

RB (Company Secretary/Director)

Application has been made for the Ordinary Shares to be admitted to trading on the Alternative Investment Market of the London Stock Exchange ("AIM"). 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 his or her own independent financial adviser.

The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List.

Further, the London Stock Exchange has not itself examined or approved the contents of this document. The Ordinary Shares are not dealt in on any other recognised investment exchange and no other such applications have been made.

This document ("Admission Document") is an admission document required by the rules of the Alternative Investment Market of the London Stock Exchange plc and constitutes a prospectus pursuant to the Public Offers of Securities Regulations 1995 (as amended).

If you are in any doubt about the contents of this document you should consult a person authorised for the purposes of the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of, or subscription for, shares and other securities. A copy of this document has been delivered to the Registrar of Companies in England and Wales for registration in accordance with paragraph 4(2) of the POS Regulations and will be available for collection free of charge from the offices of Macfarlanes, 10 Norwich Street, London EC4A 1BD for at least one month from the date of Admission in accordance with Rule 3 of the AIM Rules.

THE CONYGAR INVESTMENT COMPANY PLC

(registered in England and Wales with registered number 4907617)

**Placing of up to
9,999,999 Ordinary Shares of 5p each of the Company at 50p per share
and
Admission to trading on the Alternative Investment Market**

Nominated Adviser

DELOITTE & TOUCHE CORPORATE FINANCE

Broker and Placing Agent

BRIDGEWELL SECURITIES LIMITED



It is expected that Admission will take place and that trading in the Ordinary Shares will commence on 23 October 2003.

The Directors of the Company, whose names appear on page 4, accept responsibility for the information contained in this document, including individual and collective responsibility for 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 this document makes no omission likely to affect the import of such information.

The whole text of this document should be read. **The attention of investors is drawn in particular to the risk factors set out in Part III of this document.**

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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 to trading on AIM
“AIM”	the Alternative Investment Market of the London Stock Exchange
“AIM Rules”	the rules of AIM
“Board”	the board of Directors
“Bridgewell”	Bridgewell Securities Limited
“City Code”	the City Code on Takeovers and Mergers
“Conygar” or “Conygar Investments” or the “Company”	The Conygar Investment Company PLC
“Directors”	the directors of the Company, whose names appear on page 4
“Executive Directors”	Robert Ware, Peter Batchelor and Gavin Davidson
“GE Real Estate”	A division of General Electric Capital Corporation which provides capital and services to the commercial real estate industry
“London Stock Exchange”	London Stock Exchange plc
“MEPC”	MEPC Limited (formally MEPC plc)
“Non-executive Directors”	Michael Wigley and Nigel Hamway
“Official List”	the Official List of the United Kingdom Listing Authority
“Options”	options over Ordinary Shares pursuant to the Option Scheme
“Option Scheme”	The Conygar Investment Company Share Option Plan
“Ordinary Shares”	ordinary shares of 5p each in the Company
“Panel”	the Panel on Takeovers and Mergers
“Placing”	the placing by Bridgewell of up to 9,999,999 Ordinary Shares
“Placing Price”	50p per Ordinary Share
“POS Regulations”	Public Offers of Securities Regulations 1995, as amended
“Shareholders”	holders of Ordinary Shares
“USA”	the United States of America

DIRECTORS AND ADVISERS

Directors	Robert Thomas Ernest Ware (<i>Executive Chairman</i>) Peter Andrew Batchelor (<i>Finance Director</i>) Gavin Arthur Davidson (<i>Property Director</i>) Nigel Jonathon Hamway (<i>Non-executive Director</i>) Michael Derek Wigley (<i>Non-executive Director</i>) all of 7th Floor 39 St James's Street London SW1A 1JD
Secretary	Peter Andrew Batchelor
Registered Office	7th Floor 39 St James's Street London SW1A 1JD
Registrar	Share Registrars Limited Craven House West Street Farnham Surrey GU9 7EN
Nominated Adviser	Deloitte & Touche Corporate Finance Stonecutter Court 1 Stonecutter Street London EC4A 4TR
Broker and Placing Agent	Bridgewell Securities Limited Old Change House 128 Queen Victoria Street London EC4V 4BJ
Solicitors to the Company	Macfarlanes 10 Norwich Street London EC4A 1BD
Auditors and Reporting Accountants	Rees Pollock 7 Pilgrim Street London EC4V 6DR

PLACING STATISTICS

Placing Price per Ordinary Share	50p
Number of Ordinary Shares expected to be placed*	9,999,999
Expected number of Ordinary Shares in issue following the Placing*	11,000,000
Expected market capitalisation at the Placing Price*	£5,500,000
Approximate percentage of enlarged issued share capital subject to Placing*	90.91 per cent.
Approximate gross proceeds of the Placing*	£5,000,000
Approximate net proceeds of the Placing to be received by the Company*	£4,850,000

***Assuming the Placing is subscribed in full**

EXPECTED TIMETABLE

Admission and dealing in the Ordinary Shares to commence	23 October 2003
Settlement of Ordinary Shares through CREST	23 October 2003
Despatch of definitive Ordinary Share certificates	31 October 2003

The Placing will lapse if the minimum subscription of £2,500,000 is not achieved.

PART I
KEY INFORMATION

The following information should be read in conjunction with the full text of this document and in particular the section headed "Risk Factors" set out in Part III.

The Company

Conygar Investments was formed by Robert Ware, the former deputy chief executive of MEPC, as a vehicle to acquire property assets and interests with development and investment potential. Peter Batchelor, former company secretary and head of taxation and corporate finance at MEPC, will be the finance director of the Company. Gavin Davidson, a former director at MEPC, will be the property director of the Company.

The Company's strategy will be to invest in assets and companies where the Board believes it can add value through its expertise, and which the Board believes is likely to result in strong capital growth. Conygar will invest in assets and companies which meet the Board's fundamental investment criterion of offering significant up-side potential for capital growth over the medium and long-term.

The Company will have an active approach to the management of its investments and the Directors will play an important role in their medium and long-term development.

Reasons for Admission to AIM

The Directors believe that the credibility gained by the admission of the Company's share capital to trading on AIM will enhance the Company's potential to make investments, acquisitions and generally improve the Company's commercial opportunities.

Application has been made for the Ordinary Shares of the Company to be admitted to trading on AIM. It is anticipated that trading on AIM will commence on 23 October 2003.

Placing

Bridgewell has entered into a placing agreement with the Company pursuant to which it has agreed to use its reasonable endeavours to procure subscribers for up to 9,999,999 Ordinary Shares at the Placing Price. The proceeds arising from the Placing will be applied towards meeting the costs of Admission, funding the cost of future investments by Conygar and meeting the Company's working capital requirements.

Taxation

Your attention is drawn to paragraph 10 of Part V of this document.

Conygar Investments will not be a qualifying company for the purposes of Enterprise Investment Scheme relief and therefore investors will not enjoy the potential tax advantages of that scheme.

Further Information

Your attention is drawn to the information set out in Parts II to V of this document.

PART II

INFORMATION ON THE COMPANY

Introduction

Conygar Investments was incorporated on 22 September 2003. The Company was formed by Robert Ware, the former deputy chief executive of MEPC, as an investment vehicle to acquire property assets and property interests with development and investment potential. Save to the extent described in this document, the Company has not traded since incorporation. The Company will pursue opportunities which, in the Board's view, have potential for significant value creation for the Company and its shareholders. Peter Batchelor, formerly company secretary and head of taxation and corporate finance at MEPC, will be finance director of the Company. Gavin Davidson, a former director of MEPC, will be the property director of the Company.

Investment Strategy

The Directors have extensive experience of corporate mergers and acquisitions and the management of a wide range of both quoted and unquoted businesses and property assets mainly in the United Kingdom but also in Europe, USA and Australia. The Board's strategy is to acquire and invest in property assets and companies with property assets with the intention of adding value to them through its experience and expertise.

The potential for value enhancement is the key criterion the Board is likely to consider before making investments. Having the principal objective of value enhancement, investments will be considered in companies operating primarily in real estate, real estate supported businesses and businesses that have considerable property related interests. In addition, the Board may consider opportunities in other sectors, where it feels that there is scope to apply its management experience and expertise to exploit the value of property assets held by those businesses and create value for Shareholders. The Company will also look at acquiring other property interests where the Directors believe that they will be able to trade successfully such property assets. Where it deems it appropriate, the Board may seek to introduce new management to assume responsibility for the operations of investee companies.

Conygar will seek to identify synergies between the companies in which it has invested and to encourage corporate action designed to capitalise on such synergies so as to maximise the value enhancement of its portfolio of investments. The Company intends to use a combination of cash, debt and its shares to acquire or invest in publicly traded and private companies with property interests as well as specific property assets.

The Board's primary focus will be UK based opportunities. However, the Board may in the future consider overseas opportunities where it sees sufficient potential for value creation.

The Company has not yet made any investments but the Board is actively reviewing a number of potential opportunities in the real estate and marina sectors.

Appropriate due diligence in respect of possible acquisitions and investments will be undertaken by the Company itself and/or its advisers and/or outside experts employed for specific transactions. The Company will seek to structure its investments in a tax efficient manner where appropriate.

The Directors will consider proposing a resolution for the winding-up of the Company if no acquisitions or investments have been made within 3 years of Admission and they believe such action to be in the interests of Shareholders.

Structuring of Investments and Borrowing

The Board will seek to limit business risk by ring-fencing individual investments. It is anticipated that acquisitions will be completed through one or more companies specifically incorporated for the purpose. These companies will themselves be partially funded with additional funds raised through Conygar Investments and bank and other borrowings and structured so as to maximise potential shareholder returns which may mean that these companies may themselves be highly geared.

