

Collins Stewart raises £100m for Development Securities

22 July 2010. Collins Stewart today announces that it has advised Development Securities PLC ('Development Securities') on a fully underwritten share issue to raise proceeds of approximately £100.2 million by way of a Placing and Rights Issue.

Collins Stewart is acting as joint financial adviser, joint bookrunner, broker, sponsor and joint underwriter.

Development Securities (ticker: DSC), a main market listed property development and investment company, will use the net proceeds to capitalise on new opportunities early in the property development cycle, continuing to exploit the current dearth of bank finance available, and enhance the Group's investment portfolio where attractive asset management opportunities exist.

The equity raised was strongly supported by existing and new investors, as well as Development Securities' Directors and the Issue price was determined at a narrow discount – 6.3 per cent to the theoretical ex-rights price (TERP). This is notable especially considering that rights issues were priced at an average discount to TERP of 34 per cent in 2010 and 38 per cent in 2009.

Today's announcement follows a £100 million fundraising by Development Securities in June 2009; Collins Stewart was the financial adviser, broker, sponsor and underwriter.

Details of the Placing and Rights Issue

- Placing of 4,110,000 Placing Shares (representing in aggregate 5.0 per cent of the existing issued share capital and 3.4 per cent of the Enlarged Issued Share Capital immediately following completion of the Placing and the Rights Issue) at a price of 250 pence per share
- Rights Issue of 35,986,030 New Shares (representing in aggregate approximately 43.7 per cent of the existing issued share capital and 29.4 per cent of the Enlarged Issued Share Capital immediately following completion of the Rights Issue) at a price of 250 pence per share
- The Issue Price represents an 8.8 per cent discount to the pre announcement closing price and a 6.3 per cent discount to the theoretical ex-rights price of an Ordinary Share, when calculated by reference to the closing middle-market price of 274 pence per Ordinary Share on 21 July 2010 (being the last Business Day before the announcement of the Placing and the Rights Issue)
- The Placees will be able to participate in the Rights Issue in respect of their Placing Shares in the same manner as Qualifying Shareholders
- Net Proceeds of approximately £94.1 million

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Press coverage: [City A.M., 23 July 2010](#)

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Collins Stewart plc is a leading independent financial advisory group listed on the London Stock Exchange. Collins Stewart plc employs some 750 staff worldwide and is organised around four operational divisions: Advisory, Corporate Broking, Securities and Wealth Management, all served by its unique research tool, Quest™. More information at www.collinsstewart.com

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