

THIS DOCUMENT AND THE ACCOMPANYING FORM 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 personal financial advice immediately from your stockbroker, bank manager, fund manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or transfer or have sold or transferred all of your Ordinary Shares you should deliver this document, with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through or to whom the sale or transfer was effected for onward transmission to the buyer or transferee. If you sell or transfer or have sold or transferred only part of your holding of Ordinary Shares you should retain this document and consult the bank, stockbroker or other agent through whom the sale or transfer was effected as to the action you should take.

This document should be read in conjunction with the accompanying Form of Proxy and the definitions set out in pages 4 to 5 of this document. The whole of this document should be read and, in particular, your attention is drawn to the letter from the Executive Chairman of MS INTERNATIONAL plc which is set out on pages 6 to 10 of this document and which contains the unanimous recommendation of the Directors to Shareholders to vote in favour of the Resolution to be proposed at the General Meeting referred to below.

MS INTERNATIONAL plc

(Incorporated and registered in England and Wales with registered number 653735)

Proposed cancellation of admission to the premium segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange

Admission to AIM

and

Notice of General Meeting

Financial Adviser and Proposed Nominated Adviser and Broker



SHORE CAPITAL

The General Meeting to consider the Resolution will be held at the Holiday Inn Doncaster, High Road, Warmsworth, Doncaster, DN4 9UX on 24 October 2013 at 11.00 a.m. The notice convening the General Meeting is set out on pages 11 to 12 at the end of this document.

The action to be taken in respect of the General Meeting is set out in the letter from the Executive Chairman of MS INTERNATIONAL plc on pages 6 to 10 this document. Whether or not you intend to be present at the meeting, it is important that you complete, sign and return the Form of Proxy in accordance with the instructions printed thereon to the Company's Registrars at Capita Asset Services, The Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible but, in any event to be valid, so as to arrive no later than 11.00 a.m. on 22 October 2013. The completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person should you wish to do so.

Shore Capital, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company in connection with the Move to AIM and will not be responsible to any person other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of this document or any matter, transaction or arrangement referred to therein. Shore Capital makes no representation or warranty, express or implied, as to the contents of this document and Shore Capital does not accept any liability whatsoever for the accuracy of or opinions contained in (or for the omission of any material information) this document and shall not be responsible for the contents of this document. Shore Capital has given its consent to inclusion herein of the references to its name in the form and context in which it is included.

If you have any questions about this document or the General Meeting, or are in any doubt as to how to complete the Form of Proxy, please call Capita Asset Services' helpline on 0871 664 0300 (calls cost 10 pence per minute plus network extras). Lines are open Monday to Friday between 8.30 a.m. and 5.30 p.m. (from outside the UK: +44 20 8639 3399). Please note that calls may be monitored or recorded and the representatives cannot provide financial advice or advice on the merits of the Resolution.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event

Publication of this document	1 October 2013
Latest time and date for receipt of completed Forms of Proxy	11.00 a.m. on 22 October 2013
General Meeting	11.00 a.m. on 24 October 2013
Last day of dealings on the Official List	21 November 2013
Cancellation effective	8.00 a.m. on 22 November 2013
Admission and commencement of dealings on AIM	8.00 a.m. on 22 November 2013

Note:

Each of the times and dates above are indicative only and subject to change without consultation. If any of the above times and/or dates change, the revised times and/or dates will be notified by announcement on a Regulatory Information Service. References in this document to time are to London time, unless specified otherwise.