Dividend Policy

The strategy of the Directors is to generate capital growth for Shareholders. The Directors will recommend the payment of dividends only when they believe it becomes commercially prudent to do so and subject to the availability of distributable reserves and the retention of funds required to finance future growth.

Directors

The Board will initially comprise three Executive Directors and two Non-executive Directors. As the size and scope of the Company's operations grows, the Board may seek to recruit additional appropriately experienced senior management. The Executive Directors will be actively involved in identifying suitable investment opportunities. However, until suitable opportunities are identified, the Executive Directors will not be involved in the Company on a full time basis and will devote such of their time and attention as is required to investigate and negotiate the terms of possible investments and deal with all other needs of the business. As Conygar's portfolio of investments grows the Executive Directors expect to commit more time to the affairs of the Company. The level of fees payable to each director will reflect his expected level of involvement.

Further details of the Directors' terms of engagement are set out in paragraph 3(b) of Part V of this document. The Executive Directors will participate in the management incentive arrangements described below and in paragraph 6 of Part V of this document.

Profiles of the Directors are given below.

Robert Ware (49) – Executive Chairman

Robert Ware served first as corporate development director and then as deputy chief executive of MEPC between June 1997 and June 2003. MEPC was the fourth largest property company quoted on the London Stock Exchange until September 2000 when Leconport Estates, a company jointly owned by clients of Hermes Pensions Management Limited and GE Real Estate, took the company private. Robert was a key member of the management team, which was incentivised to achieve various targets set by Leconport Estates, such targets being met successfully.

Prior to joining MEPC, Robert served as a director of Development Securities plc between 1988 and 1994 and filled the roles of joint managing director and finance director in the latter stage of his tenure. In 1994, he left to take up the position of managing director of Dunton Group PLC, where he stayed until November 1996. He joined MEPC in June 1997.

Robert is a Fellow of the Institute of Chartered Accountants in England and Wales. He is currently a non-executive director of both Tarsus Group Plc and FS PLC.

Peter Batchelor (40) – Finance Director

Peter joined MEPC as head of taxation in January 1999 and also served as company secretary from January 2002 until September 2003. His responsibilities included corporate finance, taxation and secretariat and he was also a key member of the management team incentivised by Leconport Estates.

Prior to joining MEPC, Peter was a senior manager in the London office of Ernst & Young where he specialised in advising UK based companies on taxation, in particular with respect to acquisitions and disposals. Whilst mainly involved in advising UK based multinationals, Peter spent considerable time in the USA and Australia. He joined Ernst & Young in August 1987.

Peter is a Fellow of the Institute of Chartered Accountants in England and Wales and a Fellow of the Chartered Institute of Taxation. Until recently, he was a member of the Taxation Committee of the British Property Federation.

Gavin Davidson (50) – Property Director

Gavin was a director of MEPC, with responsibility for MEPC's business parks portfolio, between May 1999 and June 2003. Gavin joined MEPC in 1983 and was actively involved both on the property management and development sides of the business. In 1992 he became managing director of the

MEPC subsidiary Milton Park Limited, owner of a 3 million square feet mixed use business park in Oxfordshire, which he ran for six years. He was appointed to the main board of MEPC in May 1999.

Gavin previously worked in California for Birtcher Pacific Corporation and for the British Rail Property Board in London. Gavin is a member of the Royal Institute of Chartered Surveyors.

Taking into account the Ordinary Shares issued to Robert Ware and Peter Batchelor on incorporation of the Company, the Executive Directors have agreed to invest in aggregate £1,400,000 at the Placing Price which will give them 25.5 per cent. of the anticipated issued share capital of the Company following Admission (assuming the Placing is subscribed in full).

Robert Ware, Gavin Davidson and Peter Batchelor are part of a team currently in discussions to create an unquoted joint venture property investment fund in which they will invest, with a targeted fund size of approximately £250 million and which they may be incentivised to manage. Initial terms have been agreed and signed. If created, this fund will seek medium to large investment opportunities in the UK commercial property market. It is proposed that Robert Ware will be the chief executive of the joint venture property investment fund. Robert Ware, Gavin Davidson and Peter Batchelor expect to agree final terms on the joint venture property investment fund before the end of November 2003.

Each of the Executive Directors expect the activities of this investment fund to be focussed on opportunities of a different scale and nature to those pursued by Conygar. The Executive Directors are expected to be incentivised by means of a management promote based on internal rates of return on equity. The Executive Directors believe that they will be able to manage Conygar's business and interests as well as the business and interests of the joint venture property investment fund.

In addition to the above, although they currently have no such interests, it is possible that each of the Executive Directors may in the future have other property related interests. The Executive Directors have agreed that full disclosure at the appropriate time should be made to the Non-executive Directors in respect of (i) the proposed joint venture fund (ii) if they foresee that a conflict of interest has arisen or may arise out of the joint venture (or otherwise) or (iii) if they propose to acquire any other property interests. The Executive Directors do not consider that a conflict of interest will arise or that their management responsibilities in relation to the joint venture fund will prevent them from discharging their duties as Directors of the Company.

Michael Wigley (64) – Non-executive Director

Michael Wigley was a stockbroker in the City of London from 1964 until his retirement in 1999. The majority of that time was spent with the firm of Anderson where he was senior partner at the time of the takeover by Matheson Investment Limited in 1987. He was a director of the latter company until 1997. He was chairman and latterly a non-executive director of Development Securities plc between 1990 and 2000. He is Deputy Chairman of the Legg Mason Investors International Utilities Trust plc and a non-executive director of BFS Income and Growth Trust plc.

Nigel Hamway (47) – Non-executive Director

Nigel Hamway qualified as a member of the Institute of Chartered Accountants in England and Wales with Peat Marwick after obtaining a degree from Cambridge University. He joined Dubilier plc as chief financial accountant, leaving to take up a position in international corporate finance at Charterhouse Bank in 1986, becoming a director in 1990.

From 1991 to the present he has been a director of Charterhouse Development Capital. For several years he was responsible for Charterhouse's international investment business and was president of its French subsidiary Charterhouse SA. He has had extensive board experience in many countries and businesses including Del Monte Foods International (Europe, Philippines and Africa), United Parts Group (USA, Sweden, Netherlands, Germany) and Holding de Restauration Concedée (France).

He is currently a non-executive director of TTP Capital Partners Limited, a venture capital company; chairman of Quickheart Limited, a marketing services company; and Chairman of Charter Medical Technologies Inc, a manufacturer and distributor of medical devices.

Details of the Placing

Bridgewell has undertaken to use its reasonable endeavours to place up to 9,999,999 Ordinary Shares, as agent for the Company, with investors, at the Placing Price. The Placing, which is not underwritten, is conditional upon the admission of the Ordinary Shares to trading on AIM by 23 October 2003, or such later time as Bridgewell, Deloitte & Touche LLP and the Company agree.

As part of the Placing, Robert Ware has agreed to subscribe for 1,500,000 Ordinary Shares at the Placing Price, investing £750,000, Peter Batchelor to subscribe for 100,000 Ordinary Shares at the Placing Price, investing £50,000 and Gavin Davidson to subscribe for 200,000 Ordinary Shares at the Placing Price, investing £100,000. In addition Robert Ware has also subscribed for 1,000,000 Ordinary Shares at 50p prior to the Placing (albeit on terms that payment of the premium of 45p above the nominal value of the Ordinary Shares was stated to be conditional upon Admission). Robert Ware has therefore agreed to invest a total of £1.25m in the ordinary shares of Conygar.

Michael Wigley and Nigel Hamway, the Non-executive Directors, have each agreed to subscribe for 100,000 Ordinary Shares at the Placing Price.

The Placing is intended to raise up to £5,000,000 before expenses. The expenses of the Placing are estimated at approximately 3 per cent. of the funds raised assuming the Placing is fully subscribed. The net funds will be used to make initial investments and to pay ancillary costs and to help pay the ongoing overheads of the Company.

Proceeds of the Placing should be received by Bridgewell by no later than 22 October 2003. CREST accounts will be credited on the date of Admission and it is anticipated that certificates in respect of the Ordinary Shares will be despatched by 31 October 2003. Pending receipt by Shareholders of definitive share certificates, the Company's registrars will certify any instruments of transfer against the register.

Management Incentive Arrangements

Each of the Directors will receive an annual salary of £10,000. Further information on the terms of the letters of appointment of the Directors is set out in paragraph 3(b) of Part V of this document.

The Executive Directors will also participate in the Conygar Investment Company Share Option Plan (the "Option Scheme"), further details of which are set out below. The Option Scheme which was adopted in General Meeting on 9 October 2003 is conditional upon Admission and has been established to reward and incentivise the executive management team for delivering share price growth.

The Option Scheme has two parts. One part permits the grant of options which are approved by the Inland Revenue for tax purposes and the other part permits the grant of options which are not so approved. The Option Scheme will be administered by the Remuneration Committee. No options have yet been granted under the Option Scheme but it is intended that Options should be granted over 1,500,000 Ordinary Shares on 22 October 2003 to the Executive Directors, assuming the Placing is subscribed in full.

It is intended that the options will be made subject to performance criteria which, for all options granted, will require the Company's share price to increase by at least 20 per cent. compound per annum over a two year performance period (with the initial performance period being measured from the date of Admission). For the initial tranche of options, share price performance will be measured taking the Placing Price as the starting point.

The performance criteria will permit retesting if the 20 per cent. hurdle is not achieved originally but in subsequent years the Company's share price has increased by 20 per cent. compound per annum from the starting point.

When further issues of Ordinary Shares are made by the Company there will be a further issue of options to ensure that the holding of options by management remains undiluted. In such cases the starting point for measuring performance under the new options will be the placing price used in that share issue.

