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If you have sold or otherwise transferred all your Ordinary Shares in the Company please forward this document together with the accompanying Form of Proxy as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

This document is not an offer of securities, or the solicitation of an offer to acquire securities, in any jurisdiction. This document is also not a prospectus or equivalent document. Members of the public are not eligible to participate in the Placing. Placing Shares will only be issued to those institutional investors who have agreed to subscribe for Placing Shares in accordance with and subject to the terms and conditions of the Placing. The information about the Placing in this document is provided solely for the information of shareholders in connection with the General Meeting and not to any other person or for any other purpose.

Application will be made to the London Stock Exchange for the admission of the Placing Shares to trading on AIM and it is expected that Admission will be effective on 17 November 2011.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. Neither the London Stock Exchange nor the UK Listing Authority has examined or approved the contents of this document.

Panmure Gordon, which is regulated by the Financial Services Authority, is acting for the Company and no other person in connection with the Placing. Panmure Gordon's responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any person in respect of his decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by Panmure Gordon as to any of the contents of this document and, without limiting the statutory rights of any person to whom this document is issued, no liability whatsoever is accepted by Panmure Gordon for the accuracy of any information or opinions contained in this document or for the omission of any material information. Panmure Gordon will not be offering advice nor will it be responsible for providing client protections to recipients of this document in respect of the Placing.

Mid-States PLC

(Incorporated and registered in England and Wales with registered No. 546708)

Notice of General Meeting in respect of a Proposed Placing of 122,269,051 new Ordinary Shares at 1.5 pence per share

Financial Adviser, Nominated Adviser and Broker

Panmure Gordon & Co.

Your attention is drawn to the letter from the Chairman of Mid-States PLC set out on pages 2 to 6 of this document which contains your Board's recommendation to vote in favour of the Resolution to be proposed at the General Meeting referred to below.

Notice of the General Meeting of the Company, to be held at the offices of the Company at Masters House, 107 Hammersmith Road, London W14 0QH at 11:00a.m. on 15 November 2011 is set out at the end of this document. You will find attached a Form of Proxy for use at the General Meeting. To be valid, the Form of Proxy should be completed and returned to the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, as soon as possible and in any event so as to be received no later than 11:00a.m. on 11 November 2011. Completion and return of Forms of Proxy will not preclude shareholders from attending and voting at the General Meeting should they so wish.

The Ordinary Shares have not been and will not be registered under the applicable securities laws of the United States, Canada, Australia, the Republic of South Africa or Japan. The distribution of this document in jurisdictions other than the UK may be restricted by law and therefore persons to whom this document comes should inform themselves about and observe those restrictions. Any failure to comply with any of those restrictions may constitute a breach of securities laws of any such jurisdiction.

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EXPECTED TIMETABLE

Latest time and date for receipt of completed Forms of Proxy	11:00a.m. on 11 November 2011
General Meeting	11:00a.m. on 15 November 2011
Admission and expected commencement of dealing in Placing Shares expected to commence	8:00a.m. on 17 November 2011
Expected date CREST accounts credited with Placing Shares	17 November 2011
Latest date for dispatch of definitive share certificates (if applicable)	5 December 2011

PLACING STATISTICS

Placing Price	1.5 pence
Number of Placing Shares	122,269,051
Estimated net proceeds of the Placing	£1.7million
Number of Ordinary Shares in issue following Admission	383,172,890
Percentage of enlarged issued share capital represented by the Placing Shares	31.91%
Market capitalisation on Admission at the Placing Price	£5,747,593.35

