

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult an independent professional adviser authorised under the Financial Services and Markets Act 2000 ("FSMA") who specialises in advising on the acquisition of shares and other securities. The whole of the text of this document should be read and prospective investors should carefully consider the section entitled "Risk Factors" in Part III of this document before taking any action.

This document is an admission document for the purposes of the AIM Rules. It has been drawn up in accordance with the AIM Rules. The Placing, the Subscription and Admission will not constitute an offer to the public requiring a prospectus under section 85 of FSMA and, accordingly, this document does not constitute a prospectus for the purposes of the Prospectus Regulations 2005 and has not been pre-approved by the Financial Services Authority ("FSA") pursuant to section 85 of FSMA.

Application will be made for the whole of the ordinary share capital of the Company both issued and to be issued pursuant to the Placing and the Subscription to be admitted to trading on the AIM market of the London Stock Exchange ("AIM"). It is expected that Admission will take place and that trading will commence on 14 January 2008.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set in Schedule Two to the AIM Rules for Nominated Advisers.

The London Stock Exchange has not itself examined or approved the contents of this document. The rules of AIM are less demanding than those of the Official List of the UK Listing Authority.

The directors of designcapital plc, whose names appear on page 6 of this document, accept responsibility, individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

DESIGNCAPITAL PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 6290400)

Subscription of 58,108,400 Ordinary Shares of 10p each at 10p per share Placing of 1,220,000 Ordinary Shares of 10p each at 10p per share and Admission to trading on AIM by HB Corporate Nominated Adviser and Broker

SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION, COMPLETION OF THE PLACING AND THE SUBSCRIPTION BUT NOT INCLUDING SHARES TO BE ALLOTTED PURSUANT TO THE DEFERRED SUBSCRIPTION LETTERS

Authorised			Issued and fully paid		Issued and partly paid	
Number	Amount		Number	Amount	Number	Amount
	£			£		£
200,000,000	20,000,000	Ordinary Shares of 10p each	26,071,000	2,607,100	33,757,400	2,227,000

HB Corporate has been appointed as nominated adviser and broker to the Company. HB Corporate is authorised and regulated in the United Kingdom by the FSA and is acting exclusively for the Company and no one else in connection with the Placing and Admission. HB Corporate will not regard any other person as its customer or be responsible to any other person for providing the protection afforded to customers of HB Corporate nor for providing advice in relation to the transactions and arrangements detailed in this document.

In accordance with the AIM Rules, HB Corporate has confirmed to the London Stock Exchange that it has satisfied itself that the Directors have received satisfactory advice and guidance as to the nature of their responsibilities and obligations to ensure compliance by the Company with the AIM Rules and that, to the best of its knowledge and belief, having made due and careful inquiry, all relevant requirements of the AIM Rules have been complied with and that it is satisfied that the Company and the Shares are appropriate to be admitted to AIM. No liability whatsoever is accepted by HB Corporate for the accuracy of any information or opinions contained in this document or for the omissions of any material information, for which it is not responsible. HB Corporate is not making any representation or warranty, express or implied as to the contents of this document.

This document is being provided only to limited and selected persons to whom it may lawfully be provided under the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2001, including those persons who have professional experience in matters relating to investments and certain overseas recipients. No person to whom this document has not been specifically addressed may act upon it, and the interests in the Company will not be available to any other person. This document must not be copied or provided to any person other than the person to whom it is addressed.

This document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or to subscribe for, Ordinary Shares in any jurisdiction in which such an offer or solicitation is unlawful and is not for distribution in or into any of the United States, Canada, Australia, Ireland, the Republic of South Africa or Japan or any other country where its distribution would require compliance by the Company with any governmental or regulatory procedure or any similar formalities (the "Prohibited Territories") or their respective territories or possessions.

The Company is not and will not be registered under the United States Investment Company Act of 1940, as amended. Accordingly, there may be restrictions on the number of US residents that may be beneficial owners of the Shares.

No Ordinary Shares have been, or will be, registered under the United States Securities Act of 1933 as amended, or under the securities legislation of any state of the United States of America or under the applicable securities laws of any of the other Prohibited Territories and may not, directly or indirectly, be offered or sold within the United States and may not be offered or sold within any of the other Prohibited Territories or to any national, resident or citizen of any of the Prohibited Territories or their respective territories or possessions. Neither this document nor any copy of it may be sent to or taken into the United States of America or any of the other Prohibited Territories, nor may it be distributed to any US Person (within the meaning of Regulation S).

The Placing is conditional, *inter alia*, on Admission taking place on or before 14 January 2008 or such later date as the Company and HB Corporate may agree. Various of the Subscription Letters are conditional and these conditions are set out in more detail at paragraphs 6.12 to 6.21 of Part IV. It is expected that trading in the Ordinary Shares will commence on 14 January 2008.

The Placing Shares and the Subscribed Shares will, on Admission, rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company after their date of issue and will rank *pari passu* in all other respects with the Existing Ordinary Shares and with all other Ordinary Shares which will be in issue on Admission.

Copies of this document will be made available to the public during normal business hours on any weekday (Saturdays and public holidays excepted) free of charge from the offices of Matthew Arnold & Baldwin at 25 Southampton Buildings, London WC2A 1AL and shall remain available until the date falling one month after the date of Admission.

Forward looking Statements

This document contains forward-looking statements. These statements relate to the Company's future prospects, developments and business strategies. Forward-looking statements are identified by the use of such terms as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. The forward-looking statements contained in this document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. Certain risks to and uncertainties for the Company are specifically described in Part II of this document headed "Risk Factors". If one or more of these risks or uncertainties materialises, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements. These forward-looking statements speak only as the date of this document. Neither the Directors nor the Company undertake any obligation to update forward-looking statements or risk factors other than as required by the AIM Rules, or by the rules of any other securities regulatory authority, whether as a result of new information, future events or otherwise.

THE WHOLE TEXT OF THIS DOCUMENT SHOULD BE READ. YOUR ATTENTION IS DRAWN, IN PARTICULAR, TO THE SECTION HEADED "RISK AND OTHER FACTORS" SET OUT IN PART II OF THIS DOCUMENT.

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DEFINITIONS

The following words and expressions shall have the following meanings in this document, unless the context otherwise requires:

“Act”	the Companies Act 1985 and the Companies Act 2006 (as applicable);
“Admission”	the admission of the existing Ordinary Shares, the Placing Shares and the Subscribed Shares to trading on AIM;
“Admission Document”	this document dated 9 January 2008;
“AIM”	the AIM market of the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies as published by the London Stock Exchange from time to time;
“Articles”	the Company’s Articles of Association;
“Board” or “Directors”	the directors of the Company, whose names appear on page 6 of this document;
“Company” or “designcapital”	designcapital plc;
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the CREST Regulations);
“CREST Regulations”	the Uncertificated Securities Regulations (SI2001 no 3755) as amended;
“Deferred Subscribers”	persons subscribing for Subscribed Shares pursuant to the Deferred Subscription Letters;
“Deferred Subscription Letters”	the subscription letters involving deferred subscription payments and allotments (the details of which are set out in paragraphs 6.12-6.21 of Part IV);
“FSMA”	the Financial Services and Markets Act 2000;
“HB Corporate”	HB Corporate, a division of Hoodless Brennan plc, the Company’s nominated adviser and broker;
“London Stock Exchange”	London Stock Exchange plc;
“New Shareholders”	persons who are allotted Placing Shares and/or Subscribed Shares pursuant to the Placing and/or Subscription (as the case may be) and who become registered holders thereof;
“Official List”	the Official List of the UKLA;
“Ordinary Shares”	ordinary shares of 10p each in the capital of the Company;
“Placing”	the proposed placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement;
“Placing Agreement”	the conditional agreement between HB Corporate, the Directors and the Company, further details of which are set out in paragraph 6.2 of Part IV of this document;
“Placing Price”	10p per Placing Share;

“Placing Shares”	the 1,220,000 new Ordinary Shares to be issued pursuant to the Placing;
“Shareholders” or “Members”	holders of issued Ordinary Shares;
“Subscribed Shares”	the 116,022,910 new Ordinary Shares to be issued pursuant to the Subscription;
“Subscription”	the proposed subscription of the Subscribed Shares pursuant to the Subscription Letters;
“Subscription Form”	a subscription form attached to each of the Subscription Letters;
“Subscription Letters”	the Subscription Letters referred to in paragraphs 6.12-6.21 of Part IV (including any Deferred Subscription Letters) (and any one of them);
“Subscription Price”	10p per Subscribed Share;
“Takeover Code”	The UK City Code on Takeovers and Mergers;
“UKLA”	the United Kingdom Listing Authority of the Financial Services Authority, acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services Market Act 2000.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Frédéric Jean Jacques Bobo	<i>Executive Chairman</i>
	Philippe Hervé	<i>Executive Director</i>
	Sacha Tikhomirow	<i>Executive Director</i>
	Frédéric Olivier Michel-Verdier	<i>non-Executive Director</i>
	Pierre Charles Rainero	<i>non-Executive Director</i>
	David James Henderson-Stewart	<i>non-Executive Director</i>
Company Secretary	Gordon Ashworth	
Registered Office	Hamilton House, Mabledon Place, London WC1H 9BB	
Company Contact Details	Phone: 020 7554 8555 Fax: 020 7554 5886 Email: contact@designcapitalplc.com www.designcapitalplc.com	
Nominated Adviser & Broker	HB Corporate 40 Marsh Wall London E14 9TP	
Solicitors to the Company	Matthew Arnold & Baldwin 25 Southampton Building London WC2A 1AL	
Solicitors to the Placing	Howard Kennedy 19 Cavendish Square London W1A 2AW	
Reporting Accountants	CLB LittleJohn Frazer 1 Park Place Canary Wharf London E14 4HJ	
Registrars	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA	
Financial PR/IR advisor	Madano Partnership 4th Floor South, Harling House 47-51 Great Suffolk Street London SE1 0BS	

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Admission Document publication date	9 January 2008
Admission effective and dealings in Ordinary Shares expected to commence on AIM	14 January 2008
Settlement of Placing Shares through CREST	14 January 2008
Despatch of definitive share certificates (where applicable) in respect of Placing Shares to Placees by no later than	28 January 2008

PLACING AND SUBSCRIPTION STATISTICS

Number of existing Ordinary Shares prior to the Placing and the Subscription	500,000
Placing Price/Subscription Price	10p
Number of new Ordinary Shares being issued under the Placing	1,220,000
Number of new Ordinary Shares being issued under the Subscription being	
– on Admission	58,108,400
– pursuant to the Deferred Subscription Letters 30 days post Admission	77,143,910
– pursuant to the Deferred Subscription Letters 12 months post Admission	114,302,910
Number of Ordinary Shares in issue	
– on Admission	59,828,400
– pursuant to the Deferred Subscription Letters 30 days post Admission	78,863,910
– pursuant to the Deferred Subscription Letters 12 months post Admission	116,022,910
Percentage of the enlarged issued share capital of the Company held by new shareholders:	
– on Admission	58%
– pursuant to the Deferred Subscription Letters 30 days post Admission	68%
– pursuant to the Deferred Subscription Letters 12 months post Admission	67.3%
Gross proceeds of the Placing and the Subscription	
– on Admission	£4,784,100
– pursuant to the Deferred Subscription Letters 30 days post Admission	£7,423,956
– pursuant to the Deferred Subscription Letters 12 months post Admission	£11,552,291
Estimated net proceeds of the Placing and the Subscription on Admission	£4,154,923
Market capitalisation at the Placing Price on Admission	£5,982,840

PART I

INFORMATION ON THE COMPANY

INTRODUCTION

The Company has been established with the objective of becoming a major pan-European design-focused investment company. The Directors intend that the Company will make investments in luxury, contemporary design orientated companies with a particular focus on manufacturers and retailers of luxury furniture and design-enabled products and appliances. In addition, the Directors intend that the Company will invest in companies providing advisory services in the fields of architecture and design.

The Company will focus primarily on investment and acquisition opportunities within the European Union and the United States as well as in selected emerging markets.

The Directors intend that the Company will make investments in target businesses at all development stages save for start-up businesses.

The Directors intend that the Company will make direct investments in and directly manage its investments in design related companies and projects, as well as making investments in such companies and projects through various investment vehicles.

The Directors intend that the Company's interest in a proposed investment may range from a minority position to 100 per cent. ownership. These proposed investments may be made through a direct interest in a design company or project, an indirect interest through a partnership, joint venture or through quoted or unquoted companies.

