

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

Application has been made for the Ordinary Shares of Eredene Capital PLC in issue and to be issued pursuant to the Placing to be admitted to trading on the AIM Market of the London Stock Exchange PLC ("AIM"). The Ordinary Shares are not dealt in on any other recognised investment exchange and no other such applications have been made.

**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 United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. London Stock Exchange PLC has not itself examined or approved the contents of this document.**

A copy of this document, which comprises a prospectus drawn up in accordance with The Public Offers of Securities Regulations 1995, as amended ("the Regulations") has been delivered to the Registrar of Companies in England and Wales for registration in accordance with Regulation 4(2) of the Regulations.

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# Eredene Capital PLC

*(Incorporated and registered in England and Wales under the Companies Act 1985  
with registered number 5330839)*

## Placing of 15,800,000 Ordinary Shares at 25p per share and admission to trading on AIM

*Nominated Adviser and Broker*  
**Seymour Pierce Limited**

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**Share capital on admission to AIM:**

<i>Authorised</i>			<i>Issued and fully paid</i>	
<i>Amount</i>	<i>Number</i>		<i>Amount</i>	<i>Number</i>
£3,500,000	35,000,000	Ordinary Shares of 10p each	£1,630,000	16,300,000

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The Directors, whose names appear on page 3 of this document, accept responsibility for the information contained in this document including individual and collective responsibility for the Company's compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Seymour Pierce Limited, which is regulated by the Financial Services Authority, is acting as Nominated Adviser and Broker exclusively for the Company in connection with the Placing and admission of the Ordinary Shares to trading on AIM and is not acting for any other person and will not be responsible to any other person for providing the protections afforded to customers of Seymour Pierce Limited, or for advising any other person in connection with the Placing. The responsibilities of Seymour Pierce Limited, as Nominated Adviser, are owed solely to London Stock Exchange PLC.

**Eredene Capital PLC is a newly formed company with no existing business record. The attention of investors is drawn to the risk factors set out in Part II of this document.**

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## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors:</b>	Christopher David Crosthwaite, <i>Non-Executive Chairman</i> Alastair John Naisbitt King, <i>Chief Executive</i> Gary David Varley ACA, <i>Executive Director</i>
	<i>all of whose business address is:</i> 7 Pilgrim Street London EC4V 6LB
<b>Company Secretary:</b>	Gary David Varley ACA
<b>Registered Office:</b>	7 Pilgrim Street London EC4V 6LB
<b>Nominated Adviser and Broker:</b>	Seymour Pierce Limited Bucklersbury House 3 Queen Victoria Street London EC4N 8EL
<b>Solicitors to the Company:</b>	Faegre & Benson LLP 7 Pilgrim Street London EC4V 6LB
<b>Solicitors to the Placing:</b>	Field Fisher Waterhouse 35 Vine Street London EC3N 2AA
<b>Auditors and Reporting Accountants:</b>	BDO Stoy Hayward LLP 8 Baker Street London W1U 3LL
<b>Registrars:</b>	Neville Registrars Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA
<b>Financial Public Relations:</b>	Redleaf Communications 9-13 St. Andrew Street London EC4A 3AF

## DEFINITIONS

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

“Act”	the Companies Act 1985 (as amended)
“Admission”	the admission of the Ordinary Shares in issue and to be issued to trading on AIM and such admission becoming effective in accordance with the AIM Rules
“AIM”	the AIM Market of the London Stock Exchange
“AIM Rules”	the rules of the London Stock Exchange governing admission to, and the operation of, AIM
“Board” or “Directors”	the directors of the Company whose names are set out on page 3 of this document
“Company” or “Eredene Capital”	Eredene Capital PLC
“CREST”	the computerised settlement system to facilitate the transfer of title to, or interests in, securities in uncertificated form, operated by CRESTCo Limited
“London Stock Exchange”	London Stock Exchange PLC
“Official List”	the Official List of the UKLA
“Ordinary Shares”	ordinary shares of 10p each in the capital of the Company
“new Ordinary Shares”	the 15,800,000 Ordinary Shares to be issued pursuant to the Placing
“Placees”	those persons subscribing for the new Ordinary Shares in the Placing at the Placing Price
“Placing”	the conditional placing by Seymour Pierce, as agent for the Company, of the new Ordinary Shares
“Placing Agreement”	the conditional agreement dated 7 February 2005 between the Company (1), the Directors (2) and Seymour Pierce (3) relating to the Placing, details of which are set out in paragraph 7(a) of Part IV of this document
“Placing Price”	25 pence per new Ordinary Share
“Seymour Pierce”	Seymour Pierce Limited
“UKLA”	the United Kingdom Listing Authority, a division of the Financial Services Authority Limited, acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000

## PLACING STATISTICS

Placing Price	25 pence
Number of new Ordinary Shares being issued pursuant to the Placing	15,800,000
Number of Ordinary Shares in issue on Admission	16,300,000
Percentage of enlarged issued share capital being placed	97%
Gross proceeds of the Placing	£3,950,000
Net proceeds of the Placing to be received by the Company	£3,861,500
Market capitalisation of the Company following the Placing at the Placing Price	£4,075,000

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Admission and dealings commence in the Ordinary Shares on AIM	10 February 2005
CREST member accounts credited by	10 February 2005
Despatch of definitive certificates for new Ordinary Shares by	17 February 2005

## PART I

### INFORMATION ON THE COMPANY

#### INTRODUCTION AND BACKGROUND

Eredene Capital is a newly incorporated company established for the purpose of identifying and acquiring, or making investments in, businesses which are considered by the Directors to have the potential for generating sustainable growth and profitability.

The Directors believe that the incorporation of Eredene Capital and its admission to AIM will provide an attractive vehicle for a private company or companies to obtain a public quote for their shares and obtain additional capital to realise their growth potential. The Directors believe a number of undervalued private companies exist that have potential for growth, either organically or in combination with other complementary businesses. The Directors further believe that some similar opportunities also exist among publicly quoted companies and the Company may acquire, or make investments in, such companies.

