

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who is authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your Ordinary Shares in the Company, please send this Circular (but not the accompanying Tender Form) immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, the Circular should not be mailed, distributed, sent, forwarded to or transmitted in or into the United States, Canada, Australia, South Africa or Japan. If you have sold or otherwise transferred only part of your holding of Ordinary Shares in the Company, you should retain the Circular.

The Tender Offer is not being made, directly or indirectly, in the United States, Canada, Australia, South Africa or Japan and neither this Circular nor the accompanying personalised Tender Form may be distributed or sent in or into or from the United States, Canada, Australia, South Africa or Japan and doing so may render invalid any purported tender. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation to forward this Circular and/or the accompanying Tender Form should read the paragraph headed "Overseas Shareholders" in Part II of this Circular before taking any action.

## **DRAGON-UKRAINIAN PROPERTIES & DEVELOPMENT PLC**

*(Incorporated in the Isle of Man with registered number 119018C)*

### **Tender Offer**

**to purchase Ordinary Shares for up to a maximum  
value of approximately US\$ 16.79 million at tender prices of between  
39.25 pence and 43.00 pence per Ordinary Share**

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THE TENDER OFFER WILL CLOSE AT 1.00 P.M. ON 24 JUNE 2009. Please note that the Record Date for participation in the Tender Offer is 5.00 p.m. on 3rd June 2009 and the Tender Offer will only be available to Shareholders resident in, or citizens of, a jurisdiction outside the Restricted Territories on the Register at that time ("Eligible Shareholders").

Shareholders who wish to tender Ordinary Shares for purchase in the Tender Offer should ensure that their completed Tender Forms are returned either by post to Computershare Investor Services PLC at Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC at The Pavilions, Bridgewater Road, Bristol BS13 8AE before 1.00 p.m. on 24 June 2009. Shareholders who hold their Ordinary Shares in certificated form should also return their share certificate(s) in respect of the Ordinary Shares tendered. Shareholders who hold Ordinary Shares in uncertificated form (that is, in CREST) should return the Tender Form as described above and should also input a TTE Instruction.

If you have any questions about the procedure for tendering Ordinary Shares or you want help in filling in the Tender Form, please telephone Computershare between 9.00 a.m. and 5.00 p.m. Monday to Friday, on 01534 825231.

**IF YOU DO NOT WISH TO TENDER ANY OF YOUR ORDINARY SHARES DO NOT  
COMPLETE OR RETURN A TENDER FORM**

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### EXPECTED TIMETABLE FOR THE TENDER OFFER

	<b>2009</b>
Tender Offer opens	4th of June 2009
Latest time and date for receipt of Tender Forms and for settlement of the instructions	by 1pm on 24 June 2009
Record Date for the Tender Offer	5.00 pm on 3 June 2009
Announcement of results of the Tender Offer	26 June 2009
CREST accounts credited with Tender Offer proceeds and revised holdings of uncertificated Ordinary Shares	29 June 2009
Despatch of cheques for Tender Offer proceeds for certificated Ordinary Shares	29 June 2009
Despatch of balance share certificates for unsold Ordinary Shares and share certificates for unsuccessful tenders	week commencing 29 June 2009

**The above times and/or dates may be subject to change and in the event of any such change, the revised times and/or dates will be notified to Shareholders by an announcement through a Regulatory Information Service.**

*References to times in this Circular are references to British Summer Time, unless otherwise stated.*

## DEFINITIONS

In this Circular and the Tender Form the following definitions apply unless the context requires otherwise:

<b>"Act" or "Acts"</b>	the Isle of Man Companies Acts 1931 to 2004 (as amended)
<b>"Aggregate Maximum"</b>	US\$ 16.79 million (or such lesser amount as the Company may in its absolute discretion decide) representing the maximum aggregate purchase value of the Ordinary Shares to be purchased by the Company under the Tender Offer
<b>"Board" or "Directors"</b>	the board of directors of the Company, whose names are set out in paragraph 2 of Part IV of this Circular
<b>"certificated" or "in certificated form"</b>	an Ordinary Share which is not in uncertificated form
<b>"Circular"</b>	this document
<b>"Closing Date"</b>	1.00 p.m. on 24 June 2009
<b>"Company" or "DUPD"</b>	Dragon-Ukrainian Properties & Development PLC
<b>"Computershare"</b>	Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH
<b>"CREST"</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
<b>"CREST member"</b>	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
<b>"CREST participant"</b>	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
<b>"CREST Regulations"</b>	the Uncertificated Securities Regulations 2005 of the Isle of Man (as amended)
<b>"CREST sponsor"</b>	a CREST participant admitted to CREST as a CREST sponsor being a sponsoring system-participant (as defined in the CREST Regulations)
<b>"CREST sponsored member"</b>	a CREST member admitted to CREST as a sponsored member
<b>"Electronic Tender"</b>	the inputting and settlement of a TTE instruction in accordance with the procedures set out in Part II of this Circular which constitutes or is deemed to constitute a tender of Ordinary Shares pursuant to, and on the terms of, the Tender Offer as set out in this Circular
<b>"Eligible Shareholders"</b>	Shareholders resident in, or citizens of, a jurisdiction outside the Restricted Territories on the Register at the Record Date
<b>"Escrow Agent"</b>	Computershare Investor Services PLC
<b>"Euroclear"</b>	Euroclear UK & Ireland Limited
<b>"Group"</b>	the Company and its subsidiaries
<b>"Lowest Price Tender"</b>	a tender of Ordinary Shares for sale at the Lowest Tender Price
<b>"Lowest Tender Price"</b>	the lowest Tender Price validly tendered by any Eligible Shareholder under the Tender Offer
<b>"Maximum Price"</b>	43.00 pence per Ordinary Share
<b>"member account ID"</b>	the identification code or number attached to any member account in CREST
<b>"Minimum Price"</b>	39.25 pence per Ordinary Share
<b>"NAV per share"</b>	US\$ 2.35 representing the net asset value of the Company contained in its audited consolidated balance sheet as at 31 December 2008 divided by the 133,385,716 Ordinary Shares in issue on that date.

<b>"Ordinary Shares"</b>	ordinary shares of 1 pence nominal value each in the share capital of the Company
<b>"Overseas Shareholders"</b>	Shareholders who are citizens or nationals of, or resident in, jurisdictions outside the United Kingdom
<b>"participant ID"</b>	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
<b>"pence" or "penny"</b>	one hundredth of £1.00
<b>"Price Range"</b>	the range of prices within which Ordinary Shares may be purchased by the Company pursuant to the terms of the Tender Offer, being 39.25 pence to 43.00 pence per Ordinary Share
<b>"Purchase Contract"</b>	the contract in respect of the purchase by the Company of Ordinary Shares tendered to it pursuant to the Tender Offer
<b>"Receiving Agent"</b>	Computershare
<b>"Record Date"</b>	5.00 p.m. on 3 June 2009
<b>"Register"</b>	the register of members of the Company
<b>"Restricted Territories"</b>	United States, Canada, Australia, South Africa and Japan
<b>"Settlement Date"</b>	the date by which the consideration for Ordinary Shares tendered under the Tender Offer will be settled by payment through CREST is expected to be 26 June 2009 and despatched by cheque to the Eligible Shareholders entitled thereto, which is expected to be 29 June 2009
<b>"Shareholders"</b>	holders of Ordinary Shares
<b>"Tender Form"</b>	the tender form accompanying this Circular for use in connection with the Tender Offer by Eligible Shareholders
<b>"Tender Offer"</b>	the invitation by the Company to Eligible Shareholders to tender Ordinary Shares for purchase by the Company on the terms and subject to the conditions set out in this Circular and the Tender Form
<b>"Tender Price"</b>	the price at which an Eligible Shareholder tenders some or all of his shares for purchase by the Company under the Tender Offer, which will be between 39.25 pence and 43.00 pence per Ordinary Share and which in the absence of specifying a fixed price or the Lowest Tender Price will be deemed to be the Lowest Tender Price
<b>"TFE instruction"</b>	a transfer from escrow instruction (as defined by the CREST manual issued by Euroclear)
<b>"TTE instruction"</b>	a transfer to escrow instruction (as defined by the CREST manual issued by Euroclear)
<b>"uncertificated" or "in uncertificated form"</b>	recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>"United Kingdom" or "UK"</b>	the United Kingdom of Great Britain and Northern Ireland
<b>"United States" or "US"</b>	the United States of America, its territories and possessions, any state of the United States of America, any other areas subject to its jurisdiction and the District of Columbia
<b>"US\$"</b>	the United States Dollar, being the currency of the United States
<b>"£"</b>	Pounds Sterling being the currency of the UK