The Directors intend on identifying and investing in investment opportunities which they believe show excellent growth potential on a stand-alone basis and which would add value to the Company either through the expertise of the Company's personnel or through ongoing funding.

The Directors intend on actively monitoring any investments and/or acquisitions made by the Company.

The Company is undertaking the Placing and offering third parties the right to subscribe for Subscribed Shares pursuant to the Subscription as the first step in the implementation of this strategy.

THE MARKET

The world market of furniture was estimated to be €235 billion in 2005. Excluding lighting appliances, bath and kitchen furniture, the high-end/luxury, contemporary/modern/design furniture market is composed of around 200 luxury brand manufacturers, most of which are located in the European and US markets. The aggregated turnover of this niche market was estimated in 2005 as being €7.7 billion. In 2005, Europe and America each accounted for 35 per cent. of the high-end/luxury furniture market whilst the Asian markets represented 21 per cent. The luxury furniture market has an estimated growth rate of 6-8 per cent. per annum which is estimated by the Poltrona Frau Group ("Poltrona"), a leading player in the world luxury furniture market, to be double the pace of the overall furniture industry. This growth rate is predicted to reach €9.4 billion by 2008.

In 2006, only 8 companies in this market generated revenues in excess of €100 million, with the majority of companies in this sector generating a turnover of less than €50 million.

The high-end/luxury, contemporary/modern/design furniture market is particularly fragmented and this is highlighted by the fact that in 2005 Poltrona held only a 4.7 per cent. market share with only one of their seven brands generating a turnover of more than €100 million.

When contrasting the generation of turnover in the high-end/luxury furniture market with that of the luxury fashion brands, fashion brands such as Gucci, Hermes and Bulgari generate more than 50 per cent. of their

sales through fully owned retail networks, whilst even Poltrana, a leading player in the world luxury furniture market, does not have a significantly owned retail network and had only 13 directly operated stores in 2006.

Within the Company's immediate pool of target acquisitions of 200 luxury brand manufacturers and producers of high-end/luxury contemporary/modern/design furniture and design-enabled products less than 70 are companies with an international reach. Furthermore, of this pool, Italian editors and producers constitute the large majority and a third are non-Italian, European companies. This pool does not even include businesses and manufacturers of luxury lighting appliances and other accessories nor the manufacturers of luxury kitchen and bathroom design furniture.

On the retailing side, the Directors believe that the Company's aggregated market is composed of hundreds of small independent retailers of high-end/luxury furniture, mostly located in the EU, with some larger target companies located in the US.

The Directors believe that most of the Company's acquisition targets are likely to come from a pool of luxury design brands and furniture design companies which:

- are private/family owned businesses, often under-capitalised, running relatively small operations, and which are unable to reach their full potential;
- are too small to be able to significantly distinguish themselves that well, and/or to build strong brand differentiation; and
- do not own or control their distribution networks, and which generate 70 per cent. to 80 per cent. of their turnover through hundreds of small independent retailers of design furniture.

The Directors believe that such a sizeable and growing market offers the Company an opportunity to create a successful business that will strive to identify, acquire, nurture and grow to global maturity, companies and brands that, in the next few years, will combine creativity and technological innovation to create and to build the luxury design brands of the future.

STRATEGY

The Company's strategy is to acquire holdings in luxury design-related companies and businesses which the Directors believe are under-capitalised, such as small or family run businesses which are unable to reach their full potential, and as such have the potential to create value for Shareholders. The Directors intend to focus on the aspirational high-end/luxury design furniture brands in the Company's immediate pool of target acquisitions and retail concepts with a marketable brand name.

The Directors intend that the Company will take majority investments and controlling stakes in target companies with the objective of creating a portfolio of strategically integrated companies.

The Directors intend to build on the skills of the Board in order to implement the Company's investment strategy. It is the Directors' intention that a significant proportion of the Company's assets will continue to be invested and managed, both directly by the Company, but also through the creation of investment vehicles in respect of which the Company may delegate the management.

Additional funds may be required in order to meet any cash consideration payable in respect of any such investments and/or acquisitions as and when appropriate.

The Directors are currently reviewing potential investment and acquisition opportunities in line with the Company's strategy but have not yet entered into any firm commitment in connection with any such investments or acquisitions.

The Company intends to seek the consent of Shareholders for its investment strategy on an annual basis (at its annual general meeting) in order to comply with the guidance of the AIM Rules.

In the event no substantial acquisition is made within 24 months of Admission, it is the intention of the Directors to convene a general meeting of Shareholders to consider whether to continue seeking investment opportunities or to wind up the Company and distribute any surplus cash back to Shareholders.

FINANCIAL GOALS OF THE COMPANY

The Directors anticipate that revenue of the Company is likely to consist of the following income streams:

- investment and management fees, generated from the management of invested companies and controlled investment vehicles;
- interest from loans, or from similar financing support, to controlled and invested companies; and
- dividends and capital gains from the equity investments intended to be made by the Company.

DIRECTORS

The Board currently comprises Frédéric Bobo, Philippe Hervé, Sacha Tikhomiroff, Pierre Rainero, Frédéric Michel-Verdier and David Henderson-Sterwart.

At Admission the Board will comprise:

Frédéric Bobo (aged 45) - Executive Chairman

Frédéric Bobo, a French national, has almost 20 years of experience in investment banking and in corporate advisory services. He began his career in 1988, as a corporate banker at Banque Bruxelles Lambert, first in New York, then in Brussels. In 1990, Frédéric joined Eurogroup Consultants in Paris, where, as a consultant in organisation strategy for financial institutions and groups, he participated in the creation of the Warsaw Stock-Exchange (Société des Bourses Françaises assignment, 1991). In 1992, Frédéric assisted Société Générale bank in creating Société Générale Finance Développement (SGFD, Managing Director), an affiliate of Société Générale Investment Banking M&A Division) which was exclusively dedicated to investment banking and corporate advisory services in emerging markets (5 offices in Eastern Europe – Commonwealth of Independent States). There, Frédéric directly led and managed over 150 assignments including privatisations, corporate sales, IPOs, industrial restructurings, cross border M&A, joint-ventures and similar direct investment schemes, complex financial and tax related capital engineering, off-shore financial engineering. In 2001, Frédéric created his own venture, Stunning partners & co, which is both an idea laboratory and a corporate advisory consulting firm, and which provides corporate finance and strategic advisory services to companies and high profile managers. He graduated from the Institut d'Etudes Politiques d'Aix en Provence (1985) and also holds an MBA from the George Washington University (Washington, USA, 1988).

Philippe Hervé (aged 51) - Executive Director

Philippe Hervé, a French national, has 26 years of experience in the retailing and furniture industries. He started his career in the Darty Group, first as Business Controller at Darty Spain (1981), then as Product Manager in Marseille (1983), before being appointed Purchasing Director in Paris (1984). In 1988, after a short period at Groupe BATA France as Marketing Director (1987), he was appointed Managing Director of Centres Maison et Jardin, a subsidiary of the Nouvelles Galeries Group with the purpose of turning the company around before leading its sale to Groupe Atlas. Philippe joined the Recticel group in 1992, as Business Unit Manager and subsequently was appointed as Deputy Manager of South Europe Bedding in 1999. In 2002, Philippe joined Cauval Industries as its CEO of the seats division. In 2005 Philippe left to pursue his own entrepreneurial ventures and in 2006 he acquired a controlling capital stake in Omoté Futons, a retail chain specializing in Asian furniture. Philippe graduated from HEC in 1978 (Ecole des Hautes Etudes Commerciales - France).

Sacha Tikhomiroff (aged 42) - Executive Director

Sacha Tikhomiroff, a French national, has 20 years of experience in strategy consulting and in the retail industry. He began his career in 1988 as an IS programmer at BNP-Paribas Milan branch. In 1990, Sacha joined Eurogroup Consultants in Paris where he met Frédéric Bobo. There, as a consultant in organisation strategy for financial institutions and industrial groups, he participated in the creation of the Warsaw Stock-Exchange (Société des Bourses Française assignment, 1991). In 1993, Sacha joined Braxton Associates in London as a strategy consultant and was responsible for the restructuring of large Russian enterprises (and

during which time he was Moscow based (1994-1995)). During 1996-2000, Sacha was the Managing Director CIS of Groupe SEB and was responsible for its group activities throughout Russia. Following the 1998 rouble crisis, Sacha returned to Paris to take up the position of Vice-President Marketing “home cleaning” of Groupe SEB and was responsible for sales (2000-2001). In 2001, Sacha joined PC City, the French subsidiary of Dixons Group, as Managing Director, launching the brand in France. More recently, in 2004, Sacha joined Office Depot, as Managing Director of Retail, and, in 2006, he was promoted to Managing Director of Business Solutions Divisions of Office Depot-France. Sacha holds a MSc in Telecommunication from the Institut National des Télécommunications (1988, Evry, France). He is also an Insead graduate (MBA with Honors, 1993).

Frédéric Michel-Verdier (aged 39) - non-Executive Director

Frédéric Michel-Verdier, a French national based in London, has spent most of his career in corporate finance. He worked as a Director of Corporate Finance for ING Barings in London for 7 years until July 2007, and prior to that had spent 4 years with SG Investment Banking (commencing in 1996), and 3 years with Ernst and Young (commencing in 1993). Frédéric Michel-Verdier has extensive experience of structuring and executing a wide range of complex cross-border M&A, capital markets and privatisation transactions in Europe and MENA region. Whilst at ING Barings, Frédéric played a leading role advising companies and executing large transactions in various sectors. Frédéric is a founding partner of a Paris-based marketing and communication company, COFIEX sarl and the founding partner of Blue Oak sarl, an auction website for horse breeders, as well as Essential Emporium, a business which carries out the e-tailing of personal care products. Frédéric received a MSc in Finance from Sorbonne University (IAE Paris) in 1996 and a MSc in Business Administration from French business school Institut Supérieur de Gestion (Paris) in 1991.

Pierre Rainero (aged 49) - non-Executive Director

Pierre Rainero, a French national, spent his military service as an officer in the French navy, following which he started his career in advertising in 1980 at Ogilvy and Mather, initially in Rio de Janeiro and then in Paris. In 1984, he joined the Cartier Group. Whilst at the Cartier Group, Pierre has developed a broad expertise in the luxury goods industry and an unique insight into the management of luxury brands. Pierre first worked for Cartier as International Advertising Manager in Paris and was then promoted in 1987 to Marketing Manager for Cartier Italy based in Milan. In 1999 he returned to Paris and was appointed Research and Strategy Director at Cartier International. He subsequently became a member of the Cartier’s ‘Creation Committee’ headed by the president of Cartier, Alain-Dominique Perrin. In 1995, Pierre was appointed Communication Director of Cartier and, in 1999, he also took over the artistic direction of Cartier (responsibilities including product creation, communication, and boutique design). In 2001, he was appointed Artistic, Image & Strategy Director for Cartier and was subsequently appointed to his current role of Strategy and Heritage Director of the House of Cartier in 2003. In this role, Pierre is, amongst other things, responsible for style and the cultural dimensions of the House of Cartier worldwide. Pierre is a member of the board of directors of Cartier S.A. and Hexagram s.a.s. (which is involved in the production of computerised images). Pierre graduated from HEC in 1980 (Ecole des Hautes Etudes Commerciales - France). He is also a former student of Fondation Rachel Boyer (History of Art - Ecole du Louvre).

David Henderson-Stewart (aged 34) - non-Executive Director

Born in Wellington, New Zealand, in 1973, David graduated cum laude from the Sorbonne (Paris, France) as well as from Oxford University. He subsequently obtained a master’s degree in European law from the Sorbonne and was admitted to the Paris Bar. From 1997 to 1999 he served at the Moscow office of Bureau Francis Lefebvre, concentrating on legal and taxation monitoring of European investments in Russia. In 2000 he joined the French office of the American law firm Coudert Brothers and subsequently the Paris bureau of the international law firm Jones Day. Since 2005, David has held the position of Managing Director of International Affairs and Member of the Board of the International Industrial Bank-Mejprombank (zao Mejdunarodny Promishleny Bank). David is also member of the board of United Industrial Corporation-OPK, zao Obyedinionaya Promishlenaya Korporatsia, and the trustee of OPK Trust Company Limited.

Details of the terms of the Directors' appointments are summarised in paragraph 5 of Part IV of this document.