Given current market conditions and the experience of the Directors in operating and working in smaller public and private companies, the Directors believe that opportunities exist for acquiring and/or investing in such companies so that their growth potential can be realised for the benefit of shareholders. The Directors believe they have the skills to identify suitable acquisition and/or investment opportunities. Once an acquisition target has been identified and terms agreed, the Board would typically be required to seek shareholders' approval to make the acquisition.

**Upon Admission, the Company will have no trading activity and, accordingly, your attention is drawn to the Risk Factors set out in Part II of this document.**

#### STRATEGY

The Directors intend to identify potential acquisition targets and investments from a combination of their own research, market knowledge and network of contacts. The Directors intend to acquire or invest in businesses with one or more of the following characteristics:

- sustainable growth prospects;
- a strong position in an established market or an early mover position in a potentially fast growing market;
- under exploited assets;
- a valuation representing a discount to net cash or asset value; or
- an established management team, but a requirement for working capital and/or strategic advice to achieve its potential.

In their investment and acquisition considerations, the Directors will focus primarily on businesses based in Europe, Australasia and the Far East operating in the following sectors: retail, leisure, media, property, technology, healthcare, support services and natural resources. Although the Directors believe there are a significant number of companies which potentially fall within these categories, changing market conditions may reduce the scope for the Company to take advantage of such opportunities.

If the Company has not made an acquisition or significant investment by the time of the announcement of its financial results for the year ending 31 December 2006, the Directors will convene an extraordinary general meeting at which proposals will be put to shareholders as to the future strategy and direction of the Company, and the appropriate use of shareholders' funds.

## REASONS FOR THE PLACING AND ADMISSION

The Directors intend that the net proceeds of the Placing will provide working capital and the funds for the Company to identify and carry out due diligence on potential acquisition targets and investments in line with its proposed strategy.

The Directors believe that the benefits of the Placing and Admission include:

### 1. Acquisition/Investment Consideration

Admission will give the Company the ability to enter into negotiations with the vendors or directors of businesses or companies to whom the issue of publicly traded shares as consideration is potentially more attractive than the issue of shares in an equivalent private company for which no market exists.

### 2. Access to Capital Markets

The potential to raise further funds, either to enable any proposed acquisition or investment to be completed and/or to raise additional working capital or development capital for the Company once the acquisition or investment has completed.

### 3. Incentives for Staff

The ability to recruit and retain additional directors and employees through the use of share options could be important to the Company's development, especially in connection with an acquisition or investment. The Directors consider that the ability to grant options over publicly traded shares is potentially more attractive to future directors and employees than the grant of options over unquoted shares.

## DIRECTORS

### **Christopher David Crosthwaite**, aged 63, *Non-Executive Chairman*

A partner of the international law firm Ashurst since 1972, Christopher Crosthwaite has been involved in merger and acquisition and commercial dispute activities all his working life, including in many of the contested bids of the late 1970s and early 1980s and acting for Lloyd's Names in the syndicate disputes of the mid 1980s. In 1990 he founded the Ashurst office in Paris where as managing partner until December 2004 he helped to create a leading commercial, private equity and international finance practice.

### **Alastair John Naisbitt King**, aged 36, *Chief Executive*

Alastair King was previously a senior associate at Baker & McKenzie, the international law firm, where he specialised in major domestic and cross-border merger and acquisition transactions, initial public offerings and debt issues. He also gained substantial experience of natural resources transactions with Baker & McKenzie when he was based in central Asia and then in London. From 1999 to 2002, he held several senior positions within NewMedia SPARK PLC, an early stage technology venture capital investor. From February 2002, he was Managing Director of Galahad Capital PLC, then an AIM-quoted cash shell, which completed the acquisition of Shambhala Gold Limited in December 2003 and changed its name to Galahad Gold PLC. Alastair King left the board of Galahad Gold PLC in December 2004.

### **Gary David Varley ACA**, aged 32, *Executive Director*

Gary Varley joined PricewaterhouseCoopers in 1994, where he qualified as a Chartered Accountant. He practised in the firm's audit, management consultancy and forensic accounting divisions. As well as a number of board level commercial roles, his previous experience includes 2½ years as a venture capitalist with NewMedia SPARK PLC. He was most recently Finance Director of Nicholas King Homes PLC, a residential property developer.

## DETAILS OF THE PLACING

The Company is seeking to raise £3,950,000 (before expenses) by the placing by Seymour Pierce of 15,800,000 new Ordinary Shares at the Placing Price with institutional and other investors, representing 97 per cent. of the enlarged issued share capital of the Company at Admission.

As a demonstration of their commitment to the Company, the Directors are participating in the Placing and will subscribe for a total of 1,400,000 new Ordinary Shares having in aggregate a value of £350,000 at the Placing Price.

The new Ordinary Shares will, upon issue, rank *pari passu* in all respects with the existing issued Ordinary Shares, including the right to receive all dividends thereafter declared or paid.

The Placing is conditional, *inter alia*, on Admission. Dealings in the Ordinary Shares are expected to commence on 10 February 2005.

Further details of the Placing Agreement are set out in paragraph 7(a) of Part IV of this document.

## LOCK-IN AGREEMENTS AND SUBSTANTIAL SHAREHOLDER

In accordance with the AIM Rules, each of the Directors has agreed that he will not dispose of any interest in any Ordinary Shares for a period of one year from Admission. Each of the Directors has further agreed with Seymour Pierce not to dispose of any interest in Ordinary Shares held by him other than following consultation with the Company's nominated adviser and then only through the Company's broker for a further twelve months after the first anniversary of the date of Admission.

