

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or as to the action you should take, you are recommended immediately to seek your own personal professional advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the FSMA if you are resident in the United Kingdom or, if you are resident in another territory, from another appropriately authorised independent financial adviser.

The content of this document has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 (as amended). Reliance on this promotion for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all amounts invested.

If you have sold or otherwise transferred all of your registered holding of ordinary shares in the Company, please immediately forward this document, together with the Form of Proxy appended at the end of this document, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of ordinary shares in the Company, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The Directors (whose names and functions appear on page 6 of this document) and the Company (whose registered office address appears on page 6 of this document) accept responsibility, both collectively and individually, for the information contained in this document and compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (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 document contains no offer of transferable securities to the public within the meaning of section 102B of the FSMA, the Act or otherwise and does not constitute or form part of any offer, invitation or solicitation to purchase, subscribe for, sell or issue any ordinary shares or any other securities in the Company or to otherwise engage in any investment activity in any jurisdiction in which the same is unlawful, nor shall it, or any part of it, or the fact of its distribution, form the basis of, or be relied in connection with, any contract therefor. Any failure to comply with these restrictions may constitute a violation of applicable securities laws in such jurisdictions. Accordingly, this document does not constitute a prospectus within the meaning of section 85 of the FSMA and has not been drawn up in accordance with the Prospectus Rules and has not been, and will not be, approved by or filed with the UK Financial Conduct Authority or any other competent authority.

Avanti Capital plc

(Incorporated under the Companies Act 1985 and registered in England and Wales with registered number 03319365)

Proposed Capital Reduction

Authority for the purchase of ordinary shares by the Company

Notice of General Meeting

Canaccord Genuity Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser to the Company in relation to the transaction referred to in this document. The responsibilities of Canaccord Genuity Limited as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person. Persons receiving this document should note that Canaccord Genuity Limited will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for advising any other person on the arrangements described in this document. Canaccord Genuity Limited has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by it for the accuracy of any information or opinion contained in this document or for the omission of any information.

This document should be read in its entirety. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 this document and which contains the Directors' unanimous recommendation that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

Notice of a General Meeting of the Company, to be held at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA at 11.00 a.m. on 5 March 2014, is set out at the end of this document. Shareholders will find enclosed a Form of Proxy for use at the General Meeting. To be valid, the Form of Proxy should be completed in accordance with the instructions printed on it, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by not later than 11.00 a.m. on 3 March 2014. Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

A copy of this document is available at the Company's website at www.avanticap.com. Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this document.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	6 February 2014
Latest time and date for receipt of Form of Proxy	11.00 a.m. on 3 March 2014
General Meeting	11.00 a.m. on 5 March 2014
Capital Reduction Record Time	6.00 p.m. on 25 March 2014*
Court directions hearing	13 March 2014*
Court hearing to confirm the Capital Reduction	26 March 2014*
Registration of Court order and effective date of the Capital Reduction	27 March 2014*

* This date is subject to change. Any change will be notified via a Regulatory Information Service.