THE PLACING

The Company is proposing to raise up to £122,000 (before expenses) by the issue of 1,220,000 new Ordinary Shares at the Placing Price.

The Placing Shares will represent approximately 2.04 per cent. of the issued share capital of the Company at Admission.

The Placing Shares will rank pari passu in all respects with the existing Ordinary Shares including the rights to all dividend and other distributions declared, made or paid following Admission and will be issued credited as fully paid.

The Placing has not been underwritten.

Application will be made for the Ordinary Shares to be admitted to AIM. The Placing Shares have not been marketed in whole or in part to the public in conjunction with the application for Admission.

THE SUBSCRIPTION

The Company has received Subscription Forms under which third parties have conditionally committed to subscribe for Subscribed Shares having an aggregate value of £11,430,291 by way of the issue of 114,302,910 new Ordinary Shares at the Subscription Price.

The Subscribed Shares will represent approximately 98.5 per cent. of the issued share capital of the Company at Admission.

The Subscribed Shares will rank pari passu in all respects with the existing Ordinary Shares including the rights to all dividend and other distributions declared, made or paid following their issue and will be credited as fully paid when issued.

Assuming all relevant conditions are satisfied, the Subscribed Shares will be paid up and allotted as set out in paragraphs 6.12-6.21 of Part IV.

Application will be made for the Ordinary Shares to be admitted to AIM. The Subscribed Shares have not been marketed in whole or in part to the public in conjunction with the application for Admission.

REASONS FOR THE PLACING, THE SUBSCRIPTION AND ADMISSION

The Company is seeking Admission to AIM in order to take advantage of the market's high profile, broad investor base, liquidity and access to institutional investors.

The net proceeds of the Placing and the Subscription at Admission, being approximately £4,292,424, are intended to be applied in carrying out the due diligence on, and acquisition of, potential targets, and will cover the Company's initial working capital requirements in accordance with the Company's investment strategy outlined above.

CURRENT TRADING AND PROSPECTS

The Company has not traded since incorporation. Following Admission, the Company will have approximately £4,292,424 in cash after paying the expenses of the Placing, the Subscription and Admission.

The Directors are reviewing a number of investment and acquisition opportunities which may fit with the Company's investment criteria and which they intend to pursue. However, there is no guarantee that any negotiations will lead to an investment by the Company or to the completion of an acquisition.

WORKING CAPITAL

In the opinion of the Directors, having made due and careful enquiry, taking into account the net proceeds of the Placing and the Subscription, the Company will have sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this document.

ADMISSION TO AIM AND DEALINGS IN ORDINARY SHARES

Application will be made for the Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on 14 January 2008.

HB Corporate has been appointed as the Company's nominated adviser and broker in relation to Admission.

DIRECTORS' INTERESTS AND LOCK-IN AGREEMENTS

At Admission, the Directors will together own 24,439,999 Ordinary Shares representing approximately 40.85 per cent. of the issued share capital of the Company.

In accordance with Rule 7 of the AIM Rules, each of the Directors, and certain other shareholders, have agreed not to dispose of any interests in the securities of the Company within a period of 12 months following Admission, save as permitted by the AIM Rules.

The above lock-in agreement additionally provides for an orderly market arrangement for a further 12 months following the expiry of the 12 month lock-in period whereby no disposal of any interest in Ordinary Shares may be made by the Directors and certain other shareholders without the consent of HB Corporate.

Further details of these arrangements are set out in paragraphs 6.4-6.11 of Part IV of this document.

DIVIDEND POLICY

The Company has not yet commenced trading and it is, therefore, inappropriate to make a forecast of the likely level of any future dividends.

Nevertheless, it is the intention of the Company to be operated as a permanent capital, evergreen, investment company. To that extent, no significant distribution of dividends is anticipated in the short to medium terms, and any investment gains are likely to be reinvested.

CORPORATE GOVERNANCE

The Directors are committed to maintaining high standards of corporate governance and, so far as is practicable given the Company's size and nature, to compliance with the provisions of the Quoted Companies Alliance Corporate Governance Guidelines for AIM companies ("QCA Guidelines").

The Directors have adopted such corporate governance procedures and established such committees of the Board as are required for it to comply with the terms of the QCA Guidelines.

The Directors have established financial controls and reporting procedures that are considered appropriate given the size and structure of the Company. These controls will be reviewed in the light of significant acquisitions and adjusted accordingly.

The Board has adopted a share dealing code to regulate dealings in the Company's securities by Directors and relevant employees and the Company will take all proper and reasonable steps to ensure compliance by the Directors and any relevant employees with AIM Rule 21 regarding dealings in the Company's securities.

TAXATION

General information regarding taxation is set out in paragraph 7 of Part IV of this document. These details are, however, intended only as a general guide to the current tax position under UK taxation law. If you are in any doubt as to your tax position you should consult an appropriate professional adviser immediately.

SETTLEMENT, DEALINGS AND CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on 14 January 2008. Accordingly, settlement of transactions in Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes. Further information is set out in the Subscription Letters and the placing letters used in connection with the Subscription and Placing.

THE CITY CODE ON TAKEOVERS AND MERGERS

Although the Company is incorporated in England and Wales, the place of central management of the Company is currently located outside the UK, the Channel Islands or the Isle of Man since the main place of business is in France. The majority of Board meetings are held outside the UK, the Channel Islands and the Isle of Man and the majority of the Board are resident outside the UK, the Channel Islands and the Isle of Man. Accordingly, as the Company is one to which paragraph 3(a)(ii) of the Introduction to the Takeover Code applies, the Panel has confirmed the Company is not subject to the Takeover Code and Shareholders will not be afforded any protections under the Code.

However, certain provisions analogous to parts of the Code have been incorporated into the Articles as further set out in paragraph 3 of Part IV.

If circumstances change, including if changes to the Board are made, the Company will consult with the Panel to ascertain whether this will affect the central place of management of the Company. If the Panel determines that, as a result of such changes, the place of central management of the Company is located in the UK, the Channel Islands or the Isle of Man such that the Takeover Code then becomes applicable to the Company, an announcement will be made.

Your attention is drawn to the risk factors in Part II of this document and the additional information in Part IV of this document.

PART II

RISKS AND OTHER FACTORS

A prospective investor should be aware of the risks of investing in the Ordinary Shares and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial advisor being, in the case of persons resident in the United Kingdom, a person authorised under the Financial Services and Markets Act 2000, who specialises in advising on the acquisition of shares and securities. The AIM market is designed primarily for emerging or smaller companies to which a higher degree of investment risk than that associated with larger or more established companies applies. AIM securities are not traded on the Official List. It is emphasised that the risk factors set out below are not exhaustive and that other risk factors may apply. It is recommended that potential investors read this entire document to help them assess the risks of investing in the Company.

Investors should be aware of various risk factors when making an investment in the Company. There are general risks associated with any investment in shares. The market price of shares and the dividends paid by companies may fall as well as rise. Returns on an investment will depend on stock market conditions as well as the performance of the Company. There are also a number of specific risk factors which may have an adverse impact on the operating and financial performance of the Company.

1. General Risks

Prospective investors should consider whether an investment in the Company is suitable for them in light of their personal circumstances and the financial resources available to them. An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment. Prospective investors should therefore consult an independent financial adviser authorised under the FSMA before investing.

Investment in the Company should not be regarded as short term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the investment objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future. There is also the possibility that the market value of an investment in the Company may not reflect the true underlying value of the Company.

Changes in economic conditions including, for example, interest rates, inflation, industry conditions, competition political and diplomatic events and trends, tax laws and other factors can substantially and adversely affect equity investments and the Company's prospects.

Notwithstanding the fact that an application will be made for the Ordinary Shares to be traded on AIM, this should not be taken as implying that there will be a 'liquid' market in the Ordinary Shares. The market for shares in smaller public companies is less liquid than for larger public companies. Therefore, an investment in the Company may be difficult to realise. The Ordinary Shares will not be listed on the Official List. Investments in shares traded on AIM carry a higher degree of risk than investments in shares quoted on the Official List.

The price for the Ordinary Shares may be volatile and influenced by many factors, some of which are beyond the control of the Company. For example, the performance of the overall share market, other Shareholders buying or selling large numbers of Ordinary Shares, changes in legislation or regulations and general economic conditions.

2. Limited operating history

The Company does not presently carry on any trading activities or have any subsidiaries. The Company is not currently producing cash flow and its ultimate success will depend on its ability to generate cash flow from its investments in the future.

3. Initial operational risks and due diligence costs

The value of an investment in the Company is dependent upon the Company making one or more acquisitions of companies or businesses in accordance with the Board's investment strategy. There can be no guarantee that the Company will acquire any company or business meeting the objectives for which it has been established. The Company may spend some or all of the funds raised under the Placing and the Subscription on investigating potential target companies which are subsequently rejected as being unsuitable.

4. Requirement for further funds

Funds raised in the Placing and the Subscription may not be sufficient to fund the acquisition of a suitable company or business or all the due diligence costs and professional costs associated with such acquisition and the Company's working capital requirements. It may be necessary to raise additional funding to cover working capital requirements and, where appropriate, all or part of any cash consideration in respect of an acquisition. If required funds are not available, the Company may not be able to fulfil its strategy that could have a material adverse effect on the Company's business, financial condition and prospects.

5. Further issues of shares

Upon identification of a suitable acquisition, the consideration payable may be satisfied or part satisfied by the issue of new Ordinary Shares at a price that may be less than the share price in the market at the time.

6. Dependence on key personnel and employees

In common with many smaller companies the Company's future success will depend upon its current and future senior management team. In particular, the Company is dependent on the services of Frédéric Bobo, Phillipe Hervé and Sacha Tikhomiroff. Whilst it has entered into contractual arrangements with the aim of securing the services of those of the Directors as are non-executive (details of which are set out in Part IV of this document on Admission) it will not have entered into any contractual arrangements with those of the Directors as are executive (although it intends to do so following Admission) and the retention of their and any future directors' services cannot be guaranteed. Additionally, the Company's future performance may depend upon its ability to attract and retain qualified management.

7. Intellectual Property

The nature of the market the Company intends to operate in means that third parties may assert claims against the Company alleging infringement, misappropriation or other violations of patent, trademark or other proprietary rights held by them, whether or not such claims have merit. If forced to defend such infringement claims, whether they are with or without merit or are determined in the Company's favour, the Company could face expensive and time consuming litigation. If an infringement claim is determined against the Company, it may be required to pay monetary damages or ongoing royalties, or to cease producing an infringing product, which may have a significant impact on the Company's business.

8. Currency risk

The Company will report its results in pounds sterling, whilst a majority of its costs and revenues may be denominated in other currencies. This may result in additions to the Company's reported costs or reductions in the Company's reported revenues.

9. Competition

Although the market of high-end/luxury, contemporary/modern/design, furniture, is particularly fragmented, it is highly competitive. The Company is likely to face competition from other entities operating in its business sector, many of which may have significantly greater financial resources than the Company. The Directors expect that as demand for high quality design products grows, many new competitors will enter the market and competition from established companies will increase.

10. Integration of acquisitions

There is no guarantee that, following any acquisition, the Company will be able to successfully integrate and manage the newly acquired business.

11. Deferred Subscription Letters

It is possible that the conditions set out in the Deferred Subscription Letters will not be satisfied and therefore that the Deferred Subscribers may not be obliged to subscribe for the Subscribed Shares which they have indicated a willingness to subscribe for. It is also possible that the conditions set out in the Deferred Subscription letters may be satisfied but that one or all of the Deferred subscribers may fail to honour that obligation pursuant to the relevant Deferred Subscription Letter.

12. The City Code on Takeovers and Mergers

Although the Company is incorporated in England and Wales, the place of central management of the Company is currently located outside the UK, the Channel Islands or the Isle of Man since the main place of business is in France. The majority of Board meetings are held outside the UK, the Channel Islands and the Isle of Man and the majority of the Board are resident outside the UK, the Channel Islands and the Isle of Man. Accordingly, as the Company is one to which paragraph 3(a)(ii) of the Introduction to the Takeover Code applies, the Panel has confirmed the Company is not subject to the Takeover Code and Shareholders will not be afforded any protections under the Code.

However, certain provisions analogous to parts of the Code have been incorporated into the Articles as further set out in paragraph 3 of Part IV.

If circumstances change, including if changes to the Board are made, the Company will consult with the Panel to ascertain whether this will affect the central place of management of the Company. If the Panel determines that, as a result of such changes, the place of central management of the Company is located in the UK, the Channel Islands or the Isle of Man such that the Takeover Code then becomes applicable to the Company, an announcement will be made.