DEFINITIONS

“Admission”	the admission of the entire issued share capital of the Company to trading on AIM becoming effective in accordance with the AIM Rules for Companies
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies and the AIM Rules for Nominated Advisers
“AIM Rules for Companies”	the rules which set out the obligations and responsibilities in relation to companies whose shares are admitted to AIM as published by the London Stock Exchange from time to time
“AIM Rules for Nominated Advisers”	the rules which set out the eligibility, obligations and certain disciplinary matters in relation to nominated advisers as published by the London Stock Exchange from time to time
“Board”	the board of Directors of the Company from time to time
“Business Day”	any day on which the London Stock Exchange is open for the transaction of business
“Cancellation”	the cancellation of admission to the premium segment of the Official List and to trading on the Main Market
“Companies Act 2006”	the Companies Act 2006 to the extent in force from time to time
“Directors”	the existing directors of the Company whose names are set out on page 6 of this document
“Form of Proxy”	the form of proxy accompanying this document for use at the General Meeting
“FCA”	the Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000
“General Meeting”	the general meeting of the Company convened for 11.00 a.m. on 24 October 2013 at the Holiday Inn Doncaster, High Road, Warmsworth, Doncaster, DN4 9UX by the Notice of General Meeting
“Listing Rules”	the listing rules made by the FCA under Part VI of FSMA
“London Stock Exchange”	London Stock Exchange plc
“Main Market”	the London Stock Exchange’s main market for listed securities
“MSI” or “Company”	MS INTERNATIONAL plc, a company registered in England and Wales with registered number 653735

“Move to AIM”	the Cancellation and the Admission
“Notice of General Meeting”	the notice of general meeting set out at the end of this document
“Official List”	the Official List of the FCA
“Ordinary Shares”	ordinary shares of 10 pence each in the capital of the Company
“Prospectus Rules”	the prospectus rules made by the FCA under Part VI of FSMA
“QCA”	Quoted Companies Alliance
“Registrar”	Capita Asset Services Limited
“Resolution”	the resolution set out in the Notice of General Meeting
“Shareholder”	a holder of Ordinary Shares from time to time
“Shore Capital”	Shore Capital and Corporate Limited or Shore Capital Stockbrokers Limited, as the context admits
“UKLA”	the FCA, acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“UK Corporate Governance Code”	the UK Corporate Governance Code published by the Financial Reporting Council, in force from time to time

LETTER FROM THE EXECUTIVE CHAIRMAN

MS INTERNATIONAL plc

(Incorporated and registered in England and Wales under number 653735)

Directors:

Michael Bell (*Executive Chairman*)
Michael O'Connell (*Finance Director*)
Nicholas Bell (*Executive Director*)
Roger Lane-Smith (*Non-executive Director*)
David Pyle (*Non-executive Director*)

Registered office:

Balby Carr Bank
Doncaster
DN4 8DH
United Kingdom

1 October 2013

To the Shareholders and, for information purposes only, to the holders of options under the Company's share option schemes

Dear Shareholder

Proposed Move to AIM

1. Introduction

The Board is seeking the authority of the Shareholders to cancel the listing of the Company's Ordinary Shares on the Official List and their trading on the London Stock Exchange's main market for listed securities and to apply for admission of the entire issued share capital of the Company to trading on AIM.

Under the Listing Rules, the Cancellation requires the Company to obtain the prior approval for such cancellation of not less than 75 per cent. of Shareholders who vote in person or by proxy at a general meeting. Therefore, the Resolution being proposed at the General Meeting, to be held at the Holiday Inn Doncaster, High Road, Warmsworth, Doncaster, DN4 9UX at 11.00 a.m. on 24 October 2013, to approve the Cancellation and Admission is being proposed as a special resolution. If the Resolution is passed, the Board proposes to make an application to the UKLA for the Cancellation to be effected and an application to AIM for the Admission.

The purpose of this document is to outline the reasons for, and provide further information on, the proposed Move to AIM and to explain why the Board believes such proposal to be in the best interests of the Company and its Shareholders as a whole and unanimously recommends that Shareholders vote in favour of the Resolution.

