

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 ("FSMA"). The whole of the text of this document should be read.

If you have sold or transferred all of your Ordinary Shares in the Company, please pass this document and Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or transferred only part of your holding of Ordinary Shares you should retain these documents.

The Existing Ordinary Shares are admitted to trading on AIM. Conditional on completion of the Placing, an application will be made for the Enlarged Issued Ordinary Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Enlarged Issued Ordinary Share Capital will commence on AIM on 22 July 2008.

---

# Merchant Securities plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 5347651)

**Placing of 15,750,000 Ordinary Shares at 10 pence per share,**

**Capital Reorganisation**

**and**

**Notice of General Meeting**

---

This document does not constitute a prospectus for the purposes of Section 85 of FSMA (and any offer to the public is exempt by virtue of Section 86 of FSMA) nor does it constitute an admission document drawn up in accordance with the AIM Rules. This document has not been approved for issue by any person for the purposes of Section 21 of FSMA. No prospectus will be approved by any Member State of the European Economic Area which has implemented the Prospectus Directive and no prospectus will be registered or published in any Relevant Member State. This document will not constitute a prospectus for the purposes of the Prospectus Directive in reliance, in particular, on the exemption set out in article 3(2)(b) of the Prospectus Directive. This document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, New Ordinary Shares in any jurisdiction on which such offer or solicitation is unlawful. In particular, the Placing Shares have not been, and will not be, registered under the United States Securities Act 1933 as amended (the "Securities Act") or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, the Republic of South Africa or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan. The distribution of this document in other jurisdictions may be restricted by law and, therefore, persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this document may not be distributed, directly or indirectly, in or into the United States, Canada, the Republic of South Africa, Australia or Japan. Overseas shareholders and any person (including, without limitation, nominees and trustees), who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

A notice convening a General Meeting of the Company to be held at the offices of Nabarro LLP, Lacon House, Theobald's Road, London, WC1X 8RW, on 21 July 2008 at 10.00 a.m. is set out at the end of this document. A Form of Proxy accompanies this document. **To be valid, Forms of Proxy for use at the meetings must be completed and returned so as to be received at the offices of the Company's registrars, Capita Registrars, at the Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 10.00 a.m. on 19 July 2008.** The completion and depositing of the Form of Proxy will not preclude you from attending and voting in person at the General Meeting should you wish to do so.

# Contents

	<b>Page</b>
<b>Definitions</b>	3
<b>Expected timetable of principal events</b>	5
<b>Placing statistics</b>	5
<b>PART I Letter from the Chairman</b>	6
Introduction	6
Background to and reasons for the Placing	6
The Placing	7
Capital Reorganisation	7
Strategy	8
General Meeting	8
Action to be taken by Shareholders	9
Recommendation	9
<b>Notice of General Meeting</b>	10

## Definitions

<b>“Act”</b>	the Companies Act 1985 (as amended) or as replaced by the Companies Act 2006 or otherwise
<b>“Admission”</b>	the effective admission of the Enlarged Issued Ordinary Share Capital to trading on AIM, in accordance with the AIM Rules
<b>“AIM”</b>	the AIM market of the London Stock Exchange plc
<b>“AIM Rules”</b>	the AIM Rules for Companies issued by the London Stock Exchange as amended from time to time
<b>“Arden”</b>	Arden Partners plc
<b>“Capita Registrars”</b>	the trading name of Capita IRG plc
<b>“Capital Reorganisation”</b>	the proposed sub-division of each Existing Ordinary Share into one New Ordinary Share and one Deferred Share
<b>“Capital Reorganisation Record Date”</b>	close of business on 21 July 2008
<b>“Company” or “Merchant Securities”</b>	Merchant Securities plc
<b>“Deferred Shares”</b>	the deferred shares of 9p each arising from the Capital Reorganisation
<b>“Directors” or “Board”</b>	the directors of the Company as set out on page 6 of this document
<b>“GM” or “General Meeting”</b>	the general meeting of the Company convened for 10.00 a.m. on 21 July 2008, notice of which is set out at the end of this document
<b>“Enlarged Issued Ordinary Share Capital”</b>	the 46,897,270 New Ordinary Shares in issue immediately following implementation of the Proposals
<b>“Existing Ordinary Shares”</b>	the 31,147,270 Ordinary Shares of 10p each in issue at the date of this document
<b>“Form of Proxy”</b>	the form of proxy enclosed with this document for use by Shareholders in connection with the GM
<b>“FSA”</b>	The Financial Services Authority
<b>“Group”</b>	the Company and its subsidiary undertakings
<b>“Independent Directors”</b>	John Green and Charles Price
<b>“JEP”</b>	John East & Partners Limited, a wholly-owned subsidiary of the Company
<b>“MSGL”</b>	Merchant Securities Group Limited, a wholly-owned subsidiary of the Company
<b>“New Ordinary Shares”</b>	the new ordinary shares of 1p each in the capital of the Company arising from the Capital Reorganisation
<b>“Placees”</b>	the subscribers for Placing Shares pursuant to the Placing
<b>“Placing”</b>	the conditional placing of the Placing Shares

