

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or about what action you should take, you should immediately seek your own personal advice from your stockbroker or other independent financial adviser authorised under the Financial Services and Markets Act 2000, who specialises in advising on the acquisition of shares and other securities.

If you have sold or otherwise transferred all your shares in the Company, you should forward this document, together with the accompanying Form of Proxy, immediately to the purchaser, transferee or the agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee, except that this document should not be forwarded or transmitted into the United States, Canada, Japan, Australia, Ireland or South Africa or any other jurisdiction where it would be unlawful to do so.

This document, which comprises an AIM admission document drawn up in accordance with the AIM Rules, has been issued in connection with the application for the admission to trading of the Enlarged Share Capital on AIM. This document does not constitute a prospectus for the purposes of Section 84(2) of the Financial Services and Markets Act 2000 and as such has not been approved by the Financial Services Authority as a prospectus pursuant to Section 85 of the Financial Services and Markets Act 2000. The Existing Directors and the Proposed Directors, whose names are set out on page 4 of this document, and the Company accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Existing Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document, for which they are responsible, is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence and in the Existing Ordinary Shares will recommence on 28 February 2007. 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 UKLA. 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.

The rules of AIM are less demanding than those of the Official List. Furthermore, neither the London Stock Exchange nor the UKLA has examined or approved the contents of this document. For a discussion of risks and other facts that should be considered in connection with an investment in the Company, prospective investors should read the section entitled "Risk Factors" set out in Part III of this document.

The New Ordinary Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company. The New Ordinary Shares are not being made available to the public in conjunction with Admission.

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## **Ingenta plc**

*(incorporated and registered in England and Wales with registered number 837205)*

### **Proposed acquisition of Vista International Limited Approval of the waiver of obligations under Rule 9 of the City Code Proposed Subscription for and Placing of in aggregate 150,000,000 New Ordinary Shares at a price of 1p per share Application for admission of the Enlarged Share Capital to trading on AIM Proposed change of name to "Publishing Technology plc" Notice of Extraordinary General Meeting**

**Nominated Adviser and Broker to Ingenta plc and to the Enlarged Group**

### **Collins Stewart Europe Limited**

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This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, New Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful and is not for distribution in or into the United States, Canada, Japan, Australia, Ireland or South Africa or any other country outside of the United Kingdom where distribution may lead to a breach of any legal or regulatory requirements. The New Ordinary Shares have not been, and will not be registered under the United States Securities Act of 1933 (as amended) or under the applicable securities laws of Canada, Japan, Australia, Ireland or South Africa and, subject to certain exceptions, may not be offered for sale or subscription, or sold or subscribed, directly or indirectly, within the United States, Canada, Japan, Australia, Ireland or South Africa or to or by any national, resident or citizen of such countries. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions. No person is authorised, in connection with Admission, to give any information or make any representation other than as contained in this document and, if given or made, such information or representation must not be relied upon as having been authorised by the Company or Collins Stewart Europe Limited or their respective directors.

Collins Stewart Europe Limited, which is a member of the London Stock Exchange and is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as Nominated Adviser and broker to the Company (for the purposes of the AIM Rules) and no one else in connection with Admission and the other matters set out in this document and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Collins Stewart Europe Limited nor for providing advice in relation to the contents of this document or any matter, transaction or arrangement referred to in it. Collins Stewart Europe Limited is not making any representation or warranty expressed or implied, as to the contents of this document.

A notice convening an Extraordinary General Meeting of the Company to be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP at 10.00 a.m. on 27 February 2007 is set out at the end of this document. A Form of Proxy to use at the EGM accompanies this document and to be valid must be completed and returned in accordance with the instructions printed thereon, so as to be received by post or by hand by the Company's registrars, Capita IRG plc, The Registry, PO Box 25, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not later than 48 hours before the time fixed for the meeting. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of members in order to have the right to attend and vote at the meeting is 48 hours prior to the time fixed for the meeting. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the meeting. Completion of a Form of Proxy will not preclude a member from attending the EGM and voting in person.

