

Carpathian PLC
(“Carpathian” or the “Company”)

Posting of Circular to Shareholders
and
Notice of Extraordinary General Meeting

The Board of Carpathian PLC (“Carpathian” or the “Company”) announces that a circular (the “Circular”) containing the proposals set out below and Notice of Extraordinary General Meeting has today been sent to shareholders and a copy is available on the Company's website www.carpathianplc.com.

The Circular contains proposals (the “Proposals”) for, inter alia:

- Capital Reorganisation;
- Approval of Investing Policy;
- Change of Name;
- Amendments to the Articles;
- Placing of New Ordinary Shares; and
- Issue of New Warrants

Summary

- The Company has conditionally raised EUR 300,000 before expenses by way of a subscription by Placees for 13,856,813 New Ordinary Shares at a price of EUR 0.02165 per share and the issue of one New Warrant for every two New Ordinary Shares held by the Placees;
- The Placing is conditional on admission of the Placing Shares to trading on AIM, lifting of the suspension of the Company's shares to trading on AIM and on approval of all of the Resolutions (other than the Resolution to change the name of the Company);
- The proceeds of the Placing will be used to implement the Company's new Investing Policy, further details of which are set out below and in the Circular;
- In connection with the Placing, it is proposed that the Company enter into a warrant instrument (the “Warrant Instrument”) pursuant to which the Company will issue one New Warrant to each Placee for every two New Ordinary Shares held by that Placee;
- Peterhouse Corporate Finance Limited (“Peterhouse”) has been appointed as Broker to the Company in relation to the Placing and, subject to the passing of all of the Resolutions (other than the Resolution to approve the change of name of the Company), Peterhouse will be appointed Broker to the Company, Libertas Capital Corporate Finance Limited (“Libertas”) will be appointed Nominated Adviser and Canaccord Genuity Limited will step down as Nominated Adviser and Broker;
- Subject to Shareholders' approval by way of ordinary resolution, it is proposed that the name of the Company be changed to Adams Plc;
- It is proposed that, should the Proposals be approved, Rory Macnamara, Rupert Cottrell, Philip Scales and Tim Walker will resign as Directors following the conclusion of the Extraordinary General Meeting. It is proposed that following the Extraordinary General Meeting, Nicholas Nelson will join the Board as Non-executive Chairman. The Company expects to announce, prior to the Extraordinary General Meeting, a proposed Non-executive Director who will join the Board following the Extraordinary General Meeting and subject to all the Resolutions being passed. The Company will make an announcement to the market accordingly;

- It is necessary to undertake the Capital Reorganisation to enable the issue of the Placing Shares. The Company's existing issued ordinary share capital comprises 230,957,972 ordinary shares of EUR 0.01. It is proposed that every 100 of the Existing Ordinary Shares of the Company held on the Record Date be consolidated into one new A ordinary share of EUR 1.00 (the "Consolidation") which in turn is then sub-divided into one New Ordinary Share with a par value of EUR 0.01 and one New Deferred Share with a par value of EUR 0.99 (the "Sub-Division"), resulting in 2,309,579 New Ordinary Shares in issue following the Capital Reorganisation;
- As required by the AIM Rules, the proposed Investing Policy of the Company is set out below and in the Circular; and
- On 24 January 2013, the Board of Carpathian declared the Final Dividend of EUR 0.0225 per share which, subject to implementation of the Proposals, is anticipated to be the last cash dividend declared by the current Board. As previously announced, this Final Dividend will be paid on 15 February 2013.

This summary should be read in conjunction with the full announcement that follows in the Appendix below. Unless otherwise stated all defined terms shall have the same meaning as in the Circular.

The Extraordinary General Meeting of the Company will be held at IOMA House, Hope Street, Douglas, Isle of Man, IM1 1AP at 12 noon on Friday 8 March 2013.

The Circular sets out the background to, reasons for and details of the Proposals and the Extraordinary General Meeting. It also explains why the Board is recommending that Shareholders vote in favour of the Resolutions. Shareholders are encouraged to complete their Form of Proxy whether or not they intend to attend the Extraordinary General Meeting and return it as soon as possible, but in any event no later than noon on 6 March 2013.