The total share options available to the executive management team of the Company under the Option Scheme will be limited to 15 per cent. of the issued share capital of the Company from time to time to the extent that the market capitalisation of the Company is less than £100 million. If the market capitalisation of the Company exceeds £100 million then the limit on further share option grants will be 10 per cent. of any further Ordinary Shares issued after the Company's market capitalisation exceeds £100 million.

Further details of the Option Scheme are set out in paragraph 6 of Part V of this document.

The City Code on Takeovers and Mergers

Rule 9 of the City Code stipulates, *inter alia*, that a person or group of persons acting in concert owning shares carrying (i) less than 30 per cent., or (ii) 30 per cent. or more but not more than 50 per cent. of the voting rights of a public company, will incur a mandatory bid obligation and will be required to make a general offer to shareholders to acquire the balance of the equity share capital of that company, if in the case of (i) above, they acquire further shares resulting in them holding voting rights of 30 per cent. or more or, in the case of (ii) above, they acquire any further shares carrying voting rights. The Executive Directors are deemed to be acting in concert for the purposes of the City Code.

Where a person or group of persons acting in concert holds more than 50 per cent. of the voting rights in a company no obligation would normally arise to make a general offer under Rule 9 of the City Code if the person or concert party increases its aggregate shareholding. However, even if the concert party holds over 50 per cent. of the voting rights, the Panel may, *inter alia*, regard (i) any acquisition by a member of the concert party that increases his holding to 30 per cent. or more and (ii) any increase by a member of that concert party of his personal holding within the 30 to 50 per cent. range as giving rise to an obligation on that individual to make an offer for the voting shares not held by him.

At Admission, assuming that only the minimum proceeds of £2,500,000 are raised under the Placing, the Executive Directors' maximum shareholding will be 46.7 per cent. of the issued Ordinary Shares. In addition, the Executive Directors will also have Options to subscribe for additional Ordinary Shares representing up to 15 per cent. of the issued share capital of the Company pursuant to the Option Scheme outlined on pages 10 and this page and described in further detail in paragraph 6 of Part V of this document.

Assuming that all Options that can be issued to the Executive Directors under the Option Scheme are exercised and that no other Ordinary Shares had been issued, the Executive Directors' maximum aggregate shareholding would increase to 53.6 per cent. of the issued Ordinary Shares. **The Panel has confirmed that no mandatory bid obligation under Rule 9 of the City Code would be triggered by virtue of any allotment and issue of further Ordinary Shares to the Executive Directors pursuant to the exercise of Options granted to them. Prospective investors should note that in the event the Executive Directors hold in excess of 50 per cent. of the issued Ordinary Shares pursuant to the exercise of their Options then they will be free to acquire further shares in the Company without incurring an obligation to make a general offer under Rule 9 of the City Code.**

If funds of more than £2,500,000 are raised under the Placing, the shareholding of the Executive Directors will be less than the 46.7 per cent. disclosed above. If pursuant to the Placing, the Executive Directors' shareholding is less than 30 per cent., then Rule 9 of the City Code will not immediately apply. **The Panel has confirmed that no mandatory bid obligation under Rule 9 of the City Code would be triggered by virtue of any allotment and issue of further Ordinary Shares to the Executive Directors, pursuant to a subsequent exercise of their Options, which would increase their shareholding to greater than 30 per cent.**

In addition prospective investors should be aware that Robert Ware will hold, assuming the minimum placing proceeds of £2,500,000 are raised, 41.7 per cent. of the issued Ordinary Shares. In addition assuming all Options granted to Robert Ware are exercised, Robert Ware's maximum shareholding would increase to 45.7 per cent. of the issued Ordinary Shares. **The Panel has confirmed that no mandatory bid obligation under Rule 9 of the City Code would be triggered by virtue of any allotment and issue of further Ordinary Shares to Robert Ware pursuant to the exercise of Options granted to him.**

Prospective investors should be aware that, if no further Ordinary Shares under the Option Scheme are issued to the Executive Directors pursuant to the exercise of their Options, Rule 9 of the City Code would apply.

The Panel may regard, *inter alia*, an acquisition of Ordinary Shares by the Executive Directors that (i) increases their aggregate or individual holdings to 30 per cent. or more or (ii) if such holding is already greater than 30 per cent. but not more than 50 per cent., any acquisition that increases their holding, as giving rise to an obligation to make an offer under Rule 9 of the City Code, as described above.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Ordinary Shares will be admitted to CREST. Accordingly, settlement of transactions in the Ordinary Shares may take place within the CREST system if the relevant holders so wish.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

Lock-in Arrangements

The AIM Rules require the Directors and certain related parties, including employees holding 0.5 per cent. or more of the Ordinary Shares and Shareholders holding 10 per cent. or more of the Ordinary Shares, to agree not to dispose of their interests in Ordinary Shares within a period of one year following Admission except in certain restricted circumstances.

The interests of the Executive Directors in Ordinary Shares following the Placing will amount to 2.8 million Ordinary Shares (which is equivalent to 25.5 per cent. of the issued ordinary share capital assuming the Placing is subscribed in full). They have agreed not to dispose of any interests in the securities of the Company before the second anniversary of Admission.

Michael Wigley and Nigel Hamway, the Non-executive Directors, will together have an interest of 200,000 Ordinary Shares following the Placing (which is equivalent to 1.8 per cent. of the issued ordinary share capital assuming the Placing is subscribed in full) and have also agreed not to dispose of any interests in the securities of the Company before the second anniversary of Admission.

Details of the Lock-in Deed are set out in paragraph 7(e) of Part V of this document.

Corporate Governance

The Directors recognise the value of the Principles of Good Governance and Code of Best Practice (the "Combined Code") and they will take appropriate measures to ensure that the Company complies with the Combined Code, to the extent appropriate for a company of its size and nature of business.

The Board has established an audit committee and a remuneration committee. Both have formally delegated duties and responsibilities.

The audit committee is chaired by Nigel Hamway and its other member is Michael Wigley. The audit committee will examine any matters relating to the financial affairs of the Company including reviews of the annual and interim accounts, announcements, internal control procedures and accounting policies.

The remuneration committee is chaired by Nigel Hamway and its other member is Michael Wigley. The remuneration committee will review the performance of the Executive Directors, consider and approve all Board and senior executive appointments, remuneration and benefits including share options and service contracts. The Board will review the level of fees paid to Non-executive Directors.

Accounting and Valuation Policy

The Company's accounts will be prepared in accordance with generally accepted accounting principles in the United Kingdom.

Rights of Pre-Emption

The Company's articles of association authorise the Directors to allot Ordinary Shares up to the authorised share capital and in accordance with Section 95 of the Act to allot equity securities up to an aggregate nominal value of £1,949,999.95 (being all the authorised but unissued Ordinary Shares immediately prior to Admission) such authority to expire on the earlier of (a) fifteen months after the date of incorporation and (b) the conclusion of any Annual General Meeting of the Company to be held in 2004.

PART III

RISK FACTORS

Potential investors should consider the following risk factors in relation to the Company and the Ordinary Shares which individually or in aggregate could have a material adverse effect on the Company and the Ordinary Shares and should consult their independent financial adviser before investing.

An investment in the Company is suitable only for investors who are capable of evaluating the risks and who have sufficient resources to bear any loss which might result from such investment which may include the total amount invested.

Potential investors should be aware that an investment in the Company should be considered a long-term investment. Moreover the information set out below does not purport to be an exhaustive summary of the risks affecting the Company. In particular, potential investors should consider the following:

1. The market value of, and the income derived from, the Ordinary Shares may fluctuate. There is no guarantee that the market price of the Ordinary Shares will fully reflect their underlying net asset value. Investors may not get back the full value of their investment and in certain circumstances investors could lose all of their investment. There is no guarantee or assurance or certainty that the investment objectives of the Company will be met.
2. The Company's portfolio of investments is likely to include interests in unquoted private companies which may be difficult to value and/or realise.
3. The success of the Company will be dependent upon the identification, acquisition and operation of suitable investments. There can be no guarantee that such investments can or will be acquired or that such investments will be successful.
4. The Directors believe that the Company's performance will rely heavily on the involvement of the management team and that the loss of any of the Executive Directors may have an adverse effect on the future success of the Company.
5. There is no guarantee that the distributable reserves of the Company will be sufficient to allow dividends to be paid.
6. The levels of, and reliefs from, taxation enjoyed by the Company and by investors may change. Any change in the tax status of the Company, or in tax legislation or practice, may have an adverse effect on the returns available on an investment in the Company. The tax reliefs currently available to investors and their value depend on the individual circumstances of investors. The Company will not be a qualifying company for the purposes of Enterprise Investment Scheme relief and therefore investors will not enjoy the potential tax advantages of that scheme.
7. Investors should be aware that each new company incorporated by the Company to make investments and any companies in which the Company will make investments may be highly geared. Although the use of gearing through bank borrowings may increase the return on those investments, it also creates greater potential for loss. This includes the risk that the borrower will be unable to service the interest payments or comply with the other requirements of the loan, rendering it repayable, the risk that available funds will be insufficient to meet required repayments and the risk that borrowings will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the existing terms of borrowings.
8. The market value of the Ordinary Shares, as well as being affected by their net asset value and the trading results of the Company's investment portfolio, will also take into account their dividend yield and prevailing interest rates. As such, the market value of an Ordinary Share may vary considerably from its underlying net asset value.
9. The Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this may contribute to infrequent trading on AIM and volatile share price movements.
10. An investment in the Company should be regarded as long-term in nature. Past performance of similar investments is not necessarily a guide to the future performance of the Company or its investments.