## **Definitions (continued)**

<b>“Placing Price”</b>	10p per Placing Share
<b>“Placing Shares”</b>	the 15,750,000 New Ordinary Shares which have been placed, subject to the passing of the Resolutions and to Admission
<b>“Proposals”</b>	the Placing and the Capital Reorganisation details of which are set out in this document
<b>“Resolutions”</b>	the resolutions set out in the notice of General Meeting
<b>“Shareholders”</b>	holders of Existing Ordinary Shares

### **Expected timetable of principal events**

Publication date of this document	27 June 2008
Latest time for receipt of Forms of Proxy for the General Meeting	10.00 a.m. on 19 July 2008
General Meeting	10.00 a.m. on 21 July 2008
Capital Reorganisation Record Date	21 July 2008
Admission effective and trading expected to commence in the Placing Shares	22 July 2008
CREST accounts credited in respect of the Placing Shares	22 July 2008
Share certificates in respect of Placing Shares expected to be despatched by no later than (where applicable)	29 July 2008

### **Placing statistics**

Placing Price	10p
Number of Placing Shares being issued by the Company for subscription in the Placing	15,750,000
Number of New Ordinary Shares in issue immediately following the Placing	46,897,270
Percentage of Enlarged Issued Ordinary Share Capital being placed	33.6 per cent.
Amount, after expenses, being raised under the Placing	£1.51 million
Market capitalisation at the Placing Price following admission of the Placing Shares	£4.69 million

# PART I

## LETTER FROM THE CHAIRMAN

### Merchant Securities plc

(Incorporated in England and Wales with registered number 5347651)

#### *Directors*

John Louis Green (*Non-executive Chairman*)  
Partick Timothy Claridge (*Acting Chief Executive*)  
Christopher Matthew Hyde ACA (*Finance Director*)  
John Richard Alan East (*Executive director*)  
Charles Beaufort Price (*Non-executive director*)

#### *Registered Office*

John Stow House  
18 Bevis Marks  
London  
EC3A 7JB

27 June 2008

*To Shareholders and, for information purposes only, to the holders of options over ordinary shares in the Company.*

Dear Shareholder,

#### **Introduction**

Earlier today, Merchant Securities announced the terms of a placing of 15,750,000 Ordinary Shares to raise £1.575 million, before expenses, at a price of 10p per share. The Company also announced the details of the Capital Reorganisation.

The Resolutions granting the Directors authority to allot shares, to waive statutory pre-emption rights on allotment and to give effect to the Capital Reorganisation are contained in the notice of GM at the end of this document.

The purpose of this document is to give the background to and reasons for the Placing and the Capital Reorganisation, to explain why the Independent Directors believe that these proposals are in the best interests of the Company and its Shareholders as a whole and to recommend that you vote in favour of them at the forthcoming GM.

#### **Background to and reasons for the Placing**

In its trading statement made on 1 May 2008, the Company reported that it expected to have incurred a loss after taxation for the year ended 31 March 2008, in the region of £600,000, after taking account of non-recurring items of approximately £400,000. These items included the fine of £77,000 imposed on MSGL by the FSA, announced on 17 June 2008 and the expenses incurred incidental to this.

Tony Fabrizi, the Company's former chief executive, resigned from this position and as a director of the Company and its subsidiaries on 12 June 2008, and was replaced in an acting capacity by Patrick Claridge, formerly chief operating officer.