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## EXPECTED TIMETABLE

Latest time and date for receipt of Forms of Proxy for the Extraordinary General Meeting	10.00 a.m. 25 February 2007
Extraordinary General Meeting	10.00 a.m. 27 February 2007
Completion of the Acquisition and Admission	28 February 2007
Dealings in the Enlarged Share Capital to commence on AIM and CREST accounts credited	28 February 2007
Definitive share certificates despatched by	7 March 2007

*Each of the dates in the above timetable is subject to change at the absolute discretion of the Company and Collins Stewart*

## ISSUE STATISTICS

Number of Ordinary Shares in issue prior to Admission	186,207,420
Number of New Ordinary Shares being issued pursuant to the Acquisition and Fundraising	410,000,000
Total number of Ordinary Shares in issue immediately following Admission	596,207,420
Subscription Price	1p
Gross proceeds of the Fundraising	£1.5 million
Net Proceeds of the Fundraising receivable by the Company	£0.8 million
Market capitalisation of the Company at the Subscription Price immediately following Admission	£5.96 million

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Martyn Rose ( <i>Non-executive Chairman</i> ) Simon Dessain ( <i>Chief Executive</i> ) Mark Rowse ( <i>Non Executive Director</i> ) Ward Shaw ( <i>Non Executive Director</i> ) all of: Unipart House, Garsington Road, Oxford OX4 2GQ
<b>Company Secretary</b>	Mark Rowse
<b>Directors immediately following Admission</b>	Martyn Rose ( <i>Non-executive Chairman</i> ) George Lossius ( <i>Chief Executive</i> ) Simon Dessain ( <i>Chief Operating Officer</i> ) Alan Moug ( <i>Chief Financial Officer</i> ) Mark Rowse ( <i>Non Executive Director</i> ) Ward Shaw ( <i>Non Executive Director</i> )
<b>Company Secretary immediately following Admission</b>	Alan Moug  all of: Unipart House, Garsington Road, Oxford OX4 2GQ
<b>Registered Office</b>	Unipart House Garsington Road Oxford OX4 2GQ
<b>Nominated Adviser and Broker</b>	Collins Stewart Europe Limited 88 Wood Street London EC2V 7QR
<b>Reporting Accountant</b>	BDO Stoy Hayward LLP 8 Baker Street London W1U 3LL
<b>Auditors to the Company</b>	Grant Thornton UK LLP 1 Westminster Way Oxford OX2 0PZ
<b>Solicitors to the Company</b>	Fasken Martineau Stringer Saul LLP 17 Hanover Square London W1S 1HU
<b>Solicitors to the Vista Group</b>	Memery Crystal LLP 44 Southampton Buildings London WC2A 1AP
<b>Solicitors to Collins Stewart</b>	Lawrence Graham LLP 190 Strand London WC2R 1JN
<b>Bankers to the Company, Vista Group and the Enlarged Group</b>	Royal Bank of Scotland plc Abbey Gardens Abbey Street Reading RG1 3BA
<b>Registrars</b>	Capita IRG plc The Registry PO Box 25 34 Beckenham Road Beckenham Kent BR3 4TU

## DEFINITIONS

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

“Acquisition”	the proposed acquisition by the Company of the entire issued share capital of Vista from the Vendors pursuant to the Acquisition Agreement and of the Vista Loan Notes from the Trustees pursuant to the Loan Note Sale Agreement
“Acquisition Agreement”	the conditional agreement between the Company and the Vendors dated 2 February 2007 relating to the acquisition by the Company of the entire issued share capital of Vista, particulars of which are set out in paragraph 13.3 of Part VII of this document
“Act”	the Companies Act 1985
“Admission”	the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	a market of that name operated by the London Stock Exchange
“AIM Rules”	the rules for AIM companies in force at the date of this document issued by the London Stock Exchange
“Almandine”	Almandine LLC, one of the Vendors
“Articles”	the Company’s articles of association immediately after Admission
“City Code”	the City Code on Takeovers and Mergers
“Collins Stewart”	Collins Stewart Europe Limited
“Combined Code”	the Combined Code on Corporate Governance published in June 2006 by the Financial Reporting Council
“Company” or “Ingenta”	Ingenta plc
“Completion”	completion of the Acquisition
“Concert Party”	all of the Vendors (including Martyn Rose)
“Consideration Shares”	the 260,000,000 New Ordinary Shares to be issued to the Vendors pursuant to the terms of the Acquisition Agreement
“CREST”	the electronic settlement system operated by CRESTCo Limited, which facilitates the transfer of title to shares in uncertificated form
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/No. 3755)
“Deferred Shares”	deferred shares of 4p each in the capital of the Company
“Directors”	the Existing Directors and the Proposed Directors
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company convened for 10.00 a.m. on 27 February 2007, notice of which is set out at the end of this document
“Enlarged Group”	the Group as enlarged by the Acquisition
“Enlarged Share Capital”	the Existing Ordinary Shares and the New Ordinary Shares
“ESOT”	Spread Trustee Company Limited as trustees of the Vista International 1998 Employee Share Ownership Trust