Upon Admission, Ornaisons Foundation will be the beneficial owner of 8,790,000 Ordinary Shares representing 53.9 per cent. of the issued share capital of the Company at Admission. In accordance with the AIM Rules, Ornaisons Foundation has agreed that it will not dispose of any interest in any Ordinary Shares for a period of one year from Admission. Ornaisons Foundation has further agreed with Seymour Pierce not to dispose of any interest in Ordinary Shares held by it other than following consultation with the Company's nominated adviser and then only through the Company's broker for a further 12 months after the first anniversary of the date of Admission.

Upon Admission, Ornaisons Foundation will hold more than 50 per cent. of the issued share capital of the Company and will be entitled to increase its interests in the voting rights in the Company without incurring an obligation under Rule 9 of The City Code on Take-overs and Mergers to make a general offer for all the Ordinary Shares.

## SHARE OPTIONS

The Directors have been granted options to subscribe for Ordinary Shares in aggregate over 1,956,000 Ordinary Shares representing 12 per cent. of the issued share capital of the Company at Admission.

The Directors have been granted options over the following number of Ordinary Shares:

Christopher Crosthwaite	244,500
Alastair King	1,304,000
Gary Varley	407,500

The options will become exercisable as to one third of the Ordinary Shares in respect of which they are granted on the first, second and third anniversary of the date of Admission and will be exercisable up to the tenth anniversary of the date of Admission.

Further details of the option agreements are set out in paragraph 7(d) of Part IV of this document.

## ADMISSION TO TRADING ON AIM

The Company has applied for the issued Ordinary Shares following the Placing to be admitted to trading on AIM. Dealings in the Ordinary Shares are expected to commence on 10 February 2005.

## CREST

The Company's Articles of Association permit the Company to issue shares in uncertificated form in accordance with the Uncertificated Securities Regulations 2001. The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any individual shareholder so wishes.

## CORPORATE GOVERNANCE AND INTERNAL CONTROLS

The Directors intend, insofar as is practicable given the Company's size and the constitution of the Board, to comply with the main provisions of the Combined Code on Corporate Governance.

The Directors will establish an audit committee and a remuneration committee following completion of the first acquisition or significant investment by the Company. The remuneration committee will determine the terms and conditions of service of (including the remuneration of, and grants of options to) executive directors. The audit committee will have primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Company is properly measured and reported and for reviewing reports from the Company's auditors relating to the Company's accounting and internal controls.

The Directors will comply with Rule 19 of the AIM Rules relating to directors' dealings as applicable to AIM companies and will also take all reasonable steps to ensure compliance by the Company's applicable employees.

## DIVIDENDS

It is the intention of the Directors to aim for capital growth for the Company. As the Company has not yet commenced trading, it is inappropriate to give any indication of the likely timing of future dividends.

## TAXATION

The Directors are not able to seek confirmation from the Inland Revenue that the proposed issue of Ordinary Shares in the Company would be eligible shares for the purposes of the Enterprise Investment Scheme ("EIS") until it acquires a business or company which would qualify under the EIS legislation. There is no guarantee that any business or company that the Company acquires will rank as a qualifying investment, or that the Company itself will qualify, under the EIS legislation.

Information regarding taxation in relation to the Placing and Admission is set out in paragraph 10 of Part IV of this document. **If you are in any doubt as to your tax position you should consult your own independent financial adviser immediately.**

## PART II

### RISK FACTORS

An investment in the Company is speculative and involves a high degree of risk as the Company has no trading history. In addition to the usual risks associated with an investment in a business with no trading activity, the Directors believe that, in particular, the following risk factors should be considered. It should be noted that these risk factors are not exhaustive and not set out in any particular order of priority and other risk factors may need to be considered.

If any of the circumstances identified in the risk factors were to materialise, the Company's business, financial condition and results of operation could be materially affected.

An investment in the Company may not be suitable for all recipients of this document. Investors are accordingly advised to consult an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 and who specialises in advising upon the acquisition of shares and other securities before making a decision to invest.

#### **1. The Company's objectives may not be fulfilled**

The Company does not presently carry on any trading activity. The value of an investment in the Company is dependent, *inter alia*, upon the Company acquiring and/or investing in one or more companies or businesses that meet the Company's investment strategy. There can be no guarantee that the Company will acquire and/or invest in any company or business meeting the Company's investment criteria or that any such company or business acquired or invested in will be profitable or achieve significant or sustainable growth.

Notwithstanding appropriate due diligence being carried out by the Company on a potential acquisition or investment opportunity, there is an inherent risk in acquiring or investing in companies or businesses, which could result in diminution of assets or shareholder value of the Company.

#### **2. Requirement for further funds**

In the opinion of the Directors, having made due and careful enquiry and taking into account the net proceeds of the Placing, the working capital available to the Company will be sufficient for its present requirements, that is for at least the next 12 months from the date of Admission.

However, it is likely that the Company will need to raise further funds in the future either to complete a proposed acquisition or investment or to raise further working or development capital for such an acquisition or investment. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at the same price as the Placing Price or higher.

#### **3. Acceptability of Ordinary Shares as consideration**

Although the Company reserves the right to issue Ordinary Shares to satisfy all or part of any consideration payable on an acquisition or investment, vendors of suitable companies or businesses may not be prepared to accept shares traded on AIM or may not be prepared to accept Ordinary Shares at the quoted market price.

#### **4. Attraction and retention of key executives**

The Company's success will depend, *inter alia*, on its current and future management team. Whilst it has entered into contractual arrangements with the aim of securing the services of the Directors, the retention of their services or the services of its management team cannot be guaranteed.

## **5. Market conditions**

Although the Directors believe that there are a significant number of companies which potentially fall within the Company's strategy, market conditions may change to reduce the scope for the Company to take advantage of such opportunities.

## **6. Investment in AIM securities**

Investment in shares traded on AIM is perceived to involve a higher degree of risk and be less liquid than investment in companies whose shares are listed on the Official List. An investment in Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may, therefore, realise less than, or lose all of, their investment.