The risks noted above do not necessarily comprise all those faced by the Company and are not intended to be presented in any assumed order of priority.

The investment described in this document is speculative and may not be suitable for all recipients of this document. Potential investors are accordingly advised to consult a person authorised under FSMA who specialises in advising in investments of this kind before making any investment decisions. Prospective investors should consider carefully whether an investment in the Company is suitable in the light of their personal circumstances and the financial resources available to them.

PART III

FINANCIAL INFORMATION

ACCOUNTANTS' REPORT ON DESIGNCAPITAL PLC

The Directors
designcapital plc
Hamilton House
Mabledon Place
London
WC1H 9BB

Our ref 73668/MRL
Your ref

The Directors
HB Corporate
40 Marsh Wall
London
E14 9TP

14 January 2008

Dear Sirs

designcapital PLC

We report on the financial information set out below relating to designcapital plc (“the Company”). This information has been prepared for inclusion in the AIM admission document dated 14 January 2008 (the “Admission Document”) relating to proposed admission to AIM of designcapital plc and is given for the purpose of complying with Schedule Two of the AIM Rules for Companies and for no other purpose.

Responsibility

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in the notes to the financial information and in accordance with the financial reporting framework.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under Schedule Two of the AIM Rules for Companies to any person as and to the extent provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Company, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the

financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the AIM Admission Document dated 14 January 2008, a true and fair view of the state of affairs of the Company as at 30 June 2007 and of its losses and cash flows for the year then ended in accordance with the basis of preparation and in accordance with the applicable financial reporting framework both described in note 1.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the Admission Document and declare we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

CLB Littlejohn Frazer
Reporting Accountants

Balance Sheet

	<i>Notes</i>	<i>As at 30 June 2007 £</i>
Assets		
Current assets		
Trade and other receivables	3	<u>0.30</u>
Total assets		<u>0.30</u>
Equity		
Capital and reserves		
Share capital	4	<u>0.30</u>
Total equity and liabilities		<u>0.30</u>

Statement of changes in equity

	<i>Share capital</i> £	<i>Total equity</i> £
At the beginning of the period	–	–
Issue of share capital	0.30	0.30
At end of the period	0.30	0.30

Cash Flow Statement

	<i>From</i> <i>22 June 2007</i> <i>to</i> <i>30 June</i> <i>2007</i> £
Net increase in cash and cash equivalents	—
Cash and cash equivalents at beginning of the period	—
Cash and cash equivalents at the end of the period	—

There were no cash or cash equivalents at the beginning or end of the period.

Notes to the financial statements

1. General information

The Company was incorporated in England and Wales on 22 June 2007 as a public limited company with the name Designcapital plc.

The Company has not traded, has not prepared any financial statements, has incurred neither profit nor loss, and has neither declared nor paid dividends or made any other distributions in the period since incorporation. There have been no transactions other than the allotment of shares described in note 6 below, accordingly, no income statement is presented in this report.

The financial information has been prepared solely for the purposes of the AIM admission document and does not constitute statutory accounts for the period presented.

2. Basis of preparation

The financial information is prepared under the historical cost convention, except for the measurement to fair value of assets and financial instruments as described in the accounting policies below, and is in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”).

The Company has not early applied new standards and interpretations (“new IFRSs”) that have been issued and are otherwise effective for reporting periods ending after 30 June 2007. The Directors of the Company are in the process of assessing the potential impact of these new IFRSs and so far they have concluded that the application of these new IFRSs would not have significant impact on the financial statements of the Company if they had been applied.

The financial information is presented in Sterling (£) unless otherwise stated.

Standards and interpretations in issue but not yet effective or not yet relevant

IFRS 7 “Financial Instruments: Disclosures”, and the complementary amendments to IAS 1 “Presentation of Financial Statements”, require new disclosures relating to financial instruments. This standard is effective for the year ending 31 December 2007 but will not have an impact on the classification or valuation of the Company’s financial instruments.

IFRS 8 “Operating Segments” requires companies to adopt a management approach to reporting on their operating segments. This standard is effective for the year ending 31 December 2009 but is not expected to have an impact on the Company’s reporting segments.

IFRIC 7 “Applying the Restatement Approach under IAS 29 ‘Financial Reporting in Hyperinflationary Economies’” is effective for the year ending 31 December 2007. As the Company does not have a currency of a hyperinflationary economy as its functional currency, IFRIC 7 is not relevant to the Company.

IFRIC 8 “Scope of IFRS 2” addresses whether IFRS 2 “Share-based Payment” applies to transactions in which the entity cannot identify specifically some or all of the goods or services received in return for issuing equity instruments. The interpretation is effective for the year ending 31 December 2007. The interpretation is not expected to have a major impact on the Company’s results or equity.

IFRIC 9 “Reassessment of Embedded Derivatives” is effective for the year ending 31 December 2007. As none of the terms of the Company’s contracts have changed, IFRIC 9 is not relevant to the Company.

IFRIC 10 “Interim Financial Reporting and Impairment” prohibits companies from reversing impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost, where a loss would not have been recognised at a subsequent balance sheet date. The interpretation is effective for the year ending 31 December 2007. The interpretation is not expected to have a major impact on the Company’s results or equity.

IFRIC 11 "IFRS 2 – Group and Treasury Share Transactions" considers how certain grants of equity instruments should be treated under IFRS 2 "Share-based Payment". The interpretation is effective for the year ending 31 December 2008. The interpretation is not expected to have a major impact on the Company's results or equity.

IFRIC 12 "Service Concession Arrangements" is effective for the year ending 31 December 2008. As the Company is not involved in public-to-private service concession arrangements, IFRIC 12 is not relevant to the Company.

3. Receivables

	<i>As at</i>
	<i>30 June 2007</i>
	£
Unpaid share capital	0.30
	<hr/>

4. Share capital

	<i>As at</i>
	<i>30 June 2007</i>
	£

Authorised:

500,000 Ordinary Shares of 10p each	50,000.00
	<hr/>
	50,000.00
	<hr/>

Allotted and called up:

3 Ordinary Shares of 10p each	0.30
	<hr/>
	0.30
	<hr/>

The Company was incorporated on 22 June 2007 with authorised share capital of £50,000 divided into 500,000 Ordinary Shares of 10 pence each of which 3 Ordinary Shares were issued to the subscribers to the Company's Memorandum of Association. These were fully paid up on 17 October 2007.

On 1 October 2007 the authorised share capital was increased to £20,000,000 by the creation of 200,000,000 Ordinary Shares of 10 pence each.

On 1 October 2007 394,997 Ordinary Shares were issued at 10 pence each, fully paid up.

On 11 October 2007 105,000 Ordinary Shares were issued at 10 pence each, fully paid up.

On 14 January 2008 the Company issued 59,328,400 Ordinary Shares at a price of 10 pence upon admission to AIM. £4,784,100 was paid up for the shares.

5. Auditors

The Company has not yet passed its first accounting reference date and no financial information has been presented to its members.

UNAUDITED PRO-FORMA STATEMENT OF NET ASSETS

Set out below is an unaudited pro-forma statement of net assets of the Company which has been prepared for illustrative purposes only to show the effect of the issue of Shares, the Placing and Admission had the issue of Ordinary Shares and Placing and Admission occurred on 14 January 2008. The pro-forma statement of net assets has been prepared for illustrative purposes only, and because of its nature it may not give a true reflection of the Company's financial position or results.

	<i>Company net assets as at 30 June 2007 (Note 1) £</i>	<i>Issue of Ordinary shares (Note 2) £</i>	<i>Issue of Ordinary shares (Note 3) £</i>	<i>Issue of Ordinary shares (Note 4) £</i>	<i>Unaudited Pro-forma adjusted net assets of the Company on Admission to AIM £</i>
Current assets					
Cash and cash equivalents	–	50,000	3,508,705	–	3,558,705
Unpaid share capital	–	–	–	1,148,740	1,148,740
Other debtors and prepayments	–	–	646,218	–	646,218
Total assets	–	50,000	4,154,923	1,148,740	5,353,663
Current liabilities	–	(42,000)	–	–	(42,000)
Net assets	–	8,000	4,154,923	1,148,740	5,311,663

Notes

The pro-forma statement of net assets has been prepared on the following bases:

1. The net assets of designcapital plc as at 30 June 2007 have been extracted without adjustment from the Financial Information included in Part III of the Admission Document.
2. An adjustment has been made to reflect the issue of 394,997 Ordinary Shares of 10 pence each on 1 October 2007 for consideration of £39,499.70, and the issue of 105,000 Ordinary Shares of 10 pence each on 11 October for consideration of £10,500 the proceeds of which were used to pay off liabilities of approximately £42,000 incurred by the Company.
3. An adjustment has been made to reflect the issue of 34,181,000 Ordinary Shares in the Company at a price of 10 pence per share for consideration of £3,418,100 and commissions and placing costs of £541,677. The net proceeds of the Placing are £5,303,663. The consideration for the Ordinary Shares is made up as follows:
 - 25,071,100 Ordinary Shares issued for cash proceeds of £2,507,100.
 - 25,147,400 Ordinary Shares issued for cash of £2,514,740 which is partly paid with £1,148,740 remaining to be paid. The cash paid upon Admission, of £1,366,000 is shown within Cash and Cash equivalents.
 - 8,610,000 Ordinary Shares issued to meet fees payable of £861,000 to Stunning Partners LLC;
 - 500,000 Ordinary Shares issued to meet fees payable of £50,000 to Block 513 Ltd in respect of the listing; and

Of the £861,000 fees payable to Stunning Partners LLP £598,500 relates to future services, £175,000 to listing fees and £87,500 to management fees payable. The fees relating to future services only are disclosed in other debtors and prepayments. Estimated VAT is payable of £47,718.
4. 25,147,400 Ordinary Shares issued for cash of £2,514,740 which is partly paid with £1,148,740 remaining to be paid.
5. The pro-forma statement of net assets does not constitute financial statements within the meaning of section 240 of the CA 1985.
6. No account has been taken of any trading transactions that may have occurred within the company since 30 June 2007 other than disclosed above.

PART IV

ADDITIONAL INFORMATION

1. THE COMPANY AND ITS SUBSIDIARIES

- 1.1 The Company was incorporated and registered in England and Wales under the Act on 22 June 2007 under the name of designcapital plc with registered number 6290400, as a public company limited by shares. The Company has no subsidiaries.
- 1.2 On 18 October 2007, the Registrar of Companies issued a certificate entitling it to do business under the provisions of section 117 of the Act.
- 1.3 The principal activity of the Company is to make investments in, or acquire, businesses.
- 1.4 The principal legislation under which the Company operates is the Act. The liability of the Company's members is limited.
- 1.5 The ISIN (International Security Identification Number) of the Company is GB00B28RCR73. The Ordinary Shares have been created pursuant to the Act under the laws of England and Wales.

2. SHARE CAPITAL

- 2.1 The Company was incorporated with an authorised share capital of £50,000 represented by 500,000 ordinary shares of 10p each, of which 3 were issued, nil paid, to the subscribers to the memorandum of association. The following alterations in the issued share capital of the Company have taken place since incorporation:
- (i) On 17 October 2007, the 3 subscribers shares were paid up;
 - (ii) On 1 October 2007, the authorised share capital was increased to £20,000,000 by the creation of a further 199,500,000 Ordinary Shares of 10p each;
 - (iii) On 1 October 2007 394,997 Ordinary Shares were issued to Frédéric Bobo, fully paid; and
 - (iv) On 11 October 2007 105,000 Ordinary Shares were issued to Philippe Hervé, fully paid.
- 2.2 The authorised and issued share capital of the Company (i) as at the date of this document, (ii) following Admission and completion of the Placing and the Subscription, (iii) within 30 days of Admission and (iv) within 12 months of Admission and following full payment of the Placing and the Subscription is set out below:

	<i>Authorised</i>			<i>Issued fully paid</i>		<i>Issued partly paid</i>	
	<i>Number</i>	<i>£</i>		<i>Number</i>	<i>£</i>	<i>Number</i>	<i>£</i>
(i)	200,000,000	20,000,000	Ordinary Shares	500,000	50,000	0	0
(ii)	200,000,000	20,000,000	Ordinary Shares	26,071,000	2,607,100	23,940,000	1,981,565
(iii)	200,000,000	20,000,000	Ordinary Shares	54,923,910	5,492,391	23,940,000	1,981,565
(iv)	200,000,000	20,000,000	Ordinary Shares	116,022,910	11,602,291	0	0

- 2.3 By a shareholders' resolution dated 1 October 2007, the Directors were generally unconditionally authorised for the purposes of section 80 of the Act to allot relevant securities of an aggregate nominal value representing the entire unissued share capital of the Company such authority to expire two years from the date of that resolution. The Directors were also empowered, pursuant to section 95 of the Act, to allot equity securities (within the meaning of section 94(2) of the Act) for cash as if section 89(1) of the Act did not apply for any allotment of equity securities by way of a rights issue in proportion (as nearly as may be) to their existing holdings, and in respect of any other issue up to an aggregate nominal value representing £20,000,000, such authority to expire two years from the date it was passed. These authorities will be used to issue the Placing Shares and the Subscribed Shares.

