

THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT. PLEASE READ THEM IMMEDIATELY. If you are in any doubt about the action you should take, you should consult a person authorised under the Financial Services and Markets Act 2000 specialising in advising on the acquisition of shares and other securities or in the case of recipients outside the United Kingdom, your stockbroker, accountant, solicitor or other financial advisor.

If you have sold or otherwise transferred all of your shares in Dawnay, Day Carpathian plc, please send this document, together with the accompanying Form of Proxy at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale was effected for onward transmission to the purchaser or transferee.

The Directors, whose names appear on page 4 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of these 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.

THIS CIRCULAR SHOULD BE READ IN CONJUNCTION WITH THE NOTICE OF EXTRAORDINARY GENERAL MEETING OF THE COMPANY SET OUT AT THE END OF THIS CIRCULAR.

DAWNAY, DAY CARPATHIAN PLC

(incorporated in the Isle of Man with registered number 113626C)

Proposed change of name

and

Notice of Extraordinary General Meeting

Your attention is drawn to the letter from the chairman of the Company which is set out on pages 4 to 5 of this document and contains your Board's recommendation to vote in favour of the resolution to be proposed at the Extraordinary General Meeting.

Notice of the Extraordinary General Meeting of the Company to be held at 11:00 a.m. on 26 August 2008 at IOMA House, Hope Street, Douglas, Isle of Man IM1 1AP, is set out at the end of this document. A Form of Proxy for use at the Extraordinary General Meeting is attached at the end of this document, and to be valid the Form of Proxy must be completed in accordance with the instructions set out on it and returned to the Company's registrars, IOMA Fund and Investment Management Ltd, IOMA House, Hope Street, Douglas, Isle of Man IM86 2AF, as soon as possible, but in any event not later than forty-eight hours before the Extraordinary General Meeting, being 11:00 a.m. on 24 August 2008.

Copies of this document are available from the Company's registered office and at the offices of Taylor Wessing LLP, Carmelite, 50 Victoria Embankment, Blackfriars, London EC4Y 0DX, during normal business hours on any Business Day up to and including the date of the Extraordinary General Meeting.

TABLE OF CONTENTS

	<i>Page</i>
Expected Timetable of Principal Events	2
Definitions	3
Letter from the Chairman	4
Notice of Extraordinary General Meeting	6

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Form of Proxy	11:00 a.m. on 24 August 2008
Extraordinary General Meeting	11:00 a.m. on 26 August 2008
Effective date of change of name	28 August 2008

If any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of a Regulatory Information Service announcement. All events listed in the above timetable following the EGM are conditional on the passing of the Resolution at the EGM.

DEFINITIONS

The following definitions apply throughout this document and the accompanying Form of Proxy unless the context requires otherwise:

“AIM”	the AIM market of the London Stock Exchange
“Board” or “Directors”	the directors of the Company
“Business Day”	a day (excluding Saturday and Sunday and public holidays in England and Wales) on which the banks are generally open for business in London for the transaction of normal banking business
“Circular”	this circular to Shareholders of the Company
“Company” or “DDC”	Dawnay, Day Carpathian plc, a company incorporated in the Isle of Man with registered number 113626C
“DDE”	Dawnay, Day Europe Limited, a company registered in England with company number 0516406
“Dawnay, Day Group”	Dawnay, Day & Co. Limited and companies connected or under common ownership with it
“Extraordinary General Meeting” or “EGM”	the Extraordinary General Meeting of the Company convened for 26 August 2008 to approve the Resolution, or any adjournment of it
“Form of Proxy”	the form of proxy for use by Shareholders at the Extraordinary General Meeting
“Ordinary Shares”	ordinary shares of 1 pence each in the capital of the Company
“Regulations”	the Uncertificated Securities Regulations 2005 (Isle of Man)
“Resolution”	the resolution as set out in the notice of the Extraordinary General Meeting at the end of this document
“Shareholders”	the holders of Ordinary Shares

LETTER FROM THE CHAIRMAN

Dawnay, Day Carpathian plc

(Incorporated in the Isle of Man with registered number 113626C)

Directors:

Patrick Rupert Cottrell (Non-executive Chairman)
William Allen Hamilton-Turner (Non-executive Director)
Philip Peter Scales (Non-executive Director)

Registered Office:

IOMA House
Hope Street
Douglas
Isle of Man
IM1 1AP

1 August 2008

To the holders of Ordinary Shares

Dear Shareholder,

Proposed change of name of the Company and notice of Extraordinary General Meeting

1. Introduction

In the announcement of 28 July 2008, your Board's intention to change the name of the Company was discussed. The proposal to change the name of the Company is in line with the strategy of highlighting its independence and maturity as a standalone property investment and development group. Further, as the Company now co-owns the property and development management operations of the Group, it has no dependence on the "Dawnay, Day Group". The change of name reflects the reality of the Company's independence.

