief Executive Officer*) Yvonne Monaghan (*Finance Director*) Michael Gatenby (*Senior Independent Non-Executive Director*) Baroness Wilcox (*Non-Executive Director*) Michael Del Mar (*Non-Executive Director*)
Company Secretary	Sonia Richmond
Registered Office	3rd Floor 4 Harley Street London W1G 9PB
Telephone number	+44 (0)20 7290 0390
Sponsor and Financial Adviser	Close Brothers Corporate Finance Limited 10 Crown Place London EC2A 4FT
Solicitors	Allen & Overy LLP One Bishops Square London E1 6AD
Reporting Accountants	PricewaterhouseCoopers LLP 101 Barbirolli Square Lower Mosley Street Manchester M2 3PW
Brokers	Investec Bank (UK) Limited 2 Gresham Street London EC2V 7QP
Registrar	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0GA

PART I

LETTER FROM THE CHAIRMAN OF JOHNSON SERVICE GROUP PLC

Johnson Service Group PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 523335)

11 April 2008

To Shareholders and, for information only, to participants in the Johnson Service Group Share Plans

Dear Shareholder,

PROPOSED DISPOSAL OF JOHNSON CLOTHING LIMITED

PROPOSED DELISTING AND ADMISSION TO AIM

1. Introduction

On 11 April 2008, the Company announced that it had entered into a conditional agreement to sell its corporate clothing business comprising the entire issued and to be issued share capital of Johnson Clothing Limited to the Purchaser, a newly formed company established and controlled by Gresham LLP and the Johnson Clothing Limited management team led by Simon Hughes. The total amount payable by the Purchaser in cash on Completion will be £82.5 million (subject to adjustment post Completion as detailed in paragraph 2 of Part V of this document) plus an amount equal to any cash balances of Johnson Clothing Limited on Completion. £2.1 million of this amount will be used to fund a liability of Johnson Clothing Limited to the Johnson Group Staff Pension Scheme arising on the sale. The principal terms of the Proposed Disposal are set out in paragraph 6 of this letter and Part V of this document.

The Proposed Disposal, because of its size relative to the Group, is a class 1 transaction under the Listing Rules and is therefore conditional upon the approval of Shareholders at the Disposal Extraordinary General Meeting.

The Directors believe that the Proposed Disposal would represent a significant step towards establishing a stable financial structure for the Company. The new debt facilities agreed with the Company's existing banks would, in the event that Shareholders approve the Disposal Resolution and completion of the Proposed Disposal occurs, result in improved financial certainty for the Company over the medium term. The new facilities also provide for further benefits in the event that the Company raises equity of at least £25 million (net of costs and together with capitalised accrued interest on that amount) before 31 March 2009, including lower financing costs and the ability to make dividend payments to Shareholders. Under the terms of these new facilities, details of which are set out in paragraph 4 of this Part I and in paragraph 8.1(c) of Part VI of this document, in the event that Shareholders do not approve the Proposed Disposal, an event of default will occur. Your attention is drawn to paragraph 14 of this Part I, which includes further information which should be considered by Shareholders in relation to voting at the Disposal Extraordinary General Meeting.

In addition, the Company announced that the Directors intend to transfer the Company's stock exchange listing from the Official List to AIM. As a result, the Company intends to request the cancellation of the listing of the Shares on the Official List on 9 June 2008. Under the Listing Rules, this cancellation requires the prior approval of Shareholders.

The minimum notice periods under the Company's articles of association for the Disposal Resolution, being an ordinary resolution, and the AIM Resolution, being a special resolution, are 14 and 21 clear days respectively. As noted above, in the event that Shareholders do not approve the Proposed Disposal and therefore completion of the Proposed Disposal does not occur, there will be an event of default under the Company's new debt facilities. In light of this fact, the Board considers that the approval of the Disposal Resolution by Shareholders should be sought prior to 29 April 2008, being the date on which the Company expects to release its preliminary results for the year ended 31 December 2007. Accordingly, the Board has convened two general meetings of Shareholders, a Disposal Extraordinary General Meeting, which will be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD at 1.15 p.m. on 28 April 2008 and an AIM Extraordinary General Meeting, which will be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD at 11.00 a.m. on 8 May 2008.

Notices convening the Disposal Extraordinary General Meeting and the AIM Extraordinary General Meeting are set out at the end of this document.

The purpose of this document is to provide you with information relating to the Resolutions to be proposed at the Extraordinary General Meetings, to explain the reasons for the Resolutions, to set out why the Directors consider the Resolutions to be in the best interests of the Company and its Shareholders as a whole and to recommend that you vote in favour of each of the Resolutions at the Extraordinary General Meetings.

Shareholders should read the whole of this document and not just rely on the summarised information set out in this letter.

2. Information on Johnson Clothing Limited

Johnson Clothing Limited is the UK's largest provider of corporate clothing, and operates through the following brands:

Dimensions

Dimensions designs, sources and distributes branded corporate clothing to large organisations. Dimensions has a diverse client portfolio encompassing both the public and private sectors, with leading UK market positions in the retail, travel and leisure, distribution and logistics and hospitality industries.

DCC

DCC provides a managing agency primarily for clothing to clients in the financial services sector. DCC also operates DCC Direct, a catalogue business, which offers ready to wear styles to organisations of a variety of sizes requiring smaller volumes of corporate clothing.

Boyd Cooper

Boyd Cooper specialises in the sourcing and supply of uniforms and clothing to clients in the healthcare sector, including hospitals and private medical practices.

Yaffy

Yaffy is the leading supplier of high performance technical outerwear to UK police authorities. It holds long-term contracts to design or supply outerwear and body armour carriers to UK police forces.

Wessex Textiles

Wessex Textiles is a supplier of specialist corporate clothing to the medical and ambulance sectors in the UK.

The dates of acquisition of these various businesses comprising the Disposal Group by Johnson Service Group were 15 July 2004 (Dimensions Entities), 12 November 2004 (Wessex Textiles Limited), 12 December 2004 (Yaffy Entities), 31 December 2004 (DCC Assets) and 7 April 2005 (Boyd Cooper Entities).

CCM

On 19 March 2008, the Company announced the disposal for a maximum consideration of £2.8 million of certain assets previously owned by the Company's CCM garment sourcing business which, together with the Disposal Group, comprised the Company's Corporatewear division. The Disposal Group does not include CCM or any of its trade or assets.

Financial Information

In 2007, the Disposal Group recorded turnover of £74.6 million and operating profit before exceptional items, amortisation and impairment of goodwill of £9.7 million as extracted without material adjustment from the accounting records used to prepare the audited financial statements of Johnson Clothing Limited for the year ended 31 December 2007. Budgeted operating profit for the Disposal Group, before exceptional items, amortisation and impairment of goodwill in the year ending 31 December 2008 is modestly below this level.

The Disposal Group had gross assets of £89.5 million as at 31 December 2007, as extracted without material adjustment from the accounting records used to prepare the audited financial statements of Johnson Clothing Limited for the year ended 31 December 2007.

Summary financial information in respect of the Disposal Group for the financial years ended 31 December 2007, 31 December 2006 and 31 December 2005, and the half year ended 30 June 2007 is set out below. The summary financial information has been prepared in accordance with IFRS.

	31 December 2007 £m	*Unaudited 30 June 2007 £m*	*31 December 2006 £m*	*Unaudited 31 December 2005 £m*
Turnover	74.6	31.0	67.7	65.0
Operating profit	6.2	1.6	5.8	6.5

The financial information set out in the table above has been extracted without material adjustment from Part III of this document. Further discussion relating to the financial information is set out in Part III.

The audited financial statements of Johnson Clothing Limited for the year ended 31 December 2007 contain a modified opinion, which notes the existence of a material uncertainty which may cast significant doubt about the ability of Johnson Clothing Limited to continue as a going concern. Further details on the auditors' opinion included in Johnson Clothing Limited's financial statements for the year ended 31 December 2007 are set out in paragraph 1 of Part III of this document. The Board considers that, in the event that Shareholders approve the Proposed Disposal, the auditors' opinion referred to above is not a matter of significance for Shareholders, as following Completion, Shareholders will no longer be exposed to any financial risks associated with Johnson Clothing Limited. In the event that Shareholders do not approve the Proposed Disposal, an event of default will be triggered under the Second Facility Agreement, and the Group would likely have no access to working capital. In light of this, the Board considers that the auditors' opinion referred to above is not a matter of significance in the event that Shareholders do not approve the Proposed Disposal . Your attention is drawn to paragraph 14 of this Part I, which includes information which should be considered by Shareholders in relation to voting at the Disposal Extraordinary General Meeting.

Shareholders should read the whole of this document, including the financial information on the Disposal Group in Part III, and should not solely rely on the summarised information set out in this Part I.

3. Background to and reasons for the Proposed Disposal

In 2003 the Company embarked on a strategy of broadening its range of business to business services and made a number of acquisitions both in the facilities management and corporate clothing areas as well as adding to the Company's existing activities. These acquisitions were made for cash.

In 2006 the Board decided to reduce the financial gearing of the Company by disposing of the dry cleaning business. No offer for this business was received which the Directors felt they could recommend to

Shareholders. In addition, the Company proposed to sell a number of smaller businesses which were not considered core to the Company's strategy. No offers materialised which were considered satisfactory by the Board.

Towards the end of 2006 a number of problems emerged which have had a detrimental effect on the Company's financial position.

The Company was adversely affected by costs associated with the implementation of an Enterprise Resource Planning IT system, which had been intended for use across the Company's businesses. In the six months ended 30 June 2007, expenditure on this system totalled £2.3 million and the decision to limit the implementation of this system led to a write-down of £15.9 million in relation to expenditure in 2007 and earlier periods.

Stalbridge Linen Services, which supplies linen to the premium hotel, catering and corporate hospitality markets, incurred losses in 2006 and 2007 as a result of an unsuccessful expansion into the high volume linen market and was impacted by stock write-downs. This business has since been brought under the management of the Company's Apparelmaster division and has reverted to its traditional activities, however further costs have been incurred as a result of this reorganisation, particularly in connection with a laundry built for high volume linen which will now be used for processing garments.

The Company was also adversely affected by management and operational issues in Johnson Hospitality Services, a former division which provided furniture and catering equipment to the contract catering market. This division incurred substantial losses during 2006 which resulted in the businesses within the division being sold or closed at the end of 2006, thus incurring additional costs.

On 8 November 2007, the Company announced that, as a result of lower than expected profits for 2007 and 2008, and in the absence of any proceeds from the proposed sale of three non-core businesses, the Board expected that the Company would breach the existing covenants in its banking agreement. Following a number of management changes over the previous 15 months, in December 2007 the Company retained the services of John Talbot, an expert in the reorganisation of companies, to minimise the impact of the Company's financial difficulties on the trading and competitive position of its businesses. John Talbot was subsequently appointed Interim Chief Executive Officer of the Company.

Concurrently, the Company entered into negotiations with its banking group and agreed a waiver of its year end covenant tests in exchange for, amongst other things, the granting of security over the Company's assets (together with the assets of certain of its subsidiaries) and the agreement to pay the banking group a fee and incur increased interest costs. The Company also agreed to extend the benefit of a proportion of such security to the trustees of its pension funds. These arrangements, announced on 28 December 2007, also required the Company to negotiate new banking facilities with its banking group before 30 April 2008.

During the period following the 8 November 2007 announcement, the Board undertook a review of the Company's operations in order to determine the most appropriate strategic direction for the Company. One of the conclusions of this review was that the Board should investigate opportunities to reduce indebtedness and financial gearing whilst working to secure medium-term funding.

In November 2007, the Board received a formal proposal from Gresham LLP regarding a potential acquisition of Johnson Clothing Limited which, in the Board's view, represented an attractive valuation for the business and was deliverable within a short time frame due to the familiarity with, and knowledge of, Johnson Clothing Limited's markets obtained by Gresham LLP through their previous ownership of Dimensions, one of the businesses within the Disposal Group. The Board therefore decided to pursue this proposal further, and entered into negotiations with Gresham LLP which have led to the Proposed Disposal for which the approval of Shareholders will be sought at the Disposal Extraordinary General Meeting.

In light of the Company's financial position, the Board believes that the Proposed Disposal offers an opportunity both to achieve an attractive valuation for Johnson Clothing Limited and to reduce the Group's indebtedness and financial leverage. The Board also anticipates that the Proposed Disposal will result in significantly reduced financing costs for the Group over the medium term. Details of the Group's new debt facilities are set out in paragraph 4 of this Part I and paragraph 8.1(c) of Part VI of this document.

Furthermore, the Board believes that the simplified structure of the Group following Completion will allow management to focus on maximising the potential of the remaining businesses.

Accordingly, the Board has concluded that the Proposed Disposal is in the best interests of Shareholders.

4. New debt facilities

In order to refinance the Group's existing facilities and provide ongoing working capital for the Continuing Group, the Company has negotiated a Second Facility Agreement with its existing banks. This comprises four separate tranches that are available to the Company:

- The first tranche is a £65 million term loan to be used to bridge a portion of the proceeds from the Proposed Disposal. The applicable rate of interest is LIBOR plus 4 per cent. per annum for the period to 31 May 2008, and LIBOR plus 15 per cent. per annum (comprising a combination of 2.5 per cent. cash pay interest and 12.5 per cent. capitalised interest payments) thereafter. The final repayment date of the first tranche is 31 October 2009. If completion of the Proposed Disposal occurs, the Board expects to repay the first tranche in full by 30 April 2008 out of current resources and the proceeds of the Proposed Disposal, thereby avoiding the significant increase in the interest rate on this tranche which occurs after 31 May 2008.

- The second tranche is a £65 million amortising term loan to be used to refinance the existing indebtedness of the Group. The applicable rate of interest is LIBOR plus 2.5 per cent. per annum. An amount of £2 million will be repayable on 30 June 2009, with further repayments quarterly thereafter. The final repayment date of the second tranche is 31 December 2010.

- The third tranche is an amortising revolving credit facility with an initial amount of £25 million to be used for general corporate purposes, £5 million of which will be provided by way of an overdraft. The applicable rate of interest is LIBOR plus 2.5 per cent. per annum. The final repayment date of the third tranche is 31 December 2010. The amount available to the Company under the third tranche will reduce to £22.5 million on 30 June 2009 and then to £20 million on 31 December 2009.

- The fourth tranche is a £50 million non-amortising term loan to be used to refinance the existing indebtedness of the Group. The applicable rate of interest is LIBOR plus 9 per cent. per annum (comprising a combination of 2.5 per cent. cash pay interest and 6.5 per cent. capitalised interest payments). In the event that the Company does not raise at least £25 million (net of costs but together with accrued interest on that amount) from the proceeds of an equity raising by 31 March 2009, the applicable rate of interest will increase to LIBOR plus 15 per cent. per annum thereafter (comprising a combination of 2.5 per cent. cash pay interest and 12.5 per cent. capitalised interest payments). The final repayment date of the fourth tranche is 31 December 2010.

The Second Facility Agreement also provides that a number of its terms will be adjusted in favour of the Company in the event that the Company raises at least £25 million (net of costs and together with capitalised accrued interest on that amount) from the proceeds of an equity raising by 31 March 2009. These include:

- the reduction of the applicable rate of interest on the fourth tranche to LIBOR plus 4 per cent. per annum;

- the removal of certain restrictions on the Company's ability to pay dividends contained in the Second Facility Agreement;

- the removal of any right of the lenders to appoint an observer to attend meetings of the Board; and

- the ability thereafter to offset any subsequent prepayments of the facilities against the fourth tranche in priority to the second.

On 11 April 2008, the Company issued to its existing lender banks, in connection with the renegotiation of the Company's debt facilities, warrants over 2,957,636 Shares, representing approximately 4.7 per cent. of the fully diluted share capital of the Company as at that date. The warrants are exercisable from 11 April

2008 until 31 December 2011 at an exercise price of 10 pence per Share, which represents the par value of the Shares.

Further details of the Second Facility Agreement and the warrant instrument are included in paragraphs 8.1(c) and 8.1(e) respectively of Part VI of this document.