3. MEMORANDUM AND ARTICLES OF ASSOCIATION

3.1 The principal objects of the Company, which are set out in full in clause 4 of its memorandum of association, are to carry on the business of an investment holding company.

3.2 The Articles contain provisions, *inter alia*, to the following effect:

3.2.1 Share rights

Any share in the Company may be issued with such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine or, if there has not been any such determination or, so far as the same shall not make specific provision, as the directors of the Company may decide.

3.2.2 Redeemable shares

Any shares may, with the sanction of a special resolution, be issued on terms that they are, or at the option of the Company are liable, to be redeemed. The terms and manner of redemption shall be provided for by special resolution passed before the issue of such shares.

3.3 Variation of Rights

Subject to the Act, the special rights attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound-up) be altered or abrogated with the written consent of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the issued shares of that class at which a quorum of two or more persons holding or representing by proxy not less than one-third of the issued shares of that class (but so that if at any adjourned meeting of such holders a quorum is not present, the holders shall form a quorum) is present. The special rights conferred upon the holders of any shares or class of share shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith (save as to the date from which such new shares rank for dividend) or subsequent to those already issued or by the reduction of capital paid upon such shares or by the purchase or redemption by the Company of its own shares in accordance with the provisions of the Act and/or the Articles.

3.4 Changes in Capital

The Company may by ordinary resolution increase its share capital, consolidate and divide its share capital into shares of a larger amount, sub-divide its share capital into shares of a smaller amount (subject to the provisions of the Act) and cancel any shares which have not been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the shares so cancelled.

Subject to the provisions of the Act, the Company may reduce share capital, any capital redemption reserve and any share premium account in any manner. The Company may also, subject to the requirements of the Act, purchase all or any of its own shares, including any redeemable shares.

3.5 General meetings

The Company shall hold a general meeting as its annual general meeting (at such time and place as the Directors may determine) in addition to any other meetings that year and not more than fifteen months shall elapse between the date of one annual general meeting of the Company of that of the next.

The Directors may call general meetings and on the requisition of the members pursuant to the provisions of the Act, shall call an extraordinary general meeting for a date not less than eight weeks after the receipt of such a requisition.

The notice of the general meeting shall specify the time and place of the meeting, the general nature of the business to be carried out and, in the case of an annual general meeting, shall specify that it is

such. The Company may give notice of general meetings electronically in accordance with the provisions of the Act.

3.6 Votes of members

At any general meeting a resolution put to the vote shall be decided on a show of hands, unless a poll is demanded by the Chairman, or at least five members present in person or by proxy, or by any member or members present in person or by proxy representing not less than one tenth of the total voting rights of all members or one tenth of the total sums paid up on all shares conferring the right to attend and vote at the meeting. A member shall be entitled to one vote for every share of which he is the registered holder.

3.7 Sanctions on Shareholders

A holder of less than 0.25 per cent. of any class of shares loses his rights to vote in respect of these shares if and for so long as he or any other person appearing to be interested in those shares fails to comply with a request by the Company under the Act requiring him to give particulars of any interest in those shares within 28 days. In the case of shareholdings representing 0.25 per cent. or more, in nominal amount, of the share capital of the Company then in issue, or any class thereof, the sanctions which may be applied by the Company include not only disenfranchisement but also the withholding of the right to receive payment of dividends and other monies payable on, and restrictions on transfers of, the shares concerned. The relevant period within which a person holding 0.25 per cent. or more of the shares must comply with such a request by the Company under the Act is 14 days.

3.8 Non-UK Shareholders

There are no limitations in the Memorandum of Association or Articles on the rights of non-UK shareholders to hold, or exercise voting rights attaching to Ordinary Shares.

3.9 Transferability of Ordinary Shares

All transfers of Ordinary Shares which are in certificated form may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Board. The instrument of transfer shall be executed by or on behalf of the transferor and (except in the case of fully-paid shares) by or on behalf of the transferee and the transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the register in respect thereof. All transfers of Ordinary Shares which are in uncertificated form may be effected by means of a relevant system (as defined in the Articles).

The Directors may decline to register a transfer of any share which is not fully paid without assigning any reason and may also decline to register any transfer of any share over which the Company has a lien.

The Directors may decline to recognise any instrument of transfer relating to shares in certificated form unless the instrument of transfer is duly stamped, accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, it relates only to one class of share, it is in favour of less than five transferees, it is made to a person aged over 18 and it is not made to a person who is a patient within the meaning of the Mental Health Act 1983.

3.10 Transmission of shares

In the case of the death of a member, the executors or administrators of the deceased shall be the only persons recognised by the Company as having any title to the shares, where the member was a sole holder, or the survivor or the survivors or the personal representatives of a deceased last survivor, where the deceased was a joint holder of shares. A person entitled to a share in consequence of the death or bankruptcy of a member shall be entitled to receive any dividends or other monies in respect of the shares, but shall not be entitled to receive notice of or to attend or vote at general meetings of the Company until registered as the holder of the shares.

3.11 Appointment and removal of directors

The Company may by ordinary resolution elect any person to be a Director and may also remove by ordinary resolution any person to be a Director of the Company at any time but any person so appointed shall hold office only until the next following annual general meeting and shall be eligible for re-election. At every annual general meeting one third of the Directors shall retire from office and shall be eligible for re-election.

3.12 Number of Directors

Unless otherwise determined by ordinary resolution of the Company, there shall be not less than two Directors and there shall not be more than eight Directors.

3.13 Directors Fees

The Directors (other than those holding executive office with the Company or any subsidiary of the Company) shall be paid by way of fees for their services at such rate and in such proportion as the Board may from time to time resolve, not exceeding in aggregate £150,000 per annum or such higher sum as the Company may from time to time by ordinary resolution determine.

Any Director who holds serves on any committee or who devotes special attention to the business of the Company or who performs duties which in the opinion of the Directors are outside the ordinary duties of a Director, may be paid such remuneration or extra remuneration by way of salary, commission or otherwise as the Board may determine. The Directors shall also be paid all expenses properly incurred by them in attending meetings of the Company or of the Board or otherwise in connection with the business of the Company and the discharge of their duties.

3.14 Proceedings of directors

The Directors of the Company may regulate their proceedings as they see fit subject always to the Act, the Memorandum of Association and the Articles of the Company. The Directors may elect one of their number to act as Chairman and he shall, in the event of equality of votes, have a casting vote. The Directors of the Company may also delegate any or all of their powers to committees of the Board and in the event that they do this the rules in relation to quorum and voting will apply equally to the committee as it would otherwise have applied to the main Board of Directors of the Company.

3.15 Executive Office

The Board may from time to time appoint one or more Directors to be the holder of any executive office for such period and on such terms as it decides.

3.16 Directors' Interests

A Director may become an officer or be interested in any company in which the Company may be interested and shall not be liable to account to the Company or the members of the Company for any remuneration, profit or other benefit received as a result of his interest in such other company. In addition, a Director may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested.

A Director who is interested in a contract, transaction or arrangement with the Company, or indeed a proposed contract, transaction or arrangement with the Company, shall declare the nature of his interest at the meeting of the Board at which the question of entering into a contract or arrangement is first taken into consideration.

A Director may not vote or be counted in the quorum of any resolution of the Board or of a committee of Board concerning any contract, arrangement, transaction or any other proposal whatsoever to which the Company is or is to be a party and in which it has an interest which is to his knowledge and material interest save in respect of:

3.16.1 the giving of any security, guarantee or indemnity by him at the request of or for the benefit of the Company or any of its subsidiaries;

- 3.16.2 the giving by the Company of any security, guarantee or indemnity to a third party of which the Director has assumed responsibility in whole or in part;
- 3.16.3 any proposal to participate in an offer of shares or other securities of the Company, or participation in the underwriting of such shares or securities;
- 3.16.4 any contract or arrangement in which he is interested by virtue of his interest in shares, debentures or other securities of the Company;
- 3.16.5 any contract or arrangement with the Company of which he owns less than one per cent.;
- 3.16.6 any proposal concerning the adoption, modification or operation of a superannuation fund, retirement benefit scheme, share option scheme or share incentive scheme under which he may benefit; or
- 3.16.7 any proposal concerning the purchase and/or maintenance of any insurance policy under which he may benefit.
- 3.17 Age of Directors
No person shall be disqualified from appointment as a Director of the Company and shall not be required to vacate office by reason only of his age.
- 3.18 Qualification Shares
A Director shall not be required to hold any shares of the Company.
- 3.19 Power of directors
The Directors of the Company help manage the business of the Company and they may exercise all of the powers of the Company in accordance with the Act, the Memorandum of Association and the Articles as well as any directions given by special resolution.
- 3.20 Dividends
Subject to the Act, the Company at a general meeting may declare dividends to be paid to shareholders according to their rights and interests in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board. Except insofar as the rights attaching to, or the terms of issue of, any Ordinary Share otherwise provide, all dividends shall be declared according to the amounts paid-up or credited as paid-up on the shares and apportioned and paid pro rata according to the amounts paid-up or credited as paid-up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Board may from time to time pay to the shareholders such interim dividends as appear to the Board to be justified by the position of the Company. Any dividend unclaimed after a period of 12 years from the date it became due for payment shall be forfeited and shall revert to the Company. No dividend or other monies payable by the Company or in respect of any share shall bear interest against the Company.
- 3.21 Reserves
The Directors of the Company may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as reserves which shall, at the discretion of the directors of the Company, be applicable for any purpose to which the profits of the Company may be properly applied.
- 3.22 Distribution of Assets on Liquidation
Subject to the rights attached to any shares issued on special terms, on return of assets on a winding up, the surplus assets of the Company after discharge of its liabilities shall belong to and be distributed amongst the holders of ordinary shares in proportion to the number of such shares held by them.
- 3.23 Untraced Shareholders
If on three consecutive occasions notices of other documents have been sent through the post to any member at his registered address or his address for service of notices but have been returned

undelivered then such a member shall not thereafter be entitled to receive notices or other documents from the Company until he shall have communicated with the Company and supplied in writing a new registered address or address within the United Kingdom for the service of notices.

Where a member has communicated to the Company an address for the purpose of sending electronic communications but the Company is aware that on at least two consecutive occasions there has been a failure of delivery of such notice or document then the Company shall thereafter send notices or documents through the post to such a member at his registered address or his address for service of notice by post.

The Company shall be entitled to sell at the best price reasonably obtainable any share held by a member if, for a period of 12 years, no cheque or warrant sent by the Company has been cashed and no communication has been received by the Company from the member, after announcing its intention to sell such share by advertisement in the newspapers and giving notice to the London Stock Exchange or any secondary market of that exchange and has not within a further period of 3 months after the date of the advertisement and prior to the sale of the share received any communication from the member.

3.24 Indemnity

The Directors of the Company are indemnified out of the assets of the Company in respect of all costs, charges, expenses, losses and liabilities they may sustain or incur in connection with the execution of their office.

4. DIRECTORS' AND OTHER INTERESTS

4.1 As at the date of this document and on Admission, the number of Ordinary Shares held by Directors is as follows:

	<i>As at the date of this document</i>		<i>At Admission</i>		<i>30 Days post Admission</i>		<i>12 months post Admission following Completion of the Placing and the Subscription</i>	
	<i>% issued</i>		<i>% issued</i>		<i>% issued</i>		<i>% issued</i>	
	<i>Ordinary shares</i>	<i>share capital</i>	<i>Ordinary shares</i>	<i>share capital</i>	<i>Ordinary shares</i>	<i>share capital</i>	<i>Ordinary shares</i>	<i>share capital</i>
Frédéric Bobo	394,998	78.99	34,334,998*	40.67	34,334,998*	30.86	37,334,998†	32.18
Philippe Hervé	105,001	21	105,001	0.18	105,001	0.13	105,001	0.09
Sacha Tikhomiroff	0	–	0	0	0	0	0	0
Frédéric Michel-Verdier	1	0.0002	500,001‡	0.83	500,001‡	0.63	710,001§	0.61
Pierre Rainero	0	–	0	0	0	0	210,000§	0.18
David Henderson-Stewart	0	–	0	0	0	0	210,000§	0.18

* Includes 23,940,000 shares held by Stunning Partners LLC, a company in which Frédéric Bobo is interested.