“Existing Directors” or “Board”	the existing directors of the Company, namely Martyn Rose, Simon Dessain, Mark Rowse and Ward Shaw
“Existing Ordinary Shares”	the 186,207,420 existing issued Ordinary Shares in the Company at the date of this document
“Form of Proxy”	the form of proxy accompanying this document to be used by Shareholders in respect of the EGM
“FSA”	Financial Services Authority
“Fundraising”	together, the Placing and the Subscription
“Group”	Ingenta and its subsidiaries immediately prior to Admission
“Independent Directors”	the Existing Directors other than Martyn Rose
“Independent Shareholders”	the Shareholders other than Martyn Rose
“Introduction and Placing Agreement”	the conditional agreement dated 2 February 2007 between the Company, Collins Stewart, the Existing Directors and the Proposed Directors relating to inter alia, the Admission and Placing, particulars of which are set out in paragraph 13.1 of Part VII of this document
“Loan Note Sale Agreement”	the conditional agreement between the Company, Vista and the Trustees dated 2 February 2007 relating to the acquisition by the Company of the Vista Loan Notes, particulars of which are set out in paragraph 13.4 of Part VII of this document
“London Stock Exchange”	London Stock Exchange plc
“MR Settlement”	the MC Rose Settlement No. 1
“New Board”	the new board of directors of the Company following Admission comprising Martyn Rose, George Lossius, Simon Dessain, Alan Moug, Mark Rowse and Ward Shaw
“New Loan Notes”	the £2,000,000 nominal secured convertible loan notes in the Company created by the New Loan Note Instrument
“New Loan Note Instrument”	the instrument of the Company dated 2 February 2007 creating the New Loan Notes
“New Ordinary Shares”	in aggregate, the Consideration Shares, the Placing Shares and the Subscription Shares
“Official List”	the Official List of the UK Listing Authority
“Optionholders”	holders of options granted under the Share Option Schemes
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“Panel”	The Panel on Takeovers and Mergers
“Placing”	the conditional placing by Collins Stewart of the Placing Shares at the Subscription Price pursuant to the Introduction and Placing Agreement
“Placing Shares”	the 60,750,000 New Ordinary Shares to be allotted and issued to investors pursuant to the Placing
“Proposals”	together, the Acquisition, the Subscription, the Placing, the Waiver and Admission
“Proposed Directors”	George Lossius and Alan Moug