Enquiries:

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<i>Indicative timetable</i>	2013
Publication of the Circular	8 February
Latest time and date for receipt of Forms of Proxy	noon on 6 March

Extraordinary General Meeting	noon on 8 March
Expected Record Date for the Capital Reorganisation	6.00 p.m. 8 March
Expected date on which the Placing Shares and the New Ordinary Shares will be admitted to trading on AIM and the Effective Date of the Capital Reorganisation	8.00 a.m. 11 March
Expected date by which CREST accounts are to be credited	11 March

Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement through a Regulatory Information Service. References to time in this document are to London time. The timetable above assumes that the Resolutions are passed at the Extraordinary General Meeting.

The Company's SEDOL code is B0B6653 and ISIN code is GB00B0B66533. Following the Capital Reorganisation, the Company's new SEDOL code will be B986V54 and its new ISIN code will be IM00B986V543.

PLACING STATISTICS AND SUMMARY OF CAPITAL REORGANISATION

Existing Ordinary Shares of EUR 0.01 par value each	230,957,972
Number of New Ordinary Shares of EUR 0.01 par value each (immediately following the Capital Reorganisation)	2,309,579
Placing Shares	13,856,813
Placing Price	EUR 0.02165
Number of New Warrants issued pursuant to the Placing	6,928,406
Enlarged Share Capital immediately after the Placing (excluding any New Deferred Shares and any New Ordinary Shares issued pursuant to the New Warrants)	16,166,392
Gross proceeds of the Placing	EUR 300,000
Estimated net proceeds of the Placing	EUR 270,000

Following the Capital Reorganisation the Company's issued share capital will also include New Deferred Shares as set out below:

2,309,579 New Deferred Shares of EUR0.99 par value each.

**Proposals for:
Capital Reorganisation
Approval of Investing Policy
Change of Name
Amendments to the Articles
Placing of New Ordinary Shares
Issue of New Warrants
and
Notice of Extraordinary General Meeting**

Introduction

As referenced in the Chairman's statement accompanying the latest interim results published on 28 September 2012, the Chairman observed that by the end of 2011 the Company had successfully delivered the key objectives set out following the conclusion of the strategic review in January 2010. Since 28 September 2012 the Company has sold the last two property assets (in Riga, Latvia and in Baia

Mare, Romania) and concluded settlements of the material outstanding litigation matters with the former Dawnay, Day Group and with Locher in relation to the already-sold Promenada Centre.

It was also announced that any net surplus from sales and other recoveries in 2012, together with cash made available due to the release of any unrealised liabilities, would be distributed to Shareholders before the end of 2012. In particular the Company has recovered all available cash from its Subsidiaries following the settlement of the Locher litigation in Poland. On 24 January 2013, the Board declared the Final Dividend of EUR0.0225 per share which, subject to implementation of the Proposals, is anticipated to be the last cash dividend declared by the current Board. This Final Dividend will be paid on 15 February 2013.

As a result of the successful implementation of the chosen strategy the Company has no remaining assets of any value which would justify the on going corporate and administrative costs of a listed Group under its present ownership and resources. As indicated at the time of the publication of the interim results, discussions have taken place with a number of parties interested in retaining the admission of the Company's shares to trading on AIM and utilising the Company for other business activities, with a view to affording all Shareholders a means of maintaining a modest investment in the on going Group or to exit entirely, as they should decide. In addition, pursuant to the terms of the Deed Poll, it is intended that the on going Group will remain obliged to ensure that any further cash reserves and accruals relating to the period prior to the Extraordinary General Meeting, which are no longer required due to the settlement or discharge of the corresponding liability, will be paid out to the Qualifying Shareholders on the register as at 9.00 a.m. on the date of the Extraordinary General Meeting.