† Includes 36,940,000 Ordinary Shares held by Stunning Partners LLC, a company in which Frédéric Bobo is interested, which will be allotted within 12 months of Admission of which 5,985,000 represent the advance payment as particularly set out at paragraphs 6.1.4.2 and 6.1.4.3 of Part IV .

‡ Includes an allotment of 500,000 Ordinary Shares to Block 513 Limited, a company in which Frédéric Michel-Verdier is interested, in lieu of fees incurred during the positioning and development of the Company.

§ Includes the allotment of 210,000 Ordinary Shares pursuant to the non- executive directors' service whereby the annual fee of £21,000 per annum will be paid in Ordinary Shares. For the purposes of this document the share price is estimated at 10 pence per Ordinary share.

4.2 Save as disclosed in paragraph 4.1 above, none of the Directors has any interests in the share capital or loan capital of the Company or any of its subsidiaries nor does any person connected with the Directors (within the meaning of Section 252 of the Act) have any such interests, whether beneficial or nonbeneficial.

4.3 In addition to their directorships in the Company, the Directors have held the following directorships and/or been a partner in the following partnerships within the five years prior to the date of this document:

<i>Name</i>	<i>Current Directorships</i>	<i>Past Directorships</i>
Frédéric Bobo	Ubifood sarl Espresso Etoile sarl Stunning Partners LLC	
Philippe Hervé	Phes sarl Omoté s.a. Atmosphères Omoté s.a.	
Sacha Tikhomiroff	Office Depot BS France s.a. s.	PC City s.a. Office Depot Retail s.a. Group SEB CTS
Frédéric Michel-Verdier	COFIEX sarl (gerant)	
Pierre Rainero	Société Cartier s.a. Hexagram s.a.s. Rainero Patrimoine sarl	
David Henderson-Stewart	zao Mejdunarodny Promishleny Bank zao Obyedinionaya Promishlenaya Korporatsia Luxadvor SA OPK Media Corp Valmosa Hédiard SA OPK Trust Company	

4.4 Save as disclosed in paragraph 4.3 above, no Director:

4.4.1 has any unspent convictions in relation to indictable offences; or

4.4.1.1 has been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to any asset of such director; or

4.4.1.2 has been a director of any company which, while he was a director or within 12 months after he ceased to be a director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or

4.4.1.3 has been a partner of any partnership which, while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or

4.4.1.4 has had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or

4.4.1.5 has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

4.5 Save as disclosed in paragraph 4.1 above, and as set out below, the Directors are not aware of any person, directly or indirectly, jointly or severally, who exercises or will be able to exercise control over the Company or who is or who will be interested in 3 per cent. or more of the issued share capital of the Company as at the date of the publication of this document, immediately following completion of the Placing and the Subscription:

	<i>As at the date of this document</i>		<i>At Admission</i>		<i>30 Days post Admission</i>		<i>12 months post Admission following Completion of the Placing and the Subscription</i>	
	<i>% issued</i>		<i>% issued</i>		<i>% issued</i>		<i>% issued</i>	
	<i>Ordinary shares</i>	<i>share capital</i>	<i>Ordinary shares</i>	<i>share capital</i>	<i>Ordinary shares</i>	<i>share capital</i>	<i>Ordinary shares</i>	<i>share capital</i>
LA Finances S.A.	–	–	9,817,400	16.41	23,593,400	29.9	23,593,400	20.34
Luxadvor S.A.	–	–	22,874,000	38.23	22,874,000	29	34,000,000	29.3
Georges Schulmann	–	–	–	–	4,254,440	5.39	4254,440	3.67
Mena Consultants Ltd	–	–	–	–	–	–	13,000,000	11.2

- 4.6 There have been no loans made, or guarantees granted, or provided, by any member of the Company, to or for the benefit of any Director.
- 4.7 The voting rights of the shareholders set out in paragraphs 4.1 and 4.5 above do not differ from the voting rights held by other shareholders of the Company.
- 4.8 No Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company or any of its subsidiaries and remains in any respect outstanding or unperformed.

5. DIRECTORS' SERVICE AGREEMENTS

- 5.1 Frédéric Bobo, Frédéric Michel-Verdier and Philippe Hervé were appointed to the board on 22 June 2007. Sacha Tikhomiroff and Pierre Rainero were appointed to the board on 1 October 2007. David Henderson-Stewart was appointed to the board on 8 January 2008. In addition, at each annual general meeting of the Company, one third of the directors are required to retire by rotation and may stand for re-election. The failure of any director to be re-appointed upon retirement by rotation will not automatically result in termination of the employment of such director.
- 5.2 Frédéric Bobo, Phillipe Hervé and Sacha Tikhomiroff are not employees of the Company and none has entered into any contractual arrangement with the Company in relation to the provision of their services as such. None will be entitled to any remuneration from the Company in their capacity as employee. However, it is intended that Frédéric Bobo, Phillipe Hervé and Sacha Tikhomiroff will enter into letters of engagement with the Company following Admission.
- 5.3 On 8 January 2008, Frédéric Michel-Verdier entered into a letter of appointment with the Company setting out the terms of appointment as a non-executive director of the Company and chairman of the Company's audit committee, which is conditional on Admission. The appointment is for an initial fixed term of one year subject to earlier termination, inter alia, in the event of a breach by Frédéric Michel-Verdier. An annual fee of £21,000 per annum (subject to an annual review by the Board) is payable to Frédéric Michel-Verdier. Such fee is to be satisfied quarterly in arrears by the allotment of a corresponding number of Ordinary Shares credited fully paid. The appointment restricts Frédéric Michel-Verdier from competing with the Company for a period of 6 months after termination of the appointment and/or soliciting customers for a period of 6 months after termination of the appointment. Upon termination of appointment, no contractual benefits (other than those accruing in respect of notice period) are due to Frédéric Michel-Verdier.
- 5.4 On 8 January 2008, David Henderson-Stewart entered into a letter of appointment with the Company setting out the terms of appointment as a non-executive director, which is conditional on Admission. The appointment is for an initial fixed term of one year and thereafter is terminable by either party giving 6 months notice such notice to expire no earlier than 18 months after the appointment and contains provisions for earlier termination, inter alia, in the event of a breach by David Henderson-Stewart. An annual fee of £21,000 per annum (subject to an annual review by the Board) is payable to David Henderson-Stewart. Such fee is to be satisfied quarterly in arrears by the allotment of a corresponding number of Ordinary Shares credited fully paid. The appointment restricts David Henderson-Stewart from competing with the Company for a period of 6 months after termination of

the appointment and/or soliciting customers for a period of 6 months after termination of the appointment. Upon termination of appointment, no contractual benefits (other than those accruing in respect of notice period) are due to David Henderson-Stewart.

- 5.5 On 8 January 2008, Pierre Rainero entered into a letter of appointment with the Company setting out the terms of appointment as a non-executive director of the Company and which is conditional on Admission. The appointment is for an initial fixed term of one year and thereafter is terminable by either party giving 6 months notice such notice to expire no earlier than 18 months after the appointment and contains provisions for earlier termination, *inter alia*, in the event of a breach by Pierre Rainero. An annual fee of £21,000 per annum (subject to an annual review by the Board) is payable to Pierre Rainero. Such fee is to be satisfied quarterly in arrears by the allotment of a corresponding number of Ordinary Shares credited fully paid. The appointment restricts Pierre Rainero from competing with the Company for a period of 6 months after termination of the appointment and/or soliciting customers for a period of 6 months after termination of the appointment. Upon termination of appointment, no contractual benefits (other than those accruing in respect of notice period) are due to Pierre Rainero.
- 5.6 Save as disclosed in this paragraph and paragraph 5.1 of this Part IV, there are no service agreements in existence between any of the Directors and the Company that cannot be determined by the employing company without payment of compensation (other than statutory compensation) within one year.
- 5.7 The estimated aggregate remuneration payable and benefits in kind to be granted to the Directors for the current financial period ending 31 December 2008 under the arrangements in force at the date of this document is £63,000, excluding payments referred to in paragraph 5.2 above.

6. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company since its incorporation or will be entered into by the Company immediately following Admission and are or may be material:

- 6.1 A Management Services Contract with Stunning Partners LLC, a limited liability company incorporated in the State of New York and in which Frédéric Bobo is interested.
- 6.1.1 Pursuant to this Management Services Contract, Stunning Partners LLC will, *inter alia*:
- 6.1.1.1 periodically review the Company's investment policies and procedures;
 - 6.1.1.2 identify and analyse investment and acquisition opportunities and opportunities to dispose of assets or investments;
 - 6.1.1.3 monitor the performance of the Company's assets and investments;
 - 6.1.1.4 assist in finalising the terms of any offer made to any target;
 - 6.1.1.5 participate in pre-transaction negotiations;
 - 6.1.1.6 review and co-ordinate market communications;
 - 6.1.1.7 co-ordinate the preparation and finalisation of any circular, admission document, re-admission document, prospectus or similar document that may be required in relation to any transaction and assist in ensuring that the same comply with all applicable laws and regulations;
 - 6.1.1.8 advise the Company in relation to general capital structures and capital raising issues;
 - 6.1.1.9 manage the investment and reinvestment of any monies held by the Company in accordance with the Company's investment policies and procedures (if any) implemented from time to time;

- 6.1.1.10 generally assist in advising in relation to the AIM Rules for Companies, the Act, FSMA and the City Code on Takeovers and Mergers and other regulatory or legal matters; and
 - 6.1.1.11 provide such other services and activities as the board of directors of the Company may reasonably request from time to time.
- 6.1.2 Subject to the rights set out in paragraph 6.1.4 of this Part IV, the Management Services Contract will continue until the 12th anniversary of Admission unless either party gives to the other no less than 6 months' notice in writing to terminate the Management Services Contract (such notice to expire on the 9th, 10th or 11th anniversary of Admission).
- 6.1.3 The Company may (with the unanimous consent of all non-executive directors of the board of the Company and with the approval of the holders of more than 50 per cent. of the shares in the capital of the Company, other than Stunning Partners LLC (if and to the extent that Stunning Partners is a shareholder in the Company at the relevant time)) terminate the Management Services Contract with no liability to make any further payment to Stunning Partners LLC (other than in respect of amounts accrued prior to the Termination Date) if at any time Stunning Partners LLC:
 - 6.1.3.1 commits any serious or repeated breach or non-observance of any of the provisions of this Agreement or refuses or neglects to comply with any reasonable and lawful directions of the Company;
 - 6.1.3.2 is in the reasonable opinion of the Company negligent and incompetent in the performance of the services;
 - 6.1.3.3 acts in any manner which is fraudulent or dishonest or which in the opinion of the Company brings or is likely to bring the Company or any trading subsidiary into disrepute or is materially adverse to the interest of the Company or any trading subsidiary; or
 - 6.1.3.4 makes a resolution for its winding up, makes an arrangement or composition with its creditors or makes an application to a court of competent jurisdiction for protection from its creditors or an administration or winding-up order is made or an administrator or receiver is appointed in relation to Stunning Partners LLC (or any event analogous to the foregoing occurs in any jurisdiction outside of the United Kingdom).
- 6.1.4 In consideration of the foregoing, Stunning Partners LLC will be entitled to the following compensation:
 - 6.1.4.1 an arrangement fee of £175,000 payable upon Admission, to be satisfied by the allotment of Ordinary Shares to Stunning Partners LLC credited as fully paid;
 - 6.1.4.2 a management fee, calculated at the annual rate of 1.5 per cent. of the Company's average market capitalisation to be payable quarterly in arrears), such fee to be no less than £350,000 in the 12 months from the date of Admission. Stunning Partners LLC has raised an invoice dated 8 January 2008 in the sum of £87,500 in respect of the management fee for the period from 1 October 2007 to 31 December 2007 to be satisfied by the allotment of shares to Stunning Partners LLP credited fully paid. Stunning Partners LLC has raised an additional invoice dated 8 January 2008 in the sum of £262,500 by way of an advanced payment of the management fee for the period 1 January 2008 to 30 September 2008 to be satisfied by the allotment of shares to Stunning Partners LLP credited fully paid;
 - 6.1.4.3 a success fee in relation to any complete transaction whereby the Company agrees to acquire or dispose of shares of assets in or belonging to another company. Such success fee will be 2 per cent. of the enterprise value of any entity in which shares are

acquired or from which assets are acquired pro-rated according to the percentage of shares acquired or the value of the assets of any entity acquired (relative to the aggregate value of the assets held by that entity) (as the case may be). Each such success fee will be subject to a minimum fee of £84,000 and will be satisfied by the allotment of Shares, credited as fully paid. Stunning Partners LLC has raised an invoice dated 8 January 2008 in the sum of £336,000 by way of an advance payment of the first four such success fees which advance payment has been agreed by the Company. Any balance due will be paid at the time of each acquisition; and