## **7. Potentially volatile share price and liquidity**

The share price of quoted emerging companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price at which investors may realise for their Ordinary Shares may be influenced by a significant number of factors, some specific to the Company and its operations and some which affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of Ordinary Shares, legislative changes and general, economic, political or regulatory conditions.

## **8. Change in Legislation or Regulation**

Any change to the regulatory environment, in particular the AIM Rules regarding companies such as Eredene Capital, could, for example, affect the ability of the Company to maintain a trading facility on AIM if it has not made an acquisition or significant investment within twelve months from Admission. There is no guarantee that the Company can maintain an AIM trading facility if the Directors do not deem any acquisitions or investments to be suitable for the Company or its shareholders within any such period.

**PART III**  
**ACCOUNTANTS' REPORT**



**BDO Stoy Hayward**  
**Chartered Accountants**

**BDO Stoy Hayward LLP**  
**8 Baker Street**  
**London W1U 3LL**

The Directors  
Eredene Capital PLC  
7 Pilgrim Street  
London  
EC4V 6LB

7 February 2005

The Directors  
Seymour Pierce Limited  
Bucklersbury House  
3 Queen Victoria Street  
London  
EC4N 8EL

Dear Sirs

**EREDENE CAPITAL PLC ("THE COMPANY")**

**Introduction**

We report on the financial information set out below. This financial information has been prepared for inclusion in the prospectus dated 7 February 2005 of the Company ("the Prospectus").

The Company was incorporated on 12 January 2005. Since incorporation, the Company has not traded, nor has it received any income, incurred any expenses or paid any dividends. Consequently no profit and loss account is presented. No financial statements have been drawn up.

**Basis of preparation**

The financial information set out below is based on the balance sheet of the Company as at incorporation ("the Balance Sheet") to which no adjustments were considered necessary.

**Responsibility**

The Balance Sheet is the responsibility of the Directors and has been approved by them.

The Directors are responsible for the contents of the Prospectus in which this report is included.

It is our responsibility to compile the financial information set out in our report from the Balance Sheet, to form an opinion on the financial information and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Balance Sheet underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

**Opinion**

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Company as at the date stated.

**Consent**

We consent to the inclusion in the Prospectus of this report and accept responsibility for this report for the purposes of paragraph 45(8)(b) of Schedule 1 to the Public Offers of Securities Regulations 1995.

**Balance sheet as at 12 January 2005**

	<i>As at 12 January 2005</i>
	£
<b>Current assets</b>	
Debtors – unpaid share capital	2
<b>Net assets</b>	2
 <b>Share capital and reserves</b>	
Called up share capital	2
<b>Shareholders’ funds – equity</b>	2

**FINANCIAL INFORMATION**

**Accounting policies**

The financial information has been prepared under the historical cost convention and in accordance with applicable accounting standards.

**Share capital**

The Company was incorporated with an authorised share capital of £100,000 divided into 100,000 ordinary shares of £1 each of which two shares were issued nil paid. On 21 January 2005 both subscriber shares were fully paid up.

By resolutions passed in general meeting on 21 January 2005 the share capital of the Company, issued and unissued, was sub-divided and increased so as to comprise 35,000,000 ordinary shares of 10 pence each.

On 28 January 2005, 499,980 ordinary shares of 10 pence each were issued at par to Alastair King.

Yours faithfully

BDO Stoy Hayward LLP  
Chartered Accountants

## PART IV

### ADDITIONAL INFORMATION

#### 1. Incorporation and Status of the Company

- (a) The Company was incorporated and registered in England and Wales on 12 January 2005 as a public limited company with the name Eredene Capital PLC and with registered number 5330839. The Company's registered office is located at 7 Pilgrim Street, London EC4V 6LB.
- (b) The principal legislation under which the Company operates is the Act and regulations made thereunder. The liability of the members of the Company is limited.
- (c) The Company received a certificate pursuant to section 117 of the Act entitling it to commence business and borrow on 31 January 2005.

#### 2. Share capital of the Company

- (a) The authorised and issued share capital of the Company as at the date of this document and following the Placing and Admission are as follows:

<i>Authorised share capital</i>		<i>Issued and fully paid up share capital</i>				
			<i>At Present</i>		<i>Following the Placing</i>	
£	<i>Number</i>		£	<i>Number</i>	£	<i>Number</i>
3,500,000	35,000,000	Ordinary Shares of 10p each	50,000	500,000	1,630,000	16,300,000

- (b) Pursuant to resolutions passed in general meeting on 21 January 2005 the Directors were:
  - (i) authorised to allot the new Ordinary Shares and other relevant securities (within the meaning of Section 80(2) of the Act) up to an aggregate nominal value equal to £2,326,000, such authority to expire on 21 January 2010, subject to such authority being limited following Admission to the allotment of relevant securities up to an aggregate nominal amount of one third of the issued Ordinary Share capital of the Company at Admission; and
  - (ii) empowered to allot equity securities (as defined in Section 94 of the Act) for cash pursuant to the authority summarised in paragraph (i) above as if Section 89 (1) did not apply to any such allotment subject to such power being limited following Admission to the allotment of equity securities in connection with a rights issue or open offer in favour of shareholders or otherwise to the allotment of equity securities up to an aggregate nominal amount of 15 per cent. of the issued Ordinary Share capital of the Company at Admission, such power to expire on 21 April 2006 or, if earlier, the conclusion of the annual general meeting of the Company to be held in 2006.
- (c) The new Ordinary Shares will rank *pari passu* in all respects with the existing issued Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after Admission on the Ordinary Share capital.
- (d) The provisions of section 89(1) of the Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to the authorised but unissued share capital of the Company to the extent not dis-applied as described in paragraph 2(b)(ii) above.
- (e) Save in connection with the Placing or pursuant to the option agreements summarised in paragraph 7(d), no share or loan capital of the Company is proposed to be issued or is under option or agreed, conditionally or unconditionally, to be put under option.