Accordingly, the Board has resolved to put various resolutions to the Shareholders to implement the Proposals which, if duly passed, will achieve those ends. An Extraordinary General Meeting is being convened at which Shareholders will be asked to vote on the Proposals. The Proposals comprise: a reorganisation of the Company's share capital; the adoption of a new Investing Policy; an authority to the Directors to allot New Ordinary Shares; a change of name; amendments to the Articles and an authority to disapply pre-emption rights.

The Circular sets out the background to, reasons for and details of the Proposals and the Extraordinary General Meeting. It also explains why the Board is recommending that Shareholders vote in favour of the Resolutions. Shareholders are encouraged to complete their Form of Proxy whether or not they intend to attend the Extraordinary General Meeting and return it as soon as possible, but in any event no later than noon on 6 March 2013.

Background to and Reasons for the Proposals

The Company was established on 2 June 2005 and its shares were admitted to trading on AIM in July 2005. The Company's objective was to create value by investing in commercial retail property assets in Central and Eastern Europe.

In May 2007 the Company raised further funds and extended the Company's investing strategy to include development activities as well as investment properties.

Following the onset of the financial crisis, the Board implemented a strategic review as announced on 22 October 2008. The Board then explored a range of strategic options with its advisers, including discussions with a variety of potential offerors for the Company. The outcome of the strategic review was announced on 1 May 2009. The Board resolved to pursue an independent future focused on shareholder value. The Company's strategy was to remain focused on preserving value until a return of liquidity and transaction activity enabled value realisation to occur. The strategy adopted aimed to maximise the distribution of cash proceeds from disposals to Shareholders. Since that announcement, the Company focused on assets in which equity value existed or could be created. Non-core assets were returned to the lending banks where and when possible. Disposals were effected as soon as practicable.

The Board declared a dividend of EUR0.04 per share in December 2009 and, since that date, has effected returns of cash of EUR0.25 per share in October 2011 and EUR0.12 per share in January 2012. The Final Dividend is also to be paid to Shareholders on 15 February 2013.

As a result, the Company's strategy has been executed. The Company still has 15 direct and indirect subsidiaries, most of which are in some form of solvent liquidation, merger or transfer process. Prudent reserves have already been made to deal with all of those processes. In addition, the local boards of directors have made prudent reserves, accruals and provisions for all known actual and contingent liabilities, including outstanding litigation matters remaining in Poland and Romania where the relevant subsidiary remains within the Group. It is likely that the amount of these provisions will prove over time to be excessive, and part of such provisions may therefore become available for further payment to Qualifying Shareholders. This payment will not be characterised as a dividend, but will be covenanted to be paid (if it arises) by the immediate subsidiary holding companies of the Company in Luxembourg in accordance with the terms of the Deed Poll. It is not possible to predict with any certainty what that payment may amount to, but the scale of the total provisions for such contingent liabilities throughout the Subsidiaries amounts to less than EUR1.9 million.

The Board considered proposing an orderly realisation of the Company's remaining assets through a members' voluntary liquidation. However, a number of parties were identified which had an interest in continuing the existence of the Company and its trading on AIM, albeit with a wholly new Investing Policy.

The Board has concluded that the Proposals may enable it to effect a slightly larger distribution than would otherwise be the case and enable Shareholders either to retain an interest in the Company (subject to dilution as a result of the Placing and pursuant to the New Warrants) or to sell their shares (after receiving the Final Dividend) on the basis described below. Whether or not Shareholders sell their shares on the basis described below, Qualifying Shareholders shall remain entitled in accordance with the terms of the Deed Poll to any future payments under the arrangements described above resulting from the release of over-provisions.

Accordingly, the Board has concluded that the Proposals offer greater flexibility for Shareholders and are therefore in the best interest of Shareholders and the Company. Consequently, the Company is issuing the Circular to Shareholders setting out the background to and the reasons for the Proposals and, where appropriate, seeking Shareholders' approval. A Notice convening an Extraordinary General Meeting for noon on 8 March 2013 at IOMA House, Hope Street, Douglas Isle of Man IM1 1AP to consider the Resolutions, is accordingly set out at the end of the Circular.