DEFINITIONS

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

"Act"	the Companies Act 2006 (as amended)
"AIM"	the AIM Market operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange from time to time
"Capita Asset Services" or "Registrars"	Capita Asset Services Limited, registrars to the Company
"Capital Reduction"	the proposed cancellation of the Company's capital redemption reserve account and the Capital Reduction Shares and the reduction of the Company's share capital pursuant to Resolution 1 as set out in the Notice of General Meeting
"Capital Reduction Bonus Issue"	the bonus issue of one Capital Reduction Share for every one ordinary share of the Company held by each Shareholder on the register of members of the Company at the Capital Reduction Record Time in order to facilitate the Capital Reduction as described in this document
"Capital Reduction Record Time"	6.00 p.m. on the date immediately preceding the date of the Court Hearing
"Capital Reduction Shares"	the B ordinary shares in the capital of the Company to be created by the Capital Reduction Bonus Issue, whereby the nominal value of such B ordinary shares is equal to the sum that is obtained by dividing the number of B ordinary shares to be issued into £2,044,726.31, being the amount standing to the credit of the Company's merger reserve
"Company"	Avanti Capital plc, a company incorporated and registered in England and Wales under the Companies Act 1985 with registered number 03319365
"Court"	the High Court of Justice in England and Wales
"Court Hearing"	the hearing by the Court to confirm the Capital Reduction
"Court Order"	the order of the Court confirming the Capital Reduction
"Directors" or "Board"	the directors of the Company or any duly authorised committee thereof
"Form of Proxy"	the form of proxy for use by Shareholders in connection with the General Meeting and which is appended at the end of this document
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"General Meeting"	the general meeting of the Company to be held at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA at 11.00 a.m. on 5 March 2014, or any adjournment thereof, notice of which is set out at the end of this document
"Group"	the Company, its subsidiaries and its subsidiary undertakings
"London Stock Exchange"	London Stock Exchange plc
"Notice of General Meeting"	the notice convening the General Meeting and which is set out at the end of this document
"Prospectus Rules"	the Prospectus Rules brought into effect on 1 July 2005 pursuant to Commission Regulation (EC) No. 809/2004

"Resolutions"	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
"Share Buy Back"	a buy back of shares by the Company pursuant to the Share Buy Back Authority
"Share Buy Back Authority"	the proposed authority of the Company to make market purchases of ordinary shares of the Company pursuant to Resolution 2 as set out in the Notice of General Meeting (and any equivalent authority granted by the Shareholders from time to time)
"Shareholders"	the registered holders of ordinary shares of the Company
"Takeover Code"	the City Code on Takeovers and Mergers
"UK"	the United Kingdom of Great Britain and Northern Ireland

LETTER FROM THE CHAIRMAN OF THE COMPANY

AVANTI CAPITAL PLC

(Incorporated under the Companies Act 1985 and registered in England and Wales with registered number 3319365)

Directors:

P.J. Crawford (*Chairman*)
R.H. Kleiner
W.A.H. Crewdson

Registered office:

25 Harley Street
London
W1G 9BR

6 February 2014

Dear Shareholder,

Proposed Capital Reduction
Authority for the purchase of ordinary shares by the Company
Notice of General Meeting

1 Introduction

I am writing in connection with proposals recommended by the Board in order to increase the distributable reserves of the Company in order to support the Company's ability to buy back ordinary shares of the Company and/or pay dividends in the future.

The background to and reasons for the Capital Reduction and seeking authority for a Share Buy Back are set out more fully in paragraph 3 below. The Board believes it is an appropriate time to create distributable reserves which would allow the Company to return cash to Shareholders, should it be considered desirable to do so in the future.

Accordingly, your approval is being sought to:

- (a) carry out a reduction of the Company's capital by way of:
 - (i) the capitalisation of the amount standing to the credit of the Company's merger reserve by way of the issue and subsequent cancellation of the Capital Reduction Shares;
 - (ii) the cancellation of the amount standing to the credit of the Company's capital redemption reserve account; and
 - (iii) the reduction of the Company's share capital,so as to create distributable reserves; and
- (b) authorise the Company to make market purchases of ordinary shares of the Company.

The Capital Reduction and any Share Buy Back are conditional upon, amongst other things, the Company obtaining appropriate Shareholder approval at the General Meeting.

The purpose of this document is to provide you with information about the background to and the reasons for the Capital Reduction and the Share Buy Back Authority, to explain why the Board considers the Capital Reduction and Share Buy Back Authority to be in the best interests of the Company and its Shareholders as a whole and why the Board unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document. Shareholders should note that, unless the Resolutions are approved at the General Meeting (and the Court confirms the Capital Reduction), the Capital Reduction will not take place.

