

**Shore Capital Group Limited
("Shore Capital" or the "Company")**

Share Capital Reorganisation and Notice of General Meeting

Shore Capital, the independent investment group specialising in equity capital markets, principal finance and alternative asset management, today announces its proposal to seek Shareholders' approval for a reorganisation of the Company's share capital. A circular to shareholders (the "Circular") has been posted to shareholders today setting out the details of the Share Capital Reorganisation and containing notice of a general meeting convened at 11 am on 6 December 2013 to propose and, if thought fit, approve certain resolutions relating to the implementation of the Share Capital Reorganisation.

A copy of the Circular may be viewed on the Company's website: www.shorecap.gg

Capitalised terms used, but not defined, in this announcement will have the meaning given to them in the Circular.

Background to the Share Capital Reorganisation

As at 11 November 2013, being the last practicable date prior to publication of this announcement, the Company had 2,800 Shareholders. Of these, some 2,393 Shareholders have registered holdings of fewer than 2,000 Existing Ordinary Shares, representing approximately 85 per cent. of the total number of Shareholders, but less than 0.5 per cent. of the Existing Ordinary Shares. The average value of such shareholdings (fewer than 2,000 Existing Ordinary Shares) was £172.75 based on the closing mid-market price as at 11 November 2013.

The Board believes that the current size of the Shareholder register is disproportionate for a company of its size and that, consequently, it is not in the Company's best interests to continue to bear the financial and administrative burden of servicing such a large shareholder base. Further, the Board believes that, due to their small holdings, many Shareholders may have considered selling their Existing Ordinary Shares but have decided not to do so in the light of dealing and administration costs relating to such a sale. In common with other companies in similar circumstances, the Board is therefore proposing a restructuring of the Existing Ordinary Shares, the aim of which is to reduce the number of Shareholders thereby achieving cost savings for the Company, whilst at the same time returning value to Shareholders with smaller interests free of commission.

A further objective of the Share Capital Reorganisation is to create a share capital base and share price that is more in keeping with the size and nature of the Company. The market price of a New Ordinary Share immediately after completion of the Share Capital Reorganisation is expected to be approximately 10 times greater than the market price of an Existing Ordinary Share immediately prior to the Share Capital Reorganisation. The Board believes resizing the Company's share capital may encourage greater liquidity and may result in smaller dealing spreads. Accordingly, the Board believes that it would benefit the Company and Shareholders as a whole to reduce the number of shares in issue as an integral part of the Share Capital Reorganisation.

The Share Capital Reorganisation

Consolidation and sub-division

By means of the Share Capital Reorganisation every 2,000 Existing Ordinary Shares will be consolidated into one Consolidated Ordinary Share and then each Consolidated Ordinary Share will be subdivided into 200 New Ordinary Shares. To ensure that the number of Existing Ordinary Shares in issue just prior to the Record Date is a number divisible by 2,000, up to 1,999 Existing Ordinary Shares will be issued to the Company's General Counsel. This holding will be extinguished as a consequence of the consolidation. Following the completion of the Share Capital Reorganisation, the Company's issued share capital will comprise 24,164,000 New Ordinary Shares.

Share rights

The rights attaching to the New Ordinary Shares will be the same as those attaching to the Existing Ordinary Shares including, without limitation, the same voting, dividend and other rights.

The effect of the Share Capital Reorganisation will mean that, subject to what is set out in relation to fractional entitlements below, each Shareholder's proportionate interest in the Company's issued ordinary share capital will remain materially the same.

The entitlements to Existing Ordinary Shares of holders of options over Existing Ordinary Shares will be adjusted in accordance with the terms of such options in order to reflect the effect of the Share Capital Reorganisation.

Settlement

Following the Share Capital Reorganisation, the Existing Ordinary Shares will be converted into a lesser number of New Ordinary Shares. New share certificates in respect of New Ordinary Shares are expected to be posted, at the risk of Shareholders, on or prior to 17 December 2013 to those Shareholders who currently hold their Existing Ordinary Shares in certificated form (and who hold 2,000 or more Existing Ordinary Shares). These will replace existing certificates which should be destroyed. Pending the receipt of new certificates, transfers of New Ordinary Shares held in certificated form will be certified against the register of members of the Company. In the case of Shareholders who hold their shares through the CREST system (and who hold 2,000 or more Existing Ordinary Shares), the New Ordinary Shares will be credited to CREST accounts on 9 December 2013.

Following completion of the Share Capital Reorganisation the New Ordinary Shares will be admitted to trading on AIM. It is anticipated that Admission will occur on 9 December 2013.

Fractional entitlements and payments to Shareholders

The Company will not allocate fractions of Consolidated Ordinary Shares to individual Shareholders pursuant to the Share Capital Reorganisation. Where the number of Existing Ordinary Shares held by any Shareholder on the Record Date is not exactly divisible by 2,000, so that such Shareholder would otherwise have been entitled to a fraction of a Consolidated Ordinary Share, such fractions shall be aggregated with the fractions of Consolidated Ordinary Shares to which other Shareholders would have been entitled so as to form full Consolidated

Ordinary Share. Such aggregated fractions will then be subdivided (along with the other Consolidated Ordinary Shares) into New Ordinary Shares and sold in the market free of commission. The proceeds of such sales will be paid to each Shareholder in proportion to the fractional entitlements to which such Shareholder would otherwise have been entitled. Such sums shall be paid to relevant certificated Shareholders by cheque and to relevant uncertificated Shareholders by payment through CREST, in either case within 14 days of the aggregated fractional entitlements being sold in full.

Shareholders should be aware that if they hold fewer than 2,000 Existing Ordinary Shares on the Record Date, following the Share Capital Reorganisation they will cease to be a shareholder in the Company and they will not receive any Consolidated Ordinary Shares and therefore will not be entitled to New Ordinary Shares under the Share Capital Reorganisation.

Expected timetable of principal events

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Circular, notice of General Meeting and Form of Proxy posted to Shareholders	13 November 2013
Latest time and date for receipt of completed Forms of Proxy	11 am on 4 December 2013
General Meeting	11 am on 6 December 2013
Record date for Share Capital Reorganisation	6 pm on 6 December 2013
Dealings in the New Ordinary Shares on AIM expected to commence	9 December 2013
Expected date for crediting CREST accounts (where applicable)	9 December 2013
Expected date by which certificates in respect of New Ordinary Shares are to be despatched to certificated Shareholders	On or prior to 17 December 2013
Expected date by which fractional entitlement cheques are to be despatched, or payments made through CREST	14 days after sale in full of the aggregated fractional entitlements

References to time in this announcement are to UK time. Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement on a regulatory information service.

Enquiries:

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About Shore Capital

Shore Capital is an AIM quoted independent investment group. Founded and owned by entrepreneurs, for nearly three decades Shore Capital has been helping entrepreneurial businesses reach their full potential, find committed long term investors and develop into significant enterprises. The business offers innovative corporate advice; a leading market-making business; some of the most respected investment research available in the UK; and a diverse range of high quality investment opportunities, including its hugely successful VCTs and principal finance activities. It is a business founded on four simple values – integrity, drive, competence and trust.

The Group is based in Guernsey, London, Liverpool, Edinburgh and Berlin. Shore Capital Stockbrokers Limited, Shore Capital and Corporate Limited, Shore Capital Limited and Puma Investment Management Limited are each authorised and regulated by the Financial Conduct Authority. Shore Capital Stockbrokers Limited is a member of the London Stock Exchange.

www.shorecap.gg