Peterhouse has conditionally raised EUR300,000 before expenses by way of a subscription by Placees for 13,856,813 New Ordinary Shares at a price of EUR0.02165 per share and the issue of one New Warrant for every two New Ordinary Shares held by the Placees. The Placing is conditional on admission of the Placing Shares to trading on AIM, lifting of the suspension of the Company's shares to trading on AIM and on approval of all of the Resolutions (other than the Resolution to change the name of the Company).

The proceeds of the Placing will be used to implement the Company's new Investing Policy, further details of which are set out below. It is proposed that, should the Proposals be approved, Rory Macnamara, Rupert Cottrell, Philip Scales and Tim Walker will resign as Directors following the conclusion of the Extraordinary General Meeting and the Proposed Directors will join the Board in their place.

Deed Poll

As described above, Carpathian still has a number of direct and indirect Subsidiaries. The Group no longer owns any property assets, and most of the Subsidiaries are in the course of solvent liquidation, merger or disposal for a nominal sum. The portfolio manager, Carpathian Asset Management Limited, has been engaged by the wholly owned Luxembourg Subsidiary of the Company, Carpathian Properties sàrl, to assist, inter alia, with the process of carrying out such liquidations, mergers or disposals. However, cash has been retained within the Group's Luxembourg holding companies and certain of the Company's other Subsidiaries in respect of certain activities or contingent liabilities. It cannot be predicted with certainty whether all of this cash will be required to meet the cost of all of those activities and liabilities.

Consequently the Company, Carpathian Holdings sàrl and Carpathian Properties sàrl have entered into the Deed Poll. The Deed Poll provides for any amounts received by the Company and/or those

Luxembourg Subsidiaries from other Subsidiaries of the Company (less costs incurred in connection with the solvent liquidation of the Subsidiaries) to be paid out to the Qualifying Shareholders.

Payments are due to be made by Carpathian Properties sàrl at six monthly intervals with the first payment being due on the six month anniversary of the Extraordinary General Meeting save that: (i) if the amount payable exceeds EUR500,000 the payment is accelerated; (ii) if on a payment date, the amount payable would be less than EUR100,000 then payment may be deferred and rolled forward to the next payment date; and (iii) if, the directors of Carpathian Properties sàrl, acting reasonably, determine that the amount payable will not at any time in the future exceed EUR100,000 then Carpathian Properties sàrl may make a final payment equal to the amount then payable and shall not be obliged to make any further payments. The payment obligations of Carpathian Properties sàrl are guaranteed under the Deed Poll by the Company and may be enforced by Qualifying Shareholders that hold, in aggregate, more than 25 per cent. of the Existing Ordinary Shares as at 9.00 a.m. on the date of the Extraordinary General Meeting.

Since the Qualifying Shareholders entitled to payments under the Deed Poll may or may not own shares in the Company at the time of the payment, the payment will not be structured as a dividend but will simply be a contractual payment paid to the Qualifying Shareholders. Any Shareholder who is in any doubt as to his, her or its tax position in relation to payments to be made under the Deed Poll should consult an appropriate professional adviser. The Deed Poll is conditional upon the Resolutions (other than the Resolution to approve the change of name of the Company) being passed.

A copy of the Deed Poll will be available for inspection at the Extraordinary General Meeting and will be made available on the Company's website at www.carpathianplc.com and shall continue to be made available on the Company's website following the Extraordinary General Meeting.

The Placing and Appointment of Broker

Peterhouse has been appointed as Broker to the Company in relation to the Placing and, subject to the passing of all of the Resolutions (other than the Resolution to approve the change of name of the Company), Peterhouse will be appointed Broker to the Company, Libertas will be appointed Nominated Adviser and Canaccord Genuity Limited will step down as Nominated Adviser and Broker.

Peterhouse has conditionally raised EUR300,000 before expenses through the subscription of 13,856,813 New Ordinary Shares at a price of EUR0.02165 per share. The Placing is conditional on admission of the Placing Shares, lifting of the suspension of the Company's shares to trading on AIM and on approval of all of the Resolutions (other than the Resolution to approve the change of name of the Company). This funding will be made available to the Company to provide it with general working capital and to enable the Company to take initial steps to implement its Investing Policy.