- (f) The existing Ordinary Shares are, and the new Ordinary Shares will be, in registered form. Application will be made for the existing Ordinary Shares and the new Ordinary Shares to be admitted to trading on AIM. AIM is the only stock exchange where admission to trading is being or will be sought.

### **3. Memorandum and Articles of Association**

The Memorandum of Association of the Company provides that the Company's principal objects are to carry on business as a general commercial company and to carry on the business of a holding, management and investment company. The objects of the Company are set out in full in clause 3 of the Memorandum of Association.

The Articles of Association of the Company (the "Articles") contain, *inter alia*, provisions to the effect set out below:

#### **(a) Voting Rights**

At general meetings of the Company, on a show of hands, every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative not being himself a member entitled to vote, shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share held by him. On a poll votes may be given either personally or by proxy.

#### **(b) Alteration of Capital**

(i) The Company may from time to time by ordinary resolution:-

- (a) increase its capital as the resolution shall prescribe;
- (b) consolidate and divide all or any of its shares into shares of larger amount;
- (c) sub-divide all or any of its shares into shares of smaller amount and attach varying rights to the shares resulting from such sub-division; and
- (d) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

(ii) The Company may by special resolution reduce its share capital, any capital redemption reserve fund and any share premium account subject to the provisions of the Act.

#### **(c) Variation of Rights**

All or any of the special rights for the time being attached to any class of shares for the time being issued may be varied or abrogated with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of such holders (but not otherwise). At every such separate general meeting the necessary quorum shall be not less than two persons holding or representing by proxy not less than one third in nominal amount of the issued shares of the class or, at any adjourned meeting of such holders, one holder who is present in person or by proxy, whatever the amount of his holding, shall be deemed to constitute a meeting.

#### **(d) Purchase of Own Shares**

Subject to the provisions of the Act and to the sanction by an extraordinary resolution passed at a separate class meeting of the holders of any convertible shares, the Company may purchase any of its own shares of any class (including redeemable shares) at any price.

**(e) Transfer of Shares**

Any member may transfer all or any of his shares. Save where any rules or regulations made under the Act permit otherwise, the instrument of transfer of a share shall be in any usual form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor and (in the case of a share which is not fully paid) by the transferee. The Board may in its absolute discretion and without giving any reason decline to register any transfer of shares which are not fully paid or on which the Company has a lien.

**(f) Dividends and other distributions**

The Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board. The Board may pay interim dividends if it appears that they are justified by the financial position of the Company.

All dividends shall be apportioned and paid pro rata to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid.

Any dividend unclaimed after a period of twelve years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company.

The Board may, if authorised by an ordinary resolution of the Company, offer members the right to elect to receive shares credited as fully paid in whole or in part, instead of cash, in respect of the dividend specified by the ordinary resolution.

The Company may cease to send any cheque or dividend warrant through the post if such instruments have been returned undelivered or remain uncashed by a member on at least two consecutive occasions. The Company shall recommence sending cheques or dividend warrants if the member claims the dividend or cashes a dividend warrant or cheque.

In a winding up, the liquidator may, with the sanction of an extraordinary resolution and subject to the Insolvency Act 1986, divide among the members in specie the whole or any part of the assets of the Company and/or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator determines.

**(g) Restrictions on Shares**

If the Board is satisfied that a member or any person appearing to be interested in shares in the Company has been duly served with a notice under Section 212 of the Act and is in default in supplying to the Company the information thereby required within a prescribed period after the service of such notice the Board (of the Company) may serve on such member or on any such person a notice ("a direction notice") in respect of the shares in relation to which the default occurred ("default shares") directing that a member shall not be entitled to vote at any general meeting or class meeting of the Company. Where default shares represent at least 0.25 per cent of the class of shares concerned the direction notice may in addition direct that any dividend (including shares issued in lieu of a dividend) which would otherwise be payable on such shares shall be retained by the Company without liability to pay interest and no transfer of any of the shares held by the member shall be registered unless it is a transfer on sale to a bona fide unconnected third party, or by the acceptance of a take-over offer or through a sale through a recognised investment exchange as defined in the Financial Services and Markets Act 2000. The prescribed period referred to above means 14 days from the date of service of the notice under Section 212 where the default shares represent at least 0.25 per cent of the class of shares concerned and 28 days in all other cases.

**(h) Directors**

- (i) At every annual general meeting of the Company as near as possible (but not exceeding) one third of the Directors for the time being shall retire by rotation and be eligible for re-election. The Directors to retire will be those who have been longest in office or, in the case of those who became or who are re-elected Directors on the same day, shall, unless they otherwise agree, be determined by lot.