5. Information on the Purchaser

The Purchaser, Ensco 645 Limited, is a newly formed company established and controlled by Gresham LLP and the Johnson Clothing Limited management team led by Simon Hughes. Gresham LLP is an independent UK mid-market private equity specialist, focusing on buyouts of up to £100 million in value. From December 2000 to July 2004, Gresham LLP was the owner of Dimensions, one of the businesses within the Disposal Group.

6. Principal terms of the Proposed Disposal

Under the Disposal Agreement, which was signed on 11 April 2008, the Company has conditionally agreed to sell the entire issued share capital of Johnson Clothing Limited to the Purchaser. Further details of the Disposal Agreement are set out in Part V of this document.

The total amount payable by the Purchaser in cash on Completion is £82.5 million (subject to certain adjustments post Completion as described in paragraph 2 of Part V of this document), together with an amount equal to the aggregate cash balances of the Disposal Group as at Completion. The Disposal Agreement provides for post Completion adjustments for working capital, reconciled cash balances and third party indebtedness, such that Johnson Clothing Limited is acquired on a debt–free, cash–free basis including a level of working capital sufficient for the operation of the business. In addition, the Purchaser has agreed to refund certain items of expenditure incurred by the Disposal Group prior to Completion. The Directors do not expect any post Completion adjustments to be material in the context of the Proposed Disposal.

The Purchaser has agreed to pay approximately £16.4 million in respect of the entire issued share capital of Johnson Clothing Limited and approximately £64.0 million in respect of the intra-group debt owed by the Disposal Group to the Continuing Group as at Completion which the Purchaser has agreed to procure the Disposal Group will repay at Completion (subject to adjustment between the two numbers post Completion depending on the actual intra-group debt as at Completion). In addition, the Purchaser will procure that Johnson Clothing Limited will pay £2.1 million (being the balance of the total amount payable by the Purchaser in cash on Completion) to the Staff Scheme to take account of certain liabilities arising in respect of Johnson Clothing Limited ceasing to participate in the Staff Scheme after the Proposed Disposal and the agreement reached with the trustee of the Staff Scheme.

It has also been agreed with the Purchaser that an amount of £13.2 million of the proceeds of the Proposed Disposal will be placed in escrow to cover potential tax liabilities arising in the Disposal Group as a result of the Proposed Disposal which the Company has agreed to bear. If these tax liabilities do not crystallise, this amount will be released to the Continuing Group and applied in repayment of a portion of the debt facilities of the Company.

The Proposed Disposal, which is expected to complete on 28 April 2008, is conditional only on the approval of the Shareholders at the Disposal Extraordinary General Meeting. If the condition to the Proposed Disposal is not satisfied on or before the longstop date of 30 April 2008, the Proposed Disposal will not proceed. A summary of the principal terms and conditions of the Disposal Agreement is set out in Part V of this document.

7. Financial effects of the Proposed Disposal and use of disposal proceeds

Transaction costs in connection with the Proposed Disposal are expected to total approximately £2.6 million. As noted above, it has been agreed with the Purchaser that an amount of £13.2 million of the proceeds of the Proposed Disposal will be placed in escrow to cover certain potential tax liabilities and, if these tax liabilities do not crystallise, that this amount will be released to the Continuing Group and applied in repayment of a portion of the debt facilities of the Company. In addition, the Purchaser will procure that an amount of £2.1 million will be contributed by Johnson Clothing Limited to the Staff Scheme to take account of certain pensions liabilities.

The Directors intend to use the expected remaining net proceeds of approximately £64.6 million, together with an amount of approximately £0.4 million from the Company's current resources, to repay the first tranche of the new debt facilities to reduce the Company's indebtedness. The Board anticipates that the Proposed Disposal will result in lower financial leverage, significantly reduced financing costs and greater financial certainty for the Group over the medium term.

The Proposed Disposal is expected to be dilutive to pre–amortisation earnings for the 52 weeks ending 31 December 2008 and, after recognition of the potential tax liabilities of £13.2 million referred to above, will result in the recognition of a non-cash loss on disposal.

An unaudited pro forma statement of net assets, setting out the position of the Continuing Group following Completion of the Proposed Disposal, is included in Part IV of this document. The pro forma statement has been prepared to illustrate the effect of the Proposed Disposal as if it had taken place on 30 June 2007, the date to which the last financial statements published in respect of the Group were prepared.

8. Future strategy of the Continuing Group

Following the Proposed Disposal, the Company intends to focus on providing services to business and retail customers through its remaining businesses operating primarily in the textile rental, facilities management and dry cleaning markets.

Textile rental

The Company's textile rental business, comprising Johnsons Apparelmaster and Stalbridge Linen Services, offers a wide range of workwear and hygiene services, including garment and linen-rental and cleaning. The business has a leading position in the fragmented UK market, and is well positioned to grow further by organic growth in the medium term.

The Company's textile rental business serves customers across a wide range of industries. The division maintains an established sales team of approximately 40 staff to drive new business and a highly experienced team responsible for managing national corporate customer accounts. The Directors believe that the division is well placed to gain further customer contracts as smaller independent laundries continue to withdraw from the market.

The textile rental business will seek to drive growth via a recently-formed, web-based direct sales system, which has achieved success in winning new customers amongst businesses wishing to purchase rather than rent garments.

The Company is also seeking to expand its commodity services business, which operates in the market for the supply of personal protective equipment ("PPE") to larger industrial customers, where its presence is currently minimal.

Facilities management

The Company's facilities management division offers integrated property, building and facilities management services to retail, corporate and public sector clients, managing over £1.2 billion of annual spend across over 50,000 locations throughout the UK and Eire.

The Company's strategy for the division is focused on driving organic growth. The business has developed particular expertise in servicing retail clients through its proprietary interactive helpdesk system, which

provides real time financial and performance reporting, and allows clients and suppliers to view the progress of job requests, submit and approve quotes and close off open jobs once complete. The Company will seek to leverage this capability in order to gain new customers, from both within and outside the retail sector. The Company also intends to focus on increasing the number of services supplied to customers of its facilities management division through cross-selling initiatives, and intends to seek to increase the number of contracts won through entering into partnering agreements with other support services providers, where appropriate.

Dry cleaning

The Company's dry cleaning business, encompassing Johnson Cleaners and Jeeves of Belgravia, is the leading dry cleaning business in the UK. The Company will continue to seek to drive growth through operational improvements and sales and marketing initiatives such as increasing laundry sales, for which there is growing consumer demand, and by optimising its portfolio of outlets. The Company intends to continue to relocate from a number of existing locations and open new outlets in convenient locations. These will include a number of supermarket and drive-in sites.

The structure of the market for dry cleaning services is anticipated to change significantly over the medium term, as more stringent regulation is enacted, such as the Solvent Emissions Directive, and as environmental issues become a more important factor in consumers' choice of service provider. The Directors believe that the Company is well-positioned to benefit from these changes. The UK market is dominated by small businesses, often operating from a single outlet. These independent businesses are less well-funded than larger operators such as the Company, and hence less able to commit time and resources to meet legislative requirements as they arise. The Company also owns the UK master licence to an advanced silicone-based cleaning process, GreenEarth, which confers a number of process and environmental benefits. The Company is continuing the process of converting its network of outlets to this technology. The Directors believe that the GreenEarth technology, together with the move towards more convenient locations, will provide significant benefits in retaining and winning customers.

Other businesses

The Company's workplace engineering business has established a successful niche providing specialist mechanical and electrical building services, and will continue to focus on organic growth within this area.

Alex Reid, a specialist dry cleaning supplies business, will seek to strengthen its competitive position by continuing the development of its maintenance and machine sales activities, and by seeking to deliver new products through the supply chain.

9. Current trends in trading and prospects

The Company released its unaudited consolidated interim results for the six months ended 30 June 2007 on 10 September 2007, reporting revenue (excluding costs recharged to customers) of £175.3 million (H106: £171.2 million), operating profit before amortisation of intangible assets and exceptional items of £12.2 million (H106: £16.3 million) and adjusted profit before taxation, amortisation of intangible assets and exceptional items of £7.0 million (H106: £11.6 million).

On a statutory basis, the Company reported an operating loss of £8.6 million (H106: £20.4 million profit) and a loss before taxation of £13.8 million (H106: £15.7 million profit).

The Continuing Group

On 30 January 2008, the Company announced a trading update, which included the following commentary:

"Overall, the Group at operating level is trading satisfactorily against a backdrop of market uncertainty."

"Johnsons Apparelmaster, the market-leading workwear laundering and rental business, is continuing to perform well."

"Stalbridge Linen Services, which supplies linen to the premium hotel, catering and corporate hospitality markets, commenced a strategic realignment of its business at the beginning of 2007. Whilst the full

restructuring programme has yet to be completed, the business has successfully reduced its levels of loss in the second half of 2007 compared to the first six months of 2007. This business will work more closely with Johnsons Apparelmaster as we continue to reduce losses and improve operational performance."

"Our retail dry cleaning division, which is Britain's largest dry cleaning business, includes Johnson Cleaners and Jeeves of Belgravia. The current decline in retail spending and the smoking ban are having some impact on the trading volumes. Management are seeking to address the impact of these factors by tight cost control, promotional activity geared up to drive volume through an emphasis on value and by developing a broader product offering. The drive on repositioning the store portfolio to convenient locations continues and five new supermarket locations will open in the coming quarter."

"Johnson Service Group owns the exclusive UK rights to GreenEarth, the silicone-based cleaning process, which has significant process and environmental advantages over the traditional dry cleaning methods. The roll out of this new technology is continuing."

"Johnson Facilities Management (JFM) completed 2007 with a strong second half trading performance with additional fee income from the previously anticipated loss of a major contract that is now being undertaken in-house by the customer."

"During 2007 JFM concentrated on reorganising and integrating the two main business streams which provide property management services to the financial, retail and leisure sectors and the commercial office and public sector market."

"For 2008, the Service charge and Agency businesses have been considerably strengthened with leading industry expertise brought into JFM, and early indications are of a growth year in this business activity."

"As regards the Retail helpdesk, there are ongoing discussions with a number of blue chip prospective customers, and, at this stage of the year, the pipeline is looking strong."

"JFM is pursuing a number of new business opportunities, and has already taken on and mobilised two small contracts this year."

Corporatewear

The trading update announced on 30 January 2008 also included the following commentary on the Company's Corporatewear division, of which the Disposal Group forms a significant part:

"The main activity of the Corporatewear division is the management and supply of corporate uniforms to major companies; this business continues to trade successfully."

"The Corporatewear division has also historically included an operation which supplies workwear garments to the rental business of Johnsons Apparelmaster and to third party customers. One of the major external contracts was lost towards the end of 2007 and the balance of this workwear operation is currently being reorganised. The impact of this change has already been factored into the Board's existing expectations."

Financial Year ended 31 December 2008

Further to the trading update announced on 30 January 2008, the Continuing Group and Johnson Clothing Limited continue to trade satisfactorily.

Financial Year ended 31 December 2007

The Company expects to release its preliminary results for the year ended 31 December 2007 on 29 April 2008. It is expected that operating profit, before operating exceptional items, amortisation and impairment of goodwill and intangibles (excluding software), will be approximately £30 million. This figure represents a decrease in the Board's expectations since 30 June 2007, but is in line with current market expectations. Net debt stood at approximately £169 million as at 31 December 2007, and at approximately £181 million as at 29 February 2008.

Further, operating exceptional items for the year ended 31 December 2007, which will include various restructuring costs, professional fees associated with the negotiation of new debt facilities, onerous lease and

environmental costs, write–off of rental stock and software development costs and net of gains arising on property disposals, are expected to be approximately £41 million, representing an increase compared with the Board's expectations as at 30 June 2007. Of this amount, related future cash expenditure is expected to be approximately £8 million.

Amortisation and impairment of goodwill and intangibles (excluding software) for the year ended 31 December 2007 will include a write-down of goodwill of £11.8 million in respect of the disposal of the Company's CCM garment sourcing business, which was announced on 19 March 2008, together with a charge of approximately £9.4 million arising from the review for impairment performed on the remainder of the Group's goodwill and intangibles (excluding software) balance, and approximately £6.0 million of intangibles amortisation (excluding software). The impairment charges totalling approximately £21.2 million referred to above represent an increase compared with the Board's expectations as at 30 June 2007.

In addition to normal interest charges of approximately £11.6 million incurred in 2007 on borrowings and notional interest on post–retirement obligations, the Company has expensed the £1.5 million fee paid to its existing banks for the waiver granted on 28 December 2007 and the remaining £1.2 million of unamortised facility fees relating to the facility agreement dated 21 July 2005 and related supplemental agreements.

The expected results of the Group for the year ended 31 December 2007, set out above, have been prepared using the accounting polices adopted by the Company in the preparation of its interim financial statements for the six months ended 30 June 2007 and have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends, amongst other matters, on Shareholders approving the Proposed Disposal. If Shareholders do not approve the Proposed Disposal, it may not be possible for the Company to prepare its financial statements on a going concern basis. In the event that the Company is unable to prepare its financial statements on a going concern basis, adjustments would have to be made to reduce the balance sheet value of the Group's assets to their recoverable amounts, which may result in a reduction in the Group's profitability as compared with the expected results set out above. Your attention is drawn to paragraph 14 of this Part I, which includes information which should be considered by Shareholders in relation to voting at the Disposal Extraordinary General Meeting.

10. Risk factors

Shareholders should consider fully the risk factors associated with the Continuing Group and the Disposal Group. Your attention is drawn to the risk factors set out in Part II of this document.

11. Background to and reasons for the transfer to AIM

AIM is the UK's leading market for smaller, growing companies. Since AIM opened in 1995, more than 2,900 companies have been admitted to AIM and more than £56 billion has been raised collectively. One of the perceived reasons for AIM's success has been its simplified regulatory environment which has been specifically designed for the needs of smaller companies.

The Directors anticipate that, as an AIM quoted company, recurring savings will be made by the Company on its ongoing costs of administration and in effecting certain corporate transactions due to the less onerous regulations on AIM.

Following Admission, the Company will be subject to the regulatory and disciplinary controls of the AIM Rules. The obligations of a company whose shares are traded on AIM are similar to those of companies whose shares are listed on the Official List, with certain exceptions, including those referred to below:

- Under the Listing Rules, a company is required to appoint a 'sponsor' under certain circumstances such as when undertaking a large transaction or capital raising. The responsibilities of the sponsor include providing assurance to the FSA when required that the responsibilities of the listed company have been met. Under the AIM Rules, a 'nominated adviser' is required at all times and has ongoing responsibilities to both the Company and the London Stock Exchange. On Admission to AIM, the Company intends to appoint Investec as the Company's nominated adviser.

- Under the AIM Rules, prior shareholder approval is required only for reverse takeovers and disposals that result in a fundamental change of business (being disposals that exceed 75 per cent. of various size

tests, such as the ratio of the transaction consideration to the market capitalisation of the AIM company). Under the Listing Rules, a broader range of transactions requires advance shareholder approval.

- There is no requirement under the AIM Rules for a minimum number of shares to be maintained in public hands, whereas on the Official List a minimum of 25 per cent. of a company's issued ordinary share capital should be maintained in public hands at all times.
- There is no requirement under the AIM Rules for a prospectus or an admission document to be published for further issues of securities to institutional investors, except when seeking admission for a new class of securities or as otherwise required by law.

Liquidity on AIM is currently provided by market makers who are member firms of the London Stock Exchange and are obliged to quote a share price for each company for which they make a market between 8.00 a.m. and 4.30 p.m. on business days. The Directors believe that AIM has demonstrated that it can provide a liquid trading platform for shares.

Companies whose shares trade on AIM are deemed to be unlisted for the purposes of certain areas of UK taxation. Following the transfer of the listing to AIM, individuals who hold Shares may, after two years, therefore be eligible for certain inheritance tax benefits. Shareholders and prospective investors should consult their own professional advisers on whether an investment in an AIM security is suitable for them, or whether the tax benefit referred to above may be available to them. In particular, they should note that it is not possible to hold shares traded on AIM in ISAs. The Directors understand that, following Admission, Shareholders will, under current HMRC guidance, have 30 days to decide whether to transfer their shareholding in the Company into their own name or to sell the holding and retain the proceeds within the relevant ISA.