## PART I

### LETTER FROM THE CHAIRMAN OF DRAGON-UKRAINIAN PROPERTIES & DEVELOPMENT PLC

#### DRAGON-UKRAINIAN PROPERTIES & DEVELOPMENT PLC

*Directors:*

Aloysius Wilhelmus Johannes van der Heijden  
(Chairman)  
Tomas Fiala  
Fredrik Svinhufvud  
Boris Erenburg  
Rafaël Biosse Duplan

*Registered Office:*

Standard Bank House  
One Circular Road  
Douglas, Isle of Man  
IM1 1SB

4 June 2009

*To the holders of Ordinary Shares and, for information only, to the holders of share options and warrants over Ordinary Shares*

Dear Shareholder

**Proposed Tender Offer by the Company to purchase Ordinary Shares for up to a maximum value of approximately US\$ 16.79 million**

*Introduction*

In accordance with the resolutions approved by Shareholders at the meetings held on 31 July and 1 December 2008, the Company has been actively pursuing a share buy-back program, which commenced in August 2008. As at 31 May 2009 the Company had successfully acquired 11,948,000 Ordinary Shares or 8.39 % of the Company's issued share capital for a total consideration of £5.07 million. All of the acquired Ordinary Shares were cancelled immediately upon acquisition by the company in accordance with Isle of Man law.

Your Board believes that such efforts have resulted in creating substantial long-term value for Shareholders as all of these acquisitions were made at a substantial discount to the Company's NAV per Ordinary Share, and in several instances even at a discount to the Company's cash balance per Ordinary Share.

At the AGM on 29 May 2009 shareholders authorised the Company to purchase up to a further 42,300,000 Ordinary Shares within the next 18 months at prices between the 1p nominal value of the Ordinary Shares and 25% above the average of the middle market quotations for the 20 trading days prior to 29 May 2009.

Earlier today the Board announced its intention to return surplus cash to Shareholders by way of the Tender Offer by the Company for up to a maximum of approximately US\$ 16.79 million at price of between 39.25 pence and 43.00 pence per Ordinary Share, subject to the terms of the Tender Offer as described in this Circular.

This Circular sets out the background to and reasons for the Tender Offer and why the Board believes the Tender Offer to be in the best interests of the Company and its Shareholders.

*Current Trading and Prospects*

On 10 April 2009, the Company announced its results for the year ended 31 December 2008. These results showed that in line with the rest of the sector, the Company's financial results were significantly impacted by the general economic situation which resulted in significant asset value writedowns throughout the industry. During the year the Company's NAV per share has decreased by 4.5% to US\$ 2.35 per share. The Company's loss before taxes for the year amounted to US\$ 62 million after accounting for changes in the value of the Company's investment properties. Excluding these, the Company's operating profit before tax for the year would be US\$ 8.9 million. At the time of those results, Aloysius van der Heijden, the Chairman of the Company, commented that "Despite the unprecedented economic downturn and consequent rapid decline of property values, we have made good operational progress on all of our projects and have been successful in managing and minimising the impact of adverse market conditions. Throughout the year, our management effort was focused on risk management and tight control of capital expenditures, coupled with constant review of performance of each project, and our drive towards long-term value creation makes me believe that we are well positioned to cope with the current market downturn. Our initial decision to refrain from leveraging our

development projects prior to exhausting the equity capital assigned on each project, coupled with our strong cash balance, clearly distinguishes us among our competitors and allows us to ultimately take advantage of market opportunities as they arise."

Since those results the industry, and the Ukrainian real estate market in particular, has remained challenging. However the Directors believe that the market environment also creates opportunities of which the Company can take advantage. The Board expects the Company to have opportunities to acquire existing quality properties at distressed valuations. At the same time the Company continues to build value on its existing assets through proactive management and constant reassessment of its strategy for each particular project.

#### *Background to and Reasons for the Tender Offer*

Given the Company's strong cash position and zero debt burden, the Board believes that now is an appropriate time to return up to US\$ 16.79 million of cash to its Shareholders by way of the Tender Offer. In arriving at the level of cash to be returned to Shareholders, the Board has taken account of the levels of funding remaining in the Group to enable it to maintain its financial strength and to allow it to pursue commercial opportunities as they arise.

#### *The Tender Offer*

The Board is proposing to return up to approximately US\$ 16.79 million of cash through a purchase by the Company of up to 42.3 million existing Ordinary Shares from Eligible Shareholders. Once purchased by the Company those Ordinary Shares will be cancelled so that such Ordinary Shares will no longer be in issue but the Company's authorised share capital will remain unchanged.

The Tender Offer is being made on the terms and subject to the conditions set out in this Circular and the Tender Form, in respect of up to 42.3 million Ordinary Shares in issue on the Record Date within the Price Range. The Minimum Price represents a discount of approximately 14.7% over the middle market closing price (as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange) of 46 pence per Ordinary Share on 2 June 2009, being the latest practicable date before the publication of this Circular. The Maximum Price represents a discount of approximately 6.5% over the middle market closing price (as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange) of 46 pence per Ordinary Share on 2 June 2009, being the latest practicable date before the publication of this Circular.

The Tender Offer is only available to Eligible Shareholders and in respect of the number of Ordinary Shares registered in those Shareholders' names.

None of the Directors intend to tender any part of their Ordinary Shares pursuant to the Tender Offer.

The principal terms of the Tender Offer (which are set out in more detail in Part II of this Circular) are as follows:

- The Company is inviting Eligible Shareholders to tender Ordinary Shares (subject to the overall maximum number indicated below) at a Tender Price within the Price Range. **Only tenders made at quarter pence increments in the Price Range can be accepted.**
- The Company will purchase existing issued Ordinary Shares for an aggregate purchase value of up to US\$ 16.79 million.
- Eligible Shareholders are invited to tender some or all of their holding of Ordinary Shares at a price/prices of such Shareholder's choosing.
- The maximum number of Ordinary Shares that will be purchased by the Company under the Tender Offer is 25.9 million shares representing approximately 19.92% per cent. of the Company's issued share capital as at 30 May 2009 (assuming full take-up of the Tender Offer at the Minimum Price and an exchange rate of £1 =US\$ 1.64 as at 2 June 2009).
- Eligible Shareholders who hold Ordinary Shares in certificated form and who wish to participate in the Tender Offer must return a completed Tender Form, together with any shares certificate(s) and/or other document(s) of title so as to be received by the Receiving Agent by no later than 1.00 p.m. on 24 June 2009. Eligible Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST) who wish to participate in the Tender Offer should complete a Tender Form but should arrange for any uncertificated Ordinary Shares they wish to tender to be transferred into escrow as described in Part II of this Circular.
- Eligible Shareholders do not have to tender any Ordinary Shares if they do not wish to, but once submitted, a Tender Form and/or a TTE instruction (as appropriate) is irrevocable and cannot be withdrawn. Eligible Shareholders should note that, once tendered, Ordinary Shares may not be sold, transferred, charged or

otherwise disposed of.