2 Background to and reasons for the Capital Reduction

Following the realisation by the Company in December last year of its investment in Eclectic Bars Limited, following Eclectic Bar Group Limited's admission to trading on AIM, the Board announced an intention to make an interim dividend of £1.05 per

ordinary share of the Company (£8,427,040) to those Shareholders on the register of the Company as at 27 December 2013. As announced by the Board on 7 January 2014, due to the size of the intended dividend payment relative to the Company's reserves, it is necessary for the Company to increase its distributable reserves in order to effect the payment of such intended dividend in full.

An initial dividend of 62 pence per ordinary share of the Company (£4,976,000) has already been paid to qualifying Shareholders in satisfaction of part of the intended dividend payment. Accordingly, as announced by the Board on 7 January 2014, one purpose of the Capital Reduction is to create sufficient distributable reserves in order to, upon such Capital Reduction becoming effective, enable the payment of the balance of such intended dividend, representing 43 pence per ordinary share of the Company.

Accordingly, the background to and reasons for the Capital Reduction is to maximise the amount of the Company's distributable reserves to deal not only with the ability for the Company to fulfil its intention in making a payment of the balance of the intended dividend of £1.05 per ordinary share of the Company originally announced in December 2013, but also to create further distributable reserves in order to permit any potential dividend payments or share purchases that the Company may wish to make following future realisations of other investments.

As a result of the Capital Reduction, any future profits of the Company earned after the date on which the Capital Reduction takes effect would be available for the Directors to use for the purposes of buying back ordinary shares of the Company and/or paying dividends (should circumstances in the future make it desirable to do so).

Following the implementation of the Capital Reduction, there will be no change in the number of ordinary shares of the Company in issue. No new share certificates will be issued as a result of the Capital Reduction.

3 The Capital Reduction

The Company does not have sufficient distributable reserves to effect the Board's proposals to pay dividends, buy back ordinary shares of the Company and/or to return cash to Shareholders, should it be considered desirable to do so in the future. The Board therefore proposes that the Capital Reduction be effected in order to increase the distributable reserves of the Company.

It is proposed that:

- the amount standing to the credit of the Company's merger reserve in the sum of £2,044,726.31 is capitalised by way of a bonus issue of newly created Capital Reduction Shares;
- the newly created Capital Reduction Shares are cancelled;
- the amount standing to the credit of the Company's share capital redemption reserve (such amount being, as at 30 June 2013, £1,409,004 is cancelled; and
- the share capital of the Company be reduced from £4,815,451.20 divided into 8,025,752 ordinary shares of 60 pence each, to £80,257.52 divided into 8,025,752 ordinary shares of 1 pence each, and that the resulting sum of £4,735,193.68 be credited to the distributable reserves of the Company.

In addition to the approval by the Shareholders of the Resolutions, the Capital Reduction requires the approval of the Court. Accordingly, following approval of the Capital Reduction by Shareholders, an application will be made to the Court in order to confirm and approve the Capital Reduction. The Capital Reduction, if approved by the Court, will create realised profits of £8,188,924.

In seeking the Court's approval of the Capital Reduction, the Court is likely to require protection for the creditors (including contingent creditors) of the Company whose debts remain outstanding on the relevant date, except in the case of creditors which have consented to the Capital Reduction. Any such creditor protection may include seeking the consent of the Company's creditors to the Capital Reduction or the provision by the Company to the Court of an undertaking to deposit a sum of money into a blocked account created for the purpose of discharging the non-consenting creditors of the Company. The Company currently owes no more than £45,000 to its creditors and has a provision in its audited accounts for the financial period ended 30 June 2013 of £2,554,000 in respect of carried interest due by the Company and its subsidiary, Avanti Partners NV, to Odyssey Partners Limited in connection with the management of the group's portfolio. Following the payment to Odyssey Partners Limited of part of such outstanding carried interest, there is, a contingent liability in the sum of

£1,640,000 that remains provided for as owing to Odyssey Partners Limited. This amount is based on the remaining investments realising proceeds which are equivalent to the values as reflected in the audited accounts for the financial period ended 30 June 2013. As at the date of this document, consent to the Capital Reduction has been obtained from Odyssey Partners Limited in respect of such amount.