PART IV

ACCOUNTANTS' REPORT

Set out below is the text of a report received from Rees Pollock, the Company's auditors, chartered accountants and reporting accountants:

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REES POLLOCK
Chartered Accountants

7 Pilgrim Street
London EC4V 6DR

The Directors
The Conygar Investment Company PLC
7th Floor
39 St James's Street
London SW1A 1JD

The Partners
Deloitte & Touche LLP
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR

17 October 2003

Dear Sirs

The Conygar Investment Company PLC (“the Company”)

We report on the financial information set out below. This financial information has been prepared for inclusion in the admission document dated 17 October 2003 of The Conygar Investment Company PLC (“the Admission Document”).

Basis of preparation

The Company was incorporated on 22 September 2003. Save for issuing 1,000,001 Ordinary Shares, with a nominal value of 5p at a price of 50p per Ordinary Share (the payment of 45p which was conditional upon Admission) for a total subscription price of £500,000.50, the Company has not traded, has not made up any accounts for presentation to its members and has not declared nor paid any dividends.

The Company will incur expenses relating to the proposed placing, as described in the Admission Document. The expenses are not accrued in the balance sheet set out below and accordingly no profit and loss account for the period is required to be presented.

Responsibility

The financial information is the responsibility of the directors of the Company. The directors of the Company are responsible for the contents of the Admission Document in which this report is included. It is our responsibility 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 financial statements 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 Admission Document, a true and fair view of the state of affairs of the Company at 9 October 2003.

Consent

We consent to the inclusion in the Admission Document dated 17 October 2003 of this report and accept responsibility for this report for the purposes of paragraph 45(1)(a)(iv) of Schedule 1 to the Public Offers of Securities Regulations 1995.

Accounting policies

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

1. Balance sheet

	<i>Notes</i>	<i>As at 9 October 2003 £</i>
<i>Current assets</i>		
Called up share capital not paid		37,500.05
Share premium unpaid*		450,000.45
Cash		12,500.00
Net current assets		<u>500,000.50</u>
<i>Capital and reserves</i>		
Called up share capital	2.2	50,000.05
Share Premium		450,000.45
Equity shareholders' funds		<u><u>500,000.50</u></u>

*Conditional upon Admission

2. Notes

2.1 The Company was incorporated on 22 September 2003. The Company has not traded since incorporation, no audited financial statements have been made up and no dividends have been declared or paid since the date of incorporation. On incorporation, the Company issued 1,000,001 Ordinary Shares at a price of 50p per share. By virtue of an ordinary resolution passed by the Shareholders on 9 October 2003, the authorised share capital of the Company was increased from £1,000,000 to £2,000,000 by the creation of an additional 20,000,000 Ordinary Shares.

2.2 Called up share capital

	<i>Number</i>	<i>£</i>
<i>Authorised</i>		
Ordinary shares of 5p each	40,000,000	2,000,000.00
<i>Allotted and called up</i>		
Ordinary shares of 5p each	1,000,001	50,000.05

2.3 The balance of the share premium account of £450,000 is unpaid and the payment of this balance is conditional upon Admission.

Yours faithfully

Rees Pollock”

PART V

ADDITIONAL INFORMATION

1. The Company

- (a) The Company was incorporated on 22 September 2003 in England and Wales under the Act with registered number 4907617 as a public company limited by shares.
- (b) The registered office and the principal place of business of the Company is 7th Floor, 39 St James's Street, London SW1A 1JD.
- (c) The liability of the members of the Company is limited. The principal legislation under which the Company operates is the Act and the regulations made thereunder.

2. Share Capital

- (a) The Company was incorporated with an authorised capital of £1,000,000 divided into 20,000,000 Ordinary Shares of £0.05 each, 1,000,001 of which were issued at a price of £0.50 per share (representing payment at par and a premium of £0.45 per Ordinary Share) to the subscribers to the Memorandum of Association of the Company. The payment of the premium of 45p per Ordinary Share is conditional upon Admission.
- (b) Upon Admission the authorised share capital of the Company will be £2,000,000 comprising 40,000,000 Ordinary Shares of £0.05p each, having been increased by £1,000,000 by the creation of an additional 20,000,000 Ordinary Shares pursuant to an ordinary resolution of the Company passed on 9 October 2003.
- (c) Save as set out in paragraph 6 of this Part V below, no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- (d) Save pursuant to the Placing, or in accordance with the terms of the Company's engagement letters as described in paragraph 7 of this Part V, no share or loan capital of the Company has been issued or agreed to be issued since the date of incorporation of the Company, or is now proposed to be issued, for cash or any other consideration and save as disclosed in this document no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue of any such capital.
- (e) By virtue of resolutions passed on 9 October 2003 the Directors were authorised to allot Ordinary Shares up to the authorised share capital and, in accordance with Section 95 of the Act, were authorised to allot equity securities up to an aggregate nominal value of £1,949,999.95 (such authority to expire on the earlier of (a) 15 months after the date of incorporation and (b) the conclusion of any Annual General Meeting of the Company to be held in 2004).

However such authority (other than with the approval of Shareholders) shall only be exercised at prices which are not less than the then estimated net asset value of the Ordinary Shares.

3. Directors' interests and letters of appointment

- (a) The interests of the Directors, their immediate families and, so far as they are aware having made due and careful enquiries, of persons connected with them, (within the meaning of section 346 of the Act) in the share capital of the Company as at 16 October 2003, (being the latest practicable date prior to the publication of this document) and at Admission, all of which are beneficial, unless otherwise stated: (i) which have been notified to the Company pursuant to section 324 or 328 of the Act, or (ii) which are required to be entered in the register maintained under section 325 of the Act, or (iii) are interests of a connected person of a Director which would, if that connected person were a Director be required to be disclosed under (i) and (ii) above and the existence of which is known to that Director are set out below:

<i>Name of Director</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital</i>	<i>Number of Ordinary Shares to be held immediately following Admission</i>	<i>Percentage of Enlarged Share Capital*</i>
Robert Thomas Ernest Ware	1,000,000	99.9999	2,500,000	22.7
Peter Andrew Batchelor	1	0.0001	100,001	0.9
Gavin Arthur Davidson	–	–	200,000	1.8
Michael Derek Wigley	–	–	100,000	0.9
Nigel Jonathon Hamway	–	–	100,000	0.9

* Assuming the placing is fully subscribed

Save as disclosed in this paragraph (a) or referred to in paragraph 6 below, none of the Directors (or persons connected with them) has any interest in the share capital of the Company.

(b) The following are particulars of the Directors' letters of appointment with the Company:

(i) *The Executive Directors*

Robert Ware, Peter Batchelor and Gavin Davidson entered into letters of appointment with the Company on 9 October 2003, the terms of which provide for:

- (a) each Executive Director to devote such time to the Company's business as is reasonably required to identify, investigate and negotiate potential investment opportunities for the Company and to ensure the effective management of the Company;
- (b) each Executive Director to be paid an annual director's fee of £10,000, provided that the Remuneration Committee may, in its absolute discretion, increase the relevant Executive Director's annual fee to an amount it deems appropriate;
- (c) the Executive Directors to be each entitled to participate in the Option Scheme;
- (d) the Company to reimburse the Executive Directors in full for all reasonable out of pocket expenses which they reasonably incur in the course of performing their duties as Executive Directors of the Company; and
- (e) the appointment of each Executive Director being terminable on any of: (i) the Executive Director's resigning his position (on giving no less than twelve months notice), (ii) the Company providing the Executive Director with no less than 12 months notice of termination or (iii) the removal of the Executive Director pursuant to the Company's Articles of Association.

(ii) *The Non-executive Directors*

Nigel Hamway and Michael Wigley entered into letters of appointment with the Company on 9 October 2003, the terms of which provide for:

- (a) each Non-executive Director to be appointed for a fixed term of three years from the date of Admission;
 - (b) each Non-executive Director to be paid an annual director's fee of £10,000, which shall be reviewed annually by the Board;
 - (c) the Company to reimburse the Non-executive Directors in full for all reasonable out of pocket expenses which they reasonably incur in the course of performing their duties as Non-executive Directors of the Company; and
 - (d) the appointment of a Non-executive Director being terminable on any of: (i) the Non-executive Director resigning his position; (ii) the Company providing the Non-executive Director with no less than six months notice of termination; or (iii) the removal of the Non-executive Director pursuant to the Company's Articles of Association.
- (c) It is estimated that the aggregate remuneration paid and benefits in kind granted to the Directors for the financial period ending 30 September 2004, under the arrangements in force at the date of this document, will amount to approximately £50,000.
- (d) The Directors have held the following directorships and partnerships within the five years prior to the publication of this document.