- 6.1.4.4 a performance fee equal to 20 per cent. of the increase in the net asset value (in respect of the payment of the first Performance Fee) between the date of Admission and the date of payment of the Performance Fee and (in respect of all other payments of Performance Fee) between the date on which the last Performance Fee was paid and the date of payment of the Performance Fee (but in each case disregarding the payment of the Performance Fee itself). Any increase shall be referenced against the "Base Net Asset Value per Share". In this context, Base Net Asset Value per Share means the highest Net Asset Value per Share achieved as at the end of any previous relevant period, or, in the case of the Performance Fee payable on 31 December 2008, the Net Asset Value as at Admission. Such performance fee will be satisfied by the allotment of Shares to Stunning Partners, credited as fully paid;
 - 6.1.4.5 arrangement fees to be agreed on an as and when basis between the Company and Stunning Partners.
- 6.1.5 Pursuant to this Management Services Contract, Stunning Partners LLC will undertake to the Company that it will not, save in the event of an intervening court order or an offer for the entire share capital of the Company becoming or being declared unconditional, during the period of 18 months from the date of allotment to it of any shares, dispose of or agree to dispose of any interest in those shares.
- 6.2 A Placing Agreement dated 8 January 2008 between the Company (1) and the Directors (2) and HB Corporate (3) pursuant to which HB Corporate has agreed conditionally upon, *inter alia*, Admission taking place by no later than 22 January 2008 to use its reasonable endeavours to procure Placees (as defined in the Placing Agreement) for the Placing Shares. Under the terms of the Placing Agreement the Company has agreed to pay HB Corporate a corporate finance fee of £75,000 plus VAT (together with expenses including fees of legal advisors). The Placing Agreement contains certain representations and warranties given by the Directors and the Company and an indemnity (subject to various limits and caps) in favour of HB Corporate, together with provisions which enable HB Corporate to terminate the Placing Agreement in certain circumstances prior to Admission, including circumstances where any warranties are found to be untrue or inaccurate in any respect. The Directors have also undertaken to the Company and HB Corporate not to dispose of any of their interests in the Ordinary Shares held by them before the first anniversary of the date of Admission except in certain limited circumstances and for a further period of one year not to dispose of any such interest other than on an orderly market basis.
- 6.3 A Nominated Adviser and Broker Agreement dated 8 January 2008 between the Company (1) HB Corporate (2) and the Directors (3) pursuant to which the Company appointed HB Corporate to act as nominated adviser and broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay HB Corporate a fee of £40,000 per annum for its services as nominated adviser and broker. The agreement continues for a fixed period of 12 months from the date of the agreement and thereafter is subject to termination by either party on the giving not less than 60 days prior written notice.
- 6.4 A lock-in undertaking dated 8 January 2008 in favour of each of the Company and HB Corporate whereby Frédéric Bobo has agreed not to dispose of any of his interest in any Ordinary Shares held by him before the first anniversary of the date of Admission except in certain limited circumstances and has also agreed to certain orderly market provisions for a further twelve months after the expiry of the lock-in undertaking.

- 6.5 A lock-in undertaking dated 8 January 2008 in favour of each of the Company and HB Corporate whereby Frédéric Michel-Verdier has agreed not to dispose of any of his interest in any Ordinary Shares held by him before the first anniversary of the date of Admission except in certain limited circumstances and has also agreed to certain orderly market provisions for a further twelve months after the expiry of the lock-in undertaking.
- 6.6 A lock-in undertaking dated 8 January 2008 in favour of each of the Company and HB Corporate whereby Philippe Hervé has agreed not to dispose of any of his interest in any Ordinary Shares held by him before the first anniversary of the date of Admission except in certain limited circumstances and has also agreed to certain orderly market provisions for a further twelve months after the expiry of the lock-in undertaking.
- 6.7 A lock-in undertaking dated 8 January 2008 in favour of each of the Company and HB Corporate whereby LA Finances has agreed not to dispose of any of its interest in any Ordinary Shares held by it before the first anniversary of the date of Admission except in certain limited circumstances and has also agreed to certain orderly market provisions for a further twelve months after the expiry of the lock-in undertaking.
- 6.8 A lock-in undertaking dated 8 January 2008 in favour of each of the Company and HB Corporate whereby David Henderson-Stewart has agreed not to dispose of any of his interest in any Ordinary Shares held by him before the first anniversary of the date of Admission except in certain limited circumstances and has also agreed to certain orderly market provisions for a further twelve months after the expiry of the lock-in undertaking.
- 6.9 A lock-in undertaking dated 8 January 2008 in favour of each of the Company and HB Corporate whereby Pierre Rainero has agreed not to dispose of any of his interest in any Ordinary Shares held by him before the first anniversary of the date of Admission except in certain limited circumstances and has also agreed to certain orderly market provisions for a further twelve months after the expiry of the lock-in undertaking.
- 6.10 A lock-in undertaking dated 8 January 2008 in favour of each of the Company and HB Corporate whereby Stunning Partners LLC has agreed not to dispose of any of its interest in any Ordinary Shares held by it before the first anniversary of the date of Admission except in certain limited circumstances and has also agreed to certain orderly market provisions for a further twelve months after the expiry of the lock-in undertaking.
- 6.11 A lock-in undertaking dated 8 January 2008 in favour of each of the Company and HB Corporate whereby Luxadvor S.A. has agreed not to dispose of any of its interest in any Ordinary Shares held by it before the first anniversary of the date of Admission except in certain limited circumstances and has also agreed to certain orderly market provisions for a further twelve months after the expiry of the lock-in undertaking.
- 6.12 A letter dated 19 June 2007 pursuant to which Valmosa Finance Corp conditionally committed to subscribe for Ordinary Shares to a maximum value of £3.4 million. Valmosa Finance Corp has the benefit of a number of warranties given by the Company. Valmosa Finance Corp assigned their rights and obligations pursuant to this letter to Luxadvor S.A.
- 6.13 A subscription letter dated 5 December 2007 pursuant to which Luxadvor S.A. commits to subscribe for 22,841,000 Ordinary Shares on Admission at an aggregate subscription price of £2,284,100 conditional on the Placing Agreement becoming unconditional, Admission becoming effective, a letter of appointment in respect of David Henderson-Stewart and the anti-dilution agreement referred to at paragraph 6.24 below being entered into, the board appointment letter referred to at paragraph 6.25 below being entered into, the Admission Document being approved by the Board and the Company having obtained further unconditional subscriptions (save for any condition relating to Admission) for Ordinary Shares from persons other than Luxadvor S.A. in addition to the £2,284,100 raised from Luxadvor S.A. on Admission, in an amount of at least £6.81 million with receipt of at least £2.5 million in respect of such subscriptions paid into the Company's bank account on

Admission and the balance (which must include the subscription commitment of L-A Finances S.A.) to be paid as set out in this Admission Document. The Subscription Letter provides that these conditions must be satisfied on or before 11.59 p.m. on 31 December 2007 although this was subsequently extended on 8 January 2008 to 14 January 2008. In addition, by the same letter Luxadvor S.A. has committed to subscribe for an additional 11,159,000 Ordinary Shares within 12 months of Admission at an aggregate subscription price of £1,115,900 conditional on the satisfaction of the preceding conditions and Luxadvor S.A. entering into a side letter and shareholders' agreement with Frédéric Bobo pursuant to which Frédéric Bobo will grant Luxadvor S.A. an unconditional put option in respect of all or part of the shares subscribed for by Luxadvor S.A. to be exercisable within the period beginning 100 days from the Admission Date and ending on the first anniversary of the Admission Date. Further, in the event that the number of shares subscribed to by Luxadvor S.A. is not sufficient to result in it being allotted and issued Ordinary Shares representing at least 25.1 per cent. of the Company's fully diluted issued share capital immediately following Admission, then Luxadvor S.A. shall have the right (but not the obligation) to subscribe for and be allotted and issued by the Company such number of additional Ordinary Shares at the Subscription Price as Luxadvor S.A. shall specify up to a maximum aggregate holding of 25.1 per cent. of the Company's fully diluted issued share capital immediately following Admission.

- 6.14 A subscription letter dated 9 October 2007 pursuant to which Georges Schulmann commits to subscribe for 4,254,434 Ordinary Shares within 30 days of Admission at an aggregate subscription price of £425,543.40 conditional only on the Company having paid all charges relating to Admission to the London Stock Exchange, Admission having occurred no later than 30 November 2007 and on Georges Schulmann determining that the Company has pursued its investment strategy as presented. On 30 November 2007 Georges Schulmann agreed to the extension of the deadline for Admission to 13 December 2007 and this was further extended on 20 December 2007 to 21 January 2008.
- 6.15 A subscription letter dated 9 October 2007 pursuant to which L-A Finances S.A. commit to subscribe for 13,775,991 Ordinary Shares within 30 days of Admission at an aggregate subscription price of £1,377,599.10 conditional only on the Company having paid all charges relating to Admission to the London Stock Exchange, Admission having occurred no later than 30 November 2007 and L-A Finance S.A. determining that the Company has pursued its investment strategy as presented. On 30 November 2007 L-A Finances S.A. agreed to the extension of the deadline for Admission to 13 December 2007 and this was further extended on 20 December 2007 to 21 January 2008.
- 6.16 A subscription letter dated 9 October 2007 pursuant to which Jean-Jacques Senseby commits to subscribe for 255,076 Ordinary Shares within 30 days of Admission at an aggregate subscription price of £25,507.60 conditional only on the Company having paid all charges relating to Admission to the London Stock Exchange, Admission having occurred no later than 30 November 2007 and on Jean-Jacques Senseby determining that the Company has pursued its investment strategy as presented. On 30 November 2007 Jean-Jacques Senseby agreed to the extension of the deadline for Admission to 13 December 2007 and this was further extended on 20 December 2007 to 21 January 2008.
- 6.17 A subscription letter dated 9 October 2007 pursuant to which Jacques Langeard commits to subscribe for 749,999 Ordinary Shares within 30 days of Admission at an aggregate subscription price of £74,999.90 conditional only on the Company having paid all charges relating to Admission to the London Stock Exchange, Admission having occurred no later than 30 November 2007 and on Jacques Langeard determining that the Company has pursued its investment strategy as presented. On 30 November 2007 Jacques Langeard agreed to the extension of the deadline for Admission to 13 December 2007 and this was further extended on 20 December 2007 to 21 January 2008.
- 6.18 A subscription letter dated 5 November 2007 pursuant to which Blom Bank (Switzerland) S.A. commits to subscribe for 1,500,000 Ordinary Shares on Admission at an aggregate subscription price of £150,000 conditional only on the Company having paid all charges relating to Admission to the London Stock Exchange and Admission having occurred no later than 30 December 2007. On 27 December 2007, Blom Bank (Switzerland) S.A. agreed to the extension of the Admission Date to 14 January 2008 in return for the Company paying interest on Blom Bank (Switzerland) S.A.'s deposit of the subscription monies at the rate of 8% per annum for the period beginning 13 December 2007

and ending on 13 January 2008 totalling £1,000 to be satisfied by the allotment to Blom Bank (Switzerland) S.A. of 10,000 additional Ordinary Shares credited as fully paid.