AIM is a market designed primarily for emerging or small companies, to which a higher investment risk tends to be attached than for larger or more established companies. AIM securities are not admitted to the Official List.

The comments on the tax implications described in this document are based on the Directors' current understanding of tax law and practice, are not tailored to any individual circumstances and are primarily directed at individuals who are UK resident and domiciled. Tax rules can change and the precise tax implications for you will depend on your particular circumstances. If you are in any doubt as to your tax position, you should consult your own independent professional adviser.

12. Transfer of trading to AIM

Conditional on the Resolutions being approved at the Extraordinary General Meetings, the Company will apply to cancel the listing of the Shares on the Official List and will apply to the London Stock Exchange for admission to AIM. It is anticipated that the listing of the Shares on the Official List will cease at close of business on 9 June 2008, being not less than 20 business days from the passing of the AIM Resolution. Admission is expected to take place and dealings are expected to commence on AIM at 8.00 a.m. on 10 June 2008.

Following the Delisting and the Admission, Shares that are held in uncertificated form will continue to be held and dealt through CREST. Share certificates representing those Shares held in certificated form will continue to be valid and no new share certificates will be issued.

13. Extraordinary General Meetings

Completion of the Proposed Disposal is conditional upon Shareholders' approval being obtained at the Disposal Extraordinary General Meeting. Accordingly, you will find set out at the end of this document a notice convening the Disposal Extraordinary General Meeting to be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD at 1.15 p.m. on 28 April 2008 at which the Disposal Resolution will be proposed to approve the Proposed Disposal.

To approve the Proposed Disposal, a majority of those voting in person or by proxy must vote in favour of the Disposal Resolution (unless a poll is demanded, in which case a majority of the votes cast either in person or by proxy must be in favour of the Disposal Resolution).

To approve the cancellation of the listing of the Shares on the Official List and the admission of the Shares to trading on AIM a special resolution will be proposed. Accordingly, you will find set out at the end of this document a notice convening the AIM Extraordinary General Meeting to be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD at 11.00 a.m. on 8 May 2008. The approval of 75 per cent. of Shareholders voting at the AIM Extraordinary General Meeting, in person or proxy, must be obtained (unless a poll is demanded, in which case 75 per cent. of the votes cast either in person or by proxy must be in favour of the AIM Resolution).

14. Importance of the vote and working capital

The Company has agreed new debt facilities with its existing banks as described above. Under the terms of these new facilities, in the event that Shareholders do not approve the Proposed Disposal, an event of default will occur.

(a) ***If Shareholders do not approve the Proposed Disposal***

Completion of the Proposed Disposal is conditional only upon Shareholders' approval being obtained at the Disposal Extraordinary General Meeting. If Shareholders do not approve the Proposed Disposal, an event of default under the Second Facility Agreement will be triggered, which would allow the Company's banks to make an immediate demand for repayment of the amounts drawn down under the Second Facility Agreement and also allow the banks and the pension trustee to enforce the security that they hold over the assets of the Group. As a consequence of such a demand and enforcement, the Group would have no access to working capital and as such, would not have sufficient working capital for its present requirements, that is for at least 12 months from the date of this document.

If an event of default were to be triggered, in order to provide sufficient working capital for the Company's requirements, the Board would immediately need to agree a grace period with its banks within which to negotiate a waiver of the event of default or new debt facilities. The Board is not confident that any such grace period would be granted by the Company's banks, or that any negotiations to secure a waiver or new debt facilities would be successful. Any failure following an event of default to agree a grace period and, within that period, to agree a waiver or new debt facilities, could leave the Company without sufficient working capital for its trading requirements and would very likely lead to the imminent insolvency of the Company.

If new debt facilities could be agreed following an event of default, the terms of such facilities could result in significantly higher financing costs to the Company than those which would pertain under the Second Facility Agreement.

If Shareholders do not approve the Proposed Disposal, the Company could, provided that it is able to agree a grace period with its banks, also be required to raise funds by undertaking the disposal of some of its other businesses. The Directors believe that a number of the businesses within the Group would be attractive targets for potential acquirors. However, the Directors are not confident that such disposals would be successfully completed in a timely manner, or at all, if a grace period were granted, or that the proceeds of such disposals would be sufficient to provide working capital for the Company's present requirements. In addition, a decision by the Company's banks to make an immediate demand for repayment following an event of default would mean that there would be insufficient time to complete such disposals.

(b) ***If Shareholders approve the Proposed Disposal***

If Shareholders approve the Disposal Resolution, the event of default described under (a) above will not be triggered. In this event, the Board is of the opinion that, taking into account the bank facilities available to the Continuing Group and the net proceeds of the Proposed Disposal, the working capital

available to the Continuing Group is sufficient for its present requirements, that is for at least the 12 months following the date of this document.

15. Action to be taken

(a) *Disposal Extraordinary General Meeting*

You will find enclosed a Disposal Form of Proxy (coloured blue) for use at the Disposal Extraordinary General Meeting. Whether or not you intend to be present at the Disposal Extraordinary General Meeting, you are requested to complete the Disposal Form of Proxy (coloured blue) in accordance with the instructions printed on it and to return it as soon as possible and in any case so as to be received by the Company's registrar, Capita Registrars at Proxies Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 1.15 p.m. on 26 April 2008. If you hold shares in CREST you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita Registrars (CREST Participant ID RA10) so that it is received by no later than 1.15 p.m. on 26 April 2008. The return of a Disposal Form of Proxy (coloured blue) or transmission of a CREST Proxy Instruction will not prevent you from attending the meeting and voting in person if you wish.

(b) *AIM Extraordinary General Meeting*

You will also find enclosed an AIM Form of Proxy (coloured pink) for use at the AIM Extraordinary General Meeting. Whether or not you intend to be present at the AIM Extraordinary General Meeting, you are requested to complete the AIM Form of Proxy (coloured pink) in accordance with the instructions printed on it and to return it as soon as possible and in any case so as to be received by the Company's registrar, Capita Registrars at Proxies Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 11.00 a.m. on 6 May 2008. If you hold shares in CREST you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita Registrars (CREST Participant ID RA10) so that it is received by no later than 11.00 a.m. on 6 May 2008. The return of the AIM Form of Proxy (coloured pink) or transmission of a CREST Proxy Instruction will not prevent you from attending the meeting and voting in person if you wish.

If you are in any doubt as to how to complete the Forms of Proxy (or CREST Proxy Instruction), please contact Capita Registrars on 0871 664 0300 within the UK (calls cost 10p per minute plus network extras) or +44 208 639 3399 from overseas. Capita Registrars will not be able to provide advice on the merits of the Proposed Disposal or the transfer to AIM, or give any financial advice. For financial advice, you will need to contact your own independent professional adviser.

16. Additional information

Your attention is drawn to the additional information contained in Part VI of this document.

17. Recommendation to Shareholders

Your Board, which has received financial advice from Close Brothers in connection with the Proposed Disposal, considers that the Proposed Disposal and the transfer to AIM will promote the success of the Company and are in the best interests of the Company and the Shareholders as a whole and accordingly your Board unanimously recommends that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meetings, as your Directors unanimously intend to do so in respect of their own beneficial holdings totalling 70,916 Shares, representing approximately 0.1 per cent. of the existing issued share capital of the Company as at 10 April 2008.

Yours sincerely

Simon Sherrard
Chairman

PART II

RISK FACTORS

The following risk factors, which could adversely affect the business, results of operations, cash flow, financial condition, turnover, profits, assets, liquidity, share price and/or capital resources of the Group, the Continuing Group and/or the Disposal Group, as appropriate, should be carefully considered by Shareholders when deciding what action to take in relation to the Proposed Disposal. You should read the whole of this document and not rely solely on the information set out in this Part II.

Additional risks and uncertainties currently unknown to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect on the financial condition or business of the Group and/or the Continuing Group and/or the Disposal Group, as the case may be.

1. Risks associated with the Continuing Group

1.1 Group debt

A significant proportion of the Continuing Group's cash flow from operations is required to service the Continuing Group's debt obligations and other liabilities. These obligations and liabilities could:

(i) limit the Continuing Group's flexibility in planning for or reacting to changes in its business and the markets in which it operates and increase its vulnerability to general adverse economic and industry conditions;

(ii) limit the Continuing Group's ability to obtain additional financing for future working capital (after the period of 12 months following the date of this Circular), capital expenditures, acquisition and other corporate requirements; and

(iii) place the Continuing Group at a competitive disadvantage compared with its competitors that have lower leverage.

The Continuing Group's ability to meet its financial covenants and make payments when due to its debt providers depends, amongst other things, on its operating performance which, in turn, is subject to prevailing economic conditions and certain financial, competitive, regulatory and other factors beyond its control. If, following the period covered by the Directors' working capital statement contained in paragraph 10 of Part VI of this document, the Continuing Group breaches its financial covenants or does not meet its debt service requirements, the Continuing Group may be forced to reduce capital expenditure, sell assets or operations, obtain additional capital or restructure its debt. There can be no assurance that the Continuing Group's operating performance, cash flow and capital resources will be sufficient to service the Continuing Group's debt and other liabilities in the future.

The cost of servicing the Company's debt has been mitigated by entering into interest rate swaps. Such interest rate hedges cover £20 million of the Company's core debt at a weighted interest rate of 5.745 per cent. (plus applicable margin) and weighted period of 24 months.

If the Company is not able to carry out an equity raising of at least £25 million (net of costs and after capitalised accrued interest) prior to 31 March 2009, the Company will have to pay higher rates of interest on the fourth tranche of the Second Facility Agreement. An increase in interest rates could have an adverse impact on the financial performance of the Continuing Group.

1.2 Dependence on key personnel

The Continuing Group's future success is dependent, amongst other things, on the continued services of its Directors, senior managers and other key personnel who have built long-term and strong relationships with many of the Continuing Group's customers. The simultaneous loss of the services of a number of the Continuing Group's executive officers or other key employees could have a material adverse effect on its business.

The ability to attract new employees with the appropriate expertise and skills cannot be guaranteed. The Continuing Group may experience difficulties in hiring appropriate employees and its failure to do so may have a material adverse effect on the trading performance of the Continuing Group.

1.3 Compliance with environmental regulations could adversely affect the Continuing Group's results of operations

The Continuing Group's operations are subject to a wide range of environmental and health and safety laws, including laws relating to the use, disposal, clean up of, and human exposure to, hazardous substances. Under these laws, the Continuing Group could be subject to fines and penalties, liability for cleaning up environmental contamination and damages for replacing natural resources caused by the Continuing Group's current or historic practices. Although the Board believes that, provided that the Disposal Resolution is approved by Shareholders at the Disposal Extraordinary General Meeting, based on current legislation, the Continuing Group's reserves are adequate to cover any contingent environmental liabilities, factors such as the discovery of additional contaminants, the extent of remediation and compliance expenses, and the imposition of additional clean-up obligations and the acquisition of new sites could cause its capital expenditure and other expenses relating to the remediation activities to exceed the amount reflected in the Continuing Group's environmental provisions and adversely affect the Continuing Group's operating results or cash flow.

1.4 Deficit in relation to the Group's defined benefit pension schemes

The Group participates in the Pension Schemes, which provide defined benefits. The Continuing Group will continue to participate in the Pension Schemes after the Proposed Disposal. These Pension Schemes had a combined deficit for the half year to 30 June 2007, according to the 2007 interim financial statements and on an IAS 19 basis, of £12.7 million, which includes liabilities in respect of post retirement healthcare benefits of £1.4 million.

The deficit in the Pension Schemes may increase or fall depending on the actuarial assumptions made and market conditions, including any actuarially assessed increase in the life expectancy of members, movements in the market values of scheme assets, interest rates and the requirements of UK pension regulation from time to time. Accordingly, the contributions required by the Pension Schemes may increase or fall. In addition, the deficit on an IAS 19 accounting basis may also change according to the requirements of IAS 19 from time to time. Changes in the deficit may require the Continuing Group to increase its cash contributions to the Pension Schemes, reducing the Continuing Group's cash for other obligations or business needs. The next actuarial valuations for the Pension Schemes will be under the new scheme funding provisions of the Pensions Act 2004. For the financial year ended 31 December 2007, the Group contributed a total of approximately £5.0 million to the Pension Schemes. The Staff Scheme is closed to new members, and membership of the Semara Plan and WML Scheme is by invitation only.

A description of the financial effects of Johnson Clothing Limited ceasing to participate in the Staff Scheme and Semara Plan is to be found below at paragraph 5 of Part V of this Circular.

1.5 Other Continuing Group liabilities

The Continuing Group will have liabilities in addition to the Continuing Group's debt and its liabilities under the Pension Schemes. These may include retained liabilities in respect of businesses disposed of in the past or liabilities in respect of future sales and closures, either contractually through the provision of certain indemnities, representations and warranties or otherwise. The actual amount of such liabilities is subject to a number of uncertainties, assumptions and contingencies. While the Company monitors these liabilities, there can be no assurance that these liabilities will not be higher or become payable sooner than currently anticipated or that any of the current provisions in the Continuing Group's accounts in respect of such liabilities will be sufficient.

1.6 Policies and strategies

The Continuing Group's financial instruments comprise borrowings, cash and various items such as trade debtors, trade creditors and provisions that arise directly from its operations. The main purpose

of these financial instruments is to raise finance for the Continuing Group's operations. It is the Continuing Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Continuing Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. A Board committee reviews and agrees policies for managing each of these risks. The policies are designed to mitigate the impact of fluctuations in interest and exchange rates and are unchanged from previous years.

1.7 Tax risk

Any changes to current UK and international taxation legislation (including corporate, personal, capital and indirect taxation), the interpretation of such legislation by tax authorities as well as changes to accounting standards, may impact on the Company's and consequently the Group's and, following Completion, the Continuing Group's projected activities, financial situation and results.

1.8 Foreign currency risk

The Continuing Group has little investment in overseas operations and consequently all current borrowings are in sterling. The value of goods purchased from overseas suppliers by the Continuing Group may require that foreign currency hedges are entered into by the Continuing Group's central treasury function, when considered appropriate. There is no guarantee that such hedges will minimise the Continuing Group's exposure to foreign currency movements.

1.9 Consolidation in the services industry

Consolidation among the Continuing Group's peers in the industry could result in increased competitive pressure in winning business. This could lead to competitors of the Continuing Group gaining increased efficiencies of scale, greater market share and stronger financial resources, thereby threatening the Continuing Group's competitive position.

1.10 The Continuing Group's markets are highly competitive

The Continuing Group may face significant competition, both actual and potential, including competition from rivals which may have more capital resources than the Continuing Group. There is no assurance that the Continuing Group will be able to compete successfully in the future in the marketplace in which it operates.

1.11 Fluctuations of sales, expenses and operating results

The Continuing Group's sales, expenses and operating results could vary significantly from period to period as a result of a variety of factors, some of which are outside the Continuing Group's control. These factors include general economic conditions, conditions specific to the markets in which the Continuing Group operates, trends in sales, capital expenditure, energy costs, rent costs and salary costs. In response to a changing competitive environment, the Continuing Group may elect from time to time to make certain pricing, service or marketing decisions that could have an adverse effect on its sales, results of operations and/or financial condition.

1.12 Failure of information systems

The Continuing Group's ability to maintain financial controls and provide a high quality service to its customers depends, in part, on the efficient and uninterrupted operation of its management information systems, including its computer systems. The Continuing Group's computer systems are vulnerable to damage or interruption from floods, fires, power loss, telecommunications failures and similar events. These systems may also be subject to sabotage, vandalism and similar misconduct. Any damage to or failure of the systems could result in interruptions to the Continuing Group's financial controls and customer service. Such interruption could have a material adverse effect on the Continuing Group's business, results of operations and/or financial condition.

1.13 Possible volatility of share price

The market price of the Shares could be subject to significant fluctuations due to a change in sentiment in the stock market regarding the Shares or securities similar to them or in response to various facts and events, including regulatory changes effecting the Continuing Group's operations, variations in the Continuing Group's operating results, divergence of financial results from analysts' expectations, changes in earnings estimates by stock market analysts, stock market speculations and fluctuations and business developments of the Continuing Group or its competitors as well as the matters referred to in this document.