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“2006 Act”	the Companies Act 2006
“AD”	Mid-States’ proprietary air disinfection device
“Admission”	the Company’s application for the admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the AIM Market of the London Stock Exchange
“AIM Rules”	the AIM rules for Companies and the AIM Rules for Nominated Advisers published by the London Stock Exchange
“Board” or “Directors”	the directors of the Company whose names are set out on page 2 of this document
“Company” or “Mid-States”	Mid-States PLC
“Form of Proxy”	the form of proxy accompanying this document for use in connection with the General Meeting
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“General Meeting”	the general meeting of the Company convened for 11:00a.m. on 15 November 2011, notice of which is set out at the end of this document
“Group”	the Company and its subsidiaries
“London Stock Exchange”	London Stock Exchange plc
“Optionholders”	the holders of options to subscribe for Ordinary Shares in the Company and/or its subsidiaries
“Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company
“Panmure Gordon”	Panmure Gordon (UK) Limited
“Placing”	the placing of 122,269,051 new Ordinary Shares at 1.5 pence per share
“Placing Agreement”	the conditional agreement dated 25 October 2011 between the Company and Panmure Gordon (UK) Limited relating to the Placing, summary details of which are set out on page 4 of this document
“Placing Price”	1.5 pence per Placing Share
“Placing Shares”	the new Ordinary Shares to be issued pursuant to the Placing
“Resolution”	the resolution set out in the notice of General Meeting, which is at the end of this document
“UK”	the United Kingdom of Great Britain and Northern Ireland

LETTER FROM THE CHAIRMAN

Mid-States PLC

(Incorporated and registered in England and Wales with registered No. 546708)

Directors:

John Bateson - *(Non-executive Chairman)*
 Javier Segura - *(Managing Director)*
 Andrew Tonks - *(Finance Director)*
 Glenn Cooper - *(Non-executive Director)*
 Esteban Monegal - *(Non-executive Director)*

Registered Office:

Masters House
 107 Hammersmith Road
 London
 W14 0QH

25 October 2011

To shareholders and, for information only, to Optionholders

Dear Shareholder

Proposed Placing of 122,269,051 new Ordinary Shares

1. Introduction

Your Board has today announced that the Company has conditionally raised approximately £1.8 million before expenses (approximately £1.7 million net of expenses) through a Placing of 122,269,051 new Ordinary Shares at 1.5 pence per share. The Placing Price is at a discount of 14.3 per cent. to the closing price of 1.75 pence per Ordinary Share on 24 October 2011.

Currently, the Directors do not have sufficient authority pursuant to the 2006 Act to enable them to allot and issue the Placing Shares without the statutory pre-emption rights applying. As such, the Directors have convened a General Meeting for 11:00a.m. on 15 November 2011 in order to allow shareholders to consider, and, if thought fit, approve the Resolution.

The purpose of this document is to provide you with further information on the Placing and to convene the General Meeting to seek shareholder approval for the Resolution necessary to effect the Placing.

2. Development of the business to date and ongoing strategy

During the year ended 30 June 2011, the Company continued to focus on, and invest in, developing its flagship air disinfection product, ‘the AD’, through expanding the network of country-specific distributors with whom the Company works, and by producing the next generation of ADs to meet the requirements of different markets and customers. The numbers of distributors and territories continued to grow and the Company established a distribution presence in 37 countries. The Company expects to report orders totalling 3,078 ADs for the year ended 30 June 2011, twice the number of orders reported in the previous year. Revenues for the year ended 30 June 2011 are expected to be approximately £425,000 (2010: £311,000), reflecting the increasing demand for the Company’s products as the number of devices dispatched increased from 1,080 to 1,760.

Until now, the Company has had a single version of its AD product for all markets. In response to customer requirements, the portfolio will now include two new models of the AD, based on the same science and technology. One, the “AD 2.0”, is specifically designed for commercial and professional use. The other, “Klean”, is designed for small commercial and domestic use.

The new products have already attracted significant attention from customers as they achieve the same effective results but are now:

- substantially cheaper and smaller than the existing AD;
- wholly redesigned with both significant practical and aesthetic improvements; and
- offering the choice of two consumable cartridges with the introduction of H₂O₂ as an alternative to d-limonene to produce the key hydroxyl radicals.