- All or part of a registered holding of Ordinary Shares may be tendered at different Tender Prices, but only one tender may be made in respect of any single Ordinary Share. The total number of Ordinary Shares tendered by any Eligible Shareholder, even if tendered at various prices within the Price Range, should not exceed the total number of Ordinary Shares held by such Shareholder.
- Subject to receiving sufficient tenders from Eligible Shareholders within the Price Range, the Company will purchase the maximum number of Ordinary Shares which have an aggregate purchase value not exceeding the Aggregate Maximum, in accordance with the order of priority detailed below.
  - (a) Tendere of Ordinary Shares by Eligible Shareholders will be accepted by the Company in ascending order of the Tender Price, starting with Lowest Tender Price.
  - (b) Once tendere of Ordinary Shares by Eligible Shareholders at the Lowest Tender Price have been accepted, the Company will then accept tendere at the next lowest Tender Price and so on, until the tendere for Ordinary Shares having an aggregate Tender Price of up to, but not exceeding, the Aggregate Maximum have been accepted.
  - (c) Acceptance of tendere of Ordinary Shares at the same price (within the Price Range) by Eligible Shareholders may be scaled back pro rata to ensure that the aggregate consideration paid to Shareholders does not exceed the Aggregate Maximum.
- Ordinary Shares will be purchased by way of an on-market transaction from Eligible Shareholders by the Company.
- Eligible Shareholders are entitled to tender Ordinary Shares for sale at different prices within the Price Range, but all Ordinary Shares purchased by the Company will be purchased in accordance with the order of priority described above.
- An Eligible Shareholder may tender any number of Ordinary Shares that are registered in its name on the Record Date in two ways:
  - (a) tendere may be made at a fixed price or at different fixed prices (in quarter pence increments only within the Price Range) in which case they will only be accepted in accordance with the order of priority described above.; or
  - (b) tendere may be expressed to be made at the Lowest Price Tender, rather than at a fixed price in pence, in which case the relevant Eligible Shareholder will be treated as having tendered at the lowest price at which any Eligible Shareholder tendere his Ordinary Shares.
- If the aggregate value of Ordinary Shares tendered at the Lowest Tender Price exceeds the Aggregate Maximum, then all tendere at the Lowest Tender Price will be accepted but may be scaled back pro rata to ensure that the aggregate consideration paid to Shareholders does not exceed the Aggregate Maximum.
- Valid tendere of Ordinary Shares not tendered at a specified Tender Price will be deemed to be tendered at the Lowest Tender Price.
- If any fractions of Ordinary Shares arise from scaling back, the number of Ordinary Shares accepted will be rounded down to the nearest whole number.
- To the extent that the total aggregate consideration payable to an Eligible Shareholder under the Tender Offer would require that Eligible Shareholder to be paid a fraction of a penny, the amount of that consideration shall be rounded down to the nearest whole penny to the extent that such fraction is equal to one quarter or of a penny or rounded up to the nearest whole penny to the extent that such fraction is equal to one half or three quarters of a penny.
- If the Lowest Tender Price were to be 39.25 pence, being the Minimum Price, the Company could purchase up to 25.9 million Ordinary Shares, representing approximately 19.9% of the Company's current issued share capital at an exchange rate of £1 = US\$ 1.64 as of 2 June 2009. If the Lowest Tender Price were to be 43.00 pence, being the Maximum Price, the Company could purchase up to 23.7 million Ordinary Shares, representing approximately 18.2% of the Company's current issued share capital.
- The decision of the Board as to the results of the Tender Offer (including, without limitation, the basis on which excess tendere are satisfied) shall be final and binding on all Shareholders.
- Shareholders should note that the Company is entitled not to, and will not, proceed with the Tender Offer, in the circumstances set out in paragraph 1(x) of Part II of this Circular. This right may only be exercised

prior to 10.00 a.m. on 24 June 2009. Shareholders should also note that the Tender Offer is conditional on those matters set out in paragraph 1(a) of Part II of this Circular.

- The Tender Offer will remain open from 4 June 2009 until 1.00 p.m. on 24 June 2009 (unless extended in accordance with the terms set out in this Circular).
- Full details of the Tender Offer, including the terms and conditions on which it is made, are set out in Part II of this Circular and, for Shareholders who hold their Ordinary Shares in certificated form, on the Tender Form.
- Ordinary Shares will be purchased by the Company free of commissions and dealing charges.

#### *Overseas Shareholders*

The attention of Shareholders who are not resident in the United Kingdom is drawn to paragraph 2 of Part II to this Circular headed "Overseas Shareholders" and, for Shareholders who hold their Ordinary Shares in certificated form, to the relevant provisions of the Tender Form.

#### *Taxation*

A summary of the taxation consequences of the Tender Offer for UK resident Shareholders is set out in Part III to this Circular.

Any Shareholder who is in any doubt as to their tax position or who is subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate professional adviser.

#### *Notification of Interests*

Pursuant to the Company's articles of association, Shareholders who are or become interested in 3% or more of the Ordinary Shares or whose interest above 3% increases or decreases through any whole percentage are obliged to notify the Company of their interests in Ordinary Shares. In addition, in accordance with the AIM Rules, the Company is required to notify the Stock Exchange of such changes without delay.

**Following the Company's proposed purchase of Ordinary Shares in relation to the Tender Offer, a Shareholder's interest in the Company's issued ordinary share capital may change giving rise to an obligation on the Shareholder in question to make a notification or a further notification to the Company within two days of becoming aware of such change.**

If Shareholders are in any doubt as to whether they should make a notification to the Company, or as to the form of that notification, they are advised to consult their solicitor or other professional adviser without delay.

#### *Action to be taken*

The procedure for tendering your Ordinary Shares depends on whether Ordinary Shares are held in certificated or uncertificated form and is summarised below:

(i) Ordinary Shares held in certificated form

Eligible Shareholders who hold Ordinary Shares in certificated form and who wish to tender all or any of their existing holdings of Ordinary Shares should complete the Tender Form, in accordance with the instructions printed thereon (including a witnessed signature) and in Part II of this Circular, and return it by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH. Eligible Shareholders who hold their Ordinary Shares in certificated form should also return with the relevant Tender Form their share certificate(s) and/or other document(s) of title in respect of the Ordinary Shares tendered. Completed Tender Forms must be received by not later than 1.00 p.m. on 24 June 2009. Further details of the procedures for tendering and settlement are set out in Part II of this Circular and in the accompanying Tender Form.

(ii) Ordinary Shares held in uncertificated form (that is, in CREST)

Eligible Shareholders who hold their Ordinary Shares in uncertificated form and who wish to tender all or any of their existing holdings of Ordinary Shares should also complete the Tender Form and submit a TTE instruction to settle no later than 1.00 p.m. on 24 June 2009. Further details of the procedures for tendering and settlement are set out in Part II of this Circular.

#### *Additional Information*

Eligible Shareholders who do not wish to sell any Ordinary Shares under the Tender Offer need take no action in relation to the Tender Form or otherwise.

If you are in any doubt about the completion of the Tender Form or making a TTE instruction, please contact



Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH, phone +44 (0)870 703 6038 For legal reasons, Computershare will not be able to give advice on the merits of the Tender Offer or to provide legal, financial or taxation advice, and accordingly for such advice you should consult your stockbroker, solicitor, accountant, bank manager or other independent professional adviser.

*Recommendation*

The Directors are making no recommendation to Shareholders in relation to participation in the Tender Offer. Whether or not Shareholders decide to tender their Ordinary Shares will depend, amongst other things, on their own individual circumstances, including their own tax position. Shareholders are recommended to consult their duly authorised independent advisers in making their own decisions.

None of the Directors intend to tender any part of their Ordinary Shares pursuant to the Tender Offer.

Yours faithfully

A W J van der Heijden  
**Chairman**

## PART II

### TERMS AND CONDITIONS OF THE TENDER OFFER

#### **Tender Offer by the Company to purchase Ordinary Shares for up to a maximum value of approximately US\$ 16.79 million**

As the letter from the Chairman of the Company set out in Part I of this document explains, the Board is proposing to return to Eligible Shareholders up to approximately US\$ 16.79 million of cash which is currently held by the Company.

Accordingly the Company is pleased to invite Eligible Shareholders to tender Ordinary Shares on the terms and subject to the conditions set out in this Circular and the accompanying Tender Form.

Shareholders on the Register at 5.00 p.m. on 3 June 2009 (other than certain Overseas Shareholders, as described in paragraph 2 below headed "Overseas Shareholders" in this Part II) are hereby invited to tender Ordinary Shares for purchase by the Company and cancellation on the terms and subject to the conditions set out in this Circular and, for Shareholders who hold their Ordinary Shares in certificated form, in the accompanying Tender Form.

The Company intends to accept valid tenders, on the terms and subject to the conditions set out below and, for Shareholders who hold their Ordinary Shares in certificated form, in the accompanying Tender Form, of up to 25.9 million Ordinary Shares (assuming full take-up of the Tender Offer at the Minimum Price), being up to 19.9% per cent. of the Ordinary Shares in issue as at 2 June 2009, being the latest practicable date prior to the publication of this Circular).