2. Reasons for the Move to AIM

The Board has carefully considered the proposed Move to AIM and believes that it is in the best interests of the Company and its Shareholders as a whole for the following reasons:

- AIM provides a more suitable market and environment that should simplify the administrative and regulatory requirements of the Company;
- AIM will offer greater flexibility with regard to corporate transactions, and should enable the Company to agree and execute certain transactions more quickly and cost effectively than a company on the Official List;

- The Company should continue to appeal to institutional investors following the Move to AIM and in light of the possible tax benefits mentioned below, the Directors hope that being admitted to AIM will make the Company's shares more attractive to retail investors;
- Companies whose shares trade on AIM are deemed to be unlisted for the purposes of certain areas of UK taxation. Therefore, following the Move to AIM, individuals who hold Ordinary Shares may, after two years be eligible for certain inheritance tax benefits. Shareholders and prospective investors should consult their own professional advisers on whether an investment in an AIM securities is suitable for them, or whether the tax benefit referred to above is available to them (please see paragraph 6 below for further information);
- Since 5 August 2013, shares traded on AIM can be held in ISAs; and
- The UK government's proposed abolishment of stamp duty on shares traded on AIM in April 2014 should, if implemented, help increase liquidity in the trading of the Company's Ordinary Shares should the Move to AIM proceed.

3. Information on AIM

AIM is the UK's leading stock market for smaller companies. Since AIM was established in 1995, more than 3,400 companies have been admitted to AIM and over £82 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 and fast growing companies and is one of the reasons (along with the other reasons set out in paragraph 2 above) that the Directors believe the Move to AIM is in the best interests of the Company and its Shareholders as a whole.

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 Move to AIM will not affect the way in which Shareholders buy or sell the Company's shares. Ordinary Shares that are held in uncertificated form will continue to be held and dealt through CREST. Share certificates representing those Ordinary Shares held in certificated form will continue to be valid and no new share certificates will be issued. While for the most part the obligations of a company whose shares are traded on AIM are largely similar to the Listing Rules and other rules that apply to companies whose shares are listed on the Official List, there are certain exceptions, including those referred to below:

- (a) Under the Listing Rules, a company is required to appoint a 'sponsor' for the purposes of certain corporate transactions, such as when undertaking a large transaction or capital raising. The responsibilities of the sponsor include providing assurance to the FCA when required that the responsibilities of the listed company have been met. Corporate transactions on the Official List often require approval of shareholders and the engagement of a sponsor to oversee the process and liaise with the UKLA. In particular, on a proposed acquisition, where the size of the target represents 25 per cent. or more of the listed company on the basis of certain comparative tests (for example, consideration for the acquisition as a percentage of market capitalisation of the listed company) a circular to shareholders is required explaining the transaction and seeking the consent of shareholders. For the Company, such transactions may result in significant additional complexity and larger transaction costs to meet the requirements of the Listing Rules and, therefore, prove prohibitive.
- (b) Under the AIM Rules, prior shareholder approval is required only for transactions with a much larger size threshold, being (1) reverse takeovers (being an acquisition or acquisitions in a twelve month period which either (a) exceed 100 per cent. on various size tests, such as the ratio of the transaction consideration as a percentage of the market capitalisation of the AIM company; or (b) result in a fundamental change in the Company's business, board or voting control) and (2)

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 as a percentage of the market capitalisation of the AIM company). Under the Listing Rules, a broader range of transactions require prior shareholder approval, including related party transactions.

- (c) The AIM Rules contain less stringent obligations with regard to a company's purchase of its own securities compared with the Listing Rules.
- (d) Under the AIM Rules, a nominated adviser is required to be engaged by the Company at all times and has ongoing responsibilities to both the Company and the London Stock Exchange. Conditional on Admission, the Company has appointed Shore Capital as its nominated adviser and broker.
- (e) There is no requirement under the AIM Rules for a prospectus or an admission document to be published for further issues of securities to investors, except when seeking admission for a new class of securities or as otherwise required by law.
- (f) Unlike the Listing Rules, the AIM Rules do not specify any required structures or discount limits in relation to further issues of securities.
- (g) Certain securities laws will no longer apply to the Company if Admission occurs. This is because AIM is not a regulated market for the purposes of the European Union's directives relating to its securities.
- (h) As a public limited company incorporated and registered in England, after Admission the Company will remain subject to the applicable provisions of the Companies Act 2006, the Financial Services and Markets Act 2000, the Prospectus Rules and the City Code on Takeovers and Mergers.
- (i) The Company is currently required to comply with the UK Corporate Governance Code. AIM companies are not required to comply with this code. If Admission occurs, the Company will have regard to the QCA guidelines on corporate governance and review its corporate governance procedures from time to time having regard to the size, nature and resources of the Company and ensure such procedures are appropriate.

