

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should consult immediately your stockbroker, bank manager, solicitor, accountant or other financial adviser, authorised under the Financial Services and Markets Act 2000 (as amended) or licensed under the Protection of Investors (Bailiwick of Guernsey) Law 1987 (as amended).

If you have sold or otherwise transferred all of your Shares in the Company, you should pass this document, but not the personalised Tender Form, as soon as possible, to the purchaser or transferee or to the other person through whom the sale or transfer was effected for transmission to the purchaser or transferee. This document and the Tender Form should not, however, be forwarded or transmitted in or into any Restricted Territories.

Cenkos Securities plc, which is authorised and regulated by the Financial Services Authority, is acting for the Company in connection with the Tender Offer and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cenkos Securities plc nor for providing advice in relation to the Tender Offer.

Matrix European Real Estate Investment Trust Limited

(a closed-ended company incorporated with liability limited by shares under the laws of Guernsey and registered with number 44115)

Tender Offer by Cenkos Securities plc to purchase up to 14.99 per cent. of the Shares in issue

The Tender Offer will close at noon on 1 June 2010 and will only be available to Shareholders on the Register at the close of business on 10 May 2010. Shareholders wishing to tender Shares for purchase in the Tender Offer should ensure that their completed Tender Forms are returned by post to Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH or by hand only (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to arrive by no later than noon on 1 June 2010. Shareholders who hold their Shares in certificated form should also return their share certificate(s) and/or other documents of title in respect of the Shares tendered. Shareholders who hold Shares in uncertificated form (that is, in CREST) should return the Tender Form as described above and also arrange for the Shares tendered to be transferred into escrow as described in Part III of this document.

The Tender Offer is not being made to Restricted Shareholders. In particular, the Tender Offer is not being made, directly or indirectly, in or into or by the use of mails by any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or any facility of a national securities exchange, of the United States, nor is it being made directly or indirectly in or into Canada, Australia, the Republic of South Africa or Japan and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within the United States, Canada, Australia, the Republic of South Africa or Japan.

The Company is authorised under section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, as an authorised closed-ended investment company pursuant to the Authorised Closed-ended Investment Schemes Rules 2008. Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council takes any responsibility for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

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EXPECTED TIMETABLE OF EVENTS

	<i>2010</i>
Record Date for Tender Offer	close of business on 10 May
Closing Date: latest time and date for receipt of Tender Forms and time for settlement of TTE Instructions	noon on 1 June
Result of Tender Offer announced	4 June
Settlement Date: cheques despatched and payments through CREST made	as soon as practicable after 4 June
Balancing Share certificates despatched and CREST accounts settled	as soon as practicable after 4 June

Helpline Number: 0870 707 4040

DEFINITIONS

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

AGM	means an annual general meeting of the Company
Basic Entitlement	means the entitlement of each Shareholder to tender up to 14.99 per cent. of the Shares registered in such Shareholder's name on the Record Date rounded down to the nearest whole number
Board or Directors	means the directors of the Company or any duly constituted committee thereof
Business Day	means any day other than a Saturday, Sunday or public holiday in England and Guernsey
Cenkos Securities	means Cenkos Securities plc
certificated or in certificated form	means not in uncertificated form
City Code	means The City Code on Takeovers and Mergers
Closing Date	means noon on 1 June 2010
Company	means Matrix European Real Estate Investment Trust Limited
Court	means the High Court of Justice in England and Wales
CREST	means the facilities and procedures for the time being of the relevant system of which Euroclear UK & Ireland has been approved as operator pursuant to the CREST Regulations
CREST Manual	means the compendium of documents entitled CREST Manual issued by Euroclear UK & Ireland from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
CREST Regulations	means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
CREST sponsor	means a CREST participant admitted to CREST as a CREST sponsor, being a sponsoring system participant (as defined in the CREST Regulations)
Euroclear UK & Ireland	means Euroclear UK & Ireland Limited, the operator of CREST
FSMA	means the Financial Services and Markets Act 2000, as amended
Law	means the Companies (Guernsey) Law, 2008, as amended
London Stock Exchange	means the London Stock Exchange plc
Manager	means Matrix Property Fund Management (Guernsey) Limited
member account ID	means the identification code or number attached to any member account in CREST
NAV per Share or Net Asset Value per Share	means the NAV divided by the number of Shares then in issue

Net Asset Value or NAV	means the total value of all of the assets of the Company less its liabilities as determined by the Board and calculated in accordance with the Company's accounting policies
Overseas Shareholders	means Shareholders who are resident in, or citizens of, territories outside the United Kingdom and not resident in, or citizens of, any of the Restricted Territories
Panel	means the Panel on Takeovers and Mergers
participant ID	means the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
Receiving Agent or Computershare	means Computershare Investor Services PLC
Record Date	means the close of business on 10 May 2010
Register	means the register of Shareholders
Registrars	means Computershare Investor Services (Channel Islands) Limited
Repurchase Agreement	means the agreement dated 17 May 2010 between the Company and Cenkos Securities relating to the repurchase by the Company on the London Stock Exchange of the Shares purchased by Cenkos Securities pursuant to the Tender Offer as summarised in Part V of this document
Restricted Shareholders	means Shareholders who are resident in, or citizens of, a Restricted Territory
Restricted Territories	means any of the following territories: Australia, Canada, Japan, the Republic of South Africa and the United States or any other jurisdiction where the extension or acceptance of the Tender Offer would violate the relevant laws of that jurisdiction
Settlement Date	means the date by which the consideration for Shares purchased in the Tender Offer will be settled by a CREST payment or despatched by cheque to the Shareholders entitled thereto, which is expected to be as soon as practicable after 4 June 2010
Shares	means participating shares of no par value in the Company
Shareholders	means holders of Shares
Sterling or £	means the lawful currency of the United Kingdom
Tender Form	means the tender form for use in connection with the Tender Offer accompanying this document
Tender Offer	means the invitation by Cenkos Securities to Shareholders (other than Restricted Shareholders) to tender Shares for purchase on the terms and subject to the conditions set out in this document and in the Tender Form
Tender Price	means 122p pence per Share
TFE Instruction	means a transfer from escrow instruction (as defined by the CREST Manual issued by Euroclear UK & Ireland)
TTE Instruction	means a transfer to escrow instruction (as defined by the CREST Manual issued by Euroclear UK & Ireland)

uncertificated or in uncertificated form means a Share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

UK Listing Authority means the Financial Services Authority acting in its capacity as the competent authority for listing pursuant to Part VI of FSMA

United Kingdom or UK means the United Kingdom of Great Britain and Northern Ireland

Unless otherwise stated in this document, all references to statute or other forms of legislation shall refer to statute or forms of legislation of the UK.