#### **1. TERMS AND CONDITIONS OF THE TENDER OFFER**

The Company hereby offers to purchase Ordinary Shares from Eligible Shareholders on and subject to the following terms and conditions:

- (a) The Tender Offer is conditional on the Tender Offer not having been terminated in accordance with paragraph 1(bb) of this Part II prior to 10.00 a.m. on 24 June 2009.  
If this Condition is not satisfied the Tender Offer will lapse and the Company will not purchase any Ordinary Shares pursuant to the Tender Offer. The Condition may not be waived.
- (b) Each Ordinary Share may be tendered under the Tender Offer:
  - (ii) at any price (expressed in whole or quarter pence per Ordinary Share) within the Price Range. Eligible Shareholders may tender their holding of Ordinary Shares at more than one price (expressed in whole or quarter pence per Ordinary Share) within such Price Range, but each Ordinary Share may only be tendered once; or
  - (iii) at the Lowest Tender Price, instead of at a fixed price in pence. In this case Eligible Shareholders will be treated as having tendered at the price at which Lowest Tender Price is ultimately set (see also paragraph 1(k) of this Part II).
- (c) Subject to receiving sufficient tenders from Eligible Shareholders within the Price Range, the Company will purchase the maximum number of Ordinary Shares which have an aggregate purchase value not exceeding the Aggregate Maximum, in accordance with the order of priority detailed below.
- (d) Tenders of Ordinary Shares by Eligible Shareholders will be accepted by the Company in ascending order of the Tender Price, starting with the Lowest Tender Price tendered by any Eligible Shareholder.
- (e) Once tenders of Ordinary Shares by Eligible Shareholders at the Lowest Tender Price have been accepted, the Company will then accept tenders at the next lowest Tender Price and so on, until the tenders for Ordinary Shares having an aggregate tender price of up to, but not exceeding, the Aggregate Maximum have been accepted.
- (f) Acceptance of tenders of Ordinary Shares at the same price (within the Price Range) by Eligible Shareholders may be scaled back pro rata to ensure that the aggregate consideration paid to Shareholders does not exceed the Aggregate Maximum.
- (g) Valid tenders of Ordinary Shares not tendered at a specific Tender Price will be deemed to be tendered at the Lowest Tender Price.

- (h) The Tender Offer is only available to Shareholders (other than certain Overseas Shareholders) on the Register on the Record Date, and only in respect of the number of Ordinary Shares registered in their names on that date.
- (i) Subject to the further terms of the Tender Offer set out in this Part II, the lowest price at which tenders can be accepted is the Minimum Price and the highest price at which tenders can be accepted is the Maximum Price. Only tenders made at quarter pence increments in the Price Range can be accepted.
- (j) The Lowest Tender Price will be the lowest price per Ordinary Share validly tendered by an Eligible Shareholder pursuant to the Tender Offer.
- (k) If the aggregate value of Ordinary Shares tendered at the Lowest Tender Price exceeds the Aggregate Maximum, then all tenders at the Lowest Tender Price will be accepted but may be scaled back pro rata to ensure that the aggregate consideration paid to Shareholders does not exceed the Aggregate Maximum.
- (l) If any fractions arise from scaling back, the number of Ordinary Shares accepted will be rounded down to the nearest whole number.
- (m) To the extent that the total aggregate consideration payable to an Eligible Shareholder under the Tender Offer would require that Eligible Shareholder to be paid a fraction of a penny, the amount of that consideration shall be rounded down to the nearest whole penny to the extent that such fraction is equal to one quarter of a penny or rounded up to the nearest whole penny to the extent that such fraction is equal to one half or three quarters of a penny.
- (n) Tender Forms which have been, or are deemed to be, validly and properly completed and received by the Receiving Agent, by 1.00 p.m. on 24 June 2009 will become irrevocable at such time as they are received.

The Tender Offer will close at 1.00 p.m. on 24 June 2009 and no Tender Forms or TTE instructions received after that time will be accepted in whole or in part, except to the extent that the Board resolves to extend the period for tendering under the Tender Offer, in which case a new date for the Tender Offer will be given. **The Board reserves the right, subject to applicable legal and regulatory requirements, to extend the period for tendering under the Tender Offer at any time prior to 1.00 p.m. on 24 June 2009.** Any material change to the expected timetable will be notified to Shareholders by way of an announcement through a Regulatory Information Service. Any such extension will comply with all applicable legal and regulatory requirements including, but not limited to, the duration of such extension.

All or any part of a holding of Ordinary Shares may be tendered. Subject to the satisfaction of the Conditions referred to in paragraph 1(a) above, Ordinary Shares successfully tendered will be purchased by the Company fully paid and free from all liens, charges, equitable interests and encumbrances and with all rights attaching to the same and will be cancelled and will not rank for any future dividends or other distributions.

- (o) The aggregate number of Ordinary Shares purchased pursuant to the Tender Offer shall not in any event exceed 25.9 million shares (assuming full take-up of the Tender Offer at the Minimum Price).
- (p)
  - (i) All tenders in respect of Ordinary Shares held in certificated form must be made on the accompanying Tender Form duly completed in accordance with the instructions set out below and in the Tender Form. Such tenders will only be valid if the procedures contained in this Circular and in the Tender Form are complied with in full.
  - (ii) All tenders in respect of Ordinary Shares held in uncertificated form (that is, in CREST) must be made by the input and settlement of a TTE instruction in CREST in accordance with the instructions set out in this Part II and the relevant procedures in the CREST manual together with an accompanying Tender Form. Such tenders will only be valid when the procedures contained in this Circular and in the relevant parts of the CREST manual are complied with in full.
  - (iii) The Tender Offer and all tenders relating thereto will be governed by and construed in accordance with English law. Delivery of a Tender Form and/or the input of a TTE instruction in CREST, as applicable, will constitute submission to the exclusive jurisdiction

of the English courts.

- (q) It is expected that the results of the Tender Offer and, if applicable, the extent to which tenders will be scaled back, will be announced on 26 June 2009.
- (r) All documents and remittances sent by or to Shareholders will be sent at the risk of the Shareholder concerned. If the Tender Offer does not become unconditional and lapses or if in accordance with the terms of the Tender Offer a tender cannot be accepted, share certificates and other documents of title will be returned by post to the person whose name and address (outside the Restricted Territories) is set out in Box 1 of the Tender Form or, if relevant, to the person whose name and address (outside the Restricted Territories) is set out in Box 3 of the Tender Form, in each case by no later than ten Isle of Man business days after the date of such lapse or non-acceptance, or, in the case of Ordinary Shares held in uncertificated form (that is, in CREST), the Escrow Agent will provide instructions to Euroclear to transfer all such Ordinary Shares held in escrow balances by TFE instruction to the original available balances to which those Ordinary Shares relate.
- (s) If part only of a holding of Ordinary Shares is successfully tendered pursuant to the Tender Offer, the relevant Eligible Shareholder will be entitled to receive the following:
  - (i) if Ordinary Shares are held in certificated form - a balance certificate in respect of the unsold Ordinary Shares; or
  - (ii) if Ordinary Shares are held in uncertificated form (that is, in CREST) - the transfer of the unsold Ordinary Shares by the Escrow Agent by TFE instruction to the original registered holder(s) of those unsold Ordinary Shares.
- (t) Further copies of the Tender Form may be obtained on request from Computershare by calling between 9.00 a.m. and 5.00 p.m. Monday to Friday on +44 01534 825230 or at the address of the Computershare set out on page 4 of this Circular.
- (u) The decision of the Board as to the results of the Tender Offer (including, without limitation, the basis on which excess tenders are satisfied) shall be final and binding on all Shareholders.
- (v) Holdings in certificated and uncertificated form under the same name with different designations will be treated as separate shareholdings for the purposes of the application of terms of the Tender Offer and a separate Tender Form will need to be submitted in order to tender each such separate holding.
- (w) Subject to the satisfaction of the Conditions referred to in paragraph 1(a) above, all successfully tendered Ordinary Shares will be purchased by way of an on-market transaction from Eligible Shareholders by the Company.
- (x) All questions as to the number of Ordinary Shares tendered, and the validity, form, eligibility (including the time of receipt) and acceptance for payment of any tender of Ordinary Shares will be determined by the Company, in its sole and absolute discretion, which determination shall be final and binding on all of the parties (except as otherwise required under applicable law).

