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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

RWS Holdings PLC

("RWS" or the "Company" or the "Group")

PROPOSED ACQUISITION OF MORAVIA

A new market leading division; highly earnings enhancing

RWS Holdings plc, a world leading provider of intellectual property support services (patent translations, international patent filing solutions and searches), commercial translations and linguistic validation, today announces that it has entered into an agreement (the "Acquisition Agreement") to acquire the entire issued share capital of Moravia US Holding Company, Inc. and Moravia Lux Holding Company S.à r.l. (together "Moravia"), a leading provider of technology-enabled localisation services, from Moravia Holdings II, LLC (the "Acquisition") for a cash consideration of US$320m (the "Consideration") plus working capital and certain other adjustments and transaction costs. The Consideration, adjustments and transaction costs are intended to be funded by a c.£185m (before expenses) cash placing of new ordinary shares in the capital of the Company (the "Placing"), details of which have been announced by the Company separately today, and a new US$160m term loan which will refinance the Group's existing facility (the "New Facility").

The Board believes that the Acquisition has a compelling strategic and financial rationale as it:

- Brings to the Group a highly successful business with a strong track record of profitable and cash generative growth:
    - Long term relationships with some of the largest publicly traded technology companies in the world
    - Has increased revenues by a CAGR of 26.0% from US$100.3m in 2014 to US$159.2m in 2016 and adjusted EBITDA by a CAGR of 52.6% from US$11.6m in 2014 to US$27.1m in 2016

- Creates a third RWS division of scale with significant growth prospects:
    - Growth opportunities include increasing share of wallet with its long-standing clients, winning new clients, introducing complementary solutions and growing new verticals and geographies

- Will operate as an autonomous division, replicating the successful creation of a Life Sciences division through the Group's acquisitions of CTi and LUZ, giving the Group three divisions of scale in attractive global markets, all with strong track records of profitable, cash generative growth

- Further diversifies RWS, as it is expected to represent approximately one third of the enlarged group's profits, and strengthens its global operational base

- Provides significant additional market opportunities for both companies due to their complementary business activities, geographies and client base, including the potential cross-selling of patent translation services to Moravia's intellectual property-rich clients

- Brings a strong, well established management team to the Group

- Is at an attractive valuation for one of the few major localisation providers focussed on the high growth technology sector in a highly fragmented market

- Is expected to be highly and immediately earnings enhancing for RWS shareholders

Completion of the Acquisition is conditional upon, among other things, completion of the Placing, the financing under the New Facility being available at completion of the Acquisition, all required U.S. anti-trust law filings having been completed (and the expiration or termination of the applicable waiting period under the U.S. HSR Act), and the Acquisition Agreement not being terminated, in each case, in accordance with the terms of the Acquisition Agreement.

In circumstances where the Acquisition Agreement is terminated because of, among other things, the conditions related to the Placing and/or the New Facility not being fulfilled in accordance with the terms of the Acquisition Agreement or the terms of the Acquisition Agreement being wilfully breached by the Company or its subsidiaries which are party thereto, the Company or such subsidiaries have agreed to pay to Moravia Holdings II, LLC by way of compensation a termination fee of US$12m.

Subject to the fulfilment of the above conditions, the Acquisition is expected to complete shortly after the satisfaction of the U.S. anti-trust condition which is expected to take approximately two weeks if the U.S. anti-trust authorities grant early termination of the statutory waiting period, and 30 days or more if early termination is not granted. Completion of the Acquisition is therefore expected to occur in November. Details of the conditions to the Acquisition and the termination fee are also set out in this announcement below.

Commenting on the proposed Acquisition, Andrew Brode, Chairman of RWS, said:

"We are delighted to announce the proposed acquisition of Moravia which will greatly increase our exposure to the high growth technology sector, will add a third market leading business of scale to the Group and will extend our global presence. Its focus on addressing its clients' large, complex and time-critical localisation requirements across more than 160 languages and multiple platforms will be an excellent fit alongside our existing market leading intellectual property and life sciences services.