PART I

LETTER FROM THE CHAIRMAN

Matrix European Real Estate Investment Trust Limited

(a closed-ended company incorporated with liability limited by shares under the laws of Guernsey and registered with number 44115)

Directors:

Crispian Collins (*Chairman*)
Stephen Coe
Jan Van der Vlist

Registered office:

Sarnia House
Le Truchot
St Peter Port
Guernsey
GY1 4NA

18 May 2010

Dear Shareholders

TENDER OFFER BY CENKOS SECURITIES PLC TO PURCHASE UP TO 14.99 PER CENT. OF THE SHARES IN ISSUE

Introduction

On 11 May 2010, your Board announced that, following the successful disposal of the IZD tower, it was intending to implement a tender offer to all Shareholders using part of the sale proceeds. In addition, on that day, the Company published an Interim Management Statement as at 31 March 2010 which is available on the Company's website www.mereit.info.

The Board is implementing a tender offer for up to 14.99 per cent. of the Company's issued Shares as at 10 May 2010 at a price of 122 pence per Share. As at 10 May 2010, the Company had 37,738,118 Shares in issue. The Tender offer is therefore for up to 5,656,944 Shares. Your Board has concluded that, given the discount at which the Shares have been and are trading relative to their NAV per Share, it is in the interests of Shareholders as a whole to implement the Tender Offer so as to provide a further form of liquidity for the Shares and to provide those Shareholders who want to sell some or all of their Shares the opportunity to do so. The Directors and the Manager have undertaken to Cenkos Securities that they will not tender any of their Shares in the Tender Offer.

On 8 April 2010, Shareholders approved an ordinary resolution, to expire at the end of the AGM of the Company to be held in 2011, granting the Company the authority to repurchase a maximum of 14.99 per cent. of the Company's issued share capital in issue as that date. As the Tender Offer falls within this authority the Company will not be seeking Shareholder approval for its implementation. The Board currently intends to seek Shareholder approval to renew this authority in the event that the Tender Offer is fully subscribed.

This document contains the formal terms of the Tender Offer together with details of how Shareholders can tender their Shares for purchase if they wish to do so.

Key points of the Tender Offer

The key points of the Tender Offer are as follows:

- the Tender Offer is for up to 14.99 per cent. of the Company's issued Share capital as at the Record Date;
- Shareholders on the Record Date, being close of business on 10 May 2010 (other than Restricted Shareholders), will be able to decide whether to tender some or all of their Shares within the overall limit of the Tender Offer (but tenders in excess of a Shareholder's Basic Entitlement will only be accepted to the extent that other Shareholders tender less than their Basic Entitlement or do not tender any Shares);

- the Tender Price will be 122 pence per Share, compared to the mid market Share price as at the Record Date (being the close of business on 10 May 2010) of 119.25 pence per Share; and
- the Tender Offer is conditional upon the Repurchase Agreement becoming unconditional in all respects (save in respect of any condition relating to the Tender Offer becoming unconditional).

Options for Shareholders

Shareholders can choose:

- to continue their full investment in the Company; or
- save for Restricted Shareholders, to tender some or all of their Shares for purchase and to receive cash in consideration of such purchase (subject to the scaling back of tenders in excess of the Basic Entitlement) or to sell their Shares in whole or part via the market.

Shareholders, other than Restricted Shareholders, will be entitled to have up to 14.99 per cent. of their respective holdings purchased under the Tender Offer. Such Shareholders will be able to tender additional Shares, but such tenders will only be satisfied, on a pro rata basis, to the extent that other Shareholders tender less than their Basic Entitlement or do not tender any Shares.

Further details of the Tender Offer

Shareholders (other than Restricted Shareholders) on the Register on the Record Date will be invited to tender for sale some or all (subject to the overall limits of the Tender Offer) of their Shares to Cenkos Securities who will, as principal, purchase at the Tender Price the Shares validly tendered (subject to the overall limits of the Tender Offer) and, following the completion of all those purchases, sell the relevant Shares on to the Company at the Tender Price by way of an on-market transaction. All transactions will be carried out on the London Stock Exchange.

The Tender Offer is subject to certain conditions, and may be terminated in certain circumstances as set out in paragraph 7 of Part III of this document.

Shareholders' attention is drawn to the letter from Cenkos Securities set out in Part II of this document and to Part III of this document, which, together with the Tender Form constitute the terms and conditions of the Tender Offer. Details of how Shareholders will be able to tender Shares can be found in paragraph 3 of Part III of this document.

Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.

Shareholders who are in any doubt as to the contents of this document or as to the action to be taken should immediately consult their stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under FSMA.

Expenses

The costs relating to the Tender Offer, assuming the Tender Offer is fully subscribed, are expected to be approximately £124,000. These costs shall be borne by the Company.

Restricted Shareholders and other Overseas Shareholders

The Tender Offer is not being made to Shareholders who are resident in, or citizens of, Restricted Territories. Restricted Shareholders are being excluded from the Tender Offer to avoid infringing applicable local laws relating to the implementation of the Tender Offer. Accordingly, copies of this document, the Tender Form and any related documents are not being and must not be mailed or otherwise distributed in or into Restricted Territories.

It is the responsibility of all Overseas Shareholders to satisfy themselves as to the observance of any legal requirements in their jurisdiction, including, without limitation, any relevant requirements in relation to the ability of such holders to participate in the Tender Offer.

Taxation

Shareholders who sell their Shares in the Tender Offer may, depending on their individual circumstances, incur a liability to taxation.

The attention of Shareholders is drawn to Part IV of this document which sets out a general guide to certain aspects of current UK law and HMRC practice.

Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the UK should consult an appropriate professional adviser.