The Company reserves the absolute right to reject any or all tenders it determines not to be in proper form or the acceptance of payment for which may, in the opinion of the Company, be unlawful. The Company also reserves the absolute right (subject to paragraph 1(a) above) to waive any of the terms or conditions of the Tender Offer and any defect or irregularity in the tender of any particular Ordinary Shares or any particular holder thereof. No tender of Ordinary Shares will be deemed to be validly made until all defects or irregularities (if any) have been cured or waived. In the event of a waiver, the consideration under the Tender Offer will not be despatched until after the Tender Form is complete in all respects and the share certificates and/or other document(s) of title satisfactory to the Company have been received or until after the relevant TFE instruction has settled (as the case may be).

None of the Company, the Receiving Agent, or any other person is or will be obliged to give notice of any defects or irregularities in tenders and none of them will incur any liability for failure to give any such notice.

- (y) Ordinary Shares will be purchased by the Company under the Tender Offer free of commissions and dealing charges.
- (z) The failure of any person to receive a copy of this Circular or, for a person who holds his Ordinary Shares in certificated form, the Tender Form shall not invalidate any aspect of the Tender Offer. None of the Company, the Receiving Agent or any other person will incur any liability in respect of any person failing to receive this Circular and/or, for a person who holds its Ordinary Shares in

certificated form, the Tender Form.

- (aa) The Board reserves the right to change the aggregate value of the Tender Offer, based on market conditions and/or other factors, subject to compliance with applicable law and regulatory requirements. Any such revision will require, amongst other things, that new Tender Forms are despatched to Shareholders and may, in certain circumstances, require that the period of the Tender Offer be extended.
- (bb) If at any time prior to 10.00 a.m. on 24 June 2009:
  - (i) the Directors of the Company conclude that the Tender Offer would no longer be in the interests of the Company and/or Shareholders; or
  - (ii) there shall occur any material adverse change in the national or international, financial, economic, political or market conditions; or
  - (iii) there shall occur any material adverse change in the financial position or prospects and/or circumstances of the Company (including, without limitation, in relation to the distributable profits of the Company),

which, in respect of (ii) and (iii) above, in the reasonable opinion of the Directors of the Company, renders the Tender Offer temporarily or permanently impractical or inadvisable (taking into account the background to and reasons for the Tender Offer), the Company shall terminate the Tender Offer and shall, as soon as practicable thereafter, announce the same through a Regulatory Information Service and notify Shareholders in writing.

- (cc) No acknowledgement of receipt of any Tender Form, share certificate(s), other document(s) of title and/or TTE messages (as appropriate) will be given.
- (dd) The provisions of the Contracts (Rights of Third Parties) Act 1999 shall not apply to the agreements arising from the acceptance of the Tender Offer or any collateral agreements relating to the Tender Offer.

## 2. OVERSEAS SHAREHOLDERS

- (a) The making of the Tender Offer in, or to persons resident in, jurisdictions outside the United Kingdom or custodians, nominees or trustees for persons who are citizens, residents or nationals of jurisdictions outside the United Kingdom may be prohibited or affected by the laws of the relevant overseas jurisdiction. Shareholders who are Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any such Shareholder wishing to tender Ordinary Shares to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. If you are in any doubt about your position, you should consult your professional adviser in the relevant jurisdiction. Any such Shareholder will be responsible for any such issue, transfer or other taxes by whomsoever payable and the Company and any person acting on their behalf shall be fully indemnified and held harmless by such Shareholder for any such issue, transfer or other taxes such person may be required to pay. **No steps have been taken to register or qualify the Tender Offer or to authorise the extending of this Tender Offer or the distribution of the Circular, the Tender Form and any related documents in any territory outside the United Kingdom.**
- (b) In particular, the Tender Offer is not being made, directly or indirectly, in or into, or by the use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or any facility of a national securities exchange of the United States or in or into Canada, Australia, South Africa or Japan, and Ordinary Shares cannot be tendered by any such use, means, instrumentality or facility or from within the United States. This includes, but is not limited to, post, facsimile transmission, telex, electronic mail and telephone.

Accordingly, copies of this Circular, the Tender Form and any related documents are not being and must not be mailed or otherwise distributed or sent in, into or from any of the Restricted Territories, including to Shareholders with registered addresses in any of the Restricted Territories or to persons who are custodians, nominees or trustees holding shares for person in any of the Restricted Territories. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute, send or mail them in, into or from, any of the Restricted Territories or use such

mails or any such means, instrumentality or facility, in connection with the Tender Offer, and so doing may render invalid any purported tender under the Tender Offer. Persons wishing to tender under the Tender Offer should not use such mails or any such means, instrumentality or facility for any purpose, directly or indirectly, relating to any tender under the Tender Offer. Envelopes containing Tender Forms should not be postmarked in any of the Restricted Territories or otherwise despatched from any of the Restricted Territories and all tendering Shareholders must provide addresses outside the Restricted Territories for the remittance of cash or return of any documents.

- (c) A Shareholder will be deemed not to have tendered Ordinary Shares pursuant to the Tender Offer if (i) such Shareholder is unable to make the representations and warranties set out in paragraph 4 (headed "Effect of Tender") in this Part II; (ii) such Shareholder completes Box 1 of a Tender Form with an address in any of the Restricted Territories or has a registered address in any of the Restricted Territories and in either case such Shareholder does not insert in Box 3 of a Tender Form the name and address of the person or agent outside of any of the Restricted Territories to whom he wishes the consideration to which he is entitled under the Tender Offer to be sent, subject to the provisions of this paragraph and applicable law; or (iii) such Shareholder inserts in Box 3 of a Tender Form the name and address of the person or agent in any of the Restricted Territories to whom he wishes the consideration to which such Shareholder is entitled under the Tender Offer to be sent; or (iv) the Tender Form received from him is in an envelope postmarked in, or which otherwise appears to the Company or its agents to have been sent from any of the Restricted Territories. The Company reserves the right, in its absolute discretion, to investigate in relation to any acceptance, whether the representations and warranties referred to in sub-paragraphs (h) and (i) of paragraph 4 (headed "Effect of Tender") in this Part II given by any Shareholder are correct and, if such investigation is undertaken and as a result the Company determines (for any reason) that such representation and warranty is not correct, such acceptance shall not be valid.

If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this Circular, the Tender Form or any related documents in, into or from any of the Restricted Territories, such person should:

- (i) inform the recipient of such fact;
  - (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
  - (ii) draw the attention of the recipient to paragraph 2 headed "Overseas Shareholders" in this Part II.
- (d) The provisions in this paragraph 2 headed "Overseas Shareholders" and/or any other terms of the Tender Offer relating to Overseas Shareholders may be waived, varied or modified as regards a specific Shareholder or on a general basis by the Company in its absolute discretion but only if the Company is satisfied that such waiver, variation or modification will not constitute or give rise to breach of applicable securities or other laws. References to a "Shareholder" shall include references to the persons executing Tender Forms and, in the event of more than one person executing Tender Forms, the provisions in this paragraph 2 above shall apply to them jointly and severally.

**Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.**

### **3. PROCEDURE FOR TENDERING**

- (a) *Different procedures for Ordinary Shares in certificated and uncertificated form*

If you hold Ordinary Shares in certificated form, you may only tender such Ordinary Shares by completing and returning the Tender Form in accordance with the instructions set out in paragraph 3(b) below and the instructions printed thereon.

If you hold Ordinary Shares in certificated form but under different designations, you should complete a separate Tender Form, as appropriate, in respect of each designation. Additional Tender Forms are available from Computershare by telephone on +44 (0) 1534 825 230 if calling from outside the United Kingdom.

If you hold Ordinary Shares in uncertificated form (that is, in CREST) you may tender such Ordinary

Shares by submitting a valid Tender Form together with a TTE instruction in accordance with the procedure set out in-paragraph 3(c) below and, if those Ordinary Shares are held under different member account IDs, you should send a separate TTE instruction and Tender form for each member account ID.

(b) *Ordinary Shares held in certificated form (that is, not in CREST)*

To tender your Ordinary Shares held in certificated form you must complete, sign and have witnessed the Tender Form. The completed, signed and witnessed Tender Form should be sent either by post to Computershare, Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC at The Pavilions Bridgewater Road, Bristol BS12 8AE, **as soon as possible and, in any event, so as to be received not later than 1.00 p.m. on 24 June 2009.** No tenders received after that time will be accepted. No acknowledgement of receipt of documents will be given. Any Tender Form received in an envelope postmarked in the United States, Canada, Australia, South Africa or Japan or otherwise appearing to the Company or its agents to have been sent from any of those jurisdictions may be rejected as an invalid tender. For further information on Overseas Shareholders, see paragraph 2 (headed "Overseas Shareholders") in this Part II.