It is anticipated that the initial directions hearing in relation to the Capital Reduction will take place on 13 March 2014, with the final Court Hearing taking place on 26 March 2014 and the Capital Reduction becoming effective on the following day, following the necessary registration of the Court Order at Companies House. Thereafter, the Company intends to make arrangements to immediately declare and pay the 43 pence per share being the balance of the £1.05 per share referred to previously in this document.

Other than the intended dividend referred to in paragraph 2 above, the Capital Reduction itself will not involve any distribution or repayment of capital or share premium by the Company and will not reduce the underlying net assets of the Company. The distributable reserves arising on the Capital Reduction will, subject to the discharge of any undertakings required by the Court as explained below, support the Company's ability to buy back ordinary shares of the Company and/or pay dividends, should circumstances in the future make it desirable to do so.

The Board reserves the right to abandon or to discontinue (in whole or in part) the application to the Court in the event that the Board considers that the terms on which the Capital Reduction would be (or would be likely to be) confirmed by the Court would not be in the best interests of the Company and/or the Shareholders as a whole. The Directors have undertaken a thorough and extensive review of the Company's liabilities (including contingent liabilities) and consider that the Company will be able to satisfy the Court that, as at the date (if any) on which the Court Order relating to the Capital Reduction and the statement of capital in respect of the Capital Reduction have both been registered by the Registrar of Companies at Companies House and the Capital Reduction therefore become effective, the Company's creditors will be sufficiently protected.

4 Share Buy Back

In order to facilitate a Share Buy Back at a future date, the Board is seeking the authority of Shareholders to enable the Company to purchase ordinary shares of the Company in the market in accordance with the Act. The terms of the Share Buy Back Authority are set out in full in Resolution 2 as set out in the Notice of General Meeting.

The Share Buy Back Authority replaces the existing share buy back authority granted to the Directors at the Company's last annual general meeting held on 12 December 2013 in order to reflect a reduction in the minimum price that can be paid for an ordinary share of the Company from its current nominal value of 60 pence to 1 pence. The Share Buy Back Authority will be limited to a maximum of 802,500 ordinary shares of the Company (representing approximately 10 per cent. of the total issued ordinary share capital of the Company as at the date of this document). Ordinary shares so purchased may be cancelled or held as treasury shares. The authority will expire at the end of the next Annual General Meeting of the Company or 18 months from the passing of Resolution 2, whichever is the earlier. The Directors intend to seek renewal of the Share Buy Back Authority at future Annual General Meetings of the Company.

The minimum price that can be paid for an ordinary share of the Company is 1 pence, which will be the nominal value of an ordinary share of the Company following the Capital Reduction. The maximum price that can be paid is 5 per cent. over the average of the middle market prices for an ordinary share of the Company, derived from the Daily Official List of the London Stock Exchange, for the five business days immediately before the day on which the ordinary share is contracted to be purchased. The Directors intend to exercise this right only when, in light of the market conditions prevailing at the time and taking into account all relevant factors (for example, the effect on earnings per share), they believe that such purchases are in the best interests of the Company and Shareholders generally. The overall position of the Company will be taken into account before deciding upon this course of action. The decision as to whether any such ordinary shares of the Company bought back will be cancelled or held in treasury will be made by the Directors on the same basis at the time of the purchase.

5 The Capital Reduction Bonus Issue and the rights of the Capital Reduction Shares

It is proposed to capitalise the sum of £2,044,726.31 standing to the credit of the Company's merger reserve by applying that sum in paying up in full new Capital Reduction Shares prior to the Court Hearing (such capitalisation to take effect at the Capital Reduction Record Time), and allotting and issuing such Capital Reduction Share by way of a bonus issue to the persons at that point holding ordinary shares of the Company on the basis of one Capital Reduction Share for every one ordinary share of the Company held at the Capital Reduction Record Time.