Action to be taken

Shareholders (other than Restricted Shareholders) who wish to participate in the Tender Offer should complete the Tender Form in accordance with the instructions set out therein and return the completed Tender Form by post to Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE to arrive as soon as possible after receipt of the Tender Form and by no later than noon on 1 June 2010. A reply-paid envelope is enclosed with the Tender Form for your convenience.

Shareholders who hold their Shares in certificated form should also return their Share certificate(s) and/or other documents of title in respect of the Shares tendered with their Tender Form. Shareholders who hold their Shares in uncertificated form (that is, in CREST) should return the Tender Form as described above and arrange for the relevant Shares to be transferred to escrow as described in paragraph 3 of Part III of this document and in the Tender Form.

General

The extent to which Shareholders participate in the Tender Offer is a matter for each Shareholder to decide, and will be influenced by their own individual financial and tax circumstances and their investment objectives. Shareholders should seek advice from their own independent financial adviser authorised under FSMA.

Yours faithfully,

Crispian Collins
Chairman

PART II
LETTER FROM CENKOS SECURITIES PLC

6.7.8. Tokenhouse Yard
London
EC2R 7AS

18 May 2010

Dear Shareholder

As explained in the letter from your Chairman in Part I of this document, Shareholders (other than Restricted Shareholders) are being given the opportunity to tender some or all of their Shares for purchase in the Tender Offer, subject to the scaling back of tenders in excess of the Basic Entitlement on the basis set out below and in Part III of this document. The purpose of this letter is to set out the principal terms and conditions of the Tender Offer.

Cenkos Securities hereby invites Shareholders (other than Restricted Shareholders) on the Register on the Record Date to tender Shares for purchase for cash at the Tender Price. Each Shareholder will be entitled to have accepted in the Tender Offer valid tenders to Cenkos Securities plc in respect of up to his, her or its Basic Entitlement. In addition, Shareholders may tender Shares in excess of their Basic Entitlement but such excess tenders will only be satisfied to the extent that other Shareholders have not tendered all or any part of their Basic Entitlement, as the case may be. Tenders in excess of the Basic Entitlement will be satisfied *pro rata* in proportion to the excess over the Basic Entitlement tendered, rounded down to the nearest whole number of Shares.

The Tender Offer is made on the terms and subject to the conditions set out in Part III of this document and the Tender Form, the terms of which will be deemed to be incorporated in this document and form part of the Tender Offer.

Cenkos Securities is acting for the Company in connection with the Tender Offer and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cenkos Securities nor for providing advice in relation to the Tender Offer. Cenkos Securities has given and not withdrawn its written consent to the inclusion of the reference to its name in the form and context in which it is included in this document.

Procedure for tendering Shares

Shareholders (other than Restricted Shareholders) who wish to tender Shares should complete the Tender Form in accordance with the instructions set out therein and return the completed Tender Form by post to Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE to arrive by no later than noon on 1 June 2010.

Shareholders (other than the Restricted Shareholders) who hold their Shares in certificated form should also return the Share certificate(s) and or other document(s) of title in respect of the Shares tendered with their Tender Form. Shareholders (other than the Restricted Shareholders) who hold their Shares in uncertificated form (that is, in CREST) should return the Tender Form as described above and arrange for their Shares to be transferred to escrow as described in paragraph 3 of Part III of this document and in the Tender Form.

Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of other than in accordance with the Tender Offer.

Full details of the procedure for tendering Shares are set out in Part III of this document and on the Tender Form.

Validity of Tender Forms

Tender Forms which are received by the Receiving Agent after noon on the Closing Date or which at that time are incorrectly completed or not accompanied by all relevant documents or instructions may be rejected and returned to Shareholders or their appointed agent, together with any accompanying Share certificate(s) and/or other document(s) of title.

Cenkos Securities plc reserves the right to treat as valid Tender Forms which are not entirely in order and which are not accompanied (in the case of Shares held in certificated form) by the relevant Share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof.

Restricted Shareholders and Overseas Shareholders

The Tender Offer is not available to Shareholders with registered or mailing addresses in Restricted Territories, or who are citizens or nationals of, or resident in, a Restricted Territory and such Shareholders should read paragraph 9 of Part III of this document and the relevant provisions of the Tender Form.

Overseas Shareholders (not being Restricted Shareholders) who wish to accept the Tender Offer should also read paragraph 9 of Part III and satisfy themselves that they have fully observed any applicable legal requirements under the laws of the relevant jurisdiction.

Conditions

The Tender Offer is conditional on the terms specified in paragraph 2 of Part III of this document.

Termination of Tender Offer

The Tender Offer may be terminated in the circumstances described in paragraph 7 of Part III of this document.

Settlement

Subject to the Tender Offer becoming unconditional, payment of the Tender Price due to Shareholders whose tenders under the Tender Offer have been accepted will be made (by a Sterling cheque or by a CREST payment, as appropriate) as soon as practicable after 4 June 2010.

Further information

Your attention is drawn to the information contained in the rest of this document, including, in particular, the terms and conditions of the Tender Offer in Part III of this document.

Yours faithfully

G.W.E. Rogers
For and on behalf of
Cenkos Securities plc

PART III

TERMS AND CONDITIONS OF THE TENDER OFFER

1 The Tender Offer

- 1.1 All Shareholders (other than Restricted Shareholders) may tender Shares for purchase by Cenkos Securities on the terms and subject to the conditions set out in this document. Shareholders are not obliged to tender any Shares.
- 1.2 The Tender Offer is made at the Tender Price of 122 pence per Share. The calculations approved by the Directors will be conclusive and binding on all Shareholders.
- 1.3 The consideration for each tendered Share acquired by Cenkos Securities pursuant to the Tender Offer will be paid in accordance with the settlement procedures set out in paragraph 4.4 below.
- 1.4 Upon the Tender Offer becoming unconditional and unless the Tender Offer has lapsed or terminated in accordance with the provisions of paragraph 7 below, Cenkos Securities will accept the offers of Shareholders validly made in accordance with this Part III, subject as explained below, on the following basis:
 - 1.4.1 each Shareholder (other than Restricted Shareholders) on the Register at the Record Date will be entitled to sell to Cenkos Securities his, her or its Basic Entitlement, being such number of Shares rounded down to the nearest whole number, as represents up to 14.99 per cent. by number of such Shareholder's holding of Shares entered on the Register as at the Record Date;
 - 1.4.2 such Shareholder will also be entitled to sell Shares in excess of his, her or its Basic Entitlement to the extent that other Shareholders tender Shares in respect of less, in the aggregate, than the whole of their Basic Entitlement. Any such excess tenders will be satisfied pro rata in proportion to the amount in excess of the Basic Entitlement (rounded down to the nearest whole number of Shares); and
 - 1.4.3 the Basic Entitlement will apply to each registered Shareholder. Registered Shareholders who hold for multiple beneficial owners may decide the allocation between such beneficial owners in their own discretion.