The new AD 2.0 and Klean products are to be available within one month. Manufacturing is being outsourced as part of the process to improve functionality whilst reducing substantially the prices at which the Group is able to sell its products. The Group's UK manufacturing and warehouse facility has now closed. The Company believes that the new products will expand the potential marketplace and accelerate the Company's ability to sell into new markets. The combination of the functionality and design of the new products and their price points compared to the existing product is expected to accelerate take up rates and sales volumes. To support this objective, the Company will focus on bulk device orders and increasing sales of consumable cartridges.

To reflect these developments, the Company's new products will be sold under a new and more internationally recognisable brand entitled "Aerte". Pursuant to the authorisation under the Company's Articles of Association, and subject to the consent of the Registrar for Companies, the Board plans to change the name of the Company from Mid-States PLC to Aerte Group PLC on 15 November 2011.

3. Background to and reasons for the Placing and use of proceeds

The funds raised from the Placing will be used for the Company's transition to, and the commercial launch of, the new products. They will also assist the Company to enter new market sectors and territories in which it intends to seek significant distributors with the aim of achieving substantial increases in device sales and, subsequently, consumable cartridge sales.

The successful engagement of new distributors and entry into new markets will require continued investment by the Group in sales and marketing, product development and working capital.

Investment will also be continued to finalise the miniaturised AD product and complete its commercialisation prior to its launch into the retail market with a suitable commercial partner.

4. Current trading and prospects

The Company recently announced that it has agreed the principal terms of a proposed distribution agreement with a Chinese company operating in the high technology sector and a member of a group of companies with combined annual sales of over £900 million. This includes minimum annual sales targets for the new product range with volumes of 75,000 ADs in the first year, beginning from 1 February 2012.

The Company is also leveraging its existing sales and distribution network. Discussions have commenced in other territories with the aim of ensuring that the Company has the best distributors for the new products. In 2012, the Company also intends to target new markets such as North and South America.

It is likely that sales from the new products will not increase until the second half of the financial year to 30 June 2012 once the distributors have been able to launch the new products and secure

sales in their territories. Nevertheless, once the new products are fully launched, the Company expects sales volumes to be significantly greater than the sales volume for the existing AD device as indicated by the proposed sales volumes in China.

The development of the miniaturised AD for use in the domestic home is progressing well and this work has been critical to the development of the new AD2.0 and Klean products being launched. The Company continues to hold discussions with an industry leader as a potential commercial partner for this miniaturised AD product.

Commercial interest in the Company's products is building significantly and the introduction of the additional Klean product has increased the markets available and the overall size of the opportunity.

5. Details of the Placing

The Company is proposing to raise approximately £1.8 million before expenses (approximately £1.7 million net of expenses) by the issue of 122,269,051 new Ordinary Shares at 1.5 pence per share. The Placing is conditional upon the Resolution being passed at the General Meeting.

The Placing Shares will, when issued, rank *pari passu* in all respects with the existing Ordinary Shares.

Admission is expected to take place and dealings in the Placing Shares on AIM are expected to commence at 8:00a.m. on 17 November 2011.

Pursuant to the terms of the Placing Agreement, Panmure Gordon has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. Panmure Gordon conducted a bookbuilding process to determine demand for participation among institutional investors in the Placing at the Placing Price. The Placing proposal has only been made to persons falling within article 19 and articles 49, 50 or 50A of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and who are also qualified investors for the purposes of section 86 of FSMA and no other person may now participate in the Placing or rely on any communication relating to it. The offer of the Placing Shares has not been made to the general public. This document does not constitute an offer, or the solicitation of an offer, to subscribe for or buy any of the Placing Shares. The Company announced today that Panmure Gordon had received commitments to subscribe for the Placing Shares at the Placing Price, subject to the terms and conditions of the Placing Agreement.