“We look forward to supporting the Moravia team as it builds upon its strong industry reputation and growth track record to extend its client relationships, services, the sectors it addresses and its geographical spread.

"This acquisition marks another important milestone towards our strategic vision of delivering high quality, full-service global language and support services across the value chain in attractive markets, and we are confident it will add significant value to our shareholders."

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Notes to Editors

About RWS
RWS is a world leading provider of intellectual property support services (patent translations, international patent filing solutions and searches), a market leader in Life Sciences translations and linguistic validation as well as a high level specialist language service provider in other technical areas, providing for the diverse needs of a blue-chip multinational client base from Europe, North America and Asia. RWS is based in the UK, with offices in Europe, the USA, (New York, East Hartford and Chicago), China, Japan and Australia, and is listed on AIM, the London Stock Exchange regulated market (RWS.L)

See www.RWS.com for further information.

The information contained within this announcement is inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement this inside information is now considered to be in the public domain. The person responsible for arranging for *the release of this announcement on behalf of RWS is Richard Thompson, Chief Executive Officer of RWS.*

This announcement includes statements, estimates, opinions and projections with respect to anticipated future performance of the Group ("forward-looking statements") which reflect various assumptions concerning anticipated results taken from the Group's current business plan or from public sources which may or may not prove to be correct. These forward looking statements can be identified by the use of forward looking terminology, including the terms "anticipates", "target", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "should" or "will", or, in each case, their negative or other variations or comparable terminology or by discussions of strategy, plans, objectives, goals, future events or intentions. Such forward-looking statements reflect current expectations based on the current business plan and various other assumptions and involve significant risks and uncertainties and should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. As a result, prospective investors should not rely on such forward-looking statements due to the inherent uncertainty therein. No representation or warranty is given as to the completeness or accuracy of the forward-looking statements contained in this announcement. Forward-looking statements speak only as of the date of such statements and, except as required by the Financial Conduct Authority, the London Stock Exchange plc or applicable law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. No statement in this announcement is intended to be a profit forecast and no statement in this announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

Disclaimer

This announcement is not and does not contain an offer to sell or issue or the solicitation of an offer to buy or acquire for securities in the United States, Australia, Canada, Japan or South Africa or any jurisdiction in which such offer or solicitation is or may be unlawful. The securities referred to in this announcement have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold or transferred, directly or indirectly, in the United States absent registration under the Securities Act or an available exemption from, or as part of a transaction not subject to, the registration requirements under the Securities Act and in each case, in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Regulated Information Classification: Inside information

Introduction to Moravia

Moravia is a leading provider of technology-enabled localisation services, headquartered in Brno in the Czech Republic with operations in the USA, Japan, China, Argentina, Hungary and Ireland. Its longstanding clients include some of the largest technology companies in the world and its top five clients represent approximately 80% of the company's revenues. It has approximately 1,200 employees which are supplemented by a network of language service providers giving it the scale and flexibility to deliver its clients' large, complex and time-critical localisation requirements across more than 160 languages and multiple platforms. Moravia's majority shareholder is currently Clarion Capital Partners, LLC.

Localisation is the adaptation of content, software, websites, applications, marketing materials and audio/video for hundreds of languages and geographies which is an essential function for companies seeking to globalise their business. It requires the translation and customisation of clients' content and platforms for cultural conventions, compliance with local regulations and consistency of brand style and tone. Localisation forms part of the overall US$43.1bn language services market, which has grown at 7.9% per annum (Source: Common Sense Advisory Report, 2017) driven by globalisation, increased digital content consumption and a trend for clients to outsource this function.

Successful localisation is particularly relevant to technology companies as they seek to increase returns on their intellectual property across more markets, capture demand driven by increased consumer online connectivity and globalise ahead of international competition. The increasing pressures on companies in the sector to focus on product development and speed to market, as the pace of innovation accelerates with continuous product launches and simultaneous, immediate release in multiple languages necessary to gain and maintain leadership positions, means that there has been a trend towards outsourcing localisation to providers that are able to scale up quickly to deliver their requirements.