The effect of this trading loss and current market conditions have been to deplete the Company's resources, although MSGL and JEP, individually, and the Group as a whole have a surplus of resources above the Pillar 1 capital requirement, which is the FSA's minimum capital requirement. However, the Directors consider it essential to increase the buffer between Group's resources and the minimum capital required by the FSA, in order to enable the Group to continue to trade comfortably in current market conditions and to take advantage of opportunities which may present themselves. Consequently, the Directors wish to carry out the Placing, the proceeds of which amount to approximately £1.51 million after expenses, to raise the capital to achieve this.

It is the Board's view that the Placing is the most appropriate means of providing additional working capital for the Company. The cost of funds raised through the Placing will be substantially less than those for an open offer or rights issue to Shareholders, which would have cost the Company a significantly higher percentage of the funds being raised and, in the case of a rights issue, extended the timetable for the receipt of funds. The Placees include Gartmore Investment Limited, ("Gartmore") which is currently the largest institutional shareholder in the Company and Dom Maklerski IDM Spółka Akcyjna ("IDMSA"), which is a Polish independent, non-bank brokerage house with 18 offices throughout Poland. IDMSA was established in 1998 and is a member of and listed on the Warsaw Stock Exchange with a market capitalisation of approximately £75 million. In 2007 IDMSA concluded fund raising transactions with a total value of approximately £500 million. We are pleased to have the continuing support of Gartmore and welcome the involvement of IDMSA, where we hope for a strategic and collaborative relationship. Other placees include Patrick Claridge, acting chief executive of the Company and of MSGSL, John East, an executive director of the Company and the executive chairman of JEP, Chris Hyde, Group finance director and David Worlidge, managing director of JEP. The respective subscriptions of these placees are set out under the paragraph headed "The Placing" below.

The Company currently only has the authority to issue up to 6,229,450 Existing Ordinary Shares for cash on a non pre-emptive basis, so a resolution to grant authority for the placing, together with general authorities to allot shares are set out in the notice of meeting at the end of this document.

### **The Placing**

The Company has raised £1.575 million before expenses (£1.51 million, net of expenses) by means of the Placing, under which it proposes to issue 15,750,000 New Ordinary Shares at 10p per New Ordinary Share. The subscribers in the Placing named above and their shareholdings following implementation of the Proposals will be as follows:

	At present	Placing	Following the Placing	
	Number of Existing Ordinary Shares	Number of Placing Shares	Number of New Ordinary Shares	%
IDMSA	-	8,000,000	8,000,000	17.06
Gartmore	3,499,505	4,000,000	7,499,505	15.99
Patrick Claridge	1,348,028	1,000,000	2,348,028	5.01
John East	3,495,000	1,000,000	4,495,000	9.58
Christopher Hyde	-	500,000	500,000	1.07
David Worlidge	2,062,857	500,000	2,562,857	5.46

The Placing is conditional upon the passing of the Resolutions and on Admission. The Placing Shares, when issued and fully paid, will rank equally in all respects with the New Ordinary Shares in issue, including the right to receive all dividends and other distributions declared, made or paid after Admission.

It is expected that Admission will become effective and that trading in the New Ordinary Shares and the Placing Shares on AIM will commence on 22 July 2008.

### **Capital Reorganisation**

Company law prevents a company from issuing fully paid shares at a discount to the nominal, or par, value of its shares. Accordingly, so as to leave a margin between the nominal value of the Company's shares and the Placing Price, the Directors consider that it is desirable to reduce the nominal value of the Company's authorised and issued Existing Ordinary Shares from the present level of 10p per share.

To give effect to this it is proposed that each Existing Ordinary Share will be sub-divided into:  
one New Ordinary Share (with a nominal value of 1p each); and  
one Deferred Share (with a nominal value of 9p each).

The Deferred Shares will have no voting rights and will not carry any entitlement to receive notice of and attend general meetings of the Company. Holders of the Deferred Shares will not be entitled to any dividend or other distribution and on a return of capital they will be entitled to receive only the amount paid up or credited as paid up on each Deferred Share, but only after the holders of each New Ordinary Share have received the amount paid up on each New Ordinary Share.

Accordingly, the Deferred Shares will, for all practical purposes, be valueless and it is the Board's intention, at an appropriate time, to make application to the High Court for the Deferred Shares to be cancelled.