2 Conditions

- 2.1 The Tender Offer is conditional on the following (together the "Conditions"):
 - 2.1.1 Cenkos Securities being satisfied that the Company has paid an amount equal to the aggregate of the Tender Price for all successfully tendered Shares into a designated account in accordance with the Repurchase Agreement;
 - 2.1.2 the Directors having approved a certificate of solvency confirming that the Company will satisfy the solvency test prescribed by the Law immediately following completion of the Tender Offer and that certificate having been signed by at least one of them; and
 - 2.1.3 the Tender Offer not having been terminated in accordance with paragraph 7 of this Part III prior to the fulfilment of the conditions referred to in sub-paragraphs 2.1.1 and 2.1.2 above.

Cenkos Securities will not purchase any Shares pursuant to the Tender Offer unless the Conditions have been satisfied. The Conditions, other than that contained in sub-paragraph 2.1.1 above, may not be waived by Cenkos Securities. If the Conditions are not satisfied by 9.00 a.m. on 4 June 2010, the Tender Offer, if not then completed, will lapse.

3 Procedure for tendering Shares

To tender your Shares, you must (whether or not your Shares are in CREST) complete, sign and return the accompanying Tender Form in accordance with the instructions printed on the Tender Form which shall be deemed to form part of the Tender Offer.

3.1 Completion of Tender Forms

If you hold Shares in both certificated and uncertificated form, you should complete a separate Tender Form for each holding. In addition, you should complete separate Tender Forms for Shares held in uncertificated form but under different member account IDs and for Shares held in certificated form but under different designations. Additional Tender Forms are available from Computershare at Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol BS99 6AH telephone number +44 (0)870 707 4040.

3.2 Return of Tender Forms – Shareholders

The completed and signed Tender Form should be sent either by post or by hand (during normal business hours) to Computershare so as to arrive no later than noon on 1 June 2010. No Tender Forms received after this time will be accepted. Reply-paid envelopes are enclosed with the Tender Forms. No acknowledgement of receipt of documents will be given. Any Tender Form received in an envelope postmarked from a Restricted Territory or otherwise appearing to Computershare or its agents to have been sent from any Restricted Territory may be rejected as an invalid tender. Further provisions relating to Restricted Shareholders are contained in paragraph 9 of this Part III.

3.2.1 Shares held in certificated form (that is, not in CREST)

The completed and signed Tender Form should be accompanied by the relevant Share certificate(s) and/or other document(s) of title. If your Share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with your stockbroker, bank or other agent), the Tender Form should nevertheless be completed, signed and returned as described above so as to be received by Computershare not later than noon on 1 June 2010 together with any Share certificate(s) and/or other document(s) of title you may have available, accompanied by a letter stating that the (remaining) Share certificate(s) and/or other document(s) of title will be forwarded as soon as possible thereafter and, in any event, not later than noon on 1 June 2010.

The Registrars, acting as your agent, will effect such procedures as are required to transfer your Shares to Cenkos Securities under the Tender Offer.

If you have lost your Share certificate(s) and/or other document(s) of title, you should write to the Company's registrars, Computershare at Computershare Investor Services (Jersey) Limited, 2nd Floor, Queensway House, Hilgrove Street, St Helier JE1 1ES for a letter of indemnity in respect of the lost Share certificate(s) which, when completed in accordance with the instructions given, should be returned to Computershare at either of the addresses referred to at the beginning of this paragraph 3.2 so as to be received no later than noon on 1 June 2010.

3.2.2 Shares held in uncertificated form (that is, in CREST)

If the Shares which you wish to tender are held in uncertificated form, you must insert in Box 5 of the Tender Form the participant ID and member account ID under which such Shares are held by you in CREST and otherwise complete and return the Tender Form as described above. In addition, you should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Shares which you wish to tender in the Tender Offer to an escrow balance, specifying Computershare in its capacity as a CREST receiving agent under its participant ID (referred to below) as the escrow agent, as soon as possible and, in any event, so that the transfer to escrow settles not later than noon on 1 June 2010.

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

You should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear UK & Ireland, which must be properly authenticated in accordance with Euroclear UK & Ireland's specification and which must contain, in addition to other information that is required for the TTE Instruction to settle in CREST, the following details:

- the number of Shares to be transferred to an escrow balance;
- your member account ID. This must be the same member account ID as the member account ID that is inserted in Box 5 of the Tender Form;
- your participant ID. This must be the same participant ID that is inserted in Box 5 of the Tender Form;
- the participant ID of the escrow agent, Computershare in its capacity as a CREST receiving agent, this is: RA61;
- the member account ID of the escrow agent, Computershare in its capacity as a CREST receiving agent, this is: MTTEND01;
- the Corporate Action Number for the Tender Offer. This is allocated by Euroclear UK & Ireland and can be found by viewing the relevant corporate action details in CREST;
- the Tender Form reference number. This is the reference number at the bottom of page 2 of the Tender Form. This reference number should be inserted in the first eight characters of the shared note field on the TTE Instruction. Such reference will enable Computershare to match the transfer to escrow to your Tender Form. You should keep a separate record of this Tender Form reference number for future reference; and
- the intended settlement date for the transfer to escrow. This should be as soon as possible after receipt of your Tender Form and in any event no later than noon on 1 June 2010.

After settlement of the TTE Instruction, you will not be able to access the Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by Computershare as your agent until completion or lapsing of the Tender Offer. If the Tender Offer becomes unconditional, Cenkos Securities will transfer the Shares which are accepted for purchase by Cenkos Securities to itself for onward sale to the Company.

You are recommended to refer to the CREST Manual published by Euroclear UK & Ireland for further information on the CREST procedures outlined above. For ease of processing, you are requested wherever possible, to ensure that a Tender Form relates to only one transfer to escrow.