“Resolutions”	the resolutions to be proposed at the EGM, as set out in the notice of EGM at the end of this document
“Share Option Schemes”	the Ingenta plc Approved Share Option Scheme and the Ingenta plc Enterprise Management Incentive Scheme, details of which are set out in paragraph 5 of Part VII of this document
“Shareholders”	holders of Existing Ordinary Shares
“Subscribers”	Martyn Rose, Mark Rowse, Dominic Collins, Ward Shaw, David Adams, Alan Moug, George Lossius, Brian Gibson, Colin Bottle, Randy Petway, C. Jamie Sehmer and Simon Dessain all of whom have agreed to subscribe in aggregate for the Subscription Shares
“Subscription”	the proposed subscription of the Subscription Shares pursuant to the terms of the Subscription Agreements
“Subscription Agreements”	the conditional agreements dated 2 February 2007 between the Company and each of the Subscribers relating to the subscription of the Subscription Shares at the Subscription Price, particulars of which are set out in paragraph 13.2 of Part VII of this document
“Subscription Price”	1p per New Ordinary Share
“Subscription Shares”	the 89,250,000 New Ordinary Shares to be allotted and issued pursuant to the Subscription Agreements
“Trustees”	Martyn Rose and James Sykes as the trustees of the MR Settlement
“UKLA”	United Kingdom Listing Authority
“Vendors”	the Trustees, the ESOT, Almandine, Brian Gibson, George Lossius, Alan Moug, Colin Bottle, Jay Teitelbaum, Randy Petway, Ken Burch, Gary Bowman, Tony Scotto, C. Jamie Sehmer and Tony Hartley
“Vista”	Vista International Limited
“Vista Group”	Vista and its subsidiaries, immediately prior to Admission
“Vista Loan Notes”	the £2,400,000 nominal secured convertible loan notes created by a loan note instrument dated 20 December 2005 of which £2,000,000 will be outstanding on Admission and which are to be sold to the Company pursuant to the Loan Note Sale Agreement
“Vista Ordinary Shares”	the ordinary shares of 5p each in the issued share capital of Vista
“Waiver”	the waiver by the Panel of the obligation of the Concert Party to make a general offer under Rule 9 of the City Code
“Waiver Resolution”	resolution 2 as set out in the Notice of EGM at the end of this document



## PART I

### Letter from the Chairman of Ingenta plc

# Ingenta plc

*(incorporated and registered in England and Wales with registered number 837205)*

*Directors:*

Martyn Rose *(Non-executive Chairman)*  
Simon Dessain *(Chief Executive)*  
Mark Rowse *(Non-executive Director)*  
Ward Shaw *(Non-executive Director)*

Unipart House  
Garsington Road  
Oxford  
OX4 2GQ

2 February 2007

*To Shareholders and, for information only, to Optionholders*

Dear Shareholder,

#### **Proposed acquisition of Vista International Limited, Fundraising, Waiver and Admission of Enlarged Share Capital to AIM**

#### **Introduction**

It was announced today that the Company has conditionally agreed to acquire Vista, a supplier of software solutions to the publishing sector. Due to the size of Vista, the Acquisition is conditional upon approval of Shareholders at the EGM. The Acquisition comprises both the purchase of the entire issued share capital of Vista and the purchase of all outstanding Vista Loan Notes on Admission. The consideration for the Acquisition is to be satisfied by the issue to the Vendors of a total of 260,000,000 Consideration Shares and the issue to the Trustees (pursuant to the Loan Note Sale Agreement) of the £2 million New Loan Notes. At the Subscription Price, the Consideration Shares would be valued at approximately £2.6 million. In conjunction with the Acquisition, a further 150,000,000 New Ordinary Shares are being issued at the Subscription Price pursuant to the Fundraising, to finance the costs of the Proposals and provide working capital for the Enlarged Group. Immediately following Completion and Admission the Enlarged Group's market capitalisation (at the Subscription Price) will be £5.96 million.

The 150,000,000 New Ordinary Shares to be issued pursuant to the Fundraising, will represent approximately 25.2 per cent. of the Enlarged Share Capital and the Consideration Shares will represent approximately 43.6 per cent. of the Enlarged Share Capital. The issue of the Consideration Shares will result in the Vendors (including me, who will be beneficially interested in the Consideration Shares to be allotted to the Trustees), who together comprise the Concert Party, holding more than 30 per cent. of the Enlarged Share Capital and the approval of the Independent Shareholders is being sought to waive the requirements of Rule 9 of the City Code which would otherwise require the Concert Party to make an offer to Shareholders for the Enlarged Share Capital.

The issue of the New Ordinary Shares on completion of the Acquisition and Fundraising will result in a significant dilution of the Existing Ordinary Shares as a percentage of the Enlarged Share Capital. However, the Independent Directors believe that the Proposals are justified in order to maximise the potential for creating long-term value for Shareholders.

It is also proposed that, conditional on the Acquisition completing, the name of the Company be changed to "Publishing Technology plc".