2. Risks relating to the Proposed Disposal

2.1 The Proposed Disposal is conditional upon Shareholder approval

The Proposed Disposal is conditional on the approval of Shareholders and will not proceed if this condition has not been met.

2.2 De-stabilising effect on the Group if the Proposed Disposal does not proceed

Completion of the Proposed Disposal is conditional only upon Shareholders' approval being obtained at the Disposal Extraordinary General Meeting. If Shareholders do not approve the Proposed Disposal, an event of default under the Second Facility Agreement will be triggered, which would allow the Company's banks to make an immediate demand for repayment of the amounts drawn down under the Second Facility Agreement and also allow the banks and the pension trustee to enforce the security that they hold over the assets of the Group. As a consequence of such a demand and enforcement, the Group would have no access to working capital and as such, would not have sufficient working capital for its present requirements, that is for at least 12 months from the date of this document.

If an event of default were to be triggered, in order to provide sufficient working capital for the Company's requirements, the Board would immediately need to agree a grace period with its banks within which to negotiate a waiver of the event of default or new debt facilities. The Board is not confident that any such grace period would be granted by the Company's banks, or that any negotiations to secure a waiver or new debt facilities would be successful. Any failure following an event of default to agree a grace period and, within that period, to agree a waiver or new debt facilities could leave the Company without sufficient working capital for its trading requirements and would very likely lead to the imminent insolvency of the Company.

If new debt facilities could be agreed following an event of default, the terms of such facilities could result in significantly higher financing costs to the Company than those which would pertain under the Second Facility Agreement.

If Shareholders do not approve the Proposed Disposal, the Company could, provided that it is able to agree a grace period with its banks, also be required to raise funds by undertaking the disposal of some of its other businesses. The Directors believe that a number of the businesses within the Group would be attractive targets for potential acquirors. However the Directors are not confident that such disposals would be successfully completed in a timely manner, or at all, if a grace period were granted, or that the proceeds of such disposals would be sufficient to provide working capital for the Company's present requirements. In addition, a decision by the Company's banks to make an immediate demand for repayment following an event of default would mean that there would be insufficient time to complete such disposals.

2.3 The Continuing Group will be exposed to potential liabilities and obligations as a result of the Proposed Disposal

The Disposal Agreement contains a variety of warranties as set out in more detail in Part V of this document. The Tax Deed contains tax indemnities in respect of pre-completion profits and transactions of the Disposal Group. The liabilities under the warranties and the Tax Deed are capped at £80 million.

The extent to which the Continuing Group may incur liabilities under such warranties or tax indemnities is unpredictable and if the Continuing Group incurs such liabilities, this may have an adverse effect on the business, cash flow and financial condition of the Continuing Group.

2.4 Potential degrouping charge

The Proposed Disposal may trigger a degrouping charge to corporation tax of approximately £13.2 million under capital gains tax legislation. There is potential to reduce this risk considerably should a third party tax case presently working its way through the UK courts be won by the taxpayer. If the third party taxpayer is successful the Continuing Group will place reliance on the decision of the courts when assessing the final tax liability arising from the degrouping charge. An amount of £13.2 million will be retained from the disposal proceeds and held in escrow pending resolution of this case. If the charge is confirmed the escrow amount will be used to pay the tax charge. If not it will be released to the Continuing Group and applied in repayment of a portion of the debt facilities of the Company. The Company may be able to use certain tax assets of the Group to shelter some of the liability if the charge is confirmed.

2.5 Liabilities and obligations of the Purchaser

The Disposal Agreement contains certain warranties, indemnities and covenants in favour of the Continuing Group. The extent to which the Purchaser incurs liabilities owing to the Continuing Group is unpredictable. However, if the Purchaser suffers financial distress, any payments due to the Continuing Group under such warranties, indemnities and covenants may be put at risk.

2.6 The Continuing Group's operations will be less diversified

On Completion of the Proposed Disposal, the Continuing Group's business will be less diversified and focused on the facilities management, dry cleaning and textile rental markets. Weak performance in these businesses, or in any particular sector of these businesses, may therefore have a proportionally greater adverse impact on the financial condition of the Continuing Group.

2.7 Other risks

The risks detailed above do not comprise the whole of the risks faced by the Continuing Group, but they do include all the risks that the Directors consider material. The risks are not necessarily presented in any order of priority.

3. Risks associated with Johnson Clothing Limited

If the Proposed Disposal does not proceed and the Group continues to own and operate Johnson Clothing Limited, the Group will continue to be exposed to trading risk and other risks associated with the UK corporate clothing sector.

4. Risks associated with the transfer to AIM

Whilst Admission is not expected to affect the way in which Shareholders buy and sell Shares, the market for shares on AIM may be less liquid or subject to greater fluctuation than the Official List and shares traded on AIM may be perceived as carrying a higher risk than shares listed on the Official List.

The rules of AIM are less demanding than those of the Official List.

The liquidity in the market for the Shares cannot be guaranteed. In particular, the market for the Shares may be, or may become, relatively illiquid and therefore the Shares may be or may become difficult to sell.

PART III

FINANCIAL INFORMATION ON THE DISPOSAL GROUP

1. Nature of financial information

The following sections set out financial information relating to the Disposal Group. The dates of acquisition by Johnson Service Group of the various businesses comprising the Disposal Group were: 15 July 2004 (Dimensions Entities), 12 November 2004 (Wessex Textiles Limited), 12 December 2004 (Yaffy Entities), 31 December 2004 (DCC Assets) and 7 April 2005 (Boyd Cooper Entities).

The financial information contained in sections 2 and 3 of this Part III sets out financial information for the Disposal Group for the periods and as at the dates indicated, which has been extracted without material adjustment from the accounting records used to prepare the audited financial statements of Johnson Clothing Limited for the financial year ended 31 December 2007, the consolidation schedules which support the consolidated unaudited financial statements of Johnson Service Group for the six months ended 30 June 2007 and the consolidation schedules which support the consolidated audited financial statements of Johnson Service Group for the financial years ended 31 December 2006 and 31 December 2005. The Group operates a central treasury function, and it is therefore not possible to provide a meaningful allocation of interest costs across the businesses comprising the Disposal Group. Equally, it is not possible to provide a meaningful allocation of taxation across the businesses comprising the Disposal Group, since taxation is calculated on a statutory basis, and the Disposal Group represents only a portion of the statutory entity through which Johnson Clothing Limited trades. Accordingly, profit and loss information is shown to the level of operating profit.

The financial information contained in this Part III does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The consolidated statutory accounts for Johnson Service Group in respect of the financial years ended 31 December 2006 and 31 December 2005 have been delivered to the Registrar of Companies. The statutory accounts for Johnson Clothing Limited in respect of the financial year ended 31 December 2007 were signed on 11 April 2008, are due to be filed with the Registrar of Companies and are available for inspection (see paragraph 13 of Part VI of this document for further information with respect to this). PricewaterhouseCoopers LLP were the auditors of Johnson Service Group in respect of the years ended 31 December 2006 and 31 December 2005 and have issued reports for each of these years which were unqualified and did not contain statements under Section 237(2) or (3) of the Act. PricewaterhouseCoopers LLP were the auditors of Johnson Clothing Limited in respect of the year ended 31 December 2007 and have issued an audit report, which contained the following statement:

"In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of disclosure made in the 'Basis Of Preparation' note in the statement of Significant Accounting Policies, on page 12 (as reproduced below) concerning the company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis. The validity of this depends on the successful conclusion of discussions with the lenders to the parent regarding renewed banking facilities or the sale of the company as a going concern and the arrangement of adequate banking facilities by the acquirers of the company. This condition indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include any adjustments that would occur as a result of the inability of the parent to conclude successfully its discussions with its lenders or to sell the company as a going concern, or the inability of the acquirers of the company to arrange adequate banking facilities."

Basis of preparation – going concern

"At the time of signing this report, the parent company and its lenders were in discussions regarding the renewal of banking facilities which expire on 30 April 2008. These discussions envisage that the company will be sold by its parent on a going concern basis to a third party. The directors understand that the potential acquirers of the company are in the process of arranging banking facilities for the company following the acquisition.

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The validity of this assumption depends on the successful conclusion of discussions with the lenders to the parent regarding renewed banking facilities or, if terms are agreed for the sale of the company to a third party, the approval of shareholders of the parent company of the sale of the company as a going concern and the arrangement of adequate banking facilities by the acquirers of the company.

If the company were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

Whilst the directors acknowledge that there is a material uncertainty as to the outcome of the matters mentioned above, which may cast significant doubt on the company's ability to continue as a going concern, they believe that it is appropriate for the financial statements to be prepared on a going concern basis."

Johnson Service Group adopted IFRS for the first time in its reporting for the year ended 31 December 2006. This involved the restatement of comparative amounts for the year ended 31 December 2005.

The financial information for the Disposal Group for the years ended 31 December 2007 and 31 December 2006 has been prepared in accordance with IFRS.

The financial information for the Disposal Group for the financial year ended 31 December 2005 has been prepared in accordance with IFRS and UK GAAP:

(i) The IFRS financial information for the year ended 31 December 2005 has been extracted without material adjustment from the consolidation schedules which support the unaudited consolidated comparative financial information for the Company for the year ended 31 December 2005, included in the audited financial statements for the year ended 31 December 2006;

(ii) The UK GAAP financial information for the year ended 31 December 2005 has been extracted without material adjustment from the consolidation schedules which support the consolidated audited financial statements of the Company for the year ended 31 December 2005, prepared in accordance with UK GAAP.

Shareholders should read the whole Circular and not just rely on the information contained in this Part III.

2. Profit and loss account information

The combined profit and loss accounts for the Disposal Group, prepared under IFRS (for the years ended 31 December 2007, 31 December 2006 and 31 December 2005, and for the half year ended 30 June 2007) and UK GAAP (for the year ended 31 December 2005) were as follows:

	IFRS Year ended 31 December 2007 £m	*IFRS Year ended 31 December 2006 £m*	*Unaudited IFRS Year ended 31 December 2005 £m*
Revenue	74.6	67.7	65.0
Cost of Sales	(47.1)	(43.3)	(43.5)
Gross profit	27.5	24.4	21.5
Other operating expenses	(21.3)	(18.6)	(15.0)
Operating profit	6.2	5.8	6.5

	UK GAAP Year ended 31 December 2005 £m
Revenue	65.0
Cost of Sales	(43.5)
Gross profit	21.5
Other operating expenses	(14.8)
Operating profit	6.7

	Unaudited IFRS Half year ended 30 June 2007 £m
Revenue	31.0
Operating profit	1.6

Notes:

1. Taxation is calculated on a statutory basis. The Disposal Group represents only a portion of the statutory entity through which Johnson Clothing Limited traded during the period covered by the financial information set out above (as a result of the recent disposal of the Company's CCM business), and therefore it is not possible to provide a meaningful allocation of taxation.
2. Johnson Service Group operates a central treasury function. Consequently, it is not possible to provide a meaningful allocation of interest costs.
3. The Company does not provide the same level of detail in its half year consolidation schedules as it does in its full year consolidation schedules. Consequently, it is not possible to provide an analysis of cost of sales and other operating expenses for the half year period.

3. Statement of net assets

The combined net assets of the Disposal Group, prepared under IFRS as at 31 December 2007 and 30 June 2007, were as follows:

	At 31 December 2007 £m	*Unaudited At 30 June 2007 £m*
ASSETS		
Non-current assets		
Goodwill	29.2	30.0
Intangible assets	16.8	18.3
Capitalised software	0.8	0.7
Property, plant and equipment	2.0	1.7
	48.8	50.7
Current assets		
Inventories	22.9	20.4
Trade and other receivables	15.7	11.0
Cash and cash equivalents	2.1	5.1
	40.7	36.5
LIABILITIES		
Current liabilities		
Trade and other payables	(16.6)	(12.6)
Net intercompany creditors	(62.5)	(58.0)
Net current liabilities	(38.4)	(34.1)
Deferred tax	(5.7)	(5.7)
Net assets	4.7	10.9

Notes:

1. Taxation is calculated on a statutory basis. The Disposal Group represents only a portion of the statutory entity through which Johnson Clothing Limited traded during the period covered by the financial information set out above (as a result of the recent disposal of the Company's CCM business), and therefore it is not possible to provide a meaningful allocation of taxation.

2. Assets and liabilities in respect of the Group's central treasury function have not been allocated to the Disposal Group, as it has not been possible to perform a meaningful allocation.

PART IV

UNAUDITED PRO FORMA FINANCIAL INFORMATION FOR JOHNSON SERVICE GROUP PLC

1. Accountant's Report on Pro Forma Financial Information

PricewaterhouseCoopers LLP
101 Barbirolli Square
Lower Mosley Street
Manchester M2 3PW

The Directors
Johnson Service Group PLC
3rd Floor, 4 Harley Street
London
W1G 9PB

Close Brothers Corporate Finance Limited
10 Crown Place
London
EC2A 4FT

11 April 2008

Dear Sirs

Johnson Service Group PLC (the "Company")

We report on the pro forma statement of net assets (the "**Pro forma statement of net assets**") set out in Part IV of the Company's circular dated 11 April 2008 (the "**Circular**") which has been prepared on the basis described in Part IV of the Circular, for illustrative purposes only, to provide information about how the proposed disposal of Johnson Clothing Limited and its subsidiary undertakings might have affected the interim financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 30 June 2007. This report is required by Listing Rule 13.5.3(1)R of the Listing Rules and is given for the purpose of complying with that rule and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro forma statement of net assets in accordance with Listing Rule 13.5.3(1)R of the Listing Rules.

It is our responsibility to form an opinion, as required by item 7 of Annex II to the PD Regulation as to the proper compilation of the Pro forma statement of net assets and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma statement of net assets, nor do we

accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to shareholders of the Company as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with item 13.4.1R(6) of the Listing Rules, consenting to its inclusion in the Circular.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma statement of net assets with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma statement of net assets has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

(a) the Pro forma statement of net assets has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

2. Unaudited pro forma statement of net assets of the Continuing Group

Set out below is an unaudited pro forma statement of net assets of the Continuing Group illustrating the effect of the Proposed Disposal. The unaudited pro forma statement of net assets is based on the unaudited consolidated balance sheet of Johnson Service Group as at 30 June 2007, adjusted as described in the notes set out below. The unaudited pro forma statement of net assets has been prepared to illustrate how the Proposed Disposal might have affected the net assets of the Group had it been effected as at 30 June 2007.

The unaudited pro forma statement of net assets has been prepared for illustrative purposes only and, because of its nature, it addresses a hypothetical situation and does not, therefore, represent the Continuing Group's actual financial position or results.

	Johnson Service Group at 30 June 2007 Unaudited (note 1) £m	*Pro forma adjustments* *Net disposal proceeds (note 2)* £m	*Net assets disposed of (note 3)* £m	*Disposal adjustments (note 4)* £m	*Pro forma Continuing Group Unaudited (note 5)* £m
Non-current assets					
Goodwill	138.9	–	(30.0)	–	108.9
Intangible assets	37.1	–	(19.0)	–	18.1
Property, plant and equipment	59.2	–	(1.7)	–	57.5
Textile rental items	25.1	–	–	–	25.1
Trade and other receivables	0.2	–	–	–	0.2
Derivative financial assets	1.7	–	–	–	1.7
Deferred income tax assets	9.7	–	–	–	9.7
	271.9	–	(50.7)	–	221.2
Current assets					
Inventories	30.5	–	(20.4)	–	10.1
Trade and other receivables	65.0	13.2	(11.0)		67.2
Derivative financial assets	0.1	–	–		0.1
Cash and cash equivalents	9.4	–	(5.1)	5.1	9.4
	105.0	13.2	(36.5)	5.1	86.8
LIABILITIES					
Current liabilities					
Trade and other payables	(28.2)	–	12.6	–	(15.6)
Net intercompany creditors	–	(58.0)	58.0	–	–
Other creditors and accruals	(62.3)	–	–	–	(62.3)
Current income tax liabilities	(0.2)	–	–	(13.2)	(13.4)
Borrowings	(1.2)	–	–	–	(1.2)
Derivative financial liabilities	(0.2)	–	–	–	(0.2)
Provisions	(7.1)	–	–	–	(7.1)
	(99.2)	(58.0)	70.6	(13.2)	(99.8)
Net current assets/(liabilities)	5.8	(44.8)	34.1	(8.1)	(13.0)
Non-current liabilities					
Borrowings	(158.2)	64.6	–	–	(93.6)
Retirement benefit obligations	(12.7)	–	–	2.1	(10.6)
Deferred income tax liabilities	(8.6)	–	5.7	–	(2.9)
Provisions	(8.0)	–	–	–	(8.0)
Derivative financial liabilities	(0.7)	–	–	–	(0.7)
Other non-current liabilities	(1.6)	–	–	–	(1.6)
	(189.8)	64.6	5.7	2.1	(117.4)
Net assets	87.9	19.8	(10.9)	(6.0)	90.8

Notes:

1. The net assets of Johnson Service Group have been extracted without material adjustment from the unaudited 30 June 2007 consolidated interim financial statements of Johnson Service Group.