Moravia's services are important to the successful representation of its clients' brands as their software products and cloud-based platforms are delivered globally. It has built a reputation as an industry leader due to the quality of its client base and its high client satisfaction, which it has achieved through a focus on collaboration, long-term relationship development and joint innovation with its clients. Its key strengths include its technological knowhow, which enables it to identify and deliver localisation using the optimal technology for its client, and its differentiated ability to source and manage talent globally, both through a proprietary database which matches client projects with resources with appropriate skills and styles; and its 'Second city' approach which combines locations close to the client with lower cost delivery centres that widen its talent pool. These strengths have enabled it to grow at a considerably faster rate than its key competitors, whilst maintaining good margins.

Moravia has a strong track record of profitable, cash generative growth:

	Year ended 31 December 2014	Year ended 31 December 2015	Year ended 31 December 2016	CAGR (2014 to 2016)
Revenue	$100.3m	$134.3m	$159.2m	26.0%
Adjusted EBITDA[1]	$11.6m	$23.3m	$27.1m	52.6%

Source: Moravia accounts based on group consolidated management account information provided by Moravia for FY14-16 (FY14 prepared under Czech GAAP and FY15-16 prepared under US GAAP). The Moravia accounts include certain assets and liabilities (including cash) that will not be acquired as part of the Acquisition.
[1] *EBITDA adjusted for certain one-time, non-recurring and non-operating costs*

In the year ended 31 December 2016, Moravia had total gross assets of $109m.

The Board believes that there are multiple avenues for growth available to Moravia, over and above the underlying growth in its core markets, including:

- increasing share of wallet with its long-standing clients – both through growing as its clients grow their content, platforms and the languages into which they localise, and by extending its range of services for existing clients
- winning new clients – new clients won in Q4 2015 and 2016 are expected to generate material revenues in 2017
- growing new verticals and geographies – potential target verticals for expansion include legal, consumer, financial & insurance and life sciences

Transaction details

The Acquisition is for a total Consideration of US$320m, subject to certain purchase price closing adjustments, payable in cash upon completion of the Acquisition. The Consideration, adjusted for, among other things, approximately US$10m of surplus working capital and approximately US$14m of transaction costs, will be funded by a c.£185m (before expenses) underwritten cash Placing of new ordinary shares in the capital of the Company and a New Facility of US$160m with a 5 year term fully underwritten by Barclays Bank PLC (US$54m of which will be used to redeem the Group's existing term loan). The details of the Placing have been announced by the Company separately today and syndication of the New Facility will be launched in due course.

The Acquisition is conditional upon, among other things:

- completion of the Placing – being, admission of the new ordinary shares to be allotted and issued pursuant to the Placing to trading on AIM by no later than 8.00 a.m. on 20 October 2017 (or a later time and/or date being no later than 8.00 a.m. on 1 November 2017);
- availability of the financing under the New Facility – being, each of the conditions to the provision and funding of the financing under the New Facility having been satisfied and complied with or waived and such financing having occurred at (or occurring simultaneously with) completion of the Acquisition;
- anti-trust filings – being, all required U.S. anti-trust filings having been completed and the expiration or termination of the applicable waiting period under the U.S. HSR Act; and
- no termination of the Acquisition Agreement – being, the Acquisition Agreement not being terminated in accordance with its terms.

In circumstances where the Acquisition Agreement is terminated because of, among other things, the conditions related to the Placing and/or the New Facility not being fulfilled in accordance with the terms of the Acquisition Agreement or the terms of the Acquisition Agreement being wilfully breached by the Company or its subsidiaries which are party thereto, the Company or such subsidiaries have agreed to pay to Moravia Holdings II, LLC by way of compensation a termination fee of US$12m.

Subject to the fulfilment of the above conditions, the Acquisition is expected to complete shortly after the satisfaction of the U.S. anti-trust condition which is expected to take approximately two weeks if the U.S. anti-trust authorities grant early termination of the statutory waiting period, and 30 days or more if early termination is not granted. Completion of the Acquisition is therefore expected to occur in November.