If no Tender Form reference number, or an incorrect Tender Form reference number, is included on the TTE Instruction, Cenkos Securities may (but shall not be obliged to) treat any number of Shares transferred to an escrow balance in favour of the escrow agent from the participant ID and member account ID identified in the TTE Instruction as relating to any Tender Form which relates to the same participant ID and member account ID (up to the number of Shares inserted or deemed to be inserted in the Tender Form concerned).

You should note that Euroclear UK & Ireland does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Shares to settle prior to noon on 1 June 2010.

In connection with this, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

3.2.3 *Deposits of Shares into, and withdrawals of Shares from, CREST*

Normal CREST procedures (including timings) apply in relation to any Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Shares or otherwise). Shareholders who are proposing to convert any such Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Tender Offer (in particular, as regards delivery of Share certificates and/or other documents of title or transfer to an escrow balance as described above) prior to noon on 1 June 2010.

3.3 ***Validity of Tender Forms***

Notwithstanding the powers in paragraph 8.5 below, Cenkos Securities reserves the right to treat as valid only Tender Forms which are received entirely in order by noon on 1 June 2010, which are accompanied (in the case of Shares held in certificated form) by the relevant Share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof or (in the case of Shares held in uncertificated form) by the relevant TTE Instruction. The Record Date for the Tender Offer is close of business on 10 May 2010.

Notwithstanding the completion of a valid Tender Form, the Tender Offer may terminate or lapse in accordance with the Terms and Conditions set out in this Part III.

The decision of Cenkos Securities as to which Shares have been validly tendered shall be conclusive and binding on Shareholders who participate in the Tender Offer.

If you are in any doubt as to how to complete the Tender Form or as to the procedures for tendering Shares and you are a registered Shareholder, please contact Computershare by telephone on +44 (0)870 707 4040. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

4 **Announcement of the Tender Price and Settlement**

- 4.1 Unless terminated in accordance with the provisions of this Part III the Tender Offer will close for Shareholders at noon on 1 June 2010 and it is expected that on 4 June 2010, the Company will make a public announcement of the total number of Shares tendered and, if applicable, either the extent to which tenders will be scaled back, or the number of tendered Shares in excess of the Basic Entitlement which will be purchased by Cenkos Securities from Shareholders who have tendered Shares in excess of their Basic Entitlement.
- 4.2 Delivery of cash to Shareholders for the Shares to be purchased pursuant to the Tender Offer will be made by the Receiving Agent. The Receiving Agent will act as agent for tendering Shareholders for the purpose of receiving the cash and transmitting such cash to tendering Shareholders. Under no circumstances will interest be paid on the cash to be paid by the Company, Cenkos Securities or the Receiving Agent regardless of any delay in making such payment.
- 4.3 If any tendered Shares are not purchased because of an invalid tender, the termination of the Tender Offer or otherwise, relevant certificates evidencing any such Shares and other documents of title, if any, will be returned or sent by post as promptly as practicable, without expense to, but at the risk of, the tendering Shareholder, or in the case of Shares held in uncertificated form (that

is, in CREST), the Receiving Agent will provide instructions to Euroclear UK & Ireland to transfer all Shares held in escrow balances by TFE Instruction to the original available balances to which those Shares relate.

- 4.4 Settlement of the consideration to which any Shareholder is entitled pursuant to valid tenders accepted by Cenkos Securities is expected to be made as soon as practicable after 4 June 2010 as follows:

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

Where an accepted tender relates to Shares held in certificated form, cheques for the consideration due will be despatched by Computershare by first class post to the person or agent whose name and address is set out in Box 3 (or, if relevant, Box 4 of the Tender Form), or if none is set out, to the registered address of the tendering Shareholder shown above Box 1 or, in the case of joint holders, the address of the first named. All cash payments will be made in Sterling by cheque drawn on a branch of a UK clearing bank.

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

Where an accepted tender relates to Shares held in uncertificated form, the consideration due will be paid by means of CREST by Cenkos Securities procuring the creation of a CREST payment in favour of the tendering Shareholder's payment bank in accordance with the CREST payment arrangements.

The payment of any consideration to Shareholders for Shares pursuant to the Tender Offer will be made only after the relevant TTE Instruction has settled or (as the case may be) timely receipt by the Receiving Agent of certificates and/or other requisite documents evidencing such Shares, a properly completed and duly executed Tender Form and any other documents required by the Tender Form.

- 4.5 If only part of a holding of Shares is sold pursuant to the Tender Offer or if, because of scaling back, any tendered Shares in excess of a Shareholder's Basic Entitlement are not purchased pursuant to the terms of the Tender Offer:

4.5.1 where the Shares are held in certificated form, the relevant Shareholder will be entitled to receive a certificate in respect of the balance of the remaining Shares; or

4.5.2 where the Shares are held in uncertificated form (that is, in CREST) the unsold Shares will be transferred by the Receiving Agent by means of a TFE Instruction to the original available balance from which those Shares came.

5 Tender Form

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

- 5.1 The execution of the Tender Form shall constitute an offer to sell to Cenkos Securities such Shareholder's Basic Entitlement or, if relevant, the number of Shares inserted in Box 1B or 1C of the Tender Form, in each case, on and subject to the terms and conditions set out or referred to in this document and the Tender Form and that, once lodged, such offer shall be irrevocable;
- 5.2 Such Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Cenkos Securities, they will acquire such Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the Closing Date, including the right to receive all dividends and other distributions declared, paid or made after that date;