Robert Thomas Ernest Ware

Current Directorships & Partnerships

FS PLC
Tarsus Group Plc
Almura Building Products Limited

Metropolitan Film Partnership LLP
Woodley Lodge Investments Limited

Previous Directorships & Partnerships

Albion Close Investments Limited
Berkeley Investments Limited
Cable Plaza Limited
Canada Water Retail Park Limited
Carlton Healthcare Limited

MEPC UK Limited
MEPC Yate LP Limited
Metropolitan & Capital Properties Limited
Middlesex Limited
No. 1 Great Cumberland Place Limited

Carlton Healthcare Properties Limited
 Castle & Pedmore Houses Limited
 Chartwell Land (Crawley) Limited
 Chineham Limited
 City & Commercial Property Investments Limited
 City Link (Cardiff) Holdings Limited
 City Link (Cardiff) Limited
 City Link (St.Athan) Limited
 Conwy Cars Limited
 Crestly Limited
 Crusabridge Investments (Scotland) Limited
 Crusabridge Investments Limited
 Denham Park (Uxbridge) Limited
 Drivetruck Limited
 Dunestown Limited
 Egginton House Limited
 English Property Corporation Limited
 Fibblings Limited
 Granta Park Limited
 ICENI Estates Limited
 Ilmahoc Investments Limited
 Ilmahoc Trading Properties Limited
 Intercity (PFI) Limited
 Intercity PFI (Liverpool) Limited
 Intercity PFI (Speke) Limited
 Intercity PFI (Wirral) Limited
 Intermediate Investment Strategies Limited
 Kifaru (Hartlepool) Limited
 Louisville Investments Limited
 MEPC (Holdings) Pty Limited
 MEPC Australia Limited
 MEPC Brunel LP Limited
 MEPC Cardiff Investments Limited
 MEPC Cardiff Limited
 MEPC Castlecourt LP Limited
 MEPC Eagle LP Limited
 MEPC Friary LP Limited
 MEPC Investments Limited
 MEPC Kensington LP Limited
 MEPC Limited
 MEPC Millgate LP Limited
 MEPC Moorgate Limited
 MEPC Projects Limited
 MEPC RVP LP Limited
 MEPC Two Rivers LP Limited
 MEPC UK Holdings

Peter Andrew Batchelor

Current Directorships & Partnerships

Metropolitan Film Partnership LLP

Previous Directorships & Partnerships

AA Immobilien GmbH
 Alsterkrugchaussee Immobilien AG
 Avonform Limited
 Beethovenstrasse Immobilien AG
 Birmingham Central Properties Limited
 Blittersdorf Immobilien AG
 Blittersdorfplatz Immobilienmanagement GmbH
 Chartwell Land (Crawley) Limited
 Denbridge No1 Limited
 Denbridge No2 Limited
 Denham Park (Uxbridge) Limited
 Digpoint Limited
 Dunestown Limited

P. H. & T. (Holdings) Limited
 PCV Aston No1 Limited
 PCV Aston No2 Limited
 PCV Battersea No1 Limited
 PCV Birkenhead Limited
 PCV Bracknell Limited
 PCV Bracknell No1 Limited
 PCV Brighton No1 Limited
 PCV Caerphilly No1 Limited
 PCV Hartlepool (BVI) Limited
 PCV HP Limited
 PCV HP No1 Limited
 PCV HP Nominee Limited
 PCV Hulme No1 Limited
 PCV Kilmarnock No1 Limited
 PCV Llanelli No1 Limited
 PCV Plymouth No1 Limited
 PCV Sheffield No1 Limited
 Planned Properties Limited
 Prestbury Capital Ventures Limited
 Property Security Investment Trust Limited
 Property Security Limited
 Property Security Overseas Limited
 PSIT Enterprises Limited
 PSIT Limited
 PSIT Properties (Australia) Pty Limited
 PSIT Properties (Management) Pty Limited
 PSIT Properties Limited
 RMS Communications plc
 RMS Systems Communications Systems Limited
 Rolling Stock Shopping Centres Limited
 Samuel Properties (Services) Limited
 Shopping Arcades Limited
 Silver Oak (Aston 1) Limited
 Silver Oak (Aston 2) Limited
 Star Properties (Wood Green) Limited
 The London County Freehold and Leasehold
 Properties Limited
 The Metropolitan Railway Surplus Lands Company
 Limited
 The Oldham Estate Company plc
 Topland Middlewich Limited
 Triad (Bootle) Limited
 Trostre Retail No1 Limited
 Tyne Tunnel Trading Estate Limited

MEPC Doncaster No2 Limited
 MEPC Eagle LP Limited
 MEPC Friary LP Limited
 MEPC Germany GmbH
 MEPC Holdings Limited
 MEPC Investments Limited
 MEPC Kensington LP Limited
 MEPC London Limited
 MEPC Millgate LP Limited
 MEPC Milton Park Limited
 MEPC Royal Quays No1 Limited
 MEPC Royal Quays No2 Limited
 MEPC RVP LP Limited

Egginton House Limited
 English Property Corporation Limited
 EPC Developments Limited
 Eurohaus Frankfurt Immobilienmanagement GmbH
 Eurohaus Immobilien AG
 F&S Immobilienmanagement-Beteiligungs GmbH
 Fasanenhof Immobilien AG
 Ferdinandstrasse 28-30 Immobilienverwaltungs- und-GmbH
 Ferdinandstrasse Immobilien AG
 Fibbings Limited
 Giltauto Limited
 Goethestrasse Immobilien AG
 Hampstead & Suburban Properties Limited
 Highbridge No1 Limited
 Highbridge No2 Limited
 Ilmahoc Investments Limited
 Ilmahoc Trading Properties Limited
 Lanco Grundstuecksgesellschaft mbH
 Lansdown Industrial Estates Limited
 Lansdown Projects Limited
 MEPC Bedfont Lakes (Two) Limited
 MEPC Bideford No1 Limited
 MEPC Bideford No2 Limited
 MEPC Brunel LP Limited
 MEPC Cardiff Investments (E02) Limited
 MEPC Cardiff Investments (E03) Limited
 MEPC Cardiff Investments (E04) Limited
 MEPC Cardiff Investments (E18) Limited
 MEPC Cardiff Investments Limited
 MEPC Cardiff Limited
 MEPC Castlecourt LP Limited
 MEPC Contracting Limited
 MEPC Developments Limited
 MEPC Doncaster No1 Limited

Gavin Arthur Davidson
(formerly Davidson-Merritt and Merritt)

Current Directorships & Partnerships

Metropolitan Film Partnership LLP

Previous Directorships & Partnerships

Bedfont Property Investments Limited
 Birchwood Park Estates Limited
 Caledonian Land Developments Limited
 Caledonian Land Estates Limited
 Caledonian Land Investments Limited
 Caledonian Land Limited
 Caledonian Land Properties Limited
 Carlton Healthcare Limited
 Cavendish Property Company Limited
 Columbus Properties Limited
 Drivetruck Limited
 EPC (Drury) Limited
 Fairfield Properties (Gatwick) Limited
 Granta Park Limited
 Gridcroft Limited
 Icen Estates Limited
 Intercity Estuary One Limited
 Intercity JIS Limited
 Lansdown International Facilities Limited
 Lansdown Services Limited

MEPC Secretaries Limited
 MEPC Street No1 Limited
 MEPC Street No2 Limited
 MEPC Two Rivers LP Limited
 MEPC UK Holdings
 MEPC Yate LP Limited
 Metropolitan & Capital Properties Limited
 Metropolitan & Provincial Properties Limited
 Metropolitan Estates and Property International NV
 Metropolitan Investment Property
 Nice Etoile Limited
 Old Mews Investments Limited
 Parkview No1 Limited
 Parkview No2 Limited
 PSIT Limited
 R S Pearce & Co Limited
 Rivermead No1 Limited
 Rivermead No2 Limited
 Rodwell Group Limited
 Royal Avenue House Management Limited
 Schelmenwasen Immobilien BV
 Second Covent Garden Property Company Limited
 Star (Great Britain) Holdings Limited
 Star London Realty Limited
 Star Properties (No 4) Limited
 Sun Real Estates Limited
 Surplus Lands Development Company
 The European Property Company Limited
 The Junior Property and Investment Company Limited
 The Metropolitan Railway Surplus Lands Company Limited
 The West One Retailers Association Limited
 Victoria Square House Limited

Woodley Lodge Investments Limited

Manston Developments Limited
 MEPC Brentford Limited
 MEPC Estuary Limited
 MEPC Investments Limited
 MEPC Kemble Park Limited
 MEPC Leavesden Limited
 MEPC Limited
 MEPC Milton Park Limited
 MEPC Projects Limited
 MEPC UK Holdings
 MEPC UK Limited
 MEPC Wellesbourne Park Limited
 MEPC Welwyn Limited
 Milton Newco. Limited
 Prestbury West Coast Caledonian Limited
 Royal Avenue House Management Limited
 Topland Middlewich Limited
 Wellesbourne Park Management Limited
 Weybridge Fifteen Limited
 Weybridge Sixteen Limited

Nigel Jonathon Hamway

Current Directorships & Partnerships

I Rawlinson Road Management Limited
Bungalow Parks NV
CAF Syndication Limited
CCP VI Syndication Limited
Charter Medical Technologies Inc
Charterhouse Buy-Out Fund Advisers Limited
Charterhouse Buy-Out Syndication Limited
Charterhouse Development Capital Limited
Charterhouse European Managers Limited
Charterhouse General Partners (VI) Limited
Charterhouse General Partners Limited
Charter-Kontron Limited

Equity Finance SA
Family Links (Educational Programmes)
Holding de Restauration Concedée ANV
Kontron SA
Landal Greenparks Holding BV
Quickheart Limited
Quickheart Travel Limited
The Oxfordshire Community Foundation
Trufflehunter Limited
TTP Capital Partners Limited
Uitslag Dijk BV

Previous Directorships & Partnerships

Charterhouse Development Capital Holdings Limited
Charterhouse Expansion SA

Charterhouse Finance Corporation Limited
Charterhouse SA

Michael Derek Wigley

Current Directorships & Partnerships

BFS Income & Growth Trust plc
Premier Utilities Trust plc
LeggMason Investors International Utilities Trust plc

31 Holland Park Residents Company Limited
Edit Trading Limited
Johnson Fry Second Utilities Trust Limited
Pollok & Corroul Limited

Previous Directorships & Partnerships

Development Securities plc
LeggMason Investors Finance plc
LeggMason Investors Finance No.2 plc
Geo Wigley & Sons (Nottingham) Limited
KCL Properties II Limited

Lyonsdown Properties 13 Limited
Lyonsdown Properties 14 Limited
Lyonsdown Properties 15 Limited
Lyonsdown Properties 16 Limited

(e) *Receiverships and liquidations*

- (i) None of the Directors has any unspent convictions in respect of indictable offences. None of the Directors has been declared a bankrupt or entered into an individual voluntary arrangement.
- (ii) Nigel Hamway was a director of Morel SA, a French telecommunications company, which was placed in administration on 15 May 1996. Morel SA was sold out of administration to Siemens in 1996. He was also a director of Morel Financière SA, the holding company of Morel SA, which was also placed in administration on 15 May 1996 and was liquidated following the sale of Morel SA.
- (iii) Save as disclosed above, at the date of this document there have been no receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangements with creditors generally or any class of creditors of any company where any Director was a director of the company concerned at the time of, or within 12 months preceding the time of such an arrangement.
- (iv) At the date of this document, there have been no compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where any Director was a partner at the time of, or within 12 months preceding, such an arrangement.
- (v) At the date of this document, there have been no receiverships of any asset of any Director or of a partnership of which any Director was a partner at the time of, or within 12 months preceding, such an event.
- (vi) At the date of this document there have been no public criticisms of any of the Directors by any statutory or regulatory authority (including recognised professional bodies) and none of the Directors has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

- (f) Save as disclosed herein, no Director has been interested in any transaction with the Company which was unusual in its nature or conditional or significant to the business of the Company since its incorporation or which remains outstanding or unperformed.