Application will be made for the Placing Shares to be admitted to trading on AIM and it is expected that admission will take place at 8.00 a.m. on 11 March 2013.

New Warrants

In connection with the Placing, it is proposed that the Company enter into a warrant instrument (the "Warrant Instrument") pursuant to which the Company will issue 6,928,406 New Warrants in aggregate (representing one New Warrant to each Placee for every two New Ordinary Shares held by that Placee). Entry into the Warrant Instrument is conditional on admission of the Placing Shares, lifting of the suspension of the Company's shares to trading on AIM and on approval of all of the Resolutions (other than the Resolution to approve the change of name of the Company).

The New Warrants held by a Placee may be exercised by that Placee at any time within 60 months of the admission of the Placing Shares and shall entitle the Placee to be issued with one New Ordinary Share for each New Warrant exercised, subject to payment of an amount equal to the Placing Price for each New Warrant exercised. The New Warrants will not be admitted to trading on AIM.

Following completion of the Placing and the Capital Reorganisation, the Placees will, in aggregate, hold approximately 86 per cent. of the Enlarged Share Capital (excluding, for these purposes, any New Deferred Shares or any New Ordinary Shares issued pursuant to the New Warrants).

Sale of New Ordinary Shares to Peterhouse

Should any Shareholder wish to sell its investment in the Company, it may do so by notifying Peterhouse within 30 days of the date of the Circular. Peterhouse has agreed to arrange the execution of a sale of any New Ordinary Shares (created following the completion of the Capital Reorganisation) held by any Shareholder wishing to sell the same to its clients for EUR0.02165 per New Ordinary Share. This sale facility effectively values the whole of the Existing Shares, prior to the Placing, at approximately EUR50,000.

Alternatively, Shareholders are free to retain their New Ordinary Shares or sell them in the market as they see fit. Qualifying Shareholders will remain entitled to any payments under the Deed Poll irrespective of whether they continue to hold their New Ordinary Shares.

Any Shareholder wishing to take advantage of the above sale facility should contact Peterhouse directly on 020 7469 0933 or 020 7469 0936.

Change of Name

Subject to Shareholders' approval by way of ordinary resolution, it is proposed that the name of the Company be changed to Adams Plc. Resolution 5 is proposed for the purposes of obtaining Shareholders' approval for the proposed name change.

If the Resolution to approve the change of name of the Company is passed at the Extraordinary General Meeting, the Company will apply to change its AIM symbol to ADA.L and its website address will be changed following the Extraordinary General Meeting.

Proposed Board

Following completion of the Capital Reorganisation and the Placing, and subject to all the Resolutions being passed, Rory Macnamara, Rupert Cottrell, Philip Scales and Tim Walker intend to resign from the Board and waive all claims (if any) they may have against the Company.

It is proposed that following the Extraordinary General Meeting, Nicholas Nelson will join the Board as Non-executive Chairman. The Company expects to announce, prior to the Extraordinary General Meeting, a proposed Non-executive Director who will join the Board following the Extraordinary General Meeting and subject to all the Resolutions being passed. The Company will make an announcement to the market accordingly.

Nicholas Nelson, aged 48, is a senior employee at Cubitt Consulting and has worked in corporate communications for 10 years, prior to which he spent his early career in market making, stockbroking and investment management. He has a close working knowledge of the stock market and has assisted on several AIM flotations. He has held directorships with a number of quoted companies, the most recent AIM company being dotDigital Group Plc from which he resigned in January 2012. Nicholas is Chairman of ISDX quoted Rare Minerals Plc, an investment company in the minerals sector.

Capital Reorganisation

It is necessary to undertake the Capital Reorganisation to enable the issue of the Placing Shares.

The Company's existing issued ordinary share capital comprises 230,957,972 ordinary shares of EUR0.01. Resolution 1 to be proposed at the Extraordinary General Meeting proposes that every 100 of the Existing Ordinary Shares of the Company held on the Record Date be consolidated into one new A ordinary share of EUR1.00 (the "Consolidation") which in turn is then sub-divided pursuant to Resolution 2 into one New Ordinary Share with a par value of EUR0.01 and one New Deferred Share with a par value of EUR0.99 (the "Sub-Division").