The Board does not envisage that there will be any significant alteration to the standards of reporting and governance which the Company currently maintains. The Company will maintain its Audit and Remuneration Committees which will be subject to the same terms of reference.

It is emphasised that the Move to AIM will have no impact on the existing assets and liabilities of the Company and it will continue to have the same business and operations following Admission.

4. Risk factors relating to the Move to AIM

Although the Company intends to apply for all of the Ordinary Shares to be admitted to trading on AIM following the Cancellation, there can be no assurance that an active or liquid trading market for the Ordinary Shares will develop or, if developed, that it will be maintained following Admission. AIM is a market designed primarily for emerging and smaller companies, to which a higher investment risk tends to be attached than for larger companies, and may not provide the liquidity normally associated with the Official List or some other stock exchanges.

AIM securities are not admitted to the Official List. The Ordinary Shares may, therefore, be more difficult to sell compared to the shares of companies listed on the Official List and their market prices may be subject to greater fluctuations than might otherwise be the case. 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 can provide a sufficiently liquid trading platform for shares.

Following Admission, the Company will be subject to the regulatory and disciplinary controls of the AIM Rules. While for the most part 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, Shareholders should note that the protections afforded to investors in AIM companies are less rigorous than those afforded to investors in companies listed on the Official List, including the differences between the obligations of a company whose shares are traded on AIM and a company whose shares are listed on the Official List set out in paragraph 3 of this document.

5. Details of the Move to AIM

In order to effect the Move to AIM, the Company will require, *inter alia*, Shareholder approval of the Resolution at the General Meeting to be held at the Holiday Inn Doncaster, High Road, Warmsworth, Doncaster, DN4 9UX at 11.00 a.m. on 24 October 2013. The Notice of General Meeting at the end of this document sets out the terms of the Resolution which will be proposed at the General Meeting as a special resolution in order to approve the Cancellation and Admission. The Resolution is subject to approval being obtained from not less than 75 per cent. of Shareholders voting in person or by proxy and, if it is not passed, the Company will retain its premium listing on the Official List and its Ordinary Shares will remain traded on the Main Market.

Assuming the Resolution is passed, the Company will apply to cancel the listing of its Ordinary Shares on the Official List and to trading on the Main Market and will give 20 Business Day's notice of its intention to seek admission to trading on AIM under AIM's 'fast track procedure' for companies that have their securities traded on an AIM Designated Market (which includes the Official List).

It is expected that the last day of dealings in the Ordinary Shares on the Main Market will be 21 November 2013 and that cancellation of the listing of the Ordinary Shares on the Official List will take effect at 8.00 a.m. on 22 November 2013, being not less than 20 Business Days from the passing of the Resolution. Admission is expected to take place, and dealings in Ordinary Shares are expected to commence on AIM at 8.00 a.m. on 22 November 2013.

6. Taxation

Shareholders and prospective investors should consult their own professional advisers on whether an investment in an AIM security is suitable for them. Companies whose shares trade on AIM are deemed to be unlisted for the purposes of certain areas of UK taxation. Following the Move to AIM, individuals who hold Ordinary Shares may, after two years, therefore be eligible for certain inheritance tax benefits, such as inheritance tax business property relief. Shareholders and prospective investors should also note that, since 5 August 2013 shares traded on AIM can be held in ISAs.

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.

7. Action to be taken

A Form of Proxy for use at the General Meeting accompanies this document. Whether or not you propose to attend the General Meeting in person, it is important that you complete and sign the Form of Proxy in accordance with the instructions printed on it and return it to the Registrar, Capita Asset Services at The Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and, in any event, so as to be received not later than 11.00 a.m. on 22 October 2013. The completion of a Form of Proxy will not preclude you from attending the General Meeting and voting in person, if you so wish.