2. The total amount which the Purchaser has agreed to pay in cash on Completion is £82.5 million (subject to certain adjustments post Completion as detailed in paragraph 2 of Part V of this document), together with an amount equal to the aggregate cash balances of the Disposal Group as at completion. Expected net cash proceeds of the Proposed Disposal of £79.9 million (subject to adjustment post Completion and excluding any amounts to be paid by the Purchaser in respect of any cash balances of Johnson Clothing Limited at Completion) have been arrived at after adjusting the gross consideration of £82.5 million (subject to adjustment as detailed in paragraph 2 of Part V of this document) for the Company's estimated transaction costs of approximately £2.6 million.

   For the purposes of presenting the unaudited pro forma statement of net assets, it is assumed that, of the estimated net consideration of £79.9 million (subject to adjustment as detailed in paragraph 2 of Part V of this document), £64.6 million is used to repay amounts outstanding under the Second Facility Agreement described in paragraph 4 of Part I of this Circular, £13.2 million is held in escrow to cover certain potential tax liabilities and the Purchaser shall procure that £2.1 million is paid directly by Johnson Clothing Limited into the Staff Scheme. No adjustment has been made to the gross consideration to reflect third party debt obligations of Johnson Clothing Limited at Completion as these are not expected to be significant. Nor has any adjustment been made to reflect the adjustments in respect of working capital, reconciled cash balances or "refundable" expenditures to be made following Completion pursuant to the Disposal Agreement as these are not yet known.

   Of the total amount of £82.5 million (subject to certain adjustments post Completion as detailed in paragraph 2 of Part V of this document) which the Purchaser has agreed to pay in cash on Completion, it is assumed that £58 million is applied to repay intra-group debt, being the balance of intra-group debt as at 30 June 2007.

3. The net assets of the Disposal Group have been extracted without material adjustment from the combined net assets of the Disposal Group as at 30 June 2007 as set out in Part III of this document.

4. The disposal adjustment in respect of £5.1 million cash and cash equivalents relates to the deduction of cash from the Disposal Group at Completion, as it is being retained by the Continuing Group. The disposal adjustment in respect of £13.2 million current income tax liabilities relates to a provision for potential tax liabilities that may become payable as a result of the Proposed Disposal. The disposal adjustment in respect of £2.1 million retirement benefit obligations relates to the payment the Purchaser will procure that Johnson Clothing Limited will make to the Staff Scheme on Completion.

5. The pro forma balance sheet does not include the effects of any trading after 30 June 2007 nor the effect of the Second Facility Agreement.

PART V

PRINCIPAL TERMS AND CONDITIONS OF THE DISPOSAL AGREEMENT

1. Disposal Agreement

The Vendors, the Purchaser and the Company entered into the Disposal Agreement on 11 April 2008, pursuant to which the Vendors conditionally agreed to sell to the Purchaser the entire issued share capital of Johnson Clothing Limited. The obligations of the Vendors under the Disposal Agreement are guaranteed by the Company. The Disposal Agreement is governed by English law.

2. Consideration

The total amount payable by the Purchaser in cash on Completion is £82.5 million (subject to adjustment as described below), together with an amount in cash equal to the aggregate balances of all sterling and non-sterling monies held on deposit in any Disposal Group bank account and sterling and non-sterling cash in hand of the Disposal Group as at Completion.

The Purchaser has agreed to pay approximately £16.4 million in respect of the entire issued share capital of Johnson Clothing Limited and approximately £64.0 million in respect of the intra-group debt owed by the Disposal Group to the Continuing Group estimated as at Completion which the Purchaser has agreed to procure the Disposal Group will repay at Completion. The amounts payable by the Purchaser at Completion attributable to the entire issued share capital of Johnson Clothing Limited and to the intra-group debt to be repaid at Completion are estimates and are subject to adjustment post Completion depending on the actual intra-group debt as at Completion. However the aggregate of these amounts, both before and after they are adjusted for this purpose, will equal £80.4 million. The remaining £2.1 million payable by the Purchaser will be used to fund a payment by Johnson Clothing Limited to the Staff Scheme to take account of certain liabilities arising in respect of Johnson Clothing Limited ceasing to participate in the Staff Scheme after the Proposed Disposal and the agreement reached with the trustee of the Staff Scheme.

In addition, the total amount payable by the Purchaser at Completion is subject to adjustment following Completion. These post Completion adjustments are not subject to any limitations and comprise:

(a) a working capital adjustment upwards or downwards to the extent the working capital of the Disposal Group is more or less than £24.6 million as at Completion;

(b) an adjustment downwards to the extent that there is any non-trading third party indebtedness of the Disposal Group as at Completion;

(c) an adjustment upwards or downwards depending on the cash balances of the Disposal Group; and

(d) an adjustment upwards for certain expenditures incurred by any of the Disposal Group during the period from 1 February 2008 to Completion which have had the effect of reducing the cash deposits and balances of the Disposal Group (these "refundable" expenditures include any cost incurred in relation to redundancy, consultancy, relocation, restructuring and recruitment and any related legal fees, and any expenditure or cost of a capital nature).

Following calculation of all the adjustments listed above post Completion, they will be netted off against each other and a net balancing payment will be made in cash by the Purchaser or the Vendors, as the case may be. The Directors do not expect any post Completion adjustments to be material in the context of the Proposed Disposal.

Of the proceeds of the Proposed Disposal after costs, it has been agreed with the Purchaser that an amount of £13.2 million will be placed in escrow to cover potential tax liabilities arising in the Disposal Group as a result of the Proposed Disposal which the Company has agreed to bear. If these tax liabilities do not

crystallise then this amount will be released to the Continuing Group and will be applied in repayment of a portion of the debt facilities of the Company.

3. Condition to Completion

The sale and purchase of the shares in Johnson Clothing Limited under the Disposal Agreement is conditional upon the Company obtaining the approval of its Shareholders at the Disposal Extraordinary General Meeting. Such approval must be given before the Longstop Date.

4. Warranties and indemnities

The Vendors are giving certain warranties in relation to certain issues such as the power of the Company and the Vendors to enter into the Disposal Agreement and their ownership of the Johnson Clothing Limited shares (the "Fundamental Warranties"). The limitations on liability for warranty claims set out in the Disposal Agreement will not apply to the Fundamental Warranties except that set out in paragraph 6(iii) of this Part V.

The Vendors are also giving certain warranties that are not qualified by awareness, in relation to, amongst other things, incorporation of the Vendors, no conflict or default, filings and consents, incorporation of the Disposal Group, ownership of shares, memorandum and articles of association, subsidiaries, statutory books, commissions, audited accounts, compliance, insurance, events since 28 December 2007, previous acquisitions and disposals, financial facilities, common customers and suppliers, solvency, taxation, real estate and environment.

In addition, the Vendors are giving certain warranties that are all qualified by the awareness of a limited number of individuals at the Company in relation to, amongst other things, shares, joint ventures, assets, information, financial position, product liability, litigation, health and safety, data protection, commercial contracts, real estate, licences, intellectual property, employees, environment and pensions.

The Disposal Agreement contains an indemnity granted by the Vendors in favour of the Purchaser and the Disposal Group in relation to a purported share buy-back implemented by S. Yaffy Limited in 2003, prior to its acquisition by the Group in December 2004. The indemnity is subject to a financial limit of £4.9 million.

The Company will enter into the Tax Deed at Completion. The Tax Deed contains indemnities as are usual in a transaction of this kind in respect of the pre Completion profits and transactions of the Disposal Group.

5. Pensions matters

Johnson Clothing Limited will cease to participate in the Semara Plan and the Staff Scheme after the Proposed Disposal. Johnson Clothing Limited has not participated in the WML Scheme. The Pension Schemes will remain with the Continuing Group after the Proposed Disposal. Responsibility for the Semara Plan, which is not a multi-employer scheme, will be assumed by the Company and no liability will arise for Johnson Clothing Limited in respect of the Semara Plan following the Proposed Disposal. The Staff Scheme is a multi–employer pension scheme and a liability will arise for Johnson Clothing Limited when it ceases to participate in this scheme. As part of the negotiations in relation to the Proposed Disposal (in which the trustee took into account, amongst other things, the position of the Staff Scheme going forward) the Company, lenders to the Group and the trustee of the Staff Scheme agreed to use certain provisions under pension legislation, in terms of which a liability of £2.1 million would be apportioned to Johnson Clothing Limited in respect of the Proposed Disposal. The intention of the apportionment was to discharge Johnson Clothing Limited of any further liability to the Staff Scheme. The scheme actuary of the Staff Scheme estimated that, had Johnson Clothing Limited ceased to participate in the Staff Scheme as at 20 March 2008 and in the absence of an apportionment arrangement, a debt of less than £2.1 million would ordinarily have been triggered in respect of Johnson Clothing Limited. The Purchaser will procure that Johnson Clothing Limited will pay the Staff Scheme the £2.1 million apportioned to it immediately after Completion. If any further amounts fall due for Johnson Clothing Limited in respect of the Staff Scheme or Semara Plan, the Vendors have agreed to discharge these. In addition, the Vendors have covenanted to pay any amounts arising in relation to the Disposal Group in respect of the winding up of the Retirement Plan. The Directors do not

expect that these liabilities will arise. The Continuing Group will remain responsible for the ongoing funding of the Pension Schemes after the departure of Johnson Clothing Limited.

It is possible that members of the Disposal Group have certain early retirement pension obligations as a result of previous business acquisitions. If there are any such obligations and they become payable, the Vendors have agreed to meet the cost of these, provided the obligation has been confirmed by a court judgment or confirmed by reasonable agreement of the parties to the Disposal Agreement. The Vendors are not liable under the Disposal Agreement for any early retirement liability which relates to service or salary increases after Completion.

6. Limitations on liability

The liability of the Vendors and the Company will be limited as follows:

(i) (with the exception of the Fundamental Warranties) the Vendors shall not be liable in respect of any claims made under the warranties unless the amount of damages claimed exceeds £80,000;

(ii) (with the exception of the Fundamental Warranties) the Vendors shall not be liable in respect of any claims made under the warranties unless the amount of damages resulting from any and all warranty claims (other than those referred to in (i) above) exceeds in aggregate £1.2 million; and

(iii) the maximum aggregate liability of the Vendors in respect of any and all claims made under the warranties and all claims under the Tax Deed shall not exceed £80 million.

The liability of the Vendors in respect of the warranties shall terminate on the seventh anniversary of the date of the Disposal Agreement in respect of the tax warranties and 18 months following Completion in respect of all of the other warranties.

7. Restrictive covenants

The Company has agreed to certain non-compete provisions, relating to the business carried out by the Disposal Group at Completion within the UK, for a period of 24 months following Completion. The Company has also agreed not to solicit directors or senior employees of the Disposal Group for a period of 24 months following Completion.

8. Pre-Completion obligations

The Vendors and the Company have covenanted to procure that, up until Completion, except with the written consent of the Purchaser (such consent not to be unreasonably withheld or delayed) and only insofar as is reasonably practicable, the Disposal Group will not depart in any material respect from carrying out its business in the normal and ordinary course.

9. Termination rights

The Purchaser is not entitled in any circumstances to rescind or terminate the Disposal Agreement unless the Shareholders do not approve the sale prior to the Longstop Date. In addition, if one party is not in a position to complete the Proposed Disposal at the agreed time, the other party shall fix a new time for Completion. If the defaulting party fails for a second time to complete the Proposed Disposal, the other party may terminate the Disposal Agreement, in which case the majority of the provisions of the Disposal Agreement will lapse and cease to have effect, without prejudice to the non-defaulting party's right to seek damages for non-performance of any obligation of the other party under the Disposal Agreement.

PART VI

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names appear in paragraph 2 of this Part VI, accept responsibility for the information contained in this Circular. 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 Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

The Directors and their positions are as follows:

Name of Director	*Position*
Simon Sherrard	Chairman
John Talbot	Interim Chief Executive Officer
Yvonne Monaghan	Finance Director
Michael Gatenby	Senior Independent Non-Executive Director
Baroness Wilcox	Non-Executive Director
Michael Del Mar	Non-Executive Director

3. Directors' interests in the Company

3.1 The interests of the Directors, their immediate families and persons connected with the Directors in the share capital of the Company (all of which are beneficial interests unless otherwise stated), which have been notified to the Company pursuant to the Disclosure and Transparency Rules, as at 10 April 2008 (the latest practicable date before the publication of this document) were as follows:

Name of Director	*Number of Shares*	*Percentage of total Shares*
Simon Sherrard	40,000	0.07%
John Talbot	–	–
Yvonne Monaghan	8,791	0.01%
Michael Gatenby	5,000	0.01%
Baroness Wilcox	11,125	0.02%
Michael Del Mar	6,000	0.01%
Total	70,916	0.12%

3.2 As at 10 April 2008 (being the latest practicable date before the publication of this document), the following Directors held the following interests in Shares under the Johnson Service Group Share Plans:

Director	*Share Plans*	*Date of grant/award*	*Number of Shares subject to options/ awards*	*Option price per Share (pence)*	*Earliest exercise/ vesting date*	*Expiry date*
Yvonne Monaghan	Unapproved Option Plan	22 April 2004	3,383	394.5	22 April 2007	22 April 2014
	Unapproved Option Plan	18 April 2005	40,000	454.0	18 April 2008	18 April 2015
	Unapproved Option Plan	26 March 2007	50,000	283.25	26 March 2010	26 March 2017
	Savings-Related Share Option Plan	6 October 2004	1,804	315.0	1 December 2007	31 May 2008

Director	*Share Plans*	*Date of grant/award*	*Number of Shares subject to options/ awards*	*Option price per Share (pence)*	*Earliest exercise/ vesting date*	*Expiry date*
Yvonne Monaghan	Savings-Related Share Option Plan	6 October 2005	502	335.0	1 December 2008	31 May 2009
	Savings-Related Share Option Plan	5 October 2006	739	281.0	1 December 2009	31 May 2010
	Savings-Related Share Option Plan	2 October 2007	2,341	246.0	1 December 2010	31 May 2011

3.3 The Company operates four employee share schemes under each of which participants have a right to acquire Shares in the Company. The following is a summary of each of the schemes:

The Johnson 1998 Savings-Related Share Option Scheme *(the "Scheme")*

The Company operates a UK HM Revenue & Customs ("HMRC") approved Savings-Related Share Option Scheme. All UK resident employees (including executive directors) are eligible to participate in the Scheme.

Options may be granted at a maximum discount of 20 per cent. to the market value of a Share at the date of grant. Participants contribute between £10 and £250 per month into a savings contract with a maturity period of three or five years. Upon maturity, options are normally exercisable in whole or in part during the period of six months starting on the bonus date. The bonus date is the date on which the bonus under the related savings contract is payable. In normal circumstances, this will be the third or fifth anniversary of the starting date of the savings contract, depending on the election made by the participant at the time of grant.

When an option is exercised, it may only be exercised to the extent of the amount paid out under the related savings contract, including any interest and bonus payable.