Existing share certificates will continue to be valid for the New Ordinary Shares arising from the Capital Reorganisation, but no certificates will be issued in respect of Deferred Shares.

The Placing is conditional on the Capital Reorganisation and on Admission.

### **Strategy**

The Directors' strategy continues to be to create a diversified and well balanced financial services group. Its operating subsidiaries are both members of the London Stock Exchange plc: MSGL, a private client and institutional stockbroking firm and JEP, a corporate finance firm and an approved nominated adviser and broker to companies whose shares are traded on AIM.

MSGL intends to develop further its private client investment management activities, with a particular emphasis on improving the quality of its business and increasing recurring fee income from fund management. It has also strengthened its institutional department with the recruitment of a highly rated specialist research and sales team. These initiatives, which are ongoing, are expected to increase the scale and quality of its operations.

JEP has 39 retained clients, of which 37 are companies traded on AIM, to which it acts as Nominated Adviser and also, in 27 cases, broker. JEP intends to increase the number of companies for which it acts by targeting other AIM quoted companies and by attracting new companies seeking admission to AIM. JEP also intends to increase the size of placings which it undertakes by increasing the size of its corporate broking department and working more closely with MSGL.

The Directors intend to build on these activities, with the intention of improving the Group's revenues, containing costs and providing increasing shareholder value.

### **General Meeting**

A General Meeting of the Company has been convened for 10.00 a.m. on 21 July 2008 at the offices of Nabarro LLP, Lacon House, Theobald's Road, London, WC1X 8RW. At this meeting resolutions will be proposed to:

1. effect the Capital Reorganisation;
2. grant the Directors authority to allot equity securities pursuant to section 80 of the Companies Act 1985 in respect of the Placing Shares and otherwise in respect of 33 per cent of the thereby fully diluted enlarged share capital; and
3. disapply statutory pre-emption rights on new issues of shares in respect of the Placing Shares and otherwise in respect of up to 20 per cent of the thereby enlarged share capital.

The notice convening the GM is set out at the end of this document.

**Action to be taken by Shareholders**

Shareholders will find enclosed with this document a Form of Proxy for use at the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions printed on it so as to arrive at the Company's registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event not later than 10.00 a.m. on 19 July 2008. Completion and return of the Form of Proxy will not prevent Shareholders from attending and voting at the General Meeting should they so wish.

**Recommendation**

**The Independent Directors believe that the Proposals are in the best interests of the Company and its Shareholders and strongly recommend Shareholders to vote in favour of the Resolutions. The Company has received irrevocable undertakings to vote in favour of the resolutions from the Directors and certain other Shareholders, who hold, in aggregate, 15,836,544 Existing Ordinary Shares, equivalent to 50.94 per cent of the existing issued ordinary share capital in the Company.**

Yours faithfully

**John Green**  
Chairman

# Merchant Securities plc

(Incorporated in England and Wales with registered number 5347651)

## NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the offices of Nabarro LLP, Lacon House, Theobald's Road, London, WC1X 8RW on 21 July 2008, at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, of which resolution 2 will be proposed as an ordinary resolution and resolutions 1 and 3 will be proposed as special resolutions:

### SPECIAL RESOLUTION

1. That:
  - (i) a. each of the 31,147,270 issued ordinary shares of 10p in the capital of the Company ("Existing Ordinary Shares") be and is hereby subdivided and reclassified into and as one new ordinary shares of 1p in the capital of the Company ("New Ordinary Share") and one deferred ordinary share of 9p ("Deferred Share");
    - b. each of the 18,852,730 unissued ordinary shares of 10p in the capital of the Company be subdivided into ten New Ordinary Shares,
  - (ii) the Deferred Shares shall have the rights and be subject to the following rights and restrictions:
    - a. the Deferred Shares shall not confer on the holders thereof any right to receive notice of or to attend or vote at any general meeting of the Company;
    - b. the holders of Deferred Shares shall not be entitled to any dividend or other distribution;
    - c. on a return of capital, whether on a winding-up or otherwise, the holders of the Deferred Shares shall be entitled to receive only the amount paid up or credited as paid up on each Deferred Share, but only after the holders of each New Ordinary Share have received the amount paid up or credited as paid up on each New Ordinary Share, but the holders of Deferred Shares shall not be entitled to participate further;
    - d. the Company shall have the irrevocable authority at any time after the creation or issue of Deferred Shares to appoint any person to execute on behalf of the holders of such shares a transfer thereof and/or agreement to transfer the same without making any payment to the holders thereof to such person or persons as the Company may determine and, in accordance with the provisions of the Companies Act 1985 or the Companies Act 2006, as the case may be, (the "Acts"), to purchase or cancel such shares without making any payment to or obtaining the sanction of the holders thereof and pending such transfer and/or purchase or cancellation to retain the certificates (if any) in respect thereof provided also that the Company may, in accordance with the provisions of the Acts, purchase all but not some only of the Deferred Shares then in issue at a price not exceeding 1p for all the Deferred Shares so purchased;
    - e. the rights attaching to the Deferred Shares shall not be, or deemed to be, varied, modified or abrogated by the creation, allotment or issue of any shares in the capital of the Company of any class (whether ranking *pari passu* with or in priority to them) or the passing of any resolution to cancel all or any of the Deferred Shares or any thing done pursuant to or any other act, matter or thing whatsoever save for any proposal to vary (otherwise than to the advantage of the holders of the Deferred Shares) the rights of the holders of the Deferred Shares to participate in a return of capital; and
    - f. notwithstanding any provision of the articles of association, the Company shall not be required to issue any share certificates in respect of the Deferred Shares.

## ORDINARY RESOLUTION

2. That, subject to and conditional on the passing of resolution 1 the directors be and they are hereby generally and unconditionally authorised (in substitution for all previous authorities conferred upon the directors pursuant to section 80 of the Act but without prejudice to the allotment of or entry into of any agreement to allot any relevant securities made or agreed to be made pursuant to such authorities) to exercise all of the powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to an aggregate nominal amount of £261,324, and this authority, unless it is (prior to its expiry) duly revoked or varied or is renewed, shall expire on the date being 15 months from the date hereof or, if earlier, the date of the next annual general meeting of the Company, save that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

## SPECIAL RESOLUTION

3. That, subject to and conditional on the passing of resolutions 1 and 2, the directors be and they are hereby given power in accordance with Section 95 of the Act to allot equity securities for cash (within the meaning of Section 94 of the Act) pursuant to the general authority given to them by the previous resolution, as if Section 89(1) of the Act did not apply to the allotment, provided that this power is limited to:
- (a) the allotment of 15,750,000 New Ordinary Shares in connection with the Placing;
  - (b) the allotment of equity securities (otherwise than pursuant to paragraph 3(a) above) up to an aggregate nominal amount of £93,795; and
  - (c) the allotment of equity securities in connection with a rights issue or other pro rata offer in favour of holders of ordinary shares in the capital of the Company where the equity securities respectively attributable to the interests of all the ordinary shareholders are proportionate (as nearly as may be) to the respective members of equity securities held by them subject in each case to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal difficulties under the laws of any territory or the requirements of a regulatory body,

and this authority, unless it is (prior to its expiry) duly revoked or varied or is renewed, shall expire on the date being 15 months from the date hereof or, if earlier, the date of the next annual general meeting of the Company save that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

By order of the Board  
**Rose-Marie Sexton**  
Company Secretary

*Registered office:*  
John Stow House  
18 Bevis Marks  
London EC3A 7JB

Dated: 27 June 2008

## Notes

- (1) A member entitled to attend, speak and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote, on a poll, instead of him. A proxy need not be a member of the Company.
- (2) A Form of Proxy is enclosed for your use if desired. The instrument appointing a proxy must reach the Company's Registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time of holding of the meeting.
- (3) In accordance with section 325 of the Companies Act 2006 ("2006 Act"), the right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the 2006 Act. Any person to whom this notice is sent who is a person nominated under section 146 of the 2006 Act to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
- (3) Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, the Company specifies that only those Shareholders of the Company on the register at 6.00 p.m. on 21 July 2008 shall be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their name at the time. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.
- (4) In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate Shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of appointment letter if the chairman is being appointed as described in (i) above.
- (5) You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. If you wish to appoint more than one proxy, please contact the Company's Registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU for additional proxy forms and for assistance.
- (6) To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent by 10.00 a.m on 19 July 2008. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001. In any case your proxy form must be received by the company's registrars no later than 10.00 a.m on 19 July 2008.