The purpose of this document is to give you details of the Proposals, to explain why the Independent Directors consider the Proposals to be in the best interests of Shareholders and to ask you to vote in favour of the Resolutions required to implement the Proposals which will be proposed at the EGM convened for 27 February 2007, notice of which is set out at the end of this document.



## Background to and reasons for the Acquisition

Ingenta was founded in April 1998 and in September 1998 acquired a spin-out operation of the University of Bath, Bath Information Data Services (BIDS), to pursue the emerging market for outsourced online services for subscription publications. The Company acquired UnCover Corp in March 2000 and was admitted to AIM in May 2000. It then proceeded to undertake a series of acquisitions, funded by a mixture of equity and cash raised from further equity issues, including Publishers Communication Group Inc. (June 2000), Dynamic Diagrams (September 2000) and CatchWord Limited (February 2001).

Following these acquisitions the Company struggled to integrate the businesses acquired sufficiently rapidly and to meet its financial targets. During the period 2002-2004 the Company focused on cutting overheads by removing duplication within the acquired businesses, reducing its technology platforms, reducing staff numbers from around 250 people to under 100 people and improving operational performance. However, whilst overheads were significantly reduced, sales did not show the expected growth. The Group has proved too small to carry the burden of its ongoing technology investment and central overheads, which have remained a barrier to Group profitability.

In 2005, the Company, now with under 100 employees, was reorganised into three operating divisions: IngentaConnect; Publishers Communication Group (PCG); and Information Commerce Division (ICD). A brief description of these divisions is set out below under the heading "Information on Ingenta". The aim was to enable each division to focus on its specific product area and thereby improve operational performance and achieve profitability.

The PCG and IngentaConnect divisions both achieved the goal of operational profitability at the divisional level and showed business growth in the 12 months to 31 December 2005, the most recent period for which audited results of the Company have been published and continued to do so during the six months ended 30 June 2006. ICD commenced a major software product development programme in late 2004 to enable publishers to take control of access to their online content and maximise e-commerce opportunities. This product has been in an investment phase but has now been delivered to its launch customer. All product development costs for the year ending 31 December 2006 have been written off as incurred which has contributed to the losses incurred by the Group.

Despite the progress made, the Board recognised in early 2006 that scale was an issue for the business. It concluded that an acquisition and/or investment was needed both to produce a company of sufficient scale to deliver profitability at a Group level and to provide a channel for exploitation of ICD's new products in order to deliver shareholder value from the investment already made in ICD.

The Board considers that both of these objectives will be fulfilled through the acquisition of Vista, and in particular that the strengths of the combination of Ingenta and Vista are:

- providing opportunities to increase sales through cross-selling, particularly through Vista's ability to sell ICD's products into its existing marketplace;
- strengthening the management team of Ingenta by integration of the Vista management team;
- creating critical mass both in terms of the range of products and services as well as the scale of the combined businesses; and
- obtaining cost savings from synergies and from reduction of duplicated functions and duplicated activities.

The Directors and Proposed Directors believe that there are significant cost synergies to be achieved from the reduction of the central or group functions such as human resources, finance, IT support and product development and, to a lesser extent, from some synergies and savings in the service delivery teams.

## Information on Ingenta

The Group provides a suite of services for publishers of content, including data conversion, secure online hosting, access control, distribution and marketing services and information commerce systems. For the users of the content, such as librarians and information professionals, the Group offers online content access and acquisition services. The Group primarily serves the academic and research sectors as well as the financial and business communities.

The Group's business operates in three separate divisions: IngentaConnect; PCG; and ICD.

IngentaConnect provides online access to approximately 10,000 research and professional publication electronic titles and other academic materials. IngentaConnect works with around 270 publishers and added some 37 new publishers in 2006. Revenues from IngentaConnect comprise set up and annual fees, as well as revenue sharing, and represented some 64 per cent. of the Group's turnover for the six months ended 30 June 2006. In addition to the new publishers mentioned, this division has seen increases in usage and pay per view e-commerce in 2006. Furthermore, in 2006, the division upgraded certain operating platform facilities supporting the website's position as a research content resource for academic and professional users.