On the cessation of employment of a participant in certain specified circumstances (for example, injury, disability, retirement, redundancy or where the business or company in which the participant works is no longer controlled by the Company), the participant may exercise his option in the six months following the cessation of his employment with the Group. A participant's option will lapse if he ceases to be employed for any other reason.

An option will also normally become exercisable for a period of six months on a takeover, scheme of arrangement or winding up of the Company. The options will lapse on the expiry of this period.

As the current SAYE scheme expires in May 2008, the Company is proposing to seek approval for a new SAYE scheme on the same terms at its 2008 Annual General Meeting.

The Johnson Discretionary Unapproved Option Plan *(the "Unapproved Option Plan")*

The Board may grant options, at its discretion, to eligible employees, including executive directors. Options may be granted to participants at a price which is the higher of the market value and the nominal value of a Share at the date of grant. Where participants are employed by a Johnson Service Group division, options are subject to performance conditions whereby the vesting of options will be based on the division's operating profit aggregated over a three year period. 25 per cent. of the options will vest for a "Budget" operating performance and options will vest in full at "Stretch" performance. Options will vest on a straight line basis for performance between these levels.

Participants may not normally exercise their options earlier than the third anniversary from the date of grant. On the cessation of employment of a participant in certain circumstances (for example, injury, disability, redundancy, retirement or where the business or company in which the participant works is no longer controlled by the Company or an associated company), the participant's options will be exercisable for six months to the extent permitted by the Company's remuneration committee,

having regard to the extent to which the performance conditions have been satisfied at the date of the cessation of employment.

Options will also become exercisable for a period of six months on a takeover (to the extent that performance conditions applicable to the options have been satisfied) and a scheme of arrangement and will also be exercisable on the voluntary winding-up of the Company.

The Unapproved Option Plan was amended on 15 February 2006 to allow the Board to grant options under the plan whereby a participant will not, on exercise of the option, pay the option price but will instead receive the gain inherent in the shares subject to the option.

***The Johnson Discretionary Approved Option Plan** (the "Approved Option Plan")*

The Approved Option Plan is approved by HMRC. The key terms of the Approved Option Plan are the same as the terms of the Unapproved Option Plan (as described above), save that there is a limit of £30,000 on the total market value of the Shares which can be acquired by an eligible employee on the exercise of an option under the Approved Option Plan, together with the exercise of options under any other HMRC approved discretionary share option plan.

***2005 Johnson Service Group Long Term Incentive Plan** (the "LTIP")*

Eligible employees selected to participate in the LTIP are granted awards to receive a number of Shares.

Vesting of the award will normally be subject to continued employment and the satisfaction of performance targets. A participant who receives restricted Shares on the vesting of an award will ordinarily be required to retain 25 per cent. of the Shares received for a period of one year from the date of vesting and a further 25 per cent. of the Shares vested for a period of two years from the date of vesting.

The maximum level of an award is five times the annual salary of the eligible employee at the time of the award.

The performance targets are determined by the Company's remuneration committee and will normally have to be satisfied over a performance period of three years. Generally, a proportion of the award will have a performance target based on the annual compound growth in adjusted earnings per share of the Company over the performance period as well as a performance target based on a measurement of the Company's total shareholder return ("TSR") over the performance period ranked against the TSR performance of the companies in the FTSE 250 Index (excluding investment trusts). An award will lapse to the extent that it has not vested at the end of the performance period.

In certain circumstances such as a participant's death, ill-health, retirement, or the business or company in which the optionholder works being sold outside the Group, an award may vest early over an amount determined in accordance with the rules of the LTIP.

On a takeover, reconstruction or winding-up of the Company, outstanding awards will vest to the extent that the performance targets have been satisfied as determined by the Company's remuneration committee.

Awards are satisfied by the transfer of Shares either from treasury or purchased in the market by the Company's employee share ownership plan trust. Awards cannot be satisfied by the issue of new Shares.

There are currently no employees participating in the LTIP.

4. Related party transactions

4.1 The Company has not entered into any related party transactions during the period covered by the historical financial information contained in Part III of this Circular and in the current financial year to date save as described in paragraph 4.2 below (related party transactions for these purposes being those set out in the standards adopted according to Regulation (EC) No 1606/2002).

4.2 The Company has entered into related party transactions during the period covered by the historical financial information contained in Part III of this Circular. These transactions are detailed in the

Company's annual reports for the periods ended 31 December 2005 (pages 57 and 71 to 74) and 31 December 2006 (pages 64 and 89 to 92). Since 31 December 2006, the Company has continued to make payments to directors in accordance with the terms of their service contracts referred to in paragraph 6 of this Part VI of this Circular. The Company's annual reports are available on the Company's website: www.johnsonplc.com.

4.3 Since 31 December 2006, Johnson Service Group has entered into the following related party transactions:

(a) the KTH Engagement Letter summarised in paragraph 8.1(h) of this Part VI of this Circular; and

(b) the letter of appointment appointing Michael Del Mar as non-executive director of the Company, details of which are contained in paragraph 6.6 of this Part VI of this Circular.

5. Significant shareholdings

5.1 As at 10 April 2008 (the latest practicable date before the publication of this document), insofar as it is known to the Company, the name of each person, other than a Director, who is or will be, following Completion of the Proposed Disposal, directly or indirectly interested in three per cent. or more of the voting rights in the Company, and the amount of such person's interest, is as follows:

Shareholder	*Number of Voting Rights*	*Percentage of Voting Rights*
Fidelity International Limited	5,117,088	8.60%
Henderson Global Investors Limited	4,269,838	7.18%
Liontrust Investment Services Limited	3,927,153	6.60%
M F Global UK Limited	2,362,393	3.97%
Credit Agricole Cheuvreux International Limited	2,236,733	3.76%
Prudential Plc	1,880,000	3.16%
Royal & Sun Alliance Insurance	1,824,635	3.07%
Bear, Stearns International Trading Limited	1,818,617	3.06%

5.2 Save as disclosed in this paragraph 5 of this Part VI of this Circular, the Directors are not aware of any interest (within the meaning of the Disclosure and Transparency Rules) which will represent three per cent. or more of the issued share capital of the Company following Completion.

6. Directors' service contracts

6.1 ***John Talbot***

John Talbot is the Interim Chief Executive Officer of the Company. He was appointed on 28 December 2007 pursuant to the terms of the KTH Engagement Letter (summarised at paragraph 8.1(h) of this Part VI of this Circular). Mr Talbot is an executive of Kroll Talbot Hughes Limited and he does not receive any direct payment or benefit from the Company, with the exception of directors' and officers' insurance which is maintained by the Company and an indemnity from the Company in respect of his position as director. The KTH Engagement Letter may be terminated by either party at any time by giving not less than 30 days' notice to the other party and Mr Talbot is required to resign as a director of the Company upon the termination of the KTH Engagement Letter. Mr Talbot's term as Interim Chief Executive Officer is, unless otherwise extended, due to expire on 30 September 2008.

6.2 ***Yvonne Monaghan***

Yvonne Monaghan is employed by the Company under a service agreement dated 14 January 2004. Ms Monaghan holds the position of Finance Director of the Company.

Ms Monaghan's basic annual salary is £200,000 and she is entitled to the following additional benefits: family private medical cover; life assurance; permanent health insurance; participation in the Company's contributory defined benefit pension scheme; and a car supplied under the Company's personal contract purchase scheme.

Ms Monaghan is entitled to payment of a bonus, calculated and payable in accordance with the rules of the Group Short Term Incentive Plan, up to a maximum of 100 per cent. of her salary. Ms Monaghan may be eligible to be awarded a share grant under the rules of the Johnson Service Group 2005 LTIP Plan.

Ms Monaghan's employment is terminable on 12 months' written notice by the Company or six months' written notice by Ms Monaghan.

If Ms Monaghan submits her resignation, or her employment is terminated by the Company prior to 1 September 2008, she will be entitled to receive a cash payment of £226,088 or, at Ms Monaghan's option and subject to Company and trustee approval, £209,838 in cash plus one year's augmentation of her benefits in the Staff Scheme.

6.3 ***Simon Sherrard***

Simon Sherrard serves the Company as Chairman and non-executive director under a letter of re-appointment dated 8 December 2005. Mr Sherrard was originally appointed in January 2000 and the re-appointment is for a fixed term of three years commencing on 3 January 2006. The office of Chairman and non-executive director is held in accordance with the articles of association of the Company and continuation of appointment after the initial appointment is subject to re-election by the Shareholders. Mr Sherrard is entitled to fees of £100,000 per annum, less any statutory deductions. Mr Sherrard is entitled to resign his position at any time, in accordance with the Company's articles of association, although the Company would normally expect at least one month's written notice. The Company may terminate Mr Sherrard's appointment upon three months' written notice.

6.4 ***Michael Gatenby***

Michael Gatenby serves the Company as non-executive director under a letter of re-appointment dated 8 December 2005. Mr Gatenby was originally appointed in September 2002 and the re-appointment is for a fixed term of three years commencing on 11 September 2005. The office of non-executive director is held in accordance with the articles of association of the Company and continuation of appointment after the initial appointment is subject to re-election by the Shareholders. Mr Gatenby is entitled to fees of £37,000 per annum, less any statutory deductions. Mr Gatenby is entitled to resign his position at any time, in accordance with the Company's articles of association, although the Company would normally expect at least one month's written notice. The Company may terminate Mr Gatenby's appointment upon three months' written notice.

6.5 ***Baroness Wilcox***

Baroness Wilcox serves the Company as non-executive director under a letter of re-appointment dated 4 October 2006. Baroness Wilcox was originally appointed in October 2003 and the re-appointment is for a fixed term of three years commencing on 1 October 2006. The office of non-executive director is held in accordance with the articles of association of the Company and continuation of appointment after the initial appointment is subject to re-election by the Shareholders. Baroness Wilcox is entitled to fees of £32,000 per annum, less any statutory deductions. Baroness Wilcox is entitled to resign her position at any time, in accordance with the Company's articles of association, although the Company would normally expect at least one month's written notice. The Company may terminate Baroness Wilcox's appointment upon three months' written notice.

6.6 ***Michael Del Mar***

Michael Del Mar serves the Company as non-executive director under a letter of appointment dated 10 May 2007. Mr Del Mar was originally appointed in May 2004 and the re-appointment is for a fixed term of three years commencing on 12 May 2007. The office of non-executive director is held in accordance with the articles of association of the Company and continuation of appointment after the initial appointment is subject to re-election by the Shareholders. Mr Del Mar is entitled to fees of £30,000 per annum, less any statutory deductions. Mr Del Mar is entitled to resign his position at any time, in accordance with the Company's articles of association, although the Company would

normally expect at least one month's written notice. The Company may terminate Mr Del Mar's appointment upon three months' written notice.

7. Details of key individuals important to Johnson Clothing Limited

The key individuals important to Johnson Clothing Limited and their functions are as follows:

Name	*Position*
Simon Hughes	Chief Executive Officer
Richard Pearson	Financial Director
Neil Glacken	Operations Director
Helen McLoughlin	Customer Services Director
Hayley Brooks	Sales and Marketing Director
Steven Cassapi	Logistics Director

8. Material contracts

8.1 ***Continuing Group***

Except for the Disposal Agreement and otherwise as referred to in this paragraph 8.1, there are no contracts (not being a contract entered into in the ordinary course of business) (i) to which a member of the Continuing Group is or has been a party within the two years immediately preceding the date of this Circular which is, or may be, material; or (ii) that has been entered into by a member of the Continuing Group which contains any provision under which any member of the Continuing Group has any obligation or entitlement which is material to the Continuing Group as at the date of this Circular.

(a) *Proposed Disposal*

The Disposal Agreement entered into on 11 April 2008 relating to the disposal of Johnson Clothing Limited, and other ancillary documents, details of which are described in Part V of this Circular.

(b) *First Facility Agreement*

The First Facility Agreement is a £200 million credit facility dated 21 July 2005, as amended by supplemental agreements dated 22 March 2007 and 28 December 2007 (the "Second Supplemental Agreement"), between Johnson Service Group as borrower, certain members of the Continuing Group as guarantors, The Royal Bank of Scotland plc (as agent for National Westminster Bank plc) as facility agent (the "Facility Agent"), Allied Irish Banks p.l.c., Barclays Capital, Lloyds TSB Bank plc and The Royal Bank of Scotland plc (as agent for National Westminster Bank plc) as mandated lead arrangers, Barclays Capital, Lloyds TSB Bank plc and the original lenders named therein and The Royal Bank of Scotland plc (as agent for National Westminster Bank plc) as bookrunners.

Loans advanced under the First Facility Agreement are expressed to be for the purpose of the refinancing of existing indebtedness and general corporate purposes. The final maturity date of the First Facility Agreement is expressed to be 21 July 2009, although it is a requirement of the First Facility Agreement (as amended by the Second Supplemental Agreement) that the total amount of loans advanced under the First Facility Agreement be reduced to £75 million by 30 April 2008.

The rate of interest on each loan advanced for each term is the percentage rate per annum equal to the aggregate of the applicable margin (as adjusted by reference to a gearing test), LIBOR and the mandatory cost (as calculated by the Facility Agent).

The First Facility Agreement contains standard covenants in relation to provision of information, authorisations, compliance with laws, *pari passu* ranking, negative pledge, disposals, financial indebtedness, mergers, change of business, acquisitions and insurance. The First Facility Agreement contains financial covenants in respect of gearing which are tested on

a half yearly basis and interest cover tests, and financial covenants are measured half yearly from financial information contained in the consolidated financial statements and consolidated management information.

The First Facility Agreement contains customary events of default in relation to non-payment, breach of other obligations, misrepresentation, cross-default, insolvency, creditors' process, effectiveness of finance documents, change of ownership and material adverse change.

(c) *Second Facility Agreement*

The Second Facility Agreement is a £205 million credit facility dated 11 April 2008 between Johnson Service Group as borrower, certain subsidiaries of Johnson Service Group as guarantors, and The Royal Bank of Scotland plc as facility agent and security agent and the original lenders named therein (the "Second Facility Agreement"). At the date of this Circular, the Second Facility Agreement is undrawn. It is anticipated that the Second Facility Agreement will be drawn in full prior to the date of the Disposal Extraordinary General Meeting.

Loans advanced under the Second Facility Agreement are expressed to be for the purpose of repaying the First Facility Agreement in full and otherwise for general corporate purposes. The final maturity date of the Second Facility Agreement is expressed to be 31 December 2010.

The Second Facility Agreement comprises four separate tranches that are available to the Company:

- The first tranche is a £65 million term loan to be used to bridge a portion of the proceeds from the Proposed Disposal. The applicable rate of interest is LIBOR plus 4 per cent. per annum for the period to 31 May 2008, and LIBOR plus 15 per cent. per annum (comprising a combination of 2.5 per cent. cash pay interest and 12.5 per cent. capitalised interest payments) thereafter. The final repayment date of the first tranche is 31 October 2009.
- The second tranche is a £65 million amortising term loan to be used to refinance the existing indebtedness of the Group. The applicable rate of interest is LIBOR plus 2.5 per cent. per annum. An amount of £2 million will be repayable on 30 June 2009, with further repayments quarterly thereafter. The final repayment date of the second tranche is 31 December 2010.
- The third tranche is an amortising revolving credit facility with an initial amount of £25 million to be used for general corporate purposes, £5 million of which will be provided by way of an overdraft. The applicable rate of interest is LIBOR plus 2.5 per cent. per annum. The final repayment date of the third tranche is 31 December 2010. The amount available to the Company under the third tranche will reduce to £22.5 million on 30 June 2009 and then to £20 million on 31 December 2009.
- The fourth tranche is a £50 million non-amortising term loan to be used to refinance the existing indebtedness of the Group. The applicable rate of interest is LIBOR plus 9 per cent. per annum (comprising a combination of 2.5 per cent. cash pay interest and 6.5 per cent. capitalised interest payments). In the event that the Company does not raise at least £25 million (net of costs plus accrued interest on that amount) from the proceeds of an equity raising by 31 March 2009, the applicable rate of interest will increase to LIBOR plus 15 per cent. per annum thereafter (comprising a combination of 2.5 per cent. cash pay interest and 12.5 per cent. capitalised interest payments). The final repayment date of the fourth tranche is 31 December 2010.