- (ii) Save as provided in paragraph (iii) below, a Director shall not vote at a meeting of the Board or any committee of the Board on any resolution of the Directors concerning a matter in which he has an interest which together with any interest of any person connected with him is to his knowledge a material interest. The Company may by ordinary resolution suspend or relax such provisions to any extent or ratify any transaction not duly authorised by reason of a contravention of such provisions.
- (iii) The prohibition in paragraph (ii) above shall not apply to a Director in relation to any of the following matters, namely: (i) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him for the benefit of the Company ; (ii) the giving of any guarantee, security or indemnity to a third party in respect of an obligation of the Company for which he has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by giving of security; (iii) the subscription for or underwriting or sub-underwriting of any shares, debentures or other securities of the Company by him; (iv) any proposal concerning any other company in which he and any persons connected with him do not to his knowledge hold an interest in shares representing one per cent or more of either any class of the equity share capital or the voting rights in such company); (v) any resolution relating to an arrangement for the benefit of employees of the Company and which does not provide in respect of any Director as such any privilege or benefit not accorded to the employees to whom the arrangement relates; and (vi) any proposal concerning the purchase and/or maintenance of any insurance policy against liability for negligence, default, breach of duty or breach of trust in relation to the Company under which he may benefit.
- (iv) The ordinary remuneration of the Directors who do not hold executive office for their services (excluding amounts payable under any other provision of the Articles) shall not exceed in aggregate £250,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Subject thereto, each such Director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Board. The Directors shall be entitled to all such reasonable expenses as they may properly incur in attending meetings of the Board or in the discharge of their duties as Directors. Any Director who by request of the Board performs special services may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine. The Directors may pay pensions and other benefits to, inter alia, present and past employees and Directors and may set up and maintain schemes for the purpose.
- (v) The provisions of Section 293 of the Act relating to the mandatory retirement of Directors at age 70 do not apply to the Company.
- (vi) Unless otherwise determined by ordinary resolution of the Company, the number of Directors shall not be less than two. There is no maximum number of Directors. A Director shall not be required to hold any shares of the Company by way of qualification.

**(i) Borrowing Powers**

The Directors may exercise all the powers of the Company to borrow money, to guarantee, to indemnify and to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

**4. Directors' and other Interests**

- (a) The interests (all of which are beneficial unless otherwise stated) of the Directors, which have been notified by each Director pursuant to Sections 324 or 328 of the Act and are required to be entered in the register of directors' interests maintained under the provisions of section 325 of the Act, and of persons connected with the Directors (within the meaning of section 346 of the Act) which, if such connected persons were directors of the Company, would be

required to be disclosed or notified under the Act, as at the date of this document and as at Admission, are as follows:

<i>Name</i>	<i>Percentage of Ordinary Shares prior to the Placing</i>		<i>Percentage of Ordinary Shares following the Placing</i>		<i>Number of Ordinary Shares under option</i>
	<i>Number of Ordinary Shares prior to the Placing</i>	<i>Percentage of Ordinary share capital prior to the Placing</i>	<i>Number of Ordinary Shares following the Placing</i>	<i>Percentage of Ordinary share capital following the Placing</i>	
Christopher Crosthwaite	0	0%	800,000	4.9%	244,500
Alastair King	500,000	100%	1,100,000	6.7%	1,304,000
Gary Varley	0	0%	0	0%	407,500

- (b) Save as disclosed in sub-paragraph (a) above and in this sub-paragraph (b) the Directors are not aware of any interest (within the meaning of Part VI of the Act) in the Company's share capital which, immediately following the Placing and Admission, would amount to 3 per cent or more of the Company's issued share capital or which would enable a shareholder to exercise control over the Company.

<i>Name</i>	<i>Number of Ordinary Shares following the Placing</i>	<i>Percentage of the issued share capital following the Placing</i>
C. Hoare & Co. Nominees <sup>(1)</sup>	8,790,000	53.9%
Hargreave Hale Nominees Limited	1,200,000	7.4%
Brewin Nominees Limited <sup>(2)</sup>	1,000,000	6.1%
NCL Nominees Limited	850,000	5.2%
The Cayzer Trust Company Limited	800,000	4.9%

<sup>(1)</sup> The 8,790,000 Ordinary Shares registered in the name of C. Hoare & Co. Nominees are beneficially owned by Ornaisons Foundation. Mrs. R. Arnold is interested in Ornaisons Foundation.

<sup>(2)</sup> The 1,000,000 Ordinary Shares registered in the name of Brewin Nominees Limited are beneficially owned by Mr S. Rose.

- (c) Save as set out in sub-paragraph (a) above, following the Placing and Admission, no Director or any person connected with such a Director (within the meaning of Section 346 of the Act) is expected to have any interest in the share capital of the Company amounting to 3 per cent or more of the Company's issued ordinary share capital.
- (d) There are no outstanding loans granted, or guarantees provided, by the Company to or for the benefit of any of the Directors.
- (e) No Director or member of a Director's family has a related financial product referenced to the Ordinary Shares.
- (f) Save as disclosed in this paragraph 4, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company and which remains in any respect outstanding or unperformed.

## 5. Directors' Service Agreements and Letters of Appointment

- (a) Christopher Crosthwaite holds office as non-executive Chairman pursuant to the terms of a letter of appointment dated 7 February 2005. The appointment under the letter will terminate upon Mr Crosthwaite ceasing to be a director of the Company. Mr Crosthwaite is paid a fee of £25,000 per annum.
- (b) Pursuant to a service agreement with the Company dated 7 February 2005 Alastair King has agreed to serve the Company as Chief Executive for an initial period of one year and thereafter (subject to early termination as provided therein) until terminated by the Company

or Mr King by 6 months' notice given at any time. Mr King's current salary is £100,000 per annum. In addition, Mr King is entitled each year to the payment by the Company of pension contributions to a personal pension plan equal to 7.5 per cent. of his salary and the provision of private medical insurance.

- (c) Pursuant to a service agreement with the Company dated 7 February 2005 Gary Varley has agreed to serve the Company as Executive Director and Company Secretary for an initial period of one year and thereafter (subject to early termination as provided therein) until terminated by the Company or Mr Varley by 6 months' notice given at any time. Mr Varley's current salary is £75,000 per annum. In addition, Mr Varley is entitled each year to the payment by the Company of pension contributions to a personal pension plan equal to 7.5 per cent. of his salary and the provision of private medical insurance.
- (d) Save as disclosed in paragraphs (a) to (c) above, there are no service or consultancy contracts, existing or proposed, between any Director and the Company.
- (e) It is estimated that under arrangements currently in force, the aggregate remuneration and benefits in kind to be paid to the Directors for the financial period ending 31 December 2005 will be approximately £196,000.