The completed and signed Tender Form should be accompanied, where possible, by the relevant share certificate(s) and/or other document(s) of title.

If your share certificate(s) and/or other document(s) of title is/are not readily available (for example, if they are with your stockbroker, bank or other agent) or are lost, the Tender Form should nevertheless be completed, signed and returned as described above so as to be received by the Receiving Agent, Computershare, Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH not later than 1.00 p.m. on 24 June 2009, together with any share certificate(s) and/or documents(s) of title that you may have available with a note of explanation stating that the remaining documents will follow as soon as possible or that you have lost one or more of your share certificate(s) and/or other document(s) of title. The relevant share certificate(s) and document(s) of title should be forwarded as soon as possible thereafter and, in any event, so as to arrive by not later than 1.00 p.m. on 24 June 2009.

In respect of those Ordinary Shares for which your share certificate(s) is/are lost, you should complete a letter of indemnity, which can be obtained by writing to the Receiving Agent, Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH. This indemnity should be returned as described above so as to be received by the Receiving Agent, Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH, not later than 1.00 p.m. on 24 June 2009.

Where you have returned a letter of indemnity in respect of unavailable share certificate(s) and you subsequently find or obtain the relevant share certificate(s), you should immediately send the share certificate(s) by hand during normal business hours only or by post to the Computershare, as described in above.

If a Shareholder does not return his share certificate(s) by 1.00 p.m. on 24 June 2009, the Company may deem (in its absolute discretion) that such Shareholder has only tendered the number of Ordinary Shares in respect of which share certificates have been received.

If the Tender Offer does not become unconditional and lapses, Tender Forms, share certificates and other documents of title will be returned to Eligible Shareholders by post not later than 10 business days after the date of such lapse.

(c) *Ordinary Shares held in uncertificated form (that is, in CREST)*

If the Ordinary Shares which you wish to tender are held in uncertificated form, then to tender such shares you should submit a valid Tender Form and you should take (or procure the taking of) the action set out below to transfer (by means of a TTE instruction) the number of Ordinary Shares which you wish to tender under the Tender Offer to the appropriate escrow account, specifying Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH (in its capacity as a CREST participant under the relevant participant ID(s) and member account ID(s) referred to below) as the Escrow Agent, as soon as possible and in any event so that the TTE instruction settles by no later than 1.00 p.m. on 24 June 2009. Please note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) and you should therefore ensure you time the input of any TTE instructions accordingly.

An electronic Tender made in accordance with this sub-paragraph (c) (which has not been validly withdrawn) shall constitute an offer to sell the number of Ordinary Shares at the Tender Price on the terms of the Tender Offer, by transferring such shares to the relevant escrow account as detailed in - paragraph 3(c)(i) below.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your Ordinary Shares are held. In addition, only your CREST sponsor will be able to send the TTE instruction to Euroclear, in relation to the Ordinary Shares which you wish to tender.

After settlement of a TTE instruction, you will not be able to access in CREST for any transaction or charging purposes the Ordinary Shares the subject of such TTE instruction, notwithstanding that they will be held by Computershare as the Escrow Agent until completion or lapsing of the Tender Offer. If the Tender Offer becomes unconditional and the relevant tender is accepted, the Escrow Agent will transfer the Ordinary Shares to itself for cancellation, returning any Ordinary Shares not successful in the Tender Offer to you.

You are recommended to refer to the CREST manual published by Euroclear for further information on the CREST procedures outlined below. This can be downloaded off the Internet on the Euroclear website at [www.euroclear.com](http://www.euroclear.com).

**You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE instruction relating to your Ordinary Shares to settle prior to 1.00 p.m. on 24 June 2009. In this connection you are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.**

(d) *Electronic Tenders*

To tender Ordinary Shares in uncertificated form you should send (or if you are a CREST sponsored member, procure your sponsor sends) to Euroclear a TTE instruction in relation to such Ordinary Shares. A TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain the following additional details:

- (i) the number of Ordinary Shares in respect of which you wish to tender and which are to be transferred to an escrow account;
- (ii) your member account ID;
- (iii) your participant ID;
- (iv) the participant ID of the Escrow Agent, Computershare, in its capacity as a CREST receiving agent. This is 3RA37;
- (v) the member account ID of the Escrow Agent, Computershare. For the purposes of the Tender this is DRAGTEND.
- (vi) the corporate action ISIN, which is IR00B1XH2390;
- (vii) the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 p.m. on 26 June 2009;
- (viii) input with standard delivery instruction of priority 80;
- (ix) the corporate action number for the Tender Offer. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
- (x) the contact name and telephone number inserted in the shared note field.

An appropriate announcement through a regulatory information service will be made if any of the details contained in this paragraph 3(c)(i) are altered.

(e) *Deposits of Ordinary Shares into, and withdrawals of Ordinary Shares from, CREST*

Normal CREST procedures (including timings) apply in relation to any Ordinary Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated



form, during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Ordinary Shares or otherwise). Shareholders who are proposing to convert any such Ordinary Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Ordinary Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Tender Offer (in particular, as regards delivery of share certificates and/or other documents of title or transfers to an escrow balance as described above) prior to 1.00 p.m. on 24 June 2009.

If you are in any doubt as to how to complete the Tender Form or as to the procedure for making an Electronic Tender, please telephone Computershare between 9.00 a.m. and 5.00 p.m. Monday to Friday on +44 (0) 1534 825230. For legal reasons, Computershare will not be able to give advice on the merits of the Tender Offer or to provide legal, financial or taxation advice, and accordingly, for such advice you should consult your stockbroker, solicitor, accountant, bank manager or other independent professional adviser.

You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

Shareholders should note that once tendered, Ordinary Shares may not be sold, transferred, charged or otherwise disposed of.

#### **4. EFFECT OF TENDER**

Each Shareholder by whom, or on whose behalf, a Tender Form is executed irrevocably undertakes, represents, warrants and agrees to and with the Company and the Receiving Agent (so as to bind him, his personal or legal representatives, heirs, successors and assigns) that:

- (a) in respect of an Eligible Shareholder:
  - (i) by whom, or on whose behalf, a Tender Form is executed, the execution of the Tender Form and submission of valid share certificate(s) or document(s) that shall constitute an offer to sell to the Company at the Tender Price, the number of Ordinary Shares inserted in Box 2 of the Tender Form or deemed to be inserted (or such lesser number of Ordinary Shares as is accepted for purchase pursuant to the Tender Offer), in each case on and subject to the terms and conditions set out and referred to in this Circular and, for Shareholders who hold their Ordinary Shares in certificated form, the relevant Tender Form and that, once lodged, such offer shall be irrevocable;
  - (ii) by whom, or on whose behalf a Tender Form is executed and an Electronic Tender is made, the input of the TTE instruction and submission of the Tender Form shall constitute an offer to sell to the Company at the Tender Price, the number of Ordinary Shares specified on the Tender Form or deemed to be tendered (or such lesser number of Ordinary Shares as is accepted for purchase pursuant to the Tender Offer), in each case on and subject to the terms and conditions set out and referred to in this Circular and that once the Tender Form has been received and the TTE instruction has settled, such tender shall be irrevocable;
- (b) such Shareholder has full power and authority to tender, sell, assign or transfer the Ordinary Shares in respect of which such offer is accepted (together with all rights attaching thereto) and when the same are purchased, the Company will acquire such Ordinary Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature together with all rights attaching thereto on the Closing Date, including the right to vote the Ordinary Shares and to receive all dividends and other distributions declared, paid or made on or after the Closing Date;
- (c) the execution of the Tender Form and/or the input of the TTE instruction (as appropriate) will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of the Company, or other person(s) nominated by the Company, as such Shareholder's attorney and/or agent ("attorney") and an irrevocable instruction and authorisation for the attorney to complete and execute all or any instruments of transfer and/or the Purchase Contract and/or other documents at the attorney's discretion in relation to the Ordinary Shares being tendered by that Shareholder in favour of the Company and to deliver such instrument(s) of transfer and/or the Purchase Contract and/or other documents at the discretion of the attorney, together with the share certificate(s) and/or any other document(s) relating to such Ordinary Shares, for registration within 6 months of the Tender Offer becoming unconditional and to do all such other acts and things as may,

in the opinion of such attorney, be necessary or expedient for the purpose of, or in connection with the Tender Offer and to vest in the Company or its nominee(s) such Ordinary Shares;