The Second Facility Agreement also provides that a number of its terms will be adjusted in favour of the Company in the event that the Company raises at least £25 million (net of costs plus capitalised accrued interest on that amount) from the proceeds of an equity raising by 31 March 2009. These include:

- the reduction of the applicable rate of interest on the fourth tranche to LIBOR plus 4 per cent. per annum;
- the removal of certain restrictions on the Company's ability to pay dividends contained in the Second Facility Agreement;
- the removal of any right of the lenders to appoint an observer to attend meetings of the Board; and
- the ability thereafter to offset any subsequent prepayments of the facilities against the fourth tranche in priority to the second.

The Second Facility Agreement contains standard covenants in relation to, amongst other things, provision of information, authorisations, compliance with laws, *pari passu* ranking, negative pledge, disposals, financial indebtedness, restrictions on hedging, restrictions on guarantees, restrictions on loans, mergers, change of business, acquisitions, insurance, taxes, bank accounts, intellectual property, pension schemes, further assurances, issue of shares, redemption of shares, dividends, financial assistance, environment, arm's length transactions, operating leases and change of listing. The Second Facility Agreement contains financial covenants in respect of gearing and interest cover tests and restrictions on capital expenditure and financial covenants are measured quarterly from financial information contained in the consolidated financial statements and consolidated management information.

It is an event of default under the Second Facility Agreement if the Shareholders do not approve the Disposal Resolution at the Disposal Extraordinary General Meeting. The Second Facility Agreement also contains customary events of default in relation to non–payment, breach of other obligations, misrepresentation, cross–default, insolvency, creditors' process, audit qualification, litigation, warrant instrument, effectiveness of finance documents, change of ownership and material adverse change.

The Company has also agreed to pay an arrangement fee to its banks in connection with the Second Facility Agreement, calculated at one per cent. of the total commitments on the date of the Second Facility Agreement.

(d) *Security Agreement*

A security agreement was entered into by the Company and certain of its subsidiaries on 28 December 2007 (as "Chargors") and The Royal Bank of Scotland plc (as agent for National Westminster Bank plc) for itself and as agent and trustee for each of the secured creditors (the "Security Trustee") (the "Security Agreement"). Further subsidiaries of the Company acceded to the Security Agreement as Chargors on 21 January 2008.

By the terms of the Security Agreement, each Chargor created full fixed and floating security over all of its assets. The floating charge is deferred in point of priority to all other security. In order to effect the grant of security in respect of Macrocom (840) Limited (a Scottish subsidiary), a separate Scottish law floating charge was entered into by Macrocom (840) Limited and the Security Trustee on similar terms to the floating charge contained in the Security Agreement on 8 February 2008.

The secured liabilities under the Security Agreement are defined as any pension liabilities and all present and future sums, liabilities and obligations (actual or contingent and whether owed solely or jointly with any other person and whether as principal or surety) owing, payable or incurred by any obligor to any secured creditor in any currency under the finance documents except for (i) any sum, liability or obligation which, if it were so included, would result in the Security Agreement contravening any law; and (ii) any liabilities in favour of the Company's pension trustees as a secured party under the Company's pension scheme documents exceeding £27,500,000 in aggregate.

It is a requirement of the Second Facility Agreement that the Security Agreement shall be released upon the drawdown of loans under the Second Facility Agreement. At that time a new security agreement shall be granted to The Royal Bank of Scotland plc for itself and as agent

of each of the secured creditors under the Second Facility Agreement. This new security agreement will be on substantially the same terms as the existing Security Agreement, provided that the secured liabilities in favour of the Company's pensions trustees as a secured party under the Company's pension scheme documents shall be increased from £27,500,000 to £28,000,000 following completion of the Proposed Disposal.

(e) *Warrant instrument*

On 11 April 2008, in connection with the Second Credit Facility, the Company executed a warrant instrument, pursuant to which it has issued warrants (the "Warrants") to its lender banks over 2,957,636 Shares representing approximately 4.7 per cent. of the fully diluted share capital of the Company as at that date. The Warrants are exercisable from 11 April 2008 until 31 December 2011 at an exercise price of 10 pence per Share, which represents the par value of the Shares. The Warrants are freely transferable. The Warrants contain anti-dilution provisions under which, in certain circumstances, the number of Warrants in issue may be adjusted. These circumstances include: (i) a cancellation or reduction of the Company's share capital, (ii) a purchase or redemption by the Company of its Shares; (iii) (with the exception of (A) the Company's employee share schemes, (B) issues of Shares as consideration for certain acquisitions with the consent of the majority lenders under the Second Facility Agreement, or (C) pursuant to the exercise of any Warrants) an allotment, issue or grant of a right to subscribe for shares, (iv) a sub-division, consolidation, redesignation or reclassification of Shares, and (v) (with the exception of dividends paid in the Company's ordinary course of business) any distribution of income, capital, profits or reserves. The anti-dilution provisions will not apply in the event that the warrantholders are entitled to the benefit of or to participate in an event that would otherwise trigger the anti-dilution provisions as described above. The Company has also agreed to give certain undertakings and warranties under the warrant instrument.

(f) *CCM Intra-group Transfer*

By an agreement dated 19 March 2008 (the "CCM Intra-group Transfer") entered into between (1) Johnson Clothing Limited, (2) Johnsons Apparelmaster and (3) the Company, Johnson Clothing Limited sold its workwear supply business (the "CCM Business") to Johnsons Apparelmaster.

The purchase price for the CCM Business was £2,499,000, which was satisfied in cash on completion and was utilised by Johnson Clothing Limited to reduce certain intercompany debt owed to the Company.

Under the CCM Intra-group Transfer, Johnsons Apparelmaster agreed to be responsible for all liabilities relating to the CCM Business (whether such liabilities arose before, on or after completion of the transaction).

The obligations of Johnsons Apparelmaster under the agreement were guaranteed by the Company.

(g) *CCM Asset Purchase Agreement*

By an agreement dated 19 March 2008 (the "CCM Asset Purchase Agreement") entered into between (1) Johnsons Apparelmaster, (2) Alsico Laucuba Limited ("Alsico") and (3) Alsico NV, Alsico purchased certain assets of the CCM Business carried on by Johnsons Apparelmaster. The initial consideration for the purchase of the assets was £2,603,881, paid in cash on completion by Alsico to Johnsons Apparelmaster. In addition to the initial consideration, up to £200,000 of deferred consideration is payable by Alsico in the 30 months following Completion based on a percentage of sales. These payments are required to be calculated quarterly and paid 60 days after the end of each quarter.

The key business assets acquired pursuant to the CCM Asset Purchase Agreement were stock, goodwill and contracts. The leasehold property held by the CCM Business and the fixed plant and other tangible assets used in the operation of the CCM Business were not sold to Alsico, but instead were leased to Alsico pursuant to a five year lease.

The CCM Asset Purchase Agreement contains warranties, covenants and indemnities customary for a transaction of this nature.

The obligations of Alsico under the CCM Asset Purchase Agreement were guaranteed by Alsico NV.

(h) *KTH Engagement Letter*

An engagement letter dated 5 December 2007, and amended on 28 December 2007, was entered into between Kroll Talbot Hughes Limited ("Kroll") and the Group. Under the terms of the KTH Engagement Letter, Kroll agrees to provide interim executive management to develop the strategy for the Group, lead the Group's negotiations with its bankers and other financial stakeholders and to begin the implementation of a recovery plan. In particular, it was agreed that John Talbot would be appointed as Interim Chief Executive Officer and that Dean Merritt would be appointed as Chief Restructuring Officer. The initial duration of the assignment is to 30 April 2008. The KTH Engagement Letter may be terminated by either Kroll or the Group by giving not less than 30 days' notice to the other party.

For the work undertaken by John Talbot and Dean Merritt, a fixed fee of £100,000 is payable by the Group for each month of the engagement to 30 April 2008. An additional fee of £100,000 is payable by the Group when medium-term banking facilities are agreed. Should heads of terms for an acquisition by a third party of in excess of 50 per cent. of the issued ordinary share capital or assets of the Group be agreed prior to 30 April 2008, a further fee (calculated by multiplying the number of months from the date of the letter until the earlier of 30 April 2008 and the completion of the restructuring transaction by £100,000) will be payable by the Group. Fees for work undertaken by other Kroll staff will be paid for on the basis of hourly charge out rates. The KTH Engagement Letter also contains certain undertakings given by the Group in favour of Kroll and an indemnity from the Group in favour of Kroll.

On 10 April 2008 the Company entered into a further amendment to the KTH Engagement Letter under which it was agreed that John Talbot would continue to act as Interim Chief Executive Officer of the Company for the period from 1 May 2008 until 30 September 2008.

A fixed fee of £40,000 will be payable monthly by the Company for John Talbot's services as Interim Chief Executive Officer.

(i) *Close Brothers Engagement Letter*

An engagement letter dated 30 November 2007 was entered into between Close Brothers and the Company, under the terms of which Close Brothers were appointed to advise the Company on its strategic and financing alternatives, including any transactions resulting therefrom.

In consideration of the work undertaken by Close Brothers, the following fees will be payable by the Company:

(i) £250,000 in the event that (A) the existing credit facilities are amended to enable the Company's accounts for the year ended 31 December 2007 to be signed off on a going concern basis, or (B) if the credit facilities do not need to be amended as a consequence of any other transaction repaying the credit facilities in full on a basis which enables the Company's accounts to be signed off on a going concern basis, on the date on which the credit facilities are repaid in full; and

(ii) 1 per cent. of the enterprise value of an asset disposal (to include the sale of the shares of a subsidiary) and 1 per cent. of the facility amount of any refinancing (where the maturity date of the refinancing facility is at least two years from the date of signing the facility agreement). These fees are subject to a minimum fee of not less £500,000 for each such transaction and, in the case of an asset disposal, also subject to a ratchet to be agreed.

The engagement letter also contains certain undertakings given by the Company in favour of Close Brothers and an indemnity from the Company in favour of Close Brothers. The

engagement letter may be terminated by either Close Brothers or the Company by giving written notice to the other party.

(j) *Sale and leaseback agreements*

On 23 June 2006, Johnson Group Properties Plc granted to Johnson Cleaners UK Limited occupational leases over 72 properties held by them and variously located throughout England, Wales and Scotland. Each of the leases granted was for a term of 15 years.

On 29 June 2006, all 72 properties were sold for a total consideration of £23,763,159 (plus VAT) by Johnson Group Properties Plc through two agreements, the first with Oceandale Investments Limited and the second with Oceandale Securities Limited, subject to and with the benefit of the occupational leases granted to Johnson Cleaners UK Limited.

(k) *Deed of Apportionment*

The deed of apportionment was entered into between the Company and the trustee of the Staff Scheme (a multi-employer pension scheme) on 11 April 2008 and constitutes a variation of the rules of the Staff Scheme. Rather than waiting for a debt in respect of Johnson Clothing Limited to be triggered in the ordinary course (under section 75 of the Pensions Act 1995) when Johnson Clothing Limited ceases to participate in the Staff Scheme after the Proposed Disposal (the debt would only be calculated after Johnson Clothing Limited ceases to participate), the deed creates certainty as to Johnson Clothing Limited's liability and apportions liability between Johnson Clothing Limited and the Company. Consequently, an amount of £2.1 million will become immediately payable by Johnson Clothing Limited under the deed on Completion of the Proposed Disposal.

(l) *Deed of Discharge*

The deed of discharge was entered into by the Company, Johnson Clothing Limited and the trustee of the Semara Plan on 11 April 2008. The deed recorded:

- the cessation of Johnson Clothing Limited's participation and the commencement of the Company's participation in the Semara Plan following the Proposed Disposal;
- that the Company will assume all liabilities (contingent or otherwise) of Johnson Clothing Limited under the Semara Plan (the Semara Plan would not be a multi-employer scheme before, or after, the Proposed Disposal);
- that Johnson Clothing Limited is discharged of all liability under the Semara Plan; and
- that the Semara Plan will not be wound up or partially wound up as a result of Johnson Clothing Limited's cessation of participation.

8.2 ***Johnson Clothing Limited***

Except as referred to in subparagraph (f) of paragraph 8.1, there are no contracts (not being a contract entered into in the ordinary course of business) (i) to which the Disposal Group is or has been a party within the two years immediately preceding the date of this Circular which is, or may be, material; or (ii) that has been entered into by the Disposal Group which contains any provision under which the Disposal Group has any obligation or entitlement which is material to the Disposal Group as at the date of this Circular.

9. Litigation

9.1 ***Continuing Group***

The Continuing Group is not or has not been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have or have had during the 12 months immediately preceding the date of this

Circular a significant effect on the financial position or profitability of the Continuing Group, save for the following:

Johnsons Apparelmaster is the defendant in a claim by Rikki John Price which was served on 17 November 2005. The claim arises out of an accident involving Mr Price at Johnsons Apparelmaster's site in Morse Road, Basingstoke which occurred on 3 December 2002. Mr Price was employed by a roofing contractor (Cookgate Limited, trading as Universal Coatings Company ("Cookgate")) and fell from a roof whilst undertaking repair work on Johnsons Apparelmaster's premises and sustained a severe traumatic brain injury. On 30 June 2003, Johnsons Apparelmaster was prosecuted by the Health and Safety Executive (the "HSE") for offences under the Health & Safety at Work Act 1974, pleaded guilty and was fined £20,000. Successful proceedings were also brought by the HSE against Cookgate and it was also fined £20,000.

Mr Price alleges breaches of the Occupiers' Liability Act 1957, the Workplace (Health, Safety and Welfare) Regulations 1992 and the Construction (Health, Safety and Welfare) Regulations 1996. He claims special damages of approximately £7 million. A Defence was served on 10 January 2006 denying primary liability and alleging contributory negligence. The Claimant subsequently applied for and was granted summary judgment on 14 February 2007, though this does not preclude Johnsons Apparelmaster continuing to argue contributory negligence on the part of Mr Price. The likely outcome in respect of both liability and quantum cannot be determined at this time.

It is unclear whether Mr Price has brought separate proceedings against Cookgate. Cookgate is in any event insolvent and no longer trading. A claim was made under Cookgate's Employer's Liability Cover, which its insurers have purported to decline.

The Company's insurer, Zurich, has denied cover under its public liability policy for the claim on the basis of a breach of policy conditions to notify the claim as soon as possible. Johnsons Apparelmaster is considering its various options in relation to the proceedings and has reserved its position against Zurich and its other insurance advisers.

9.2 ***Johnson Clothing Limited***

The Disposal Group is not or has not been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have or have had during the 12 months immediately preceding the date of this document a significant effect on the financial position or profitability of the Disposal Group.

10. Working Capital

The Company is of the opinion that, taking into account the bank and other facilities available to the Continuing Group, the working capital available to the Continuing Group is sufficient for its present requirements, that is for at least the 12 months following the date of this Circular.

11. Significant Change

11.1 There has been no significant change in the financial or trading position of the Disposal Group since 31 December 2007, being the date to which the financial information on the Disposal Group set out in Part III of this Circular has been prepared.