The Placing Agreement is conditional upon, *inter alia*, the Resolution being duly passed at the General Meeting and Admission becoming effective by not later than 17 November 2011 (or such later date as the Company and Panmure Gordon may agree, but in any event not later than 5 December 2011). The Placing Agreement contains provisions entitling Panmure Gordon to terminate the Placing Agreement at any time prior to Admission in certain circumstances, including if Panmure Gordon is reasonably of the opinion that the Company has failed to comply with, or has breached, the Placing Agreement in any material respect or any applicable law or regulation relating to the Placing, or is in breach of the warranties set out therein by reference to the facts and circumstances then existing. If this termination right is exercised the Placing will not proceed.

Support for the Placing has been received in the form of investments totalling £650,000 from associates of two of the Group's key trading partners.

The following Directors have agreed to subscribe for Placing Shares at the Placing Price. Immediately after Admission, it is expected that each of these Directors will have the following shareholding:

<i>Director</i>	<i>No. of Placing Shares subscribed for in the Placing</i>	<i>Total no. of Ordinary Shares held following the Placing</i>	<i>Percentage of enlarged share capital</i>
Javier Segura	266,667	649,667	0.17%
Glenn Cooper	100,000	300,400	0.08%

6. Related Party Transactions

As part of the Placing, Esmo Empresarial, SL and Bottin (International) Investments Limited are proposing to subscribe for 33,705,000 and 18,600,000 Placing Shares respectively. Esmo Empresarial, SL is currently the holder of 74,493,463 Ordinary Shares, equating to 28.6 per cent. of the Company's issued share capital and is represented on the Board by Esteban Monegal. In addition, Javier Segura was nominated to the Board by Esmo Empresarial, SL. Bottin (International) Investments Limited is currently the holder of 40,390,714 Ordinary Shares, equating to 15.5 per cent. of the Company's issued share capital and is represented on the Board by John Bateson. As such, under the AIM Rules for Companies, Esmo Empresarial, SL and Bottin (International) Investments Limited are both deemed to be related parties and their participation in the Placing is deemed to be a related party transaction.

The Directors (excluding Esteban Monegal, Javier Segura and John Bateson) consider, having consulted with Panmure Gordon, the Company's nominated adviser, that the terms of the above-described subscriptions for Placing Shares are fair and reasonable insofar as its shareholders are concerned.

7. General Meeting

Set out on pages 7 to 9 of this document is a notice convening the General Meeting to be held at 11.00a.m. on 15 November 2011 at the Company's offices at Masters House, 107 Hammersmith Road, London W14 0QH. The Resolution to be proposed at the General Meeting is a special resolution to:

- (a) authorise the Directors to allot the Placing Shares pursuant to the Placing; and
- (b) disapply statutory pre-emption rights in relation to the allotment of the Placing Shares.

The authority granted by the Resolution will be in addition to all existing authorities at the date of the Resolution. In accordance with section 571(6) of the 2006 Act: (a) the reasons for the Directors' recommendation to vote in favour of the Resolution are set out in paragraphs 3 and 9 of this document; (b) the amount to be paid to the Company in connection with the allotment of the Placing Shares is £1.8 million (before expenses); and (c) the Directors believe that the proposed disapplication of pre-emption rights pursuant to the Resolution is necessary in order to enable the Company to carry out the Placing/raise additional capital without incurring the substantial costs and delays that would be involved in a public offering.

8. Action to be taken

A Form of Proxy for use at the General Meeting by shareholders is enclosed. Whether or not you intend to be present at the meeting, you are requested to complete, sign and return the Form of Proxy as soon as possible in accordance with the instructions printed thereon to the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, so as to arrive no later than 11:00a.m. on 11 November 2011. The completion and return of a Form of Proxy will not affect your right to attend and vote at the General Meeting if you wish.

9. Recommendation

The Board believes that the Placing is in the best interests of the Company and shareholders as a whole. The Directors unanimously recommend that you vote in favour of the Resolution to be proposed at the General Meeting, as they intend to do in respect of their own beneficial holdings, which amount in aggregate to 681,525 Ordinary Shares (representing approximately 0.26 per cent. of the current issued share capital of the Company).