The purpose of this circular is to explain the background to and reasons for the need for the Resolution, to provide Shareholders with full details of the Resolution, to explain the reasons why your Board considers it to be in the best interests of the Company and Shareholders as a whole and to convene an extraordinary general meeting of the Company at which the Resolution will be put to Shareholders.

You will find at the end of this document a notice convening the Extraordinary General Meeting to be held at IOMA House, Hope Street, Douglas, Isle of Man IM1 1AP at 11:00 a.m. on 26 August 2008 at which the Resolution will be proposed.

2. Background

In light of the rapidly changing and well publicised circumstances within the Dawnay, Day Group and by way of a two stage process, your board secured the portfolio and development management services from the Dawnay, Day Group which were provided to the Company. The final stage in this process was announced on the 28 July 2008. This process involved the acquisition of assets from the administrators of several Dawnay, Day Group companies and the transfer of employees. Additionally new Portfolio and Development Management Agreements were entered into together with an Investment Agreement in respect of the co-ownership of the new management company, "Carpathian Asset Management Limited".

The final piece of this process involves, subject to shareholder approval, the change of name of the Company to "Carpathian plc", symbol "cpt".

3. Extraordinary General Meeting

As indicated in the attached notice of Extraordinary General Meeting, the Resolution will be proposed at the Extraordinary General Meeting. The Resolution is conditional upon the approval of the Shareholders. The meeting will be held at 11:00 a.m. on 26 August 2008 at IOMA House, Hope Street, Douglas, Isle of Man IM1 1AP.

4. Action to be taken

The Form of Proxy for use by Shareholders at the Extraordinary General Meeting is attached at the end of this document. If you are unable to be present at the Extraordinary General Meeting, please complete and sign the Form of Proxy and return it to the Company's registrars, IOMA Fund and Investment Management Ltd, IOMA House, Hope Street, Douglas, Isle of Man IM86 2AF so as to arrive not later than 11:00 a.m. on 24 August 2008, being 48 hours before the time of the meeting.

You are entitled to appoint a proxy to attend and vote instead of you. However, the completion and return of the Form of Proxy will not prevent you from attending the Extraordinary General Meeting and voting in person if you wish to do so.

5. Recommendation

The Board believes that the proposal being put to the Shareholders as described in this letter are in the best interests of the Shareholders. Accordingly, the Directors unanimously recommend that you vote in favour of the Resolution to be proposed at the Extraordinary General Meeting. The Directors intend to vote in favour of the Resolution in respect of their own beneficial holdings amounting to 40,000 Ordinary Shares.

Yours faithfully

P Rupert Cottrell
Chairman

Dawnay, Day Carpathian plc

*(Incorporated under the Companies Acts 1931-2004 (as amended) of the Isle of Man
and registered in the Isle of Man with registered number 113626C)*

(the “Company”)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **EXTRAORDINARY GENERAL MEETING** of the Company will be held at IOMA House, Hope Street, Douglas, Isle of Man IM1 1AP at 11:00 a.m. on 26 August 2008.

The following special business will be transacted:

The consideration and, if thought fit, passing of the following resolution which will be proposed as a special resolution:

THAT, the name of the Company be changed to Carpathian plc

By order of the Board

Philip Scales
Secretary
Dated 1 August 2008

Registered office:

IOMA House
Hope Street
Douglas
Isle of Man
IM1 1AP

Notes:

1. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company. A form of proxy is attached at the end of this document for the use of members unable to attend the meeting.
2. To be valid, the form of proxy and any authority under which it is executed (or a notarially certified copy of such authority) must be deposited at the offices of the Company’s registrars, IOMA Fund and Investment Management Ltd, IOMA House, Hope Street, Douglas, Isle of Man IM86 2AF no fewer than 48 hours before the time appointed for holding the meeting or adjourned meeting to which it relates or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used. Deposit of the form of proxy does not prevent a member from attending and voting in person at the meeting or an adjournment of the meeting or on a poll.
3. The Company, pursuant to Regulation 22 of the Regulations, specifies that only those members registered in the register of members as at 11:00 a.m. on 24 August 2008 (or in the event that the meeting is adjourned, on the register of members 48 hours before the time of any adjournment meeting) shall be entitled to attend or vote at the meeting in respect of the ordinary shares registered in their name at that time. Changes to entries on the register of members after 11:00 a.m. on 24 August 2008 (or, in the event that the meeting is adjourned, on the register of members less than 48 hours before the time of any adjourned meeting) shall be disregarded in determining the rights of any person to attend or vote at the meeting.