The Capital Reduction Shares will not be admitted to trading on the Main Market of the London Stock Exchange, AIM or any other market. No share certificates will be issued in respect of the Capital Reduction Shares. The Capital Reduction Shares will have extremely limited rights. In particular, the Capital Reduction Shares will carry no rights to participate in the profits of the Company and no rights to participate in the Company's assets, save on a winding-up. The Capital Reduction Shares will be transferable, but no market will exist in them and it is anticipated that the Court will confirm their cancellation at the Court Hearing on the day immediately after the date on which they have been issued.

The capitalisation of the merger reserve is needed as an additional step since the Court only has the power to reduce share capital and other statutory reserves, including share premium and capital redemption reserves. Hence, in order to utilise the merger reserve in the Capital Reduction, it is necessary to convert that reserve into share capital (the new Capital Reduction Shares) and thereafter to cancel the Capital Reduction Shares.

6 Takeover Code

Under Rule 9 of the Takeover Code, any person who acquires an interest (as such term is defined in the Takeover Code) in shares which, taken together with the shares in which he and persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights in a company that is subject to the Takeover Code is normally required to make a general offer to all of the remaining shareholders to acquire their shares. Similarly, when any person, together with any persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. but does not hold shares carrying more than 50 per cent. of the voting rights of such a company, a general offer will normally be required if any further interests in shares are acquired by such a person. Such an offer would have to be made in cash at a price not less than the highest price paid by him, or by any member of the group of persons acting in concert with him, for any interest in shares in the Company during the 12 months prior to the announcement of the offer.

Under Rule 37 of the Takeover Code, any increase in the percentage holding of a shareholder which results from a company buying-back its own shares will also be treated as an acquisition for the purposes of Rule 9 of the Takeover Code. Where, as a result of such an increase, a shareholder comes to exceed the limits in Rule 9 of the Takeover Code referred to above, the shareholder will not normally incur an obligation to make a general offer unless the shareholder is a director, or the relationship of the shareholder with any one or more of the directors is such that the shareholder is, or is presumed to be, acting in concert with any of the directors. However, an obligation to make a general offer may be imposed if the relevant shareholder (or any relevant member of a group of persons acting in concert) acquires an interest in shares at a time when such shareholder had reason to believe that a buy back of shares by the company would take place.

In situations where the directors of a company are aware that a buy back of shares by that company would otherwise give rise to an obligation for a shareholder (or group of shareholders acting in concert) to make a general offer, the board of directors should ensure that an appropriate resolution to approve the waiver of this obligation is put to the company's independent shareholders prior to implementation of the relevant buy back of shares as a pre-condition to its implementation.

7 Taxation

The following comments are intended as a general guide only and relate only to certain UK tax consequences of receiving the Capital Reduction Shares under the Capital Reduction Bonus Issue. The comments are based on current legislation and HM Revenue & Customs practice, both of which are subject to change, possibly with retrospective effect. These comments deal only with Shareholders who are resident for taxation purposes in the UK, who are the absolute beneficial owners of ordinary shares of the Company and who hold them as an investment and not on trading account. They do not deal with the position of certain classes of Shareholders, such as dealers in securities, insurance companies, collective investment schemes or persons regarded as having obtained their ordinary shares in the Company by reason of employment.

Capital Reduction Bonus Issue and Capital Reduction

The Capital Reduction Bonus Issue should be treated as a "reorganisation" for the purposes of UK taxation of chargeable gains ("CGT"), so that a Shareholder should not be treated as making a disposal or part disposal of his ordinary shares in the Company for CGT purposes upon receipt of the Capital Reduction Shares. Instead, the Capital Reduction Shares will be treated as the same asset, acquired at the same time, as his ordinary shares in the Company. On the basis that the Capital Reduction Shares will be treated as being paid up for "new consideration" received by the Company, the issue of the Capital Reduction Shares should not give rise to any liability to United Kingdom income tax (or corporation tax) in a Shareholder's hands.