PCG provides marketing and business development services to professional and academic publishers. Clients include the American Society of Clinical Oncology, Taylor and Francis (an Informa business), Society for Endocrinology, the Water Environment Federation and Elsevier. The services are provided in both North and South America as well as Europe. Revenues are largely fee based and represented some 17 per cent. of the Group's turnover for the six months ended 30 June 2006.

ICD designs, builds and operates publication websites and provides associated software for academic and business publishers. One characteristic of the service, both in the websites and the software, is the ability of the publisher to have easy to use and flexible control of who may access the published content, which 'publication package' is accessed and the terms of access. Clients include The Institute of Physics Publishing, Oxford University Press, McGraw Hill, the World Bank, UNESCO and the IMF. Revenues are generated from initial and ongoing fees from the sale of software and also from the integration into, and management of, publication websites and represented some 17 per cent. of the Group's turnover for the six months ended 30 June 2006.

The Group currently employs approximately 80 (full-time equivalent) staff and has offices in Oxford and Bath in the UK, and in Providence and Cambridge in the USA.

The Group reported an unaudited operating loss of £0.5 million on turnover of £3.1 million for the six months to 30 June 2006 and an unaudited deficit of shareholder equity of £2.1 million at that date.

The summarised trading record of Ingenta set out below is extracted from the financial information on the Group as set out in Part V of this document.

	<i>Year ended 30 September 2003 £000</i>	<i>15 months ended 31 December 2004 £000</i>	<i>Year ended 31 December 2005 £000</i>	<i>6 months ended 30 June 2006 £000 (unaudited)</i>
Turnover	8,457	8,767	6,598	3,100
Operating loss	(2,839)	(3,654)	(616)	(600)
Loss on ordinary activities before taxation	(2,882)	(3,701)	(615)	(500)

## Information on Vista

Vista is a supplier of software solutions and related professional and customer services to the North American and European book and journal publishing industry. Further details of Vista's business are set out in Part II of this document.

The summarised trading record of the Vista Group set out below is extracted from the financial information on the Vista Group as set out in Part IV of this document.

	<i>Year ended</i> <i>30 June</i> <i>2004</i> <i>£000</i>	<i>Year ended</i> <i>30 June</i> <i>2005</i> <i>£000</i>	<i>Year ended</i> <i>30 June</i> <i>2006</i> <i>£000</i>
Turnover	9,664	11,102	10,772
Operating profit/(loss)	<u>146</u>	<u>365</u>	<u>(284)</u>
Loss on ordinary activities before taxation	<u>(315)</u>	<u>(69)</u>	<u>(711)</u>
The above loss before taxation is stated after charging the following amounts relating to redundancy costs, amortisation of goodwill and interest payable and similar charges (other than interest on bank loans)	(728)	(792)	(1,081)

### **The Fundraising**

In order to finance the costs of the Proposals and to provide working capital, the Company has conditionally agreed to issue 60,750,000 New Ordinary Shares to institutional investors and 89,250,000 New Ordinary Shares to the Subscribers, all at the Subscription Price, to raise a gross total of £1,500,000.

The New Ordinary Shares are not being offered to all shareholders on a pro rata basis as to do so would impose an obligation on the Company to issue a prospectus which would significantly increase the time and costs expended by the Company. Moreover, for many Shareholders the number of Ordinary Shares for which they would be entitled to subscribe on a pro-rata basis would be small in terms of monetary value. Accordingly, the New Ordinary Shares are only being offered to a limited number of institutional shareholders and to the Subscribers.

The New Ordinary Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

The Company has also entered into an overdraft facility with Royal Bank of Scotland PLC conditional (*inter alia*) on Completion and Admission pursuant to which it will provide an on-demand overdraft facility of £1.1 million for working capital of the Enlarged Group which will be secured over the assets of the Enlarged Group.

### *Placing*

The Company is expected to raise £607,500 (gross) pursuant to the Placing through the issue of the Placing Shares to institutional investors at the Subscription Price.