- (d) such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by such attorney and/or by the Company or any of its directors in the proper exercise of its or his or her powers and/or authorities hereunder;
- (e) such Shareholder holding Ordinary Shares in certificated form will deliver to the Receiving Agent their share certificate(s) and/or other document(s) or title in respect of the Ordinary Shares being tendered by that Shareholder or an indemnity acceptable to the Company in lieu thereof or will procure that the delivery of such document(s) to such person as soon as possible thereafter and, in any event, before 24 June 2009;
- (f) the provisions of the Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer;
- (g) such Shareholder shall do all such things and acts as shall be necessary or expedient and execute any additional documents deemed by the Company to be desirable to complete the Company's purchase of the Ordinary Shares and/or to perfect any of the authorities expressly given hereunder;
- (h) such Shareholder, if an Overseas Shareholder, has fully observed and complied with any applicable legal requirements so that the invitation under the Tender Offer may be lawfully made to him under the laws of the relevant jurisdiction;
- (i) such Shareholder is not a resident of the United States, Canada, Australia, South Africa or Japan, does not hold any Ordinary Shares which he has tendered on behalf of a resident of the United States, Canada, Australia, South Africa or Japan and has not received or sent copies or originals of this Circular, the Tender Form or any related document in, into or from the United States, Canada, Australia, South Africa or Japan and has not otherwise utilised in connection with the Tender Offer directly or indirectly, the mails of or any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and internet) of interstate or foreign commerce of, or any facility of a national securities exchange of, the United States, Canada, Australia, South Africa or Japan, the Tender Form has not been mailed or otherwise been sent in, into or from the United States, Canada, Australia, South Africa or Japan and such Shareholder is tendering Ordinary Shares pursuant to the Tender Offer from outside the United States, Canada, Australia, South Africa or Japan and such Shareholder is not an agent or fiduciary acting on a non-discretionary basis for the principal who has given any instructions with respect to the Tender Offer from within the United States, Canada, Australia, South Africa or Japan;
- (j) the creation of an assured payment obligation in favour of a Shareholder's payment bank in accordance with the CREST assured payment arrangements as referred to in paragraph 5 (headed "Purchase of Ordinary Shares and Settlement") in this Part II will, to the extent of the obligations so created, discharge fully any obligation of the Company to pay to such Shareholder the cash consideration to which he is entitled pursuant to the Tender Offer;
- (k) on execution each Tender Form takes effect as a deed;
- (l) in respect of Ordinary Shares held in uncertificated form, by submitting the Tender Form and the input of a TTE instruction constitutes the irrevocable appointment of the Receiving Agent as the Shareholder's attorney and/or agent (with power to delegate to any director of the Receiving Agent) and an irrevocable instruction and authority to the attorney and/or agent (i) subject to the Tender Offer becoming unconditional, to transfer to itself by means of CREST any of the Relevant Shares in respect of which the Tender Offer has been accepted (but not exceeding the number of Ordinary Shares which have been tendered pursuant to the Tender Offer); and (ii) if the Tender Offer does not become unconditional and lapses or has been terminated, or there are Ordinary Shares which have not been accepted under the Tender Offer, to give instructions to Euroclear, as promptly as practicable after the lapsing of the Tender Offer, to transfer all Relevant Shares to the original available balances from which those Ordinary Shares came. "Relevant Shares" means Ordinary Shares in uncertificated form and in respect of which a TTE instruction pursuant to the procedure described in this Part II and where the transfer(s) to escrow was or were in respect of Ordinary Shares held under the same member account ID and participant ID as the member account ID and participant ID relating to the Tender Form concerned (but irrespective of whether or not any Tender Form Reference Number, or a Tender Form Reference Number corresponding to that appearing on the Tender Form concerned, was included in the TTE instruction concerned);

- (m) that, subject to the Tender Offer becoming unconditional, the execution of a Tender Form or the inputting of a TTE instruction (as appropriate), constitutes an irrevocable authorisation and request:
  - (i) if the Ordinary Shares concerned are in certificated form, to the Company to procure the despatch by post of a cheque drawn in pounds sterling at a branch of a UK clearing bank for the cash consideration to which a tendering Shareholder is entitled, at the risk of such Shareholder, to the registered holder(s); and
  - (ii) if the Ordinary Shares are in uncertificated form, to the Company to procure the creation of an assured payment obligation in favour of the payment bank of the tendering Shareholder in accordance with the CREST assured payment arrangements in respect of the cash consideration to which such Shareholder is entitled;
- (n) that the execution of a Tender Form and/or the input of the TTE instruction (as appropriate) constitutes such Shareholder's submission to the jurisdiction of the courts of England in relation to all matters arising out of or in connection with the Tender Offer or the Tender Form; and
- (o) the execution of the Tender Form constitutes a warranty by such Shareholder that the information given by or on behalf of the Shareholder in the Tender Form will be true in all respects at the time the Company purchases the Ordinary Shares referred to in paragraph 4(a) above as if it had been given afresh at such time and shall not be extinguished by such purchase.

A reference in this section headed "Effect of Tender" to a Shareholder includes a reference to the person or persons executing the Tender Form or inputting the TTE instruction and, in the event of more than one person executing a Tender Form or inputting the TTE instruction, the provisions of this paragraph will apply to them jointly and severally.

## 5. PURCHASE OF ORDINARY SHARES AND SETTLEMENT

Unless the Tender Offer is terminated or is void, the outcome of the Tender Offer and (if applicable) the extent to which tenders will be scaled down will be announced by no later than 8 a.m. on the Isle of Man business day following the Closing Date.

To the extent that the total aggregate consideration payable to an Eligible Shareholder under the Tender Offer would require that Eligible Shareholder to be paid a fraction of a penny, the amount of that consideration shall be rounded down to the nearest whole penny to the extent that such fraction is equal to one quarter of a penny or rounded up to the nearest whole penny to the extent that such fraction is equal to one half or three quarters of a penny.

The payment of any consideration for Ordinary Shares pursuant to the Tender Offer will be made only after the relevant TTE instruction has settled (in the case of CREST transfers) or (as may be the case) timely receipt by the Receiving Agent of share certificate(s) and/or other documents of title, a properly completed and duly executed Tender Form and any other documents required by the Tender Form.

Delivery of cash for the Ordinary Shares to be purchased by the Company pursuant to the Tender Offer will be made by the Receiving Agent. The Receiving Agent will act as agent for tendering Shareholders for the purpose of receiving the cash and transmitting such cash to tendering Shareholders. Under no circumstances will interest be paid on the cash to be paid by the Company notwithstanding any delay in making such payment.

If any tendered Ordinary Shares are not purchased by the Company pursuant to the terms of the Tender Offer, in the case of Ordinary Shares held in certificated form relevant share certificates evidencing any such Ordinary Shares and/or other documents of title will be returned or sent as promptly as practicable without expense to, but at the risk of, the Shareholders tendering their Ordinary Shares or in the case of Ordinary Shares held in uncertificated form (that is, in CREST), the Escrow Agent will provide instructions to Euroclear to transfer all such Ordinary Shares held in escrow balances by TTE instruction to the original available balances from which those Ordinary Shares came.

Settlement of the consideration to which any Eligible Shareholder is entitled pursuant to valid tenders accepted by the Company will be made as follows:

- (a) **Ordinary Shares in uncertificated form (that is, in CREST)**

Where an accepted tender relates to Ordinary Shares held by Shareholders in uncertificated form, the consideration will be paid in Pounds Sterling through CREST by the Receiving Agent (on behalf of

the Company) procuring the creation of an assured payment obligation on 24 June 2009 in favour of the payment banks of tendering Shareholders in accordance with the CREST assured payment arrangements.

The Company reserves the right to settle all or any part of the consideration referred to in this paragraph 5(a), for all or any tendering Shareholder(s), in the manner referred to in paragraph 5(b) below if, for any reason, it wishes to do so.