4. Memorandum 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.

5. Articles of Association

The following is a summary of the provisions of the articles of association ("the Articles") of the Company concerning certain of the rights attaching to the Ordinary Shares.

(i) Voting

On a show of hands, every member present in person or by representative (in the case of a corporate member) has one vote and on a poll every member who is present in person or by representative (in the case of a corporate member) or by proxy shall have one vote for every share of which he is a holder, subject to disenfranchisement in the event of non-payment of calls or other monies due and payable or non-compliance with a statutory notice requiring disclosure as to the ownership of shares. In the case of an equality of votes, either on a show of hands or on a poll, the chairman of the meeting shall be entitled to a further or casting vote.

A poll may be demanded by (i) the chairman of the meeting, (ii) at least five shareholders present in person or by proxy and entitled to vote, (iii) any shareholder or shareholders present in person or by proxy and representing in aggregate not less than one-tenth of the total voting rights of all of the shareholders having the right to vote at the meeting or (iv) any shareholder or shareholders present in person or by proxy and holding shares conferring a right to vote at the meeting on which there have been paid-up sums in aggregate equal to not less than one-tenth of the total sum paid on all shares conferring such right.

(ii) Variation of rights

All or any of the rights attached to any class of shares may (whether or not the Company is being wound up) be varied or abrogated in such manner (if any) as is provided by those rights or with the consent in writing of holders of not less than three-quarters of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class.

The rights attached to a class of shares are not (except as otherwise provided in the terms of such shares) deemed to be varied by the creation and issue of further shares ranking *pari passu* with them.

(iii) Transfer of shares

Subject to the restrictions in the Articles (and the terms of the Lock-in Deed referred to in paragraph 7(e)) any member may transfer all or any of his shares in any manner permitted by statute which is approved by the Directors.

(a) Certificated Shares

Instruments of transfer must be signed by or on behalf of the transferor and (except in the case of a fully paid share) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered into the register of members in respect of the shares.

(b) Uncertificated

Subject to the Articles, any member may transfer all or any of his uncertificated shares by means of the relevant system or in any other manner which is permitted by the Statutes (as defined in the Articles) and is from time to time approved by the Directors and the Company shall register such transfer in accordance with the Statutes.

The Directors may in their absolute discretion and without giving any reason, refuse to register any transfer of shares all or any of which are not fully paid provided that, where any such shares are admitted to trading on any recognised investment exchange such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

The registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Directors may from time to time determine.

(iv) *Dividends*

The Company may, by ordinary resolution of the shareholders, declare a dividend to be paid out of the profits available for distribution to the shareholders according to their respective rights and priorities. The declared dividend shall not exceed the amount recommended by the Board.

(v) *Winding up*

On a voluntary winding-up, the liquidator may, with the sanction of an extraordinary resolution, divide among the shareholders *in specie* any part of the assets of the Company, or vest any part of the assets of the Company in trustees upon such trust for the benefit of the members or any of them as the resolution shall provide.

(vi) *Pre-emption rights*

The Articles do not contain any pre-emptive rights with respect to the Ordinary Shares. The Act confers on shareholders, to the extent not waived, rights of pre-emption in respect of the issue of equity securities that are, or are to be, paid up wholly in cash. The term "equity securities" means: (a) shares of the Company other than shares which, with respect to dividends and capital, carry a right to participate only up to a specified amount in a distribution and shares allotted pursuant to an employee share plan; and (b) rights to subscribe for, or to convert into, such shares.

These provisions may be waived by a special resolution of the shareholders, either generally or specifically, for a maximum period not exceeding five years and Company has passed a special resolution disapplying these provisions until the earlier of (i) fifteen months after the date of incorporation and (ii) the conclusion of any Annual General Meeting of the Company in 2004.

(vii) *Redemption*

The Articles provide that the Company may, subject to certain limitations, purchase its own shares including any redeemable shares.

(viii) *Directors*

Number

Unless and until the Company in general meeting shall otherwise determine, the number of Directors shall not be less than two nor more than ten.

Voting

No Director may vote or be counted in the quorum in respect of any contract, arrangements or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. The prohibition does not apply in any event to resolutions regarding:

- (a) the giving of any security, guarantee or indemnity to a Director in respect of money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiaries or to a third party in respect of a debt or obligations of the Company or any of its subsidiaries for which the Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (b) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer the Director is or is to be interested as a participant as a holder of securities or in the underwriting or sub-underwriting;
- (c) any proposal concerning any other company in which the Director is interested, directly or indirectly, unless he is the holder of or beneficially interested in one per cent. or more of the issued share of any class of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company;
- (d) an arrangement for the benefit of employees of any member of the Company or any of its subsidiaries which does not confer on any Director any privilege or advantage not generally accorded to the employees to whom such arrangement relates; and
- (e) any proposal concerning the purchase or maintenance of any insurance policy under which he may benefit.

Proposals concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Company may be divided and considered in relation to each Director

separately and in such cases each Director (if not debarred from voting under (c) above) shall be entitled to vote in respect of each resolution except that concerning his own appointment.

6. Summary of the principal terms of The Conygar Investment Company Share Option Plan ("the Option Scheme")

(a) Operation

The Option Scheme is to be operated by the Remuneration Committee ("the Committee") of the Board.

(b) Inland Revenue approval

The Option Scheme will be divided into two parts. One part (the "Approved Part") has been designed to qualify for approval by the Inland Revenue under the Income Tax (Earnings and Pensions) Act 2003 (the "Income Tax Act 2003"). An application is being made for Inland Revenue approval. Options granted under the Approved Part are called "Approved Options".

The other part (the "Unapproved Part" contained at Appendix III to the rules of the Option Scheme) will not qualify for Inland Revenue approval. Accordingly the Unapproved Part allows greater flexibility than is permitted under the Approved Part. In particular the £30,000 individual limit (see below) will not apply to options granted under Appendix III. Options granted under the Unapproved Part are called "Unapproved Options".

(c) Grant of options

(i) Eligibility

Any full-time director (i.e. one who is contractually required to work at least 25 hours per week) and any other employee of the Company or any of its subsidiaries (the "Group"), will be eligible to be granted options under the Approved Part at the discretion of the Committee. Any Executive Director and any other employee of the Company or the Group will be eligible to be granted options under the Unapproved Part.

(ii) When options may be granted

Approved Options may be granted within any period of forty-two days following either: (i) approval of the Option Scheme by the Inland Revenue; or (ii) the announcement of any results of the Company in each year or (iii) the issue of shares by the Company. Approved Options will not be granted more than ten years after the date of approval of the Option Scheme by the Inland Revenue.

Unapproved Options may be granted within any period of forty-two days following either: (i) the date that the Option Scheme is adopted by the Company; or (ii) the announcement of any results of the Company in each year or (iii) the issue of shares by the Company. Unapproved Options will not be granted more than ten years after the date that the Option Scheme is adopted by the Company.

If the Committee is prevented from granting options within the periods described above, by statute, order, regulation or government directive etc., it may grant options within the period of twenty-one days after the lifting of such restrictions. Options may also be granted at other times in exceptional circumstances.

(iii) Option exercise price

The price at which optionholders may acquire Ordinary Shares on the exercise of their Approved Options will be determined by the Committee at the time of grant and must not be less than the higher of: (a) the nominal value of an Ordinary Share; and (b) the middle market quotation of an Ordinary Share as derived from the Daily Official List of the London Stock Exchange for the dealing day immediately preceding the date of grant.

The price at which optionholders may acquire Ordinary Shares on the exercise of their Unapproved Options will be determined by the Committee as its reasonable opinion of the market value of an Ordinary Share at the time of grant or, where the grant follows an issue of shares by the Company, the price at which shares are issued by the Company, and where the Unapproved Option is an option to subscribe it will not be less the nominal value of an Ordinary Share.

(iv) Individual limit

At any one time, the Approved Options which any optionholder may hold under the Option Scheme and any other share option scheme (excluding savings-related schemes) approved under the Income Tax Act 2003 and established by the Company (or any associated company), must be limited to

Ordinary Shares with a market value (calculated at the date of grant of each option) that does not exceed £30,000.

(d) Option Scheme limits

The number of issued Ordinary Shares over which options may be granted under the Option Scheme will be limited as follows:

(i) to the extent that the Company's market capitalisation is less than £100 million

The grant of Options will be limited so that the number of Ordinary Shares issued, or remaining issuable, pursuant to rights granted under the Option Scheme will not exceed 15 per cent. of the Company's issued ordinary share capital at the date of grant.

(ii) if the Company's market capitalisation exceeds £100 million

The grant of Options will be limited so that the number of Ordinary Shares issued, or remaining issuable, pursuant to rights granted under the Option Scheme after the Company's market capitalisation exceeds £100 million will not exceed 10 per cent. of any additional Ordinary Shares issued by the Company after the Company's market capitalisation exceeds £100 million.