Acquisition Rationale

The Acquisition is in line with RWS's stated strategy of complementing organic growth with selective acquisitions which have demonstrated growth prospects in attractive sectors and/or geographies, offer good margins and can enhance shareholder value.

The Acquisition will bring to the Group a highly successful business with long term relationships with blue chip, high growth technology clients and a strong track record of profitable and cash generative growth.

It will further diversify the Group into a highly attractive adjacent market and it will strengthen RWS's global operating base. It also provides significant additional market opportunities for both companies due to their complementary business activities, geographies and client base, including the potential to cross-sell RWS's patent translation services to Moravia's clients.

The Board believes the Acquisition, which is expected to be immediately and highly earnings enhancing, is at an attractive valuation for one of the few major localisation providers focussed on the high growth technology sector in a highly fragmented end market.

Impact on RWS

The acquisition of Moravia will create a third RWS division of scale, resulting in RWS having three specialist businesses with market leading positions in attractive growth markets:

- A world leading patent translations and filing business
- A market leading position in life science translations and linguistic validation
- A market leading localisation division

All three divisions have a strong track record of profitable, cash generative growth.

On a proforma basis[1] Moravia is expected to account for approximately 47% of the enlarged group's revenues and approximately 34% of the enlarged group's adjusted operating profit. The following tables set out the FY 2016 proforma breakdown across all divisions.

Revenue:

Division	FY 2016 Pro Forma Revenue[1] (RWS and LUZ)	FY 2016 Pro Forma Revenue[1] (RWS, LUZ and Moravia)
Patent Translation & Filing (inc. Commercial & Information)	67%	35%
Life Sciences	33%	18%
Moravia	-	47%

Adjusted Operating Profit:

Division	FY 2016 Adjusted operating profit[1/2] (RWS and LUZ)	FY 2016 Adjusted operating profit[1/2] (RWS, LUZ and Moravia)
Patent Translation & Filing (inc. Commercial & Information)	68%	45%
Life Sciences	32%	21%
Moravia	-	34%

[1] *Figures calculated by taking RWS's reported results for the year ending 30 September 2016, prepared under IFRS, and LUZ's and Moravia's accounts for the year ending 31 December 2016, prepared under US GAAP and translated at an average exchange rate for 2016 of 1.25 USD:1 GBP. The Moravia accounts include certain assets and liabilities (including cash) that will not be acquired as part of the Acquisition.*

[2] *Adjusted operating profit excludes unallocated RWS central costs in FY 2016 of £0.7m, amortisation of acquired intangibles and exceptional costs.*

In addition, the Acquisition will bring a strong, well established management team to the Group, who will run the business as an autonomous division and report to the RWS Board, replicating RWS's successful creation of a Life Sciences division through the Group's acquisitions of CTi and LUZ:

- Tomas Kratochvil, CEO, joined Moravia in 1996 and served as the company's Managing Director, responsible for revenue producing units including operations, sales and marketing, before becoming its CEO in 2010. It is expected that he will be invited to join the Group's board in Q2 2018.
- Paul Danter, EVP, Business Development & Client Services, joined Moravia in 2016 with over 17 years of experience in software sales, marketing and product management including in executive level positions at two businesses that were acquired (MobileIQ and Argogroup).
- David Hell, CFO, joined Moravia in 2001 and, having held multiple positions in Moravia's finance department, became its CFO in 2013.

Following the Acquisition, and taking account of the Group's new US$160m term loan, the following calculation demonstrates that the enlarged group's pro forma leverage is estimated to be 1.9x:

RWS EBITDA for 12 months ended 31 March 2017	£37.4m
Moravia adjusted EBITDA for 12 months ended 31 December 2016 [1]	£20.4m
Pro forma EBITDA	£57.8m
Pro forma net debt on completion [1/2]	£111.8m
Estimated pro forma net debt / pro forma EBITDA on completion	1.9x

1. *Based on current GBP:USD exchange rate of 1:1.32 as at 17 October 2017*
2. *Based on Group balance sheet dated 31 March 2017 and new Acquisition debt*