(b) **Ordinary Shares in certificated form**

Where an accepted tender relates to Ordinary Shares held by Shareholders in certificated form, cheques for the consideration will be despatched on 26 June 2009 by the Receiving Agent (on behalf of the Company) by first class post, at the risk of registered holder(s). All payments will be made in pounds sterling by cheque, drawn on a branch of a UK clearing bank at the risk of the person(s) entitled thereto.

**6. ADDITIONAL PROVISIONS**

All powers of attorney and authorities conferred by or referred to in this Circular or the Tender Form are given by way of security for the performance of the obligations of the Shareholders concerned and irrevocable in accordance with section 4 of the Powers of Attorney Act 1971.

**7. FURTHER INFORMATION**

Your attention is drawn to the additional information set out in Parts III and IV of this Circular.

## PART III – UK TAX CONSIDERATIONS

The following summary of the tax treatment in the United Kingdom is intended as a general guide only. It is based on certain aspects of current UK law and HM Revenue & Customs published practice as at the date of this Circular and does not constitute tax advice. The summary relates only to Shareholders who are resident in the United Kingdom for tax purposes (save as expressly provided otherwise), who beneficially own their Ordinary Shares and who hold their Ordinary Shares as investments. It may not be applicable to certain Shareholders, including insurance companies, dealers in securities and Shareholders who are not beneficial owners of the relevant Ordinary Shares, such as trustees.

Any Shareholder who is in any doubt as to his or her tax position or who is subject to tax in a jurisdiction other than the United Kingdom is strongly recommended to consult an appropriate professional adviser.

### *General*

In general, proceeds received by UK tax resident shareholders on the purchase by a company of its own shares will include a distribution element and a capital element.

- The capital element represents the amount that the company originally received by way of share subscription proceeds when it issued the shares which it is purchasing.
- The distribution element is the amount (if any) by which the sale proceeds received by the shareholder on the sale of its shares to the company exceeds the capital element.

However as the Maximum Price is less than the average amount paid up on the Ordinary Shares no part of the proceeds received by a UK tax resident Shareholder should fall to be treated as a distribution for tax purposes. The remainder of the tax guidance in this Part III has been drafted on this basis.

### *Capital Gains*

#### *Individual Shareholders*

The sale of Ordinary Shares to the Company under the Tender Offer will constitute a disposal for capital gains tax purposes at a price per Ordinary Share equal to the applicable Tender Price. Whether a loss or a gain arises for a particular Shareholder will depend on the price at which that Shareholder originally acquired the Ordinary Shares.

#### *Corporate Shareholders*

The sale of Ordinary Shares to the Company under the Tender Offer will constitute a disposal for corporation tax purposes at a price per Ordinary Share equal to the applicable Tender Price. Whether a loss or a gain arises for a particular Shareholder will depend on the price at which that Shareholder originally acquired the Ordinary Shares being sold.

### **Stamp Duty**

There should be no stamp duty payable on the purchase by the Company of Ordinary Shares under the Tender Offer. In the event that any such duty is or becomes payable the cost will be borne by the Company.

## PART IV – ADDITIONAL INFORMATION

### 1. Registered Office

The Company's registered office is Standard Bank House, One Circular Road, Douglas, Isle of Man IM1 1SB.

### 2. Directors

The names of the Directors of the Company and their respective positions are as follows:

<i>Name</i>	<i>Position(s)</i>
Aloysius Wilhelmus Johannes van der Heijden	Non executive Chairman
Tomas Fiala	Non executive Director
Fredrik Svinhufvud	Non executive Director
Boris Erenburg	Non-executive Director
Rafaël Biosse Duplan	Non-executive Director

### 3. Directors and other interests

- 3.1 As at 2 June 2009 (being the latest practicable date prior to the publication of this Circular), the interests of the Directors and their immediate families and the interests of persons connected with such Directors in the share capital of the Company (all of which are beneficial unless otherwise stated) and the existence of which is known or could with reasonable diligence be ascertained by that Director were, and immediately following the Tender Offer (assuming the maximum number of Ordinary Shares are tendered pursuant to the Tender Offer, none of the Directors tender any of their Ordinary Shares and that none of the existing options over Ordinary Shares are exercised) will be as follows:

<i>Director</i>	<i>Number of Ordinary shares</i>	<i>Percentage of Share Capital</i>	
		<i>Before Tender Offer</i>	<i>After Tender Offer</i>
Aloysius van der Heijden	200,000	0.15%	0.19%
Tomas Fiala +	6,831,500	5.24%	6.54%
Boris Erenburg*	14,874,400	11.41%	14.25%
Rafaël Biosse Duplan#	14,270,199	10.94%	13.67%

+ = Tomas Fiala is the principal shareholder and managing director of Dragon Capital Group which acquired 6,831,500 Ordinary Shares during the first and second share issues. Also Tomas Fiala is a shareholder in Dragon Capital Partners, which has received as settlement of 70% of the performance fee in the form of 1,698,416 newly issued Ordinary Shares.

\* = Boris Erenburg is an executive of Spinnaker Capital Group which acquired 14,874,400 Ordinary Shares (10.5%) of the Group during the first and second share issues.

# = Rafaël Biosse Duplan is a partner at fund management company Finisterre Capital LLP which acquired a total of 14,270,199 Ordinary Shares.

The following options and warrants over Ordinary shares are held by the Directors:

	<b>Note</b>	<b>As at 2 June 2009 (number)</b>	<b>Exercise Price (US\$)</b>	<b>Earliest date for Exercise</b>	<b>Latest date for Exercise</b>
Aloysius van der Heijden	A	10,000	2.00	16/05/08	
		15,000	2.00	16/05/09	
		20,000	2.00	16/05/10	
		25,000	2.00	16/05/11	
		30,000	2.00	16/05/12	
Tomas Fiala	B	5,200,000	2.00	01/06/07	16/05/12
		1,831,505	2.73	29/11/07	29/11/12

A = On 16 May 2007 the Company granted share options to subscribe for up to 100,000 ordinary shares to Mr. van der Heijden, Chairman of the Company.

B = Tomas Fiala is a shareholder in Dragon Capital Partners, which, on 16 May 2007, received warrants to subscribe for such number of ordinary shares as is equal to 5% of publicly issued shares from 1 June 2007 and terminating five years thereafter exercisable at the market price of the shares at the date of grant

- 3.2 Save as disclosed above, no Director nor, so far as is known to the relevant Director, any person connected within the meaning of with a Director has any interest in the share capital of the Company or any of its subsidiaries.
- 3.3 As at 2 June 2009 (being the latest practicable date prior to publication of this Circular) 7,131,505 options over Ordinary Shares were outstanding representing 5.47 per cent of the issued share capital of the Company as at that date. Assuming that the maximum number of Ordinary Shares are tendered pursuant to the Tender Offer and that none of the options over Ordinary Shares are exercised, the outstanding options over Ordinary Shares will represent 6.83 per cent of the issued share capital of the Company following completion of the Tender Offer.

#### 4. Significant shareholdings

- 4.1 As at 2 June 2009, (being the latest practicable date prior to the publication of this Circular) the Directors are aware of the following persons (other than Directors) who are or will be interested following the Tender Offer (assuming that the maximum number of Ordinary Shares are acquired pursuant to the Tender Offer and none of the Shareholders referred to below tender their Ordinary Shares), directly or indirectly, in three per cent. or more of the issued share capital of the Company:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>% of Issued Capital</i>
Goldman Sachs Securities (Nominees) Limited	17,912,440	13.69
Euroclear Nominees Limited	17,562,299	13.42
Vidacos Nominees Limited	14,884,400	11.37
Hsbc Global Custody Nominee (UK) Limited	14,770,769	11.29
Bny Mellon Nominees Limited	14,450,600	11.04
State Street Nominees Limited	13,492,366	10.31
Hanover Nominees Limited	7,000,000	5.35
Credit Suisse Client Nominees (UK) Limited	6,527,700	4.99
Hanover Nominees Limited	5,000,000	3.82

#### 5. Share Price

The Tender Offer is being made in respect of up to 130,380,716 Ordinary Shares in issue on the Record Date within the Price Range. The Minimum Price represents a discount of approximately 14.7% over the middle market closing price (as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange) of 46 pence per Ordinary Share on 2 June 2009, being the latest practicable date before the publication of this Circular. The Maximum Price represents a discount of approximately 6.5% over the middle market closing price (as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange) of 46 pence per Ordinary Share on 2 June 2009, being the latest practicable date before the publication of this Circular.