In accordance with article 12.1 of the Articles, any fractions of A ordinary shares created by the Consolidation will be aggregated and sold for the benefit of the Company prior to the Sub-Division.

The New Ordinary Shares will continue to carry the same rights as attached to the Existing Ordinary Shares. Application will be made for the New Ordinary Shares to be admitted to trading on AIM and it is expected that admission will take place at 8.00 a.m. on 11 March 2013, whereupon the Capital Reorganisation will become effective.

New Deferred Shares

The New Deferred Shares will not entitle the holder thereof to receive notice of or attend and vote at any general meeting of the Company or to receive a dividend or other distribution or to participate in any return on capital on a winding up other than the nominal amount paid on such shares following a substantial distribution to holders of ordinary shares in the Company. Subject to the passing of the Resolutions, the Company will have the right to purchase all the issued New Deferred Shares from all Shareholders for an aggregate consideration of one euro cent. As such, the New Deferred Shares effectively have no value. Share certificates will not be issued in respect of the New Deferred Shares.

It is proposed that the Articles of Association of the Company be amended to reflect the rights attaching to the New Deferred Shares and the removal of references to B, C and D shares, which are no longer relevant to the Company. A copy of the amended Articles of Association will be available for inspection at the Extraordinary General Meeting and will be made available on the Company's website at www.carpathianplc.com. The practical effect of this change, if implemented, will be that each Shareholder will receive one New Ordinary Share and one New Deferred Share for every 100 Existing Ordinary Shares held by it.

Issue of New Ordinary Shares

To enable the Proposals to be implemented (including to allow the Proposed Board to issue New Ordinary Shares pursuant to, and following, the Placing, and pursuant to the exercise of the New Warrants) the Board is seeking authorisation to allot New Ordinary Shares on a non pre-emptive basis up to an aggregate par value of EUR219,399.59, representing the amount required to effect the Placing and the exercise of the New Warrants, plus an additional EUR11,547.40 (representing approximately 5 per cent. of the nominal value of the issued share capital as enlarged by the Placing and on the basis that the New Warrants are exercised in full).

New Investing Policy

Resolution 3 to be proposed at the Extraordinary General Meeting proposes the adoption of the new Investing Policy.

The Proposed Board intend initially to seek to acquire a direct and/or an indirect interest in projects and assets in the biotechnology sector, however they will consider opportunities in the wider technology sector as well as opportunities that may arise in other sectors. The Company will focus on opportunities in UK or Europe but will consider possible opportunities anywhere in the world. It is believed that an opportunity exists to acquire and consolidate holdings in Small and Medium sized Enterprises (SME's) operating in these sectors, with the intention of creating value for shareholders. Initially, the Company's focus will be searching for companies where there may be a number of opportunities to acquire interests in undervalued or pre-commercialisation technologies which when applied produce cost savings or revenue enhancement for customers. Early acquisition of these innovative technologies should provide maximum returns for shareholders.

The Proposed Board sees this sector as having considerable growth potential for the foreseeable future and many of the prospects they have identified are in this sector. The Proposed Board will focus on early stage investments and believe that any investment target will have at least one of four key components: a strong management team; an innovative product proposal; revenue enhancing or cost saving capabilities; and high growth potential.

The Company may invest by way of purchasing quoted shares in appropriate companies, outright acquisition or by the acquisition of assets, including the intellectual property, of a relevant business, or by entering into partnerships or joint venture arrangements. Such investments may result in the Company acquiring the whole or part of a company or project (which in the case of an investment in a company may be private or listed on a stock exchange, and which may be pre-revenue), and such investments

may constitute a minority stake in the company or project in question. The Company will not have a separate investment manager.

The Company may be both an active and a passive investor depending on the nature of the individual investments. The Proposed Board will place no minimum or maximum limit on the length of time that any investment may be held and therefore a short term disposal of any investments cannot be ruled out.