- 5.3 The execution of the Tender Form will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of Cenkos Securities as such Shareholder's attorney and/or agent ("attorney"), and an irrevocable instruction to the attorney to complete and execute all or any instruments of transfer and/or other documents at the attorney's discretion in relation to the Shares referred to in sub-paragraph 5.1 above in favour of Cenkos Securities or such other person or persons as Cenkos Securities may direct and to deliver such instrument(s) of transfer and/or other documents at the discretion of the attorney, together with the Share certificate(s) and/or other document(s) relating to such Shares, for registration within six months of the Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in Cenkos Securities or its nominee(s) or such other person(s) as Cenkos Securities may direct such Shares;
- 5.4 Such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Cenkos Securities or any of its directors or officers or any person nominated by Cenkos Securities in the proper exercise of its or his or her powers and/or authorities hereunder;
- 5.5 If such Shareholder holds Shares in certificated form, he, she or it will deliver to Computershare their Share certificate(s) and/or other document(s) of title in respect of the Shares referred to in sub-paragraph 5.1 above, or an indemnity acceptable to Cenkos Securities in lieu thereof, or will procure the delivery of such document(s) to such person as soon as possible thereafter and, in any event, no later than noon on 1 June 2010;
- 5.6 Such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Cenkos Securities to be desirable, in each case to complete the purchase of the Shares and/or to perfect any of the authorities expressed to be given hereunder;
- 5.7 Such Shareholder, if an Overseas Shareholder, has fully observed any applicable legal requirements and that the invitation under the Tender Offer may be made to and accepted by him under the laws of the relevant jurisdiction;
- 5.8 Such Shareholder has not received or sent copies or originals of this document or the Tender Form or any related documents to a Restricted Territory and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of any Restricted Territory, that the Tender Form has not been mailed or otherwise sent in, into or from any Restricted Territory and that such Shareholder is not tendering any Shares pursuant to the Tender Offer from any Restricted Territory;
- 5.9 The provisions of the Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer;
- 5.10 In the case of Shares in certificated form, the despatch of a cheque in respect of the Tender Price to a Shareholder at his registered address or such other address as is specified in the Tender Form will constitute a complete discharge by Cenkos Securities of its obligations to make such payment to such Shareholder;
- 5.11 In the case of Shares held in uncertificated form (that is, in CREST) the creation of a CREST payment in favour of such Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 4 above will, to the extent of the obligations so created, discharge fully any obligation of Cenkos Securities to pay to such Shareholder the cash consideration to which he is entitled in the Tender Offer;
- 5.12 On execution the Tender Form takes effect as a deed; and
- 5.13 The execution of the Tender Form constitutes such Shareholder's submission to the jurisdiction of the Court in relation to all matters arising out of or in connection with the Tender Offer or the Tender Form.

A reference in this paragraph 5 to a Shareholder includes a reference to the person or persons executing the Tender Form and in the event of more than one person executing a Tender Form, the provisions of this paragraph will apply to them jointly and to each of them.

6 Additional provisions

- 6.1 Each Shareholder may tender some of or all of their holding of Shares, by the Closing Date subject to the scaling back of tenders in excess of such Shareholder's Basic Entitlement on the basis provided in paragraph 1.4 above. If (i) Section 1 of the Tender Form is not completed; or (ii) in Cenkos Securities' determination (in its absolute discretion) Section 1 of the Tender Form has not been validly completed, provided that the Tender Form is otherwise in order and accompanied by all other relevant documents, the tender may be accepted as a valid tender in respect of the whole of the tendering Shareholder's Basic Entitlement.
- 6.2 Shares acquired by Cenkos Securities in the Tender Offer will be market purchases in accordance with the rules of the London Stock Exchange and the UK Listing Authority.
- 6.3 Shares sold by Shareholders pursuant to the Tender Offer will be acquired with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the Closing Date, including the right to receive all dividends and other distributions declared, paid or made after that date.
- 6.4 Each Shareholder who tenders or procures the tender of Shares will thereby be deemed to have agreed that, in consideration of Cenkos Securities agreeing to process his, her or its tender, such Shareholder, will not revoke his, her or its tender or withdraw his, her or its Shares. Shareholders should note that once tendered, Shares may not be sold, transferred, charged or otherwise disposed of.
- 6.5 Any omission to despatch this document or the Tender Form or any notice required to be despatched under the terms of the Tender Offer to, or any failure to receive the same by, any person entitled to participate in the Tender Offer shall not invalidate the Tender Offer in any way or create any implication that the Tender Offer has not been made to any such person.
- 6.6 No acknowledgement of receipt of any Tender Form, Share certificate(s) and/or other document(s) of title will be given. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Shareholders (or their designated agents) will be delivered by or sent to or from such Shareholders (or their designated agents) at their own risk.
- 6.7 All powers of attorney and authorities on the terms conferred by or referred to in this Part III or in the Tender Form are given by way of security for the performance of the obligations of the Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971.
- 6.8 Subject to paragraphs 8 and 9 below all tenders must be made on the relevant prescribed Tender Form, fully completed in accordance with the instructions set out thereon which constitute part of the terms of the Tender Offer. A Tender Form will only be valid when the procedures contained in these terms and conditions and in the Tender Form are complied with. The Tender Offer and all other tender offers will be governed by and construed in accordance with English law.
- 6.9 If the Tender Offer is terminated or lapses, all documents lodged pursuant to the Tender Offer will be returned promptly by post, within 14 Business Days of the Tender Offer terminating or lapsing, to the person or agent whose name and address is set out in Box 3 or Box 4 of the Tender Form or, if none is set out, to the tendering Shareholder or, in the case of joint holders, the first named at his or her registered address as shown above Box 1. In the case of Shares held in uncertificated form, Computershare in its capacity as the escrow agent will, within 14 Business Days of the Tender Offer terminating or lapsing, give instructions to Euroclear UK & Ireland to transfer all Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of the Tender Offer by TFE Instruction to the original available balances from which those Shares came. In any of these circumstances, Tender Forms will cease to have any effect.

- 6.10 The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Tender Form shall constitute part of the terms of the Tender Offer. The definitions set out in this document apply to the terms and conditions set out in this Part III.
- 6.11 Subject to paragraphs 8 and 9 below, the Tender Offer is open to Shareholders on the Register on the Record Date, and will close at noon on 1 June 2010. No Tender Form, Share certificate(s) and/or other document(s) of title or indemnity or TTE Instruction received after that time will be accepted.
- 6.12 Further copies of this document and copies of the Tender Form may be obtained on request from Computershare (in the case of registered Shareholders at the address set out on page 1 of the Tender Form).

7 Termination of the Tender Offer

If the Company (acting through the Directors) shall, at any time prior to Cenkos Securities effecting the purchase as principal of the tendered Shares pursuant to the Repurchase Agreement notify Cenkos Securities in writing that in their opinion (i) as a result of any change in national or international financial, economic, political or market conditions, the cash reserves available to the Company to fund the Tender Offer have become significantly reduced since the date of this document; or (ii) in its reasonable opinion the completion of the purchase of Shares in the Tender Offer could have unexpected adverse fiscal or other consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed, the Company may in its total discretion by a public announcement and subsequent written notice to Shareholders withdraw the Tender Offer, and in such event the Tender Offer shall cease and determine absolutely.