## 6. Additional Information on the Board

- (a) In addition to their directorships of the Company, the Directors hold or have held the following directorships and are or have been partners in the following partnerships within the five years prior to the date of this document:

<i>Director</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
Christopher Crosthwaite	Ashurst WelcomeChance Property Management Limited	Global 2000 Development Planning Limited
Alastair King	Forss Investments Limited	Galahad Gold plc Internet Indirect plc The Madaket Foundation NewMedia SPARK B.V. NewMedia SPARK GmbH NewMedia SPARK Directors Limited NewMedia SPARK Secretaries Limited Purple Technologies Limited Shambhala Gold Limited Skaergaard Minerals Corp. SPARKIdea Limited SPARK Services Limited SPARK Investors Limited
Gary Varley	None	Eleven Management Company (West Byfleet) Limited Essence Management Company Limited Guildown Developments Limited Hub (High Street Maidenhead) Management Limited Nicholas King Homes plc Nicholas King Investments Limited Nicholas King Limited Orani Industrial Limited Sandisplatt One Limited Strata Management Company Limited Thames Vale Developments Limited Zest Management Company Limited

- (b) In 1991 Christopher Crosthwaite was appointed a non executive director of L'Air Conditionné SA, a holding company whose subsidiary (founded in the 1960s by a member of his wife's family), was a leading manufacturer in France, and a distributor, of air conditioning units. In 1993 L'Air Conditionné SA went into creditors voluntary liquidation with an estimated deficiency of approximately €9,500,000.
- (c) During the course of his employment with NewMedia SPARK PLC, an early stage technology venture capital investor, Alastair King was obliged to serve on the boards of several companies in which NewMedia SPARK PLC was an investor. Of these companies (a) SPARKIdea Limited went into creditors voluntary liquidation on 10 June 2002 (after he had left the board) with an estimated total deficiency as regards members of £450,411 and (b) Purple Technologies Limited went into creditors voluntary liquidation on 7 February 2003 (after he had left the board) with an estimated total deficiency of £1,992,264.
- (d) Save as disclosed above, none of the Directors has:
  - (i) any unspent convictions in relation to indictable offences;
  - (ii) had any bankruptcy order made against him or entered into any voluntary arrangements;
  - (iii) been a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
  - (iv) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
  - (v) been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he as a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
  - (vi) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
  - (vii) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a Company.

## 7. Material contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company within the period from incorporation to the date of this document and are, or may be, material:

- (a) The Placing Agreement dated 7 February 2005 between the Company (1), the Directors (2) and Seymour Pierce (3) pursuant to which conditional, inter alia, upon Admission taking place on or before 8:00 a.m. on 10 February 2005 (or such later time and date as the Company and Seymour Pierce may agree, being not later than 17 February 2005) Seymour Pierce has agreed to use reasonable endeavours to procure subscribers for 15,800,000 new Ordinary Shares at the Placing Price.

The Placing Agreement contains certain indemnities and warranties from the Company, and warranties from the Directors, in favour of Seymour Pierce together with provisions which enable Seymour Pierce to terminate the Placing Agreement in certain circumstances prior to Admission, including in circumstances where any warranty is found to be untrue or

inaccurate in any material respect. The liability of the Directors for breach of warranty is limited.

The Directors have undertaken that they will not dispose of any Ordinary Shares for a period of 12 months from the date of Admission and then for a further period of 12 months will only dispose of any Ordinary Shares following consultation with Seymour Pierce and then only through the Company's broker.

- (b) A Nominated Adviser Agreement dated 7 February 2005 between the Company (1), the Directors (2) and Seymour Pierce (3) pursuant to which the Company has appointed Seymour Pierce to act as Nominated Adviser to the Company for the purposes of the AIM Rules. The Company has agreed to pay Seymour Pierce a fee of £10,000 per annum for its services as Nominated Adviser under the agreement, which fee will increase to £20,000 per annum on completion of a reverse takeover (as defined in the AIM Rules). The agreement contains certain undertakings by the Company and the Directors in respect of, inter alia, compliance with all applicable laws and regulations and an indemnity by the Company in favour of Seymour Pierce. The agreement continues for a fixed period of one year from the date of Admission and thereafter is subject to termination on three months' notice given by the Company or Seymour Pierce.
- (c) A Broker Agreement dated 7 February 2005 between the Company (1), the Directors (2) and Seymour Pierce (3) pursuant to which the Company has appointed Seymour Pierce to act as Broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay Seymour Pierce a fee of £10,000 per annum for its services as Broker under the agreement, which fee will increase to £15,000 per annum on completion of a reverse takeover (as defined in the AIM Rules). The agreement continues for a fixed period of one year from the date of Admission and thereafter is subject to termination on three months' notice given by the Company or Seymour Pierce.
- (d) Option agreements between each of Christopher Crosthwaite, Alastair King and Gary Varley and the Company dated 7 February 2005 pursuant to which the Directors have been granted options to subscribe for the following numbers of Ordinary Shares exercisable at 25 pence:

Christopher Crosthwaite	244,500
Alastair King	1,304,000
Gary Varley	407,500

The options become exercisable in respect of one third of the Ordinary Shares over which they are granted on the first, second and third anniversary of the date of Admission. To the extent that an option becomes exercisable it may be exercised at any time up to the tenth anniversary of Admission. The options will become exercisable in respect of all of the Ordinary Shares in respect of which they are granted in the event of an offer for the Company becoming unconditional in all respects or a reverse takeover (within the meaning of the AIM Rules) being completed. If Alastair King or Gary Varley cease to be both a director and employee before the third anniversary of Admission, and if Christopher Crosthwaite ceases to be a director before the third anniversary of Admission, their options will lapse to the extent they have not then become exercisable, unless the Board resolves otherwise.

The number and/or nominal value of Ordinary Shares subject to the options and/or the exercise price is subject to adjustment in certain circumstances, including upon any subdivision, consolidation or reduction of capital or any offer of shares by the Company made to all shareholders.