11.2 There has been no significant change in the financial or trading position of the Continuing Group since 30 June 2007, being the date on which the unaudited consolidated interim financial statements of the Group were prepared, other than:

(i) the estimated decrease in the Group's operating profit, before exceptional items, amortisation and impairment of goodwill, for the year ended 31 December 2007, to approximately £30 million (of which £9.7 million relates to the Disposal Group), as disclosed in Section 9 of Part I of this document;

(ii) the estimated charge for operating exceptional items incurred during the six months ended 31 December 2007 of approximately £23 million (of which charge £0.9 million related to the Disposal Group), relating mainly to the write-off of fixed assets associated with the Company's

Hinckley processing facility, professional fees associated with the bank restructuring process, Group redundancy and director termination costs and onerous lease and environmental costs, bringing the total estimated operating exceptional items for the year ended 31 December 2007 to approximately £41 million, as set out in Section 9 of Part I of this document;

(iii) the £2.7 million increase to normal interest charges during the six months ended 31 December 2007, comprising a £1.5 million waiver fee paid to the Company's existing banks on 28 December 2007 and £1.2 million of unamortised facility fees relating to the facility agreement dated 21 July 2005, as set out in Section 9 of Part I of this document;

(iv) the increase in the Group's net debt to approximately £181 million at 29 February 2008, as disclosed in Section 9 of Part I of this document;

(v) the potential breach of banking covenants and the Company's agreement to renegotiate new banking facilities before 30 April 2008, as disclosed in Section 3 of Part I of this document;

(vi) the loss of a major external contract in the CCM garment sourcing business towards the end of 2007, as disclosed in Section 9 of Part I of this document;

(vii) the disposal of assets previously owned by CCM for a maximum consideration of £2.8 million, resulting in an estimated impairment of goodwill of approximately £11.8 million, as disclosed in Sections 2 and 9 of Part I of this document; and

(viii) the estimated impairment of remaining goodwill of approximately £9.4 million (of which £1.5 million relates to the Disposal Group), as disclosed in Section 9 of Part I of this document.

12. Miscellaneous

Close Brothers has given and has not withdrawn its written consent to the inclusion in this Circular of its name and the references to it in the form and context in which they appear.

PricewaterhouseCoopers LLP has given and has not withdrawn its written consent to the inclusion herein of its report on the pro forma statement of net assets, contained in Part IV of this Circular, in the form and context in which it appears.

Investec has given and has not withdrawn its written consent to the inclusion in this Circular of its name and the references to it in the form and context in which they appear.

13. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD up to and including the conclusion of the Disposal Extraordinary General Meeting:

(a) the memorandum and articles of association of the Company;

(b) the Disposal Agreement and the Tax Deed;

(c) the audited consolidated accounts of the Company for the financial years ended 31 December 2005 and 31 December 2006, the unaudited half year statements of the Company for the six month period ended 30 June 2007 and the audited accounts for Johnson Clothing Limited in respect of the financial year ended 31 December 2007; and

(d) this Circular and the Disposal Form of Proxy (coloured blue).

11 April 2008

PART VII

DEFINITIONS

"Act"	the Companies Act 1985, as amended;
"Admission"	admission of the Shares to trading on AIM;
"AIM"	the AIM market operated by the London Stock Exchange;
"AIM Extraordinary General Meeting"	the general meeting of the Company convened for 11.00 a.m. on 8 May 2008 to approve the AIM Resolution, notice of which is set out at Part IX of this Circular (or any adjournment thereof);
"AIM Form of Proxy"	the form of proxy relating to the AIM Extraordinary Meeting (coloured pink);
"AIM Resolution"	the resolution to be proposed at the AIM Extraordinary General Meeting and described in Part IX of this Circular;
"AIM Rules"	the rules of AIM as set out in the publication entitled 'AIM Rules for Companies' published by the London Stock Exchange from time to time;
"Board"	the board of directors of Johnson Service Group;
"Boyd Cooper Entities"	Boyd-Cooper Limited (a company incorporated in England and Wales with registered number 04537193), Boyd-Cooper Holdings Limited (a company incorporated in England and Wales with registered number 00754441), Boyd-Cooper Scotland Limited (a company incorporated in England and Wales with registered number 00279975) and Morland Textiles (Croydon) Limited (a company incorporated in England and Wales with registered number 00518385);
"Capita Registrars"	Capita Registrars Limited;
"Circular"	this document;
"Close Brothers" or "the Sponsor"	Close Brothers Corporate Finance Limited;
"Completion"	completion of the Proposed Disposal in accordance with the terms of the Disposal Agreement;
"Continuing Group"	Johnson Service Group and its subsidiaries and subsidiary undertakings following Completion;
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
"CREST Proxy Instruction"	an order for a proxy appointment or instruction made using CREST;
"CREST Regulations"	the Uncertificated Securities Regulations 2001;
"DCC Assets"	the trade and assets comprising the DCC business of the Group;
"Delisting"	the cancellation of the listing of the Shares on the Official List and from trading on the London Stock Exchange's market for listed securities;

"Dimensions Entities"	Dimensions Corporatewear Limited (a company incorporated in England and Wales with registered number 04015606), Dimensions Holdings Limited (a company incorporated in England and Wales with registered number 04052473) and Dimensions Group Limited (a company incorporated in England and Wales with registered number 04025357);
"Directors"	the directors of the Company as at the date of this Circular;
"Disclosure and Transparency Rules"	the Disclosure and Transparency Rules of the Financial Services Authority;
"Disposal Agreement"	the conditional sale agreement dated 11 April 2008 among the Vendors, the Company and the Purchaser relating to the Proposed Disposal a summary of which is set out in Part V of this document;
"Disposal Extraordinary General Meeting"	the general meeting of the Company convened for 1.15 p.m. on 28 April 2008 to approve the Disposal Resolution, notice of which is set out in Part VIII of this Circular (or any adjournment thereof);
"Disposal Form of Proxy"	the form of proxy relating to the Disposal Extraordinary General Meeting (coloured blue);
"Disposal Group"	Johnson Clothing Limited and its subsidiary undertakings, being the Boyd Cooper Entities, the Dimensions Entities, the Yaffy Entities, DCC Corporate Clothing Limited (a company incorporated in England and Wales with registered number 00154611) and Wessex Textiles Limited (a company incorporated in England and Wales with registered number 00312129);
"Disposal Resolution"	the resolution to be proposed at the Disposal Extraordinary General Meeting and described in Part VIII of this Circular;
"Euroclear"	Euroclear UK & Ireland Limited;
"Extraordinary General Meetings"	the Disposal Extraordinary General Meeting and the AIM Extraordinary General Meeting;
"Facility Agreements"	the First Facility Agreement and the Second Facility Agreement;
"First Facility Agreement"	the facility agreement dated 21 July 2005 between the Company, various members of the Continuing Group, Alliance & Leicester plc, Allied Irish Banks, p.l.c., Bank of Ireland, Bank of Taiwan, Barclays Bank PLC, Commerzbank Aktiengesellschaft, London Branch, Lloyds TSB Bank plc and The Royal Bank of Scotland plc;
"Forms of Proxy"	the Disposal Form of Proxy and the AIM Form of Proxy;
"FSA"	the Financial Services Authority;
"FSMA"	the Financial Services and Markets Act 2000, as amended;
"Group"	Johnson Service Group and its subsidiary undertakings;
"IFRS"	International Financial Reporting Standards as adopted for use in the European Union;
"Investec"	Investec Investment Banking, a division of Investec Bank (UK) Limited;
"ISA"	Individual Savings Account;

"Johnson Clothing Limited"	Johnson Clothing Limited, a company incorporated in England and Wales with registered number 454264 and having its registered office at 2 Boundary Court, Willow Farm Business Park, Castle Donington, Derbyshire DE74 2NN;
"Johnson Service Group" or "the Company"	Johnson Service Group PLC, a company incorporated in England and Wales with registered number 523335 and having its registered office at 3rd Floor, 4 Harley Street, London, W1G 9PB;
"Johnson Service Group Share Plans"	the 1998 Savings-Related Share Option Scheme, the Discretionary Unapproved Option Plan, the 2003 Executive Share Option Scheme and the 2005 Long Term Incentive Plan;
"Johnsons Apparelmaster"	Johnsons Apparelmaster Limited, a company incorporated in England and Wales with registered number 464645 and having its registered office at Pittman Way, Fulwood, Preston, Lancashire PR2 9ZD;
"KTH Engagement Letter"	the engagement letter from Kroll Talbot Hughes Limited to the Group dated 5 December 2007, as amended on 28 December 2007 and 10 April 2008;
"LIBOR"	the London inter bank offer rate from time to time;
"Listing Rules"	the Listing Rules of the UK Listing Authority;
"Longstop Date"	30 April 2008;
"Official List"	the official list of the UK Listing Authority;
"Participant ID"	the identification code or membership number used in CREST to identify a particular CREST Member or CREST Participant;
"Pension Schemes"	the Staff Scheme, the Semara Plan and the WML Scheme;
"Proposed Disposal"	Johnson Service Group's proposed disposal of Johnson Clothing Limited pursuant to the Disposal Agreement;
"Purchaser"	Ensco 645 Limited, a company incorporated in England and Wales with registered number 6471761 and having its registered office at One Eleven Edmund Street, Birmingham B3 2HJ;
"Regulatory Information Service" or "RIS"	any of the services set out in Schedule 12 of the Listing Rules;
"Resolutions"	the Disposal Resolution and the AIM Resolution;
"Retirement Plan"	the Johnson Group Retirement Plan, a pension scheme which commenced winding up on 31 December 2006 and was originally established by trust deed on 23 August 1956, but is now governed by definitive rules introduced by a supplemental definitive deed of 9 July 1996 (as amended), which is primarily a defined contribution scheme but with one defined benefit section that was secured through the purchase of annuities with Legal and General Assurance Society Ltd in 2003;

"Second Facility Agreement"	the facility agreement dated 11 April 2008 between the Company, various members of the Group, Alliance & Leicester plc, Allied Irish Banks p.l.c., Bank of Ireland, Bank of Taiwan, Barclays Bank PLC, Commerzbank Aktiengesellschaft, London Branch, Lloyds TSB Bank plc and The Royal Bank of Scotland plc;
"Semara Plan"	the Semara Augmented Pension Plan, originally established by Interim Trust Deed dated 15 December 1980 (with the Definitive Deed dated 25 March 1982), initially known as the Breakmate Executive Pension Scheme, as subsequently amended from time to time;
"Shareholders"	the holders of any issued shares in the share capital of the Company from time to time;
"Shares"	the ordinary shares in the capital of Johnson Service Group;
"Staff Scheme"	the Johnson Group Staff Pension Scheme, established by a trust deed dated 30 September 1925, currently governed by a definitive set of rules introduced by a supplemental definitive trust deed and rules dated 14 March 1988, as amended from time to time;
"Tax Deed"	the tax deed between the Vendors, the Purchaser and each member of the Disposal Group to be signed on Completion;
"UK GAAP"	the accounting principles generally accepted in the UK;
"UK Listing Authority"	means the FSA acting in its capacity as competent authority under the FSMA;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"Vendors"	Semara Contract Services Limited, Johnson Investment Limited and Semara Nominees Limited;
"WML Scheme"	the WML Final Salary Pension Scheme, established by an interim trust deed of 5 April 1996, currently governed by a Definitive Trust Deed and Rules dated 6 May 1998, as amended from time to time;
"Yaffy Entities"	S. Yaffy Limited (a company incorporated in Scotland with registered number SC017794) and Burnside Weatherwear Limited (a company incorporated in Scotland with registered number SC047425); and
"Zurich"	Zurich Insurance Company, a limited company incorporated in Switzerland, registered in the canton of Zurich 3.749.620.01, UK branch registered in England no. BR105, Zurich House, Stanhope Road, Portsmouth PO1 1DU.

All references to "pounds", "pounds sterling", "sterling", "£", "pence", "penny" and "p" are to the lawful currency of the United Kingdom.

PART VIII

NOTICE OF DISPOSAL EXTRAORDINARY GENERAL MEETING

JOHNSON SERVICE GROUP PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 523335)

NOTICE IS GIVEN that an extraordinary general meeting of Johnson Service Group PLC (the "Company") will be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD, at 1.15 p.m. on 28 April 2008 for the purpose of considering and, if thought fit, passing the following resolution. The resolution will be proposed as an ordinary resolution:

THAT the proposed disposal of Johnson Clothing Limited by the Vendors pursuant to the conditional sale agreement among the Vendors, the Company and the Purchaser dated 11 April 2008 as described in the circular of the Company dated 11 April 2008 accompanying this notice, be and is approved and that the directors of the Company (or any duly authorised committee thereof) be and are authorised to take all such steps as may be necessary or desirable in relation to such disposal and to implement the same with such non-material modifications, variations, revisions, waivers or amendments as the directors or any such committee may deem necessary, expedient or appropriate.

By order of the Board

Sonia Richmond
Company Secretary

Registered Office:
3rd Floor
4 Harley Street
London
W1G 9PB

11 April 2008

Notes:

(1) Only holders of Shares are entitled to attend and vote at the meeting. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him/her. To appoint more than one proxy, additional proxy forms may be obtained by contacting Capita Registrars or you may photocopy the form. If you appoint more than one proxy, each proxy must be appointed to exercise the rights attached to a different share or shares held by you. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. A proxy need not be a member of the Company. A Form of Proxy is enclosed with this document and instructions for completion are shown on the form. Forms of Proxy need to be deposited with the Company's registrars, Capita Registrars, not less than 48 hours before the start of the meeting or any adjournment thereof.

(2) Completing and returning a Form of Proxy will not prevent a Shareholder from attending in person at the meeting referred to above and voting should he or she wish to do so and is so entitled. A vote withheld option is provided on the Form of Proxy to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

(3) The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only persons entered on the register of members of the Company at 6.00 p.m. on the date which is two days prior to the meeting or any adjournment of it shall be entitled to attend and vote at the meeting or adjourned meeting. Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote (and the number of votes they may cast) at the meeting or adjourned meeting.

(4) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the extraordinary general meeting to be held on 28 April 2008 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST Sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or any amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp

applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST Sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

(5) In accordance with Section 325 of the Companies Act 2006 (the "2006 Act"), the right to appoint proxies does not apply to persons nominated to receive information rights under Section 146 of the 2006 Act. Persons nominated to receive information rights under Section 146 of the 2006 Act who have been sent a copy of this notice of meeting are hereby informed, in accordance with Section 149(2) of the 2006 Act, that they may have a right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.

(6) In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – *www.icsa.org.uk* – for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.

PART IX

NOTICE OF AIM EXTRAORDINARY GENERAL MEETING

JOHNSON SERVICE GROUP PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 523335)

NOTICE IS GIVEN that an extraordinary general meeting of Johnson Service Group PLC (the "Company") will be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD, at 11.00 a.m. on 8 May 2008 for the purpose of considering and, if thought fit, passing the following resolution. The resolution will be proposed as a special resolution:

THAT, subject to and conditional on the Disposal Resolution being passed at the Disposal Extraordinary General Meeting on 28 April 2008, the listing of the ordinary shares of 10 pence each in the capital of the Company on the Official List and admission to trading on the London Stock Exchange's market for listed securities be cancelled and application be made for admission for the said ordinary shares to trading on AIM.

By order of the Board

Sonia Richmond
Company Secretary

Registered Office:
3rd Floor
4 Harley Street
London
W1G 9PB

11 April 2008

Notes:

(1) Only holders of Shares are entitled to attend and vote at the meeting. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him/her. To appoint more than one proxy, additional proxy forms may be obtained by contacting Capita Registrars or you may photocopy the form. If you appoint more than one proxy, each proxy must be appointed to exercise the rights attached to a different share or shares held by you. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. A proxy need not be a member of the Company. A Form of Proxy is enclosed with this document and instructions for completion are shown on the form. Forms of Proxy need to be deposited with the Company's registrars, Capita Registrars, not less than 48 hours before the start of the meeting or any adjournment thereof.

(2) Completing and returning a Form of Proxy will not prevent a Shareholder from attending in person at the meeting referred to above and voting should he or she wish to do so and is so entitled. A vote withheld option is provided on the Form of Proxy to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

(3) The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only persons entered on the register of members of the Company at 6.00 p.m. on the date which is two days prior to the meeting or any adjournment of it shall be entitled to attend and vote at the meeting or adjourned meeting. Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote (and the number of votes they may cast) at the meeting or adjourned meeting.

(4) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the extraordinary general meeting to be held on 8 May 2008 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST Sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or any amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST Sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

(5) In accordance with Section 325 of the Companies Act 2006 (the "2006 Act"), the right to appoint proxies does not apply to persons nominated to receive information rights under Section 146 of the 2006 Act. Persons nominated to receive information rights under Section 146 of the 2006 Act who have been sent a copy of this notice of meeting are hereby informed, in accordance with Section 149(2) of the 2006 Act, that they may have a right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.

(6) In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – *www.icsa.org.uk* – for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.