Yours faithfully

John Bateson
Chairman

NOTICE OF GENERAL MEETING**Mid-States PLC**
*(the “Company”)***NOTICE OF GENERAL MEETING**

(Incorporated and registered in England and Wales with registered number 546708)

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the offices of the Company, Masters House, 107 Hammersmith Road, London W14 0QH at 11.00a.m. on 15 November 2011. The business of the meeting will be to consider and, if thought fit, to pass the following resolution (the “**Resolution**”), which will be proposed as a special resolution of the Company.

SPECIAL RESOLUTION

1. That, conditional only upon the Placing Agreement (as such term is defined in the circular to shareholders of the Company dated 25 October 2011 (the “**Circular**”)), becoming unconditional in all respects (save only for the passing of this Resolution and Admission (as such term is defined in the Circular)) and the Placing Agreement not being terminated in accordance with its terms:

- (a) the Board be authorised, pursuant to section 551 of the Companies Act 2006 (the “**Act**”), to exercise the powers of the Company to allot new ordinary shares of 1 pence each in the capital of the company (“**Placing Shares**”) up to an aggregate nominal amount of £1,222,691 in connection with the Placing (as such term is defined in the Circular); and
- (b) the Board be empowered pursuant to section 571 of the Act to allot Placing Shares up to an aggregate nominal amount of £1,222,691 pursuant to the authority conferred by paragraph (1) above as if section 561(1) of the Act did not apply to such allotment;

and unless previously renewed, revoked, varied or extended, such authority and power shall expire at the conclusion of the Company’s annual general meeting to be held in 2012, except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if such authority and power had not expired.

The authority and powers granted by this Resolution are in addition to and not in substitution for all existing authorities at the date of the Resolution.

Registered office
Masters House
107 Hammersmith Road
London W14 0QH

By order of the Board
Anthony G. Hunter
Company Secretary

25 October 2011

Notes:

1. A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy (who need not be a member of the Company) to attend, speak and vote instead of him. A form of proxy is enclosed with this notice. The completion and return of the proxy form does not preclude a member from attending the General Meeting and voting in person.
2. A member may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such member. To appoint more than one proxy, please sign and date the form of proxy and, if necessary, attach a schedule listing the names and addresses (in block letters) of all of your proxies, the number of shares in respect of which each proxy is appointed (which, in aggregate, should not exceed the number of shares held by you) and indicating how you wish each proxy to vote or abstain from voting. You may not appoint more than one proxy to exercise the rights attached to any one share. If you wish to appoint the Chairman as one of your multiple proxies, simply write “the Chairman of the General Meeting”.
3. In order to be valid, the form of proxy and any power of attorney, or notarially certified copy thereof, under which it is executed, must be received by the Company no later than 11.00a.m. on 11 November 2011, having been returned by one of the following methods: either in hard copy form by post, by courier or by hand to the Company’s Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY.
4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a “Nominated Person”) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have the right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise such right, he/she may, under such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of members in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
6. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at 11:00a.m. on 13 November 2011 shall be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their name at that time. Subsequent changes to entries on the register of members shall be disregarded in determining the rights of any person to attend or vote at the General Meeting.
7. If the General Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original General Meeting, the time referred to in the immediately preceding paragraph will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned General Meeting. If, however, the General Meeting is adjourned for a longer period, then to be so entitled members must be entered on the Company’s register of members at a time which is 48 hours before the time fixed for the adjourned General Meeting or, if the Company gives notice of the adjourned General Meeting, at the time specified in that notice.

8. As at 25 October 2011 (being the date of this Notice) the Company's issued share capital comprises 260,903,839 Ordinary Shares of £0.01 each, each such share carrying one vote. Accordingly, the total voting rights in the Company as at 25 October 2011 are 260,903,839.