## 8. Litigation

The Company is not involved in any legal or arbitration proceedings which may have, or have had since incorporation, a significant effect on the Company's financial position and, so far as the Directors are aware, there are no such proceedings pending or threatened against the Company.

## 9. Working capital

The Company is of the opinion, having made due and careful enquiry, that the working capital available to the Company at Admission, will, from the time of Admission, be sufficient for its present requirements, that is for at least 12 months from Admission.

## 10. Taxation

The following paragraphs are intended as a general guide only for shareholders who are resident or ordinarily resident in the United Kingdom for tax purposes, holding Ordinary Shares as investments and not as securities to be realised in the course of a trade, and are based on current legislation and UK Inland Revenue published practice. Any prospective purchaser of Ordinary Shares who is in any doubt about his tax position or who is subject to taxation in a jurisdiction other than the UK, should consult his own professional adviser immediately.

### (a) *Taxation of Chargeable Gains*

For the purpose of UK tax on chargeable gains, the issue of Ordinary Shares pursuant to the Placing will be regarded as an acquisition of a new holding in the share capital of the Company.

To the extent that a shareholder acquires Ordinary Shares allotted to him, the Ordinary Shares so acquired will, for the purpose of tax on chargeable gains, be treated as acquired on the date of allotment. The amount paid for the Ordinary Shares will constitute the base cost of a shareholder's holding.

If a shareholder disposes of all or some of his Ordinary Shares a liability to tax on chargeable gains may, depending on his circumstances, arise. The amount of the gain will be eligible for taper relief.

### (b) *Stamp duty and Stamp Duty Reserve Tax*

No stamp duty or stamp duty reserve tax ("SDRT") will generally be payable on the issue of the Ordinary Shares.

### (c) *Dividends and other Distributions*

Dividends paid by the Company will carry an associated tax credit of one-ninth of the cash dividend or ten per cent of the aggregate of the cash dividend and associated tax credit. Individual shareholders resident in the UK receiving such dividends will be liable to income tax on the aggregate of the dividend and associated tax credit at the Schedule F ordinary rate (10 per cent) or the Schedule F upper rate (32.5 per cent).

The effect will be that taxpayers who are otherwise liable to pay tax at only the lower rate or basic rate of income tax will have no further liability to income tax in respect of such a dividend. Higher rate taxpayers will have an additional tax liability (after taking into account the tax credit) of 22.5 per cent of the aggregate of the dividend received and associated tax credit. Individual shareholders whose income tax liability is less than the tax credit will not be entitled to claim a repayment of all or part of the tax credit associated with such dividends.

A UK resident corporate shareholder should not be liable to corporation tax or income tax in respect of dividends received from the Company unless that company is carrying on a trade of dealing in shares.

Trustees of discretionary trusts are liable to account for income tax at the rate applicable to trusts on the trust's income and are required to account for tax at the Schedule F trust rate of 32.5 per cent.

**Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions and on what relief or credit may be claimed for any such tax credit in the jurisdiction in which they are resident. These comments are intended only as a general guide to the current tax position in the UK as at the date of this document. The comments assume that Ordinary Shares are held as an investment and not as an asset of financial trade.**

**If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the UK, you should consult your professional adviser.**

## **11. General**

- (a) The gross proceeds of the Placing are expected to be £3,950,000. The total costs and expenses relating to Admission and the Placing are payable by the Company and are estimated to amount to approximately £88,500 (excluding Value Added Tax).
- (b) BDO Stoy Hayward LLP has given and has not withdrawn its written consent to the inclusion in this document of its accountants' report and the references thereto and to its name in the form and context in which they are included.
- (c) Seymour Pierce has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they appear.
- (d) Other than the current application for Admission, the Ordinary Shares have not been admitted to dealing on any investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements for dealings in the Ordinary Shares.
- (e) The accounting reference date of the Company is 31 December.
- (f) For the purposes of paragraph 21(a) of Part IV of Schedule I to the Regulations, there is no minimum amount which must be raised for the Company pursuant to the Placing.
- (g) The Placing Price represents a premium over nominal value of 15 pence per Ordinary Share.
- (h) It is expected that definitive share certificates will be dispatched by hand or first class post by 17 February 2005. In respect of uncertificated shares it is expected that shareholders' CREST stock accounts will be credited on 10 February 2005.
- (i) The Directors are unaware of any exceptional factors which have influenced the Company's activities.
- (j) The Directors are not aware of any patents or other intellectual property rights, licences or particular contract which are or may be of fundamental importance to the Company's business.
- (k) Save as disclosed herein, there has been no significant change in the trading or financial position of the Company since 12 January 2005, being the date of incorporation of the Company.
- (l) Save as disclosed above, no person directly or indirectly (other than the Company's professional advisers and trade suppliers or save as disclosed in this document) since incorporation has received or is contractually entitled to receive, directly or indirectly, from the Company on or after Admission (excluding in either case persons who are professional advisers otherwise than as disclosed in this document and persons who are trade suppliers) any payment or benefit from the Company to the value of £10,000 or more or securities in the Company to such value at the Placing Price or entered into any contractual arrangements to receive the same from the Company at the date of Admission.
- (m) There are no arrangements in force for the waiver of future dividends.
- (n) The arrangements for paying for the new Ordinary Shares to be issued pursuant to the Placing are set out in the placing letters referred to in the Placing Agreement. All monies received from applicants will be held by Seymour Pierce until Admission. If the Placing does not proceed, monies will be returned by cheque crossed "A/C Payee" in favour of the first named applicant. Any monies returned will be sent by first class post at the risk of the addressee within 3 days of the termination of the Placing Agreement.

## **12. Availability of this Document**

Copies of this document are available free of charge from the Company's registered office and at the offices of the Company's Nominated Adviser, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and shall remain available for at least one month after Admission.

Dated: 7 February 2005