8. Current trading

The Company continues to trade well in both its 'Forgings' and 'Petrol Station Superstructures' divisions and prospects for their revenue growth remains favourable. However, as the Company has alluded to in recent statements, much of the global defence sector remains characterised by persisting procurement budget constraints and prevailing uncertainties. Whilst our 'Defence' division has a substantial order book for delivery in future years and a considerable pipeline of un-awarded new business prospects, the delay in such prospects becoming confirmed orders, means the Company expects its revenue for the first half year and the year as a whole to be less than that reported last year. Furthermore, given the highly operationally geared nature of the 'Defence' division, the Board expects the Company's profits before tax to be appreciably less in both instances than that reported last year.

The balance sheet remains robust with substantial net cash and short term deposits. In the light of this and the Directors' confidence in the Company's future business prospects, the Board will seek to maintain the dividend for the year.

9. Irrevocable undertakings

The Directors have received irrevocable undertakings to vote in favour of the Resolution from Shareholders holding in aggregate 72.2 per cent. of the existing issued Ordinary Shares (excluding those Ordinary Shares held in treasury) as at 30 September 2013, being the last practicable day before the publication of this document.

10. Recommendation

The Board considers that the Move to AIM is in the best interests of the Company and Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolution set out in the Notice, as the Directors intend to do in respect of their own beneficial holdings amounting to, in aggregate, 8,328,123 Ordinary Shares representing approximately 45.9 per cent. of the existing issued Ordinary Shares (excluding those Ordinary Shares held in treasury) as at 30 September 2013, being the last practicable day before the publication of this document.

Yours faithfully

Michael Bell
Executive Chairman

MS INTERNATIONAL plc

NOTICE OF GENERAL MEETING

Notice is given that a general meeting of MS INTERNATIONAL plc (“**Company**”) will be held at the Holiday Inn Doncaster, High Road, Warmsworth, Doncaster, DN4 9UX on 24 October 2013 at 11.00 a.m. for the purposes of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution.

SPECIAL RESOLUTION

That the listing of the ordinary shares of 10 pence each in the capital of the Company on the premium segment of the official list of the UK Listing Authority and admission to trading on the London Stock Exchange’s main market for listed securities be cancelled and application be made for admission of the said shares to trading on AIM and the directors of the Company be and are hereby authorised to do and/or procure to be done all such acts and/or things as they may consider necessary or desirable in connection therewith.

By order of the Board

David Kirkup
Secretary

1 October 2013

Registered office:

Balby Carr Bank
Doncaster
DN4 8DH
United Kingdom

Registered in England and Wales No. 653735

Notes

Entitlement to attend and vote

1. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 22 October 2013 (or, if the meeting is adjourned, 6.00 p.m. on the date which is two days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

Attending in person

2. If you wish to attend the meeting in person, please confirm your full name and address on entering the meeting.

Proxies

3. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company.

A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder, may result in the proxy appointment being invalid.

A proxy may only be appointed in accordance with the procedures set out in note 4 below and the notes to the proxy form.

The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.

4. A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar on 0871 664 0300 (calls cost 10 pence per minute plus network extras and lines are open Monday to Friday between 8.30 a.m. and 5.30 p.m. (from outside the UK: +44 20 8639 3399)) or the proxy form may be photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed.

To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, Capita Asset Services at The Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU no later than 11.00 a.m. on 22 October 2013 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).

Corporate representatives

5. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

Total voting rights

6. As at 30 September 2013 (being the last practicable date before the publication of this notice), the Company's issued share capital consists of 18,396,073 ordinary shares of 10p each, carrying one vote each. As the Company holds 245,048 ordinary shares in treasury, in respect of which it cannot exercise any votes, the total voting rights in the Company as at 30 September 2013 are 18,151,025.

Questions at the meeting

7. Shareholders have the right to ask questions at the meeting relating to the business being dealt with at the meeting in accordance with section 319A of the Companies Act 2006 ("Act"). The Company must answer any such question unless:
 - (a) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information;
 - (b) the answer has already been given on a website in the form of an answer to a question; or
 - (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Website providing information about the meeting

8. The information required by section 311A of the Act to be published in advance of the meeting, which includes the matters set out in this notice and information relating to the voting rights of shareholders, is available at www.msiplc.com.