(e) Performance conditions

All options granted under the Option Scheme will be subject to performance conditions set by the Committee. The performance conditions will be designed to link the exercise of options to the growth in the share price of the Company.

It is intended that the conditions attached to the initial set of Options granted under the Option Scheme will require that the Company's share price growth over a two year period exceeds 20 per cent. compound per annum. The starting price for measuring share price growth will be the Placing Price and the end price will be the average of the mid market value of a share in the Company over the 30 days ending on the second anniversary of the date of Admission. The performance condition may be re-tested on an annual basis if it is not achieved on the second anniversary.

The Committee has power to vary any performance condition after the option has been granted if, because of a change in circumstances, it considers the condition to have become unfair or impractical.

(f) Exercise of options

An Option will normally be exercisable between two and ten years from the date of grant. If an optionholder ceases to qualify as an eligible employee or director, any outstanding Option granted to him under the Option Scheme will lapse subject to the limited exercise periods referred to below.

If an optionholder ceases to be employed within the Group by reason of: death; injury or disability; redundancy; retirement at 55; his employing company leaving the Group; or his employment being transferred out of the Group, his Option will be exercisable within a limited period, whether or not the performance conditions have been satisfied. If for some other reason an optionholder no longer qualifies as an eligible employee or director, the Committee will retain a discretion to allow that optionholder to exercise his Options within a limited period. The Committee may extend that period to longer period and/or make the exercise subject to conditions.

Options will also be exercisable within a limited period in the event of a takeover of the Company; its reconstruction or amalgamation with another company by virtue of a compromise or arrangement sanctioned by the court (a "Section 425 scheme"); or the voluntary winding up of the Company. In these circumstances Options will be exercisable whether or not the performance conditions have been satisfied, save that for Unapproved Options in the event of a takeover of the Company, or a Section 425 scheme, an option may not be exercised unless the Committee is satisfied with the performance of the Company over the period since the date that the option was granted.

(g) Variation of share capital

In the event of any increase or variation in the share capital of the Company (whether by way of capitalisation, rights issue, sub-division or consolidation of the Ordinary Shares), the exercise price under each subsisting Option and/or the number and nominal value of Ordinary Shares comprised in the Option may be adjusted by the Committee in such manner as it decides is fair and reasonable. In the case of Approved Options, the prior approval of the Inland Revenue will also be required.

(h) *Rights attaching to shares*

Any Ordinary Shares allotted (or transferred) pursuant to the exercise of an Option will rank equally in all respects with the other Ordinary Shares in issue on the date of allotment (or transfer).

(i) *Amendments to the Option Scheme*

The Board may amend the Option Scheme in any way it thinks fit save that no amendment may be made which would adversely affect the subsisting rights of optionholders, without the consent of the optionholder whose rights would be adversely affected by the amendment.

In the case of Approved Options, the prior approval of the Inland Revenue will also be required to the amendment of key features of the Option Scheme.

(j) *General*

The Company will at all times keep available sufficient authorised and unissued Ordinary Shares to satisfy the exercise of all options granted under the Option Scheme taking into account arrangements for such options to be satisfied with issued shares.

An Option will be personal to the optionholder and may not be assigned, charged, transferred or otherwise disposed of except as provided under the rules of the Option Scheme.

No optionholder will be entitled, on the termination of their employment with a member of the Group, to any compensation for the loss of any rights under the Option Scheme.

Benefits under the Option Scheme will not be pensionable.

This is a summary of the main features of the Option Scheme but does not form part of it and should not be taken as affecting its interpretation.

7. **Material contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company since its incorporation and are, or may be, material, and there are no other contracts entered into by the Company which include an obligation or entitlement which is material to the Company at the date of this document.

- (a) A Placing Agreement dated 9 October 2003 between, *inter alia*, the Company, Deloitte & Touche LLP, Bridgewell and each of the Executive Directors under which Bridgewell has conditionally agreed, as agent for the Company, to use its reasonable endeavours to procure places for up to 9,999,999 million Ordinary Shares at the Placing Price. In consideration for its services Bridgewell will be paid an advisory fee of £20,000 and a commission equal to 4 per cent. of the aggregate proceeds for all Ordinary Shares issued to places introduced to the Company by Bridgewell. Bridgewell and Deloitte & Touche LLP are to also have the benefit of certain warranties and indemnities which shall be given by the Company, Robert Ware, Peter Batchelor and Gavin Davidson.
- (b) Under an agreement between the Company and Deloitte & Touche LLP dated 19 September 2003, Deloitte & Touche LLP has agreed, *inter alia*, to act as the Company's nominated adviser as required by the AIM Rules. Deloitte & Touche LLP has agreed to provide such advice and guidance to the Directors as to their responsibilities and obligations to ensure compliance by the Company on an on-going basis with the AIM Rules as the Directors or the Company may reasonably request from time to time. Deloitte & Touche LLP will receive a fee of £40,000 on Admission for its services.

Deloitte & Touche LLP will receive an annual fee of £20,000 (plus VAT) for its services, payable half-yearly in advance. The Company has also given certain undertakings and indemnities to Deloitte & Touche LLP in connection with the appointment to act as nominated adviser. This agreement is terminable by Deloitte & Touche LLP upon notice in writing.

Deloitte & Touche LLP has agreed to subscribe for 40,000 Ordinary Shares under the Placing.

- (c) Under a Broker Agreement between the Company and Bridgewell dated 17 September 2003, Bridgewell has agreed to act as the Company's broker both in the context of the Placing and on an ongoing basis. The Company has also given certain undertakings and indemnities to Bridgewell in connection with its appointment as broker.
- (d) Under a letter agreement between the Company and Macfarlanes dated 22 September 2003, Macfarlanes has agreed to act for the Company and provide legal advice and guidance in relation to Admission and the Placing.

- (e) The Executive Directors and the Non-executive Directors entered into a Lock-in Deed dated 9 October 2003 in favour of the Company, Bridgewell, and Deloitte & Touche LLP, as described in Part II of this document. The restrictions in the Lock-in Deed shall not apply in the event of an intervening court order or the death of the relevant party subject to the Deed or pursuant to acceptance of, or the giving of an irrevocable undertaking to accept, an offer made by any person in accordance with the City Code from time to time in force.

8. Working Capital

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

9. Litigation

There are no legal or arbitration proceedings, active, pending or threatened against, or being brought by, the Company which are having or may have a significant effect on the Company's financial position.

10. Taxation

The following summary is only intended as a general guide to certain aspects of United Kingdom tax law and Inland Revenue practice applicable at the date of this document. It is addressed to potential Shareholders and not to special classes of potential Shareholders such as insurance companies and dealers in securities. Its applicability will depend upon the particular circumstances of prospective Shareholders. Potential Shareholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate professional adviser.

(a) Taxation of dividends

The Company is not required to withhold tax from dividend payments.

Individual Shareholders

Individual Shareholders who are resident in the United Kingdom for tax purposes and who receive dividends paid by the Company, will be entitled to a tax credit. The amount of the tax credit is currently one ninth of the cash dividend or 10 per cent. of the aggregate of the cash dividend and the associated tax credit.

Shareholders will be liable to income tax on an amount of income equal to the aggregate of the dividend and the associated tax credit. This amount of income is treated as the top slice of an individual's income and, depending upon the individual's circumstances, the individual will be subject to income tax at the Schedule F ordinary rate (currently 10 per cent.) to the extent that such income is below the then threshold for higher rate tax or the Schedule F upper rate (currently 32.5 per cent.) to the extent that such income is above the threshold. The tax credit will be offset against the individual's total income tax liability. As a result, an individual Shareholder who, after taking into account such dividend income, is subject to United Kingdom income tax only at the starting or the basic rate will have no further liability to income tax. Higher rate taxpayers will have an additional tax liability of an amount equal to 22.5 per cent. of the aggregate of the cash dividend and the associated tax credit (which is equal to 25 per cent. of the cash dividend).

United Kingdom resident Shareholders whose income tax liability is less than the tax credit are not entitled to claim a repayment of all or part of the tax credit associated with dividends paid by the Company. Special rules apply to charities, trusts and individuals holding shares in Individual Savings Accounts (ISAs).

Corporate Shareholders

United Kingdom resident corporate Shareholders will not generally be liable to United Kingdom corporation tax on any dividends received from the Company.

Non-United Kingdom resident Shareholders

Shareholders who are not resident in the United Kingdom or who are subject to tax in a jurisdiction outside the United Kingdom should consult their own tax advisers concerning their liabilities to tax on dividends received from the Company.

(b) Chargeable gains

A disposal of Ordinary Shares by a Shareholder resident or ordinarily resident for tax purposes in the United Kingdom or by a Shareholder who carries on a trade, profession or vocation in the United Kingdom through a branch or agency and who has used, held or acquired the Ordinary Shares for the purposes of

such trade, profession or vocation or such branch or agency may, depending on the Shareholder's circumstances, and subject to any available exemptions or reliefs, give rise to a chargeable gain or an allowable loss for the purposes of United Kingdom tax on chargeable gains. Special rules apply to individuals at a time when they are temporarily not resident or ordinarily resident in the United Kingdom.

Individuals, personal representatives and trustees may be entitled to taper relief, which will serve to reduce the chargeable gain. Companies are not entitled to taper relief, but are due an indexation allowance, which may also reduce the chargeable gain.

(c) *Stamp duty and stamp duty reserve tax ("SDRT")*

The following statements are intended as a general guide to the position under current United Kingdom tax law and Inland Revenue practice. They do not apply to persons such as market makers, dealers, brokers, intermediaries and persons (or nominees for persons) who issue depositary receipts or operate clearance services to whom special rules apply.