8 Miscellaneous

- 8.1 Any changes to the terms, or any extension or termination of the Tender Offer will be followed as promptly as practicable by a public announcement thereof no later than 1.00 p.m. on the Business Day following the date of such changes. Such an announcement will be released to a Regulatory Information Service of the London Stock Exchange. References to the making of an announcement by the Company includes the release of an announcement on behalf of the Company by Cenkos Securities to the press and delivery of, or telephone or facsimile or other electronic transmission of, such announcement to a Regulatory Information Service of the London Stock Exchange.
- 8.2 Shares purchased pursuant to the Tender Offer will, following the completion of the Tender Offer, be acquired from Cenkos Securities by the Company on the London Stock Exchange pursuant to the Repurchase Agreement and such Shares will subsequently be held in treasury.
- 8.3 Tendering Shareholders will not be obliged to pay brokerage fees, commissions or transfer taxes, stamp duty or stamp duty reserve tax in the UK or Guernsey on the purchase by Cenkos Securities plc of Shares pursuant to the Tender Offer.
- 8.4 Except as contained in this document, no person has been authorised to give any information or make any representations with respect to the Company or the Tender Offer and, if given or made, such other information or representations should not be relied on as having been authorised by Cenkos Securities or the Company. Under no circumstances should the delivery of this document or the delivery of any consideration pursuant to the Tender Offer create any implication that there has been no change in the assets, properties, business or affairs of the Company since the date of this document.
- 8.5 Cenkos Securities reserves the absolute right to inspect (either itself or through its agents) all Tender Forms and may consider void and reject any tender that does not in Cenkos Securities' sole judgement (acting reasonably) meet the requirements of the Tender Offer. Cenkos Securities also reserves the absolute right to waive any defect or irregularity in the tender of any Shares, including any Tender Form (in whole or in part) which is not entirely in order or in the case of a Tender Form which is not accompanied by (in the case of Shares held in uncertificated form) the relevant TTE Instruction or (in the case of Shares held in certificated form), the related Share

certificate(s) and/or other document(s) of title or an indemnity acceptable to Cenkos Securities in lieu thereof. In that event, for Shares held in certificated form, however, the consideration in the Tender Offer will only be despatched when the Tender Form is entirely in order and the Share certificate(s) or other document(s) of title or indemnities satisfactory to Cenkos Securities has/have been received. None of Cenkos Securities, the Company, the Registrars or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.

8.6 The provisions of the Contracts (Rights of Third Parties) Act 1999 do not apply to the Tender Offer.

9 Restricted Shareholders and Other Overseas Shareholders

9.1 The provisions of this paragraph 9 and any other terms of the Tender Offer relating to Restricted Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by Cenkos Securities in consultation with the Company but only if Cenkos Securities and the Company are satisfied that such waiver, variance or modification will not constitute or give rise to a breach of applicable securities or other law.

9.2 Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such Overseas Shareholder wishing to tender Shares to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection herewith, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any such Overseas Shareholder will be responsible for the payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and Cenkos Securities and the Company and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify the Tender Offer or to authorise the extending of the Tender Offer or the distribution of the Tender Forms in any territory outside the United Kingdom.

9.3 The Tender Offer is not being made to Restricted Shareholders. Restricted Shareholders are being excluded from the Tender Offer to avoid offending applicable local laws relating to the implementation of the Tender Offer. Accordingly, copies of this document, the Tender Form and any related documents are not being and must not be mailed or otherwise distributed into any Restricted Territory, including to Shareholders with registered addresses in Restricted Territories, or to persons who Cenkos Securities knows to be custodians, nominees or trustees holding Shares for persons in Restricted Territories. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute or send them in or into a Restricted Territory or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, as so doing will render invalid any related purported acceptance of the Tender Offer. Persons wishing to accept the Tender Offer should not use such mails or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Tender Offer. Envelopes containing Tender Forms should not be postmarked from a Restricted Territory or otherwise despatched from a Restricted Territory and accepting Shareholders must not provide Restricted Territory addresses for the remittance of cash or return of Tender Forms.

9.4 A Shareholder will be deemed not to have made a valid tender if (i) such Shareholder is unable to make the representation and warranty set out in paragraph 5.7 (if relevant) and 5.8 of this Part IV, or (ii) such Shareholder inserts in Box 3 or Box 4 of the Tender Form the name and address of a person or agent in a Restricted Territory to whom he wishes the consideration to which such Shareholder is entitled in the Tender Offer to be sent; or (iii) the Tender Form received from him is in an envelope postmarked in, or which otherwise appears to Cenkos Securities or its agents to have been sent from, a Restricted Territory. Cenkos Securities reserves the right, in its absolute discretion, to investigate, in relation to any acceptance, whether the representation and warranty referred to in paragraph 5.7 (if relevant) and 5.8 above given by any Shareholder is correct and, if such investigation is undertaken and as a result Cenkos Securities determines (for any reason) that such representation and warranty is not correct, such acceptance shall not be valid.

- 9.5 If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Tender Form or any related offering documents in or into a Restricted Territory or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, internet and telephone) of interstate or foreign commerce of, or any facility of a national securities exchange in, a Restricted Territory in connection with such forwarding, such person should (i) inform the recipient of such fact; (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and (iii) draw the attention of the recipient to this paragraph 9.
- 9.6 Overseas Shareholders (who are not Restricted Shareholders) should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.

10 Modifications

The terms of the Tender Offer shall have effect subject to such non-material modifications or additions as the Company and Cenkos Securities may from time to time approve in writing. The times and dates referred to in this document may be amended by agreement between the Company and Cenkos Securities.