Due to the fact that the Capital Reduction Shares:

- have no voting rights or rights to income;
- have no market; and
- at the time issued, it is anticipated that the Capital Reduction Shares will be cancelled for no payment on the day immediately following the date of their issue,

the market value of the Capital Reduction Shares is likely to be nil for the duration of their existence. The CGT base cost of the Capital Reduction Shares and ordinary shares of the Company should be calculated by apportioning the base costs of the ordinary shares between the Capital Reduction Shares and the ordinary shares based on their respective market values. Consequently the issue of the Capital Reduction Shares should not impact the base cost of the ordinary shares, and there should be no tax charge (nor any allowable loss) on the cancellation of the Capital Reduction Shares.

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

No stamp duty or SDRT will be payable on the issue of the Capital Reduction Shares.

The information on taxation set out in this section is a general guide only and is not intended to be, and should not be construed to be, legal or taxation advice to any particular Shareholder. Any Shareholder who has any doubt about his own taxation position, whether regarding CGT or otherwise, or who is subject to taxation in any jurisdiction other than the UK should consult his professional taxation adviser immediately.

8 The General Meeting

Set out at the end of this document is a notice convening the General Meeting to be held on 5 March 2014 at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA at 11.00 a.m., at which the Resolutions will be proposed.

Resolution 1, which will be proposed as a special resolution, is to approve the Capital Reduction. Resolution 2, which will be proposed as a special resolution, is to authorise the Share Buy Back.

9 Action to be taken

A Form of Proxy for use by Shareholders at the General Meeting is appended at the end of this document. Whether or not you intend to attend the General Meeting, you are requested to complete and sign the Form of Proxy in accordance with the instructions printed thereon and to return it, using the reply paid envelope provided, to the Registrars, Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, but in any event so as to be received by no later than 11.00 a.m. on 3 March 2014. The completion and return of a Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

10 Recommendation

The Directors consider the Capital Reduction and Share Buy Back Authority to be in the best interests of the Company and its Shareholders as a whole and, accordingly, unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their beneficial holdings amounting, in aggregate, to 1,142,363 ordinary shares of the Company, representing approximately 14.2 per cent. of the existing issued ordinary share capital of the Company.

Yours faithfully

P.J. Crawford
Chairman
Avanti Capital plc

NOTICE OF GENERAL MEETING

AVANTI CAPITAL PLC

(Incorporated under the Companies Act 1985 and registered in England and Wales with registered number 3319365)

Notice is hereby given that a general meeting of Avanti Capital plc (the "**Company**") will be held at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA at 11.00 a.m. on 5 March 2014 to consider and, if thought fit, pass the following resolutions which will be proposed as special resolutions of the Company.