Issue of Ordinary Shares

The allotment and issue of Ordinary Shares by the Company pursuant to the Placing will not give rise to a charge to stamp duty or SDRT.

Transfer of Ordinary Shares within CREST

Agreements to transfer Ordinary Shares within CREST will attract SDRT normally at the rate of 0.5 per cent. of the amount or value of the consideration paid. In the case of an unconditional agreement to transfer such Ordinary Shares within CREST, the charge to SDRT arises on the date of the agreement. In the case of a conditional agreement, the charge to SDRT arises on the date the agreement becomes unconditional. The SDRT will be collected through CREST and becomes payable on the date agreed between the Inland Revenue and the operator of the CREST system. Claims can be made to cancel or obtain a repayment of the SDRT liability in the same circumstances as for transfers outside CREST as described below.

There is no additional stamp duty or SDRT liability where Ordinary Shares are taken out of CREST (otherwise than pursuant to a transfer on sale), and there is no additional stamp duty or SDRT liability if Ordinary Shares are deposited in CREST for conversion into uncertificated form (otherwise than pursuant to a transfer on sale or in contemplation of such sale). A transfer of Ordinary Shares on a CREST transfer form pursuant to a transfer on sale for conversion into uncertificated form will not give rise to a charge to stamp duty but will attract an SDRT liability normally at the rate of 0.5 per cent. on the amount or value of the consideration.

Transfer of Ordinary Shares outside CREST

Transfers of Ordinary Shares outside CREST will be liable to ad valorem stamp duty normally at the rate of 0.5 per cent. of the amount or value of the consideration. A charge to SDRT, normally at the rate of 0.5 per cent. of the consideration, arises, in the case of an unconditional agreement to transfer shares outside CREST, on the date of the agreement, and in the case of a conditional agreement, the date the agreement becomes unconditional. The SDRT is payable on the seventh day of the month following the month in which the charge arises. However, where an instrument of transfer is executed and duly stamped before the expiry of a period of six years beginning with the date of that agreement, the SDRT charge is cancelled to the extent that the SDRT has not been paid and, if any of the SDRT has been paid, a claim may be made for its repayment.

Liability to stamp duty will be rounded up to the nearest multiple of £5.

11. Miscellaneous

- (a) The Ordinary Shares may be issued in certificated form or uncertificated form and settled through CREST. Temporary documents of title will not be issued.
- (b) The estimated expenses of establishing the Company and organising and effecting the Placing payable by the Company are approximately £150,000, including the estimated commission payable to Bridgewell referred to in paragraph 7(a) of Part V and including any irrecoverable VAT to be paid by the Company. The estimated amount of the Company's preliminary expenses is £1,000. The estimated expenses of the Placing are £149,000. Accordingly, assuming that the placing proceeds (before expenses) are £5.0 million, the net proceeds of the Placing will be £4.85 million. All expenses are payable by the Company. The net proceeds will be invested in accordance with the Company's investment strategy.

- (c) The Placing Price of 50p per Ordinary Share represents a premium of 45p over the nominal value of each Share.
- (d) Monies received from applicants pursuant to the Placing will be held in accordance with the terms of the Placing letters issued by Bridgewell until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 23 October 2003 or such later date as may be agreed by the Company, Deloitte & Touche LLP and Bridgewell being no later than 8.00 a.m. on 31 October 2003, application monies will be returned to applicants at their risk without interest.
- (e) No Ordinary Shares available under the Placing are being underwritten.
- (f) The Directors confirm that the Company was incorporated and registered on the date referred to in paragraph 1 of Part V above and that, save for its entry into the material contracts described in paragraph 7 of Part V above and the opening of a bank account with Barclays Bank Plc, the Company has not traded and no accounts have been made up.
- (g) There has been no significant change in the trading or financial position of the Company since the date of its incorporation save as disclosed in this document.
- (h) The Company does not have nor has it had since incorporation any employees (other than the Directors) and it neither owns nor leases any premises.
- (i) Deloitte & Touche LLP has given and has not withdrawn its written consent to the issue of this document and the references to itself in the form and context in which such references appear.
- (j) Bridgewell has given and has not withdrawn its written consent to the issue of this document and the references to itself in the form and context in which such references appear.
- (k) Rees Pollock has given and has not withdrawn its written consent to the inclusion of its report as set out in Part IV of this document and the references to itself in the form and context in which such references appear.
- (l) The accounting reference date of the Company is 30 September.
- (m) Save as disclosed in this document, no amount or benefit has been paid or given by the Company since incorporation, or is intended so to be given, to any promoter.

12. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the offices of Macfarlanes, 10 Norwich Street, London EC4A 1BD for a period of one month from the date of this document:

- (a) the memorandum and articles of association of the Company;
- (b) the report and letter from Rees Pollock set out in Part IV of this document;
- (c) the letters of appointment referred to in paragraph 3 of this Part V;
- (d) the Share Option Schemes referred to in paragraph 6 of this Part V;
- (e) the material contracts referred to in paragraph 7 of this Part V;
- (f) the consent letters referred to in paragraphs 11(i), (j) and (k) of this Part V; and
- (g) this document.

13. Availability of the Admission Document

Copies of this document are available for collection free of charge from the offices of Macfarlanes, 10 Norwich Street, London EC4A 1BD for a period of one month following Admission.

17 October 2003.

**MACFARLANES
10, NORWICH ST.
LONDON EC4A 1BD**

Presenter: EDWARD HORNER
REF: E3XH/577733
TEL: 020 7831 ~~9222~~ 9222

DIRECTORS, PROPOSED DIRECTOR AND ADVISERS

- Directors:** Stuart Bruck (*Executive Chairman*)
Michael Kingman Low (*Chief Executive Officer, North America*)
Lyndon James Gaborit CA (*Finance Director*)
Nicholas Owen Brigstocke (*Non-executive Director*)
Anthony Roger Moore (*Non-executive Director*)
Henry John Mark Tompkins (*Non-executive Director*)
- Secretary:** Lyndon James Gaborit CA
all of whose business address is at:
15 Stratton Street
London W1J 8LQ
- Registered Office:** Kempson House
Camomile Street
London EC3A 7AN
- Proposed Director:** Gordon Wood (*Chief Executive Officer, Europe*)
whose business address is at:
59 Hill Street
Liverpool
Merseyside L8 5SB
- Nominated Adviser and Broker:** Numis Securities Limited
Cheapside House
138 Cheapside
London EC2V 6LH
- Solicitors to the Company:** Norton Rose
Kempson House
Camomile Street
London EC3A 7AN
- Solicitors to Numis and to the Placing:** Addleshaw Goddard
150 Aldersgate Street
London EC1A 4EJ
- Reporting Accountants:** In respect of HCEG:
HLB AV Audit plc
66 Wigmore Street
London W1U 2HQ
- In respect of IPS:
Grant Thornton
Grant Thornton House
Melton Street
Euston Square
London NW1 2EP
- In respect of HCEGI:
Arthur L. Faccini
Certified Public Accountant
3991 MacArthur Blvd.
Suite 225
Newport Beach
California 92660
- In respect of Safa Group and SafaTec UK:
DTE Business Advisory Services Limited
DTE House
Greater Manchester BL9 8AT
- Auditors to the Company:** HLB AV Audit plc
66 Wigmore Street
London W1U 2HQ
- Registrars:** Capita Registrars plc
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

DEFINITIONS

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

“3i”	3i Group PLC
“Acquisitions”	the Safa Group Acquisition, the SafaTec UK Acquisition and the IPS Acquisition or any of them, as the context requires
“Act”	the Companies Act 1985, as amended
“Admission”	admission of the Enlarged Share Capital and the Warrants to trading on AIM becoming effective in accordance with the AIM Rules
“Adopted Share Option Plan”	the amended and restated 2001 L&P MCC, Inc. stock option plan, which was adopted by the Company in connection with the acquisition of HCEGI in March 2003, details of which are set out in paragraph 8.2 of Part X of this document
“AIM”	the Alternative Investment Market of the London Stock Exchange
“AIM Rules”	the AIM rules for companies, as issued by the London Stock Exchange
“Bank”	Barclays Bank plc
“Bonus Issue”	the proposed bonus issue of up to 140,467,684 equity warrants (subject to adjustment to reflect any exercise of Options prior to the Record Date) to Shareholders whose names appear on the register of shareholders on the Record Date, on the basis of 1 warrant for every 10 Ordinary Shares held, details of which are set out in paragraph 7 of Part I of this document
“Business Day”	a day other than a Saturday or Sunday on which banks are ordinarily open for the transaction of normal banking business in London
“Company” or “HCEG”	Healthcare Enterprise Group PLC
“Completion”	completion of the Acquisitions or any of them, as the context requires
“Consideration Shares”	the 250,900,000 Ordinary Shares to be issued at Completion as part consideration for the Acquisitions
“Deferred Shares”	non-voting deferred shares of 0.4p each in the capital of the Company
“Directors” or “Board”	the directors of the Company at the date of this document, whose names are set out on page 3 of this document
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“Enlarged Group”	together, the Company and its subsidiaries following Completion
“Enlarged Share Capital”	the enlarged ordinary share capital of the Company following implementation of the Proposals but before any dilution as a result of the exercise of any Options, Warrants and Prestbury Warrants
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company convened for 11.00 a.m. on 13 November 2003, notice of which is set out at the end of this document
“Facilities”	together the Term Loan Facilities and the Invoice Discount Facilities
“Firm Placed Shares”	the 1,000,000,000 Placing Shares which have at the date of this document been conditionally placed by Numis pursuant to the terms of the Sponsorship and Placing Agreement
“Form of Proxy”	the form of proxy enclosed with this document for use by Shareholders in connection with the EGM
“Goosec”	Goosec Limited, a company incorporated in the British Virgin Islands
“Group”	the Company and its subsidiary, HCEGI