- 6.19 A subscription letter dated 18 December 2007 pursuant to which MENA Consultants Limited commits to subscribe for 13,000,000 Ordinary Shares within 12 months of Admission at an aggregate subscription price of £1,300,000 conditional only upon the Company having paid all charges connected with AIM Admission and Admission having occurred not later than 31 January 2008.
- 6.20 A subscription letter dated 18 December 2007 pursuant to which Stunning Partners LLC commits to subscribe for 13,000,000 Ordinary Shares within 12 months following the Admission Date at an aggregate subscription price of £1,300,000 conditional only upon the Company having paid all charges connected with AIM Admission, Admission having occurred not later than 31 January 2008 and Luxadvor S.A. holding at the time of payment of the Ordinary Shares subscribed to by Stunning Partners LLC not less than 25.1 per cent of the fully diluted and issued share capital of the Company. In addition, by a second letter dated 18 December 2007, Stunning Partners LLC committed to subscribe for an additional 23,940,000 Ordinary Shares at an aggregate subscription price of £2,394,000 on identical conditions as set out earlier in this paragraph. Such additional shares will be allotted in full to Stunning Partners LLC credited as partly paid for an aggregate payment of £598,500 paid at Admission. The balance of the subscription monies will be paid: (1) by a sum equal to £2,500,000 less the amount of all subscription monies paid at Admission (to include any sums raised under the Placing and the sum of £598,500 paid by Stunning Partners LLC on Admission but excluding the sum of £2,284,100 to be paid by Luxadvor S.A. on Admission); and (2) any remaining subscription monies shall be paid by Stunning Partners LLC to the Company within 12 months following the Admission Date.
- 6.21 A subscription letter dated 4 January 2007 pursuant to which L-A Finances S.A. commits to subscribe for an additional 9,817,400 Ordinary Shares at Admission at an aggregate subscription price of £981,740 of which £245,435 will be paid upon Admission with the balance being paid within 12 months of Admission at a date to be agreed between L-A Finances S.A. and the Company. The subscription is conditional upon the Company having paid all charges connected with AIM Admission, Admission having occurred not later than 31 January 2008 and the Company endeavouring to pursue (in the absolute discretion of L-A Finances S.A.), for the period up to and including the day falling 30 days from Admission, its immediate investment strategy as presented. In the event that the balance of the subscription price is not paid on the agreed date then the Company will forfeit the shares and repay to L-A Finances an amount in Euros equal to the initial subscription monies paid by L-A Finances S.A. pursuant to this subscription letter.
- 6.22 An agreement dated 18 October 2006 with Colbert Family Office pursuant to which the Company will pay 4 per cent. of any capital raised on Admission which was solely introduced by Colbert Family Office (together with any agreed expenses). This agreement was assigned to the Seignelay Advisors Limited on 31 August 2007.
- 6.23 An Anti-dilution Agreement dated 8 January 2008 pursuant to which the Company has agreed to grant certain anti-dilution rights to Luxadvor S.A. including, *inter-alia*, the right on the issue of any new Ordinary Shares following those to be issued pursuant to Admission for Luxadvor S.A. to subscribe to such an amount of new Ordinary Shares as equal when taken in aggregate with the Ordinary Shares already beneficially owned by Luxadvor S.A. to 25.1 per cent. of the total issued number of Ordinary Shares immediately following such a qualifying issue. Any such shares subscribed to by Luxadvor S.A. in cash shall be at the average price per Ordinary Share as is offered in such a qualifying issue. In the event that any such shares are being offered other than for cash then such shares shall be subscribed to at a price equal to the mid-market price of each Ordinary Share on the business day immediately following the issue of such shares. In the event that any such shares are being offered other than for cash and are not admitted, then such shares shall be issued at such price as is to be determined by the auditors of the Company. Such anti-dilution rights shall remain in full force and effect until such time as Luxadvor S.A. fails to exercise its right to subscribe for such anti-dilution shares unless Luxadvor S.A.'s shareholding would be equal to at least 15 per cent. or more of the Company's share capital.

- 6.24 An agreement dated 8 January 2008 pursuant to which the Company grants to Luxadvor S.A. the right to appoint a non-executive to the board of the Company for long as Luxadvor S.A. is interested in no less than 25 per cent. of the entire issued share capital of the Company. Upon Luxadvor S.A. ceasing to be so interested, its rights will lapse save where Luxadvor S.A.'s interest exceeds 10 per cent. of the entire issued share capital of the Company in which case Luxadvor S.A. will be permitted to nominate one person to receive notice of and attend any meetings of the Board provided always that such rights of observation shall not entitle such a person to vote on any resolutions proposed to the Board.
- 6.25 An agreement dated 8 January 2008 pursuant to which the Company has appointed Capita Registrars Limited as its share registrar. The Company has agreed to pay Capita Registrars Limited an annual fee for the creation and maintenance of the share register of £1.50 per holder of Ordinary Shares appearing on the register during the year, with a minimum charge of £2,750 per annum. The annual fee per shareholder includes up to 25 per cent. transfer activity based on the number of accounts on the share register at the start of each year. Capita Registrars Limited will also provide shareholders with the ability to manage their shareholding online. The charge for this service is £500 per annum. The agreement with Capita Registrars Limited imposes certain duties on the Company in relation to the provision of information to Capital Registrars Limited as well as various warranties and indemnities to be given by the Company to Capital Registrars Limited. Capita Registrars Limited's liability is capped at the lower of £1,000,000 or ten times the annual fee (whichever is the lesser). The initial term of the agreement is 3 years following which it will automatically renew for successive periods of 12 months unless six months prior written notice of termination is given by either party.
- 6.26 An agreement dated 5 November 2007 with Kerr Douglas Limited pursuant to which Kerr Douglas Limited will provide the services of Mike Hosie to act as chief financial officer to the Company on a part time basis. Kerr Douglas Limited will provide the services of Mike Hosie to the Company for up to 8 days per calendar month. This agreement may be terminated by either party by giving one month's notice in writing to the other and contains provisions for earlier termination, *inter alia*, in the event that the Company considers that Kerr Douglas Limited fails to reach the standards required by the Company or in the event of a breach by Kerr Douglas Limited. A fee of £1,000 + VAT per day is payable with any partial days being charged on a pro-rata basis of £133.33 per hour + VAT. Kerr Douglas Limited reserve the right to substitute the services of Mike Hosie provided that it first obtains the Company's written consent. Mike Hosie wrote to the Company on 5 November 2007 confirming that he would make his services available to Kerr Douglas Limited for the duration of the term of the agreement between the Company and Kerr Douglas Limited.
- 6.27 An agreement dated 8 January 2008 pursuant to which Gordon Ashworth will act as secretary to the Company. The appointment is for an initial period of 12 months and thereafter is terminable by either party giving six months' notice such notice to expire no earlier than 18 months after the appointment and contains provisions for earlier termination, *inter alia*, in the event of a breach by Gordon Ashworth. An annual fee of £10,000 (subject to annual review by the Board) is to be paid to Gordon Ashworth quarterly in arrears. Upon termination of the appointment no contractual benefits (other than those accruing in respect of the notice period) are due to Gordon Ashworth.
- 6.28 An agreement dated 18 October 2007 with The Madano Partnership Limited pursuant to which The Madano Partnership Limited will act as public relations advisors to the Company both in connection with Admission and post-Admission. The agreement may be terminated by either party on three months notice and contains provisions for earlier termination, *inter alia*, in the event of a breach by either party. A fee of £15,000 is payable in respect of the Admission and thereafter a fee of £2,500 per calendar month is payable for the first 12 months.
- 6.29 A put option dated 8 January 2008 with Luxadvor S.A. and Frédéric Jean Jacques Bobo pursuant to which Mr Bobo grants to Luxadvor S.A. an unconditional put option in respect of all or part of the shares subscribed for by Luxadvor S.A. to be exercisable within the period beginning 100 days from the Admission Date and ending on the first anniversary of the Admission Date and the Company agrees, *inter alia*, not to create any liens, charges or encumbrances over such shares nor to do anything

which may result in the shares not being transferred with full title guarantee. In addition, the Company also permits the assignment of the shares that are subject to the put option in accordance with the terms of the put option.

7. TAXATION

The following statements are intended only as a general guide to current United Kingdom tax legislation and to what is understood to be the current practice of the United Kingdom Inland Revenue (the “Inland Revenue”) and may not apply to certain types of shareholder (such as non-resident shareholders or dealers in securities). The comments assume that Ordinary Shares are held as an investment and not as an asset of financial trade. Any person who is in any doubt as to his tax position, or is subject to taxation in any jurisdiction other than the UK, is strongly recommended to consult his professional advisers immediately. This summary is not exhaustive and does not generally consider tax reliefs or exemptions.

i. Taxation of Dividends

The Company will not be required to withhold tax at source from dividend payments it makes. Dividends paid by the Company will carry an associated tax credit of one-ninth of the cash dividend or ten per cent of the aggregate of the cash dividend and associated tax credit. Individual shareholders resident in the UK receiving such dividends will be liable to income tax on the aggregate of the dividend and associated tax credit at the ordinary rate (10 per cent.) or the upper rate (32.5 per cent.).

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

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

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

Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions and on what relief or credit may be claimed for any such tax credit in the jurisdiction in which they are resident.

ii. Stamp Duty/Stamp Duty Reserve Tax

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

iii. Taxation of Capital Gains

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

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

If a Shareholder disposes of all or some of his or her Ordinary Shares, a liability to tax on chargeable gains may, depending upon individual circumstances, arise.

8. WORKING CAPITAL

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

9. LITIGATION

There are no governmental, legal or arbitration proceedings (including, to the knowledge of the Company, any such proceeds which are pending or threatened against, or being brought by, the Company) which are having or may have a significant effect on the Company's financial position or profitability.

10. GENERAL

- 10.1 There are no patents or other intellectual property rights, licenses or particular contracts which are of fundamental importance to the Company's business.
- 10.2 The expenses of the Placing, the Subscription and Admission to AIM are estimated to be £541,677 excluding VAT, and are payable by the Company.
- 10.3 Except for payments to trade suppliers, the Company's professional advisers, or as set out above, no person has received any fees, securities in the Company or other benefit to a value of £10,000 or more, whether directly or indirectly, from the Company within the months preceding the application for Admission, or has entered into any contractual arrangement to receive from the Company, directly or indirectly, any such fees, securities or other benefit on or after Admission.
- 10.4 The Directors are not aware of any exceptional factors that have influenced the Company's activities.
- 10.5 There has been no significant change in the financial or trading position of the Company since 30 June 2007, being the date to which the historical financial information in Part III is made up.
- 10.6 Assuming that the Placing and Subscription is fully subscribed, the existing Ordinary Shares will account for approximately 0.84 per cent. of the enlarged share capital at Admission following the Placing, Subscription and Admission, 0.63 per cent. of the enlarged share capital 30 days post Admission and 0.43 per cent. 12 months post Admission.
- 10.7 The Company's accounting reference date is 31 December in each year.
- 10.8 The financial information set out in this document does not constitute statutory accounts within the meaning of section 240 of the Act. The Company has not prepared any statutory accounts since its incorporation.
- 10.9 CLB LittleJohn Frazer LLP have given and have not withdrawn their written consent to the issue of this document with the inclusion of their Accountants' Report in Part III above and the references to such report and to their name in the form and context in which they appear.
- 10.10 HB Corporate has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which such references are included.
- 10.11 The period within which Placing participations may be accepted pursuant to the Placing and the arrangements for paying for the Placing Shares are set out in the placing letters to placees.

All moneys received from applicants will be held by HB Corporate prior to issue of the shares. If any application is unsuccessful, any moneys returned will be sent by cheque crossed "A/C Payee" in favour of the first named applicant. Any moneys returned will be sent by first class post at the risk of the addressee within three business days of the completion of the Placing. Share certificates will where relevant be sent to successful applicants by first class post at the risk of the applicant within ten days of the completion of the Placing.

10.12 Temporary documents of title will not be issued in connection with the Placing or the Subscription. Pending the dispatch of definitive share certificates (as applicable), instruments of transfer will be certified against the register of members of the Company.

10.13 The Ordinary Shares are in registered form. The Directors have applied for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, it is expected that Ordinary Shares will be enabled for settlement in CREST following Admission. Placees who are CREST system members may elect to have the Placing Shares and/or the Subscribed Shares allotted to them in uncertificated form through CREST.

11. AVAILABILITY OF DOCUMENTS

Copies of this document will be made available to the public during normal business hours on any weekday (Saturdays and public holidays excepted) free of charge from the offices of Matthew Arnold & Baldwin at 25 Southampton Buildings, London WC2A 1AL, and, HB Corporate at 40 Marsh Wall London E14 9TP, and shall remain available until the date falling one month after the date of Admission.

Dated: 9 January 2008