SPECIAL RESOLUTIONS

1 That:

- (a) the amount of £2,044,726.31 standing to the credit of the merger reserve of the Company be capitalised and applied in paying up in full at par such number of new B ordinary shares (the "**Capital Reduction Shares**") equal to the number of ordinary shares of 60 pence each in the capital of the Company ("**Ordinary Shares**") in issue as at the Capital Reduction Record Time (as defined in the circular to shareholders of the Company dated 6 February 2014 of which this notice forms a part), such Capital Reduction Shares having a nominal value equal to the sum that is obtained by dividing the number of Capital Reduction Shares to be issued as set out above into £2,044,726.31, as shall be required to effect such capitalisation, and the Directors be and they are hereby authorised for the purposes of section 551 of the Companies Act 2006 (the "**Act**") to allot and issue all of the Capital Reduction Shares thereby created to such members of the Company including one of their number as they shall in their absolute discretion determine upon terms that they are paid up in full by such capitalisation, and such authority shall for the purposes of section 551 of the Act expire on 31 December 2014;
- (b) the Capital Reduction Shares created and issued pursuant to paragraph (a) above shall have the following rights and restrictions:
 - (i) the holders of Capital Reduction Shares shall have no right to receive any dividend or other distribution whether of capital or income;
 - (ii) the holders of Capital Reduction Shares shall have no right to receive notice of or to attend or vote at any general meeting of the Company;
 - (iii) the holders of Capital Reduction Shares shall on a return of capital on a liquidation, but not otherwise, be entitled to receive the nominal amount of each such share but only after the holder of each Ordinary Share shall have received the amount paid up or credited as paid up on such a share and the holders of Capital Reduction Shares shall not be entitled to any further participation in the assets or profits of the Company;
 - (iv) a reduction by the Company of the capital paid up or credited as paid up on the Capital Reduction Shares and the cancellation of such shares will be treated as being in accordance with the rights attaching to the Capital Reduction Shares and will not involve a variation of such rights for any purpose. The Company will be authorised at any time without obtaining the consent of the holders of Capital Reduction Shares to reduce its capital (in accordance with the Act);
 - (v) the Company shall have irrevocable authority at any time after the creation or issue of the Capital Reduction Shares to appoint any person to execute on behalf of the holders of such shares a transfer thereof and/or an agreement to transfer the same without making any payment to the holders thereof to such person or persons as the Company may determine and, in accordance with the provisions of the Act, to purchase or cancel such shares without making any payment to or obtaining the sanction of the holders thereof and pending such a transfer and/or purchase and/or cancellation to retain the certificates, if any, in respect thereof, provided also that the Company may in accordance with the provisions of the Act purchase all but not some only of the Capital Reduction Shares then in issue at a price not exceeding 1 penny for all the Capital Reduction Shares;

- (c) the Capital Reduction Shares created and issued pursuant to paragraph (a) above shall be cancelled;
 - (d) the Company's capital redemption reserve account be and is hereby cancelled; and
 - (e) the share capital of the Company be reduced by cancelling and extinguishing paid up capital to the extent of 59 pence on each fully paid ordinary share of 60 pence each in the capital of the Company and by reducing the nominal value of each such share to 1 pence.
- 2 That the Company be and is hereby unconditionally and generally authorised for the purposes of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) of its ordinary shares of the Company on such terms as Directors think fit, provided that:
- (a) the maximum number of ordinary shares of the Company authorised to be purchased is limited to an aggregate of 802,500 (such ordinary shares representing approximately 10 per cent. of the Company's issued ordinary capital as at the date of this notice);
 - (b) the minimum price, exclusive of any expenses, which may be paid for any such ordinary share is 1 pence;
 - (c) the maximum price, exclusive of any expenses, which may be paid for an ordinary share of the Company shall be an amount equal to the higher of:
 - (A) 105 per cent. of the average middle market quotations for an ordinary share of the Company, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the date on which such ordinary share is contracted to be purchased; and
 - (B) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation of 2003; and
 - (d) this authority shall, unless previously renewed, revoked or varied, expire on the earlier of the date falling 18 months after the date of the passing of this resolution and the conclusion of the next Annual General Meeting of the Company, but the Company may enter into a contract for the purchase of ordinary shares of the Company before the expiry of this authority which would or might be completed (wholly or partly) after the expiry of this authority, and may make a purchase of ordinary shares of the Company in pursuance of such contract.

BY ORDER OF THE BOARD

Richard Kleiner
Secretary

6 February 2014

Registered Office
25 Harley Street
London
W1G 9BR

Notes:

- (1) A member entitled to attend and vote the above-mentioned Annual General Meeting may appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company.
- (2) A prepaid form of proxy is enclosed. To be valid, the form of proxy (together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such an authority) must be deposited at the offices of the Company's Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 11.00 a.m. on 3 March 2014. Completion of the form of proxy will not preclude a member from attending and voting in person.
- (3) The Company, pursuant to regulation 41 of The Uncertificated Securities Regulations 2001, specified that only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 3 March 2014 shall be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after that time will be disregarded in determining the rights of any person to attend or vote at the General Meeting.