PART IV

TAXATION

UK Taxation

The following comments are intended only as a general guide to certain aspects of current UK law and HM Revenue & Customs (“HMRC”) published practice and do not constitute tax advice. They are of a general nature and apply only to Shareholders who are resident or ordinarily resident in the UK (except where indicated) and who hold their Shares beneficially as an investment. They do not address the position of certain classes of Shareholders such as dealers in securities. Individuals who are Shareholders who are not ordinarily resident in the UK or who are not domiciled in the UK, should note the changes to the taxation of such individuals as contained in the Finance Act 2008 which may result in their being subject to tax in the UK if they dispose of Shares. **Shareholders who are subject to tax in a jurisdiction other than the UK or who are in any doubt as to the potential tax consequences of selling their Shares are strongly recommended to consult their own professional advisers before making any such sales.**

Tender Offer

A Shareholder who sells Shares in the Tender Offer should be treated, for the purposes of UK taxation of chargeable gains, as though the Shareholder had sold them to a third party in the open market. Accordingly, and subject to the comments below, any such Shareholder who is UK resident may, depending on that Shareholder’s personal circumstances, be subject to capital gains tax (or, in the case of a corporate Shareholder, corporation tax on chargeable gains) in respect of any gain arising on such sale. For individuals, capital gains are taxed at a flat rate of 18 per cent. to the extent that an individual has exceeded his annual exempt amount (which is £10,100 for the tax year 2010/2011). For corporate Shareholders within the charge to UK corporation tax, indexation allowance may apply to reduce any chargeable gain arising on the disposal of Shares but will not create or increase an allowable loss. Shareholders who are not resident or ordinarily resident in the UK for taxation purposes will not normally be liable to UK taxation on chargeable gains arising from the sale of their Shares unless those Shares are held through a UK permanent establishment, although they may be subject to foreign taxation depending on their personal circumstances. Individual Shareholders who are temporarily neither resident nor ordinarily resident in the UK for tax purposes may be liable to capital gains tax under tax anti-avoidance legislation.

Transactions in Securities

Section 698 of the Income Tax Act 2007 (“ITA”) in respect of Shareholders who are individuals and section 703 of the Income and Capital Taxes Act 1988 (“ICTA”) in respect of Shareholders who are companies permit HMRC to counteract tax advantages arising from certain transactions in securities by treating some or all of the proceeds of capital disposals as distributions of income. However, these provisions do not apply where it can be shown that the transactions in question were entered into for *bona fide* commercial reasons and did not involve as one of their main objects the obtaining of a tax advantage. Shareholders are advised to take independent advice as to the potential application of section 698 ICTA and section 703 ITA in the light of their own particular motives and circumstances. Application has not been made to HMRC for clearance as to these matters under section 701 ITA or section 707 ICTA.

Offshore Funds

The treatment described above is subject to the application of the UK offshore fund rules. These rules were amended with effect, broadly, from 1 December 2009 and include, amongst other things, a new definition of “offshore fund”. If the Company were to constitute an “offshore fund” under these new rules, gains arising to a Shareholder on disposal of the Shares may be subject to tax as income and not as capital gain.

Shareholders who acquired their Shares before 1 December 2009 or under an obligation entered into before 30 April 2009 should not be affected by the new rules. In respect of Shareholders who are not subject to the new rules, the treatment described above is based on a Shareholder's Shares not constituting a material interest in an "offshore fund" (as defined by the rules subsisting prior to the introduction of the new rules). If the Company were to be treated for such purposes as an "offshore fund", gains on disposals of Shares realised by a Shareholder whose shareholding was a material interest would be taxable as income and not as capital gains.

Under both the old and the new offshore fund rules (as applicable) the Tender Offer should not of itself result in the Company being treated as an "offshore fund", and as such any disposal should be treated as falling outside of these rules.

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

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

If you are in any doubt as to your taxation position you should consult an appropriate professional adviser without delay.

The information relating to taxation set out above is a general guide and is not exhaustive. It is based on law and practice currently in force in the United Kingdom and is subject to changes therein.

PART V

ADDITIONAL INFORMATION

1 Material contracts

Repurchase Agreement

The Repurchase Agreement between the Company and Cenkos Securities is dated 17 May 2010. Under this agreement, the parties agree that, subject to the Tender Offer becoming unconditional in all respects and not lapsing or terminating in accordance with its terms and an amount equal to the Tender Price multiplied by the number of Shares successfully tendered being deposited into an interest bearing account of the Receiving Agent by 9.00 a.m. on 4 June and in any event by no later than 9.00 a.m. on the date on which Cenkos Securities is to effect purchases of Shares pursuant to the Tender Offer, Cenkos Securities shall, as principal, purchase, on market, at the Tender Price, Shares successfully tendered up to a maximum of 14.99 per cent. of the Shares in issue.

The Company has agreed that, immediately following the purchase by Cenkos Securities of all Shares which it has agreed to purchase under the terms of the Repurchase Agreement, the Company will purchase from Cenkos Securities such Shares at the Tender Price.

The Repurchase Agreement contains certain representations, warranties and undertakings from Cenkos Securities in favour of the Company concerning its authority to enter into the letter and to make the purchase of Shares pursuant thereto.

The agreement also contains representations and warranties from the Company in favour of Cenkos Securities and incorporates an indemnity in favour of Cenkos Securities in respect of any liability which it may suffer in relation to its performance under the Tender Offer which is not due to its own neglect or default.

2 General

2.1 Cenkos Securities has given and not withdrawn its written consent to the issue of this document with its letter and with the references to its name in the form and context in which they are included.

2.2 Under Rule 9 of the City Code, any person or group of persons deemed to be acting in concert who acquires 30 per cent. or more of the voting shares of a company to which the City Code applies is normally required by the Panel to make a general offer to shareholders of that company to acquire their shares. Rule 9 of the City Code also provides that any person or group of persons deemed to be acting in concert who own between 30 per cent. and 50 per cent. of the voting shares of a company to which the City Code applies will be unable, without the Panel's consent, to acquire, either individually or together, any further voting rights in the company without being required to make a general offer to shareholders of that company to acquire their shares.

Under Rule 37.1 of the Code, when a company purchases its own voting shares, a resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9. However, a shareholder not acting in concert with the directors will not normally incur an obligation to make a general offer under Rule 9 if, as a result of the company's purchase of its own shares, he comes to exceed the percentage limits set out in Rule 9. However, this exception will not normally apply when a shareholder not acting in concert with the directors has purchased shares at a time when he had reason to believe that such a purchase of its own shares by the company would take place.