The Proposed Board will however ensure that any investments meet strict due diligence criteria and the primary focus will be on companies post viability testing phase, to mitigate risk associated with early stage investment. This will not preclude the Company from considering investments in suitable projects in other regions and sectors where there are high-growth opportunities. The Proposed Board believes that their extensive network of contacts will assist them in the identification, evaluation and funding of suitable investment opportunities. When necessary, other external professionals will be engaged to assist in the due diligence of prospective opportunities. The Proposed Board will also consider appointing additional directors with relevant experience if the need arises.

There will be no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover pursuant to Rule 14 of the AIM Rules.

The Proposed Board believes that the status of the Company as an Investing Company will enable it to fund investments or acquisitions using a mixture of cash, equity and/or debt and intend to actively monitor these investments.

The Directors confirm that, as required by the AIM Rules, they will at each annual general meeting of the Company seek shareholder approval of its Investing Policy.

Following on from adopting an Investing Policy, the Company will be required to make an acquisition or acquisitions which constitute a reverse takeover under the AIM Rules or otherwise implement its Investing Policy within 12 months of the Extraordinary General Meeting, failing which the Company's shares would then be suspended from trading on AIM. If the Investing Policy has not been implemented within 18 months of the Extraordinary General Meeting the admission to trading on AIM of the Company's shares would be cancelled and the Directors will convene a general meeting of the shareholders to consider whether to continue seeking investment opportunities or to wind up the Company and distribute any surplus cash back to shareholders.

The Company intends to deliver shareholder returns principally through capital growth rather than capital distribution via dividends. Given the nature of the Company's Investing Policy, the Company does not intend to make regular periodic disclosures or calculations of net asset value.

Certificates

No new share certificates will be issued as a result of the Company's name change or Capital Reorganisation. Nor will share certificates be issued in respect of the New Deferred Shares.

Extraordinary General Meeting

The Notice convening the Extraordinary General Meeting at which the Resolutions will be proposed is set out in the Circular. The Extraordinary General Meeting of the Company will be held at IOMA House, Hope Street, Douglas, Isle of Man, IM1 1AP at 12 noon on Friday 8 March 2013. Unless all of the Resolutions (other than the Resolution to approve the change of name of the Company) are passed the Proposals outlined above and in the Circular will not proceed.

Action to be taken

Shareholders will find a Form of Proxy enclosed with the Circular for use at the Extraordinary General Meeting. Whether or not Shareholders intend to be present at the Extraordinary General Meeting, Shareholders are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible. To be valid, completed Forms of Proxy must be received at the Company's CREST Agent, Computershare Investor Services (Jersey) Ltd, c/o The Pavilions, Bridgwater

Road, Bristol BS99 6ZY not later than noon on 6 March 2013, being 48 hours before the time appointed for holding the Extraordinary General Meeting. Completion of the Form of Proxy will not preclude Shareholders from attending and voting at the Extraordinary General Meeting in person if Shareholders so wish.

Recommendation

The Directors consider the Proposals to be in the best interests of the Company and the Shareholders. The Directors believe that the Company remaining on AIM and having a new investment strategy enables Shareholders to retain the possibility of achieving further value from the Company in the future. As an alternative, the sale facility provided by Peterhouse (see page 10 of the Circular) enables Shareholders to sell their shares for a known amount if they so prefer. The Directors therefore recommend that Shareholders vote in favour of the Resolutions as they intend to do themselves in respect of their shareholdings totalling 200,000 Existing Ordinary Shares representing approximately 0.04 per cent. of the Company's existing share capital. The Directors have received irrevocable undertakings to vote in favour of the Resolutions from Weiss Asset Management L.P. on 24 January 2013 in respect of its beneficial Shareholding of 46,621,232 Existing Ordinary Shares, and Laxey Partners Limited on 28 January 2013 in respect of its Shareholding of 69,281,742 Existing Ordinary Shares, together representing approximately 50.18 per cent. of the Company's existing share capital.

-Ends-