Under the Introduction and Placing Agreement, Collins Stewart has agreed, as agent for the Company, conditional, *inter alia*, on Admission taking place not later than 28 February 2007 (or such later date as Collins Stewart and the Company may agree, but not later than 14 March 2007) to use its reasonable endeavours to procure places for the Placing Shares, in each case at the Subscription Price. The Introduction and Placing Agreement contains provisions entitling Collins Stewart to terminate the Placing at anytime prior to Admission in certain circumstances. The Placing is not underwritten. Further details of the Introduction and Placing Agreement are set out in paragraph 13.1 of Part VII of this document.

### *Subscription*

The Company is also expected to raise £892,500 (gross) by issuing 89,250,000 Subscription Shares to the Subscribers at the Subscription Price.

The Subscribers include myself and the other existing Directors, both of the Proposed Directors and certain other substantial shareholders of Vista such as Brian Gibson. Details of the shareholdings of the Directors and the Proposed Directors as they are now and as they will be immediately after Admission are set out in paragraph 9.1 of Part VII of this document.

## **Details of the Acquisition**

### *Acquisition Agreement*

Pursuant to the terms of the Acquisition Agreement, the Company has agreed, conditionally upon, inter alia, the granting of the Waiver by the Panel, the Resolutions being passed at the EGM and Admission, to acquire the entire issued share capital of Vista on Admission in consideration for the issue and allotment of the Consideration Shares by the Company to the Vendors, credited as fully paid. The Company and certain of the Vendors have given each other mutual warranties and indemnities regarding the Company and Vista and their respective subsidiaries.

The Acquisition Agreement is terminable by the Company or the Vendors if there is a serious breach of certain undertakings or warranties (had such warranties been repeated after execution of the Acquisition Agreement and prior to Admission) given by the other.

Upon Admission, the Proposed Directors will be appointed to the board of the Company.

The Consideration Shares represent 43.6 per cent. of the Enlarged Share Capital and will, when issued, rank pari passu in all respects with the other Ordinary Shares then in issue, including all rights to all dividends and other distributions declared, made or paid following Admission. Certain of the Vendors have, as mentioned below, agreed to restrictions on their disposing of their Consideration Shares.

Further details of the Acquisition Agreement are set out in paragraph 13.3 of Part VII of this document.

### *Loan Note Sale Agreement*

Pursuant to the terms of the Loan Note Sale Agreement, the Trustees have agreed to sell £2,000,000 nominal value of Vista Loan Notes to the Company, in consideration for the issue to the Trustees of the New Loan Notes. The Loan Note Sale Agreement is conditional upon completion of the Acquisition Agreement and Admission.

Further details of the Loan Note Sale Agreement and the New Loan Notes are set out below under “Related Party Issues” and in paragraphs 13.4 and 13.5 respectively of Part VII of this document.

## **Details of the Admission and Settlement**

Application has been made to the London Stock Exchange for admission of the Enlarged Share Capital to trading on AIM. It is expected that Admission will become effective and that trading in the Enlarged Share Capital will commence on 28 February 2007.

If, for whatever reason, the Proposals are not approved or completed the Existing Shares will continue to trade on AIM and the Existing Directors will examine other options for the Group’s future.

The Ordinary Shares are eligible for settlement in CREST, the computerised share transfer and settlement system. CREST allows shares and other securities to be held in electronic form rather than paper form. Accordingly, settlement of transactions in Existing Ordinary Shares and the New Ordinary Shares following Admission may take place within the CREST system if the relevant Shareholder so wishes. Persons acquiring Ordinary Shares as part of the Fundraising may elect to receive Ordinary Shares in uncertificated form if, but only if, that person is a “system-member” (as defined in the CREST Regulations) in relation to CREST. CREST is a voluntary system and Shareholders can continue to hold their Ordinary Shares in certificated form and to continue dealing based on share certificates and stock transfer forms.

## **New Options**

The New Board believes that equity incentives are, and will continue to be, an important means of retaining, attracting and motivating key employees. Accordingly, the New Board will consider how best to incentivise key employees of the Enlarged Group and will seek approval of Shareholders for its proposals in due course.

## New Board

The Board currently comprises as non-executives, myself, Mark Rowse, and Ward Shaw with Simon Dessain as the CEO. On Admission it is proposed that George Lossius and Alan Moug will join the Board as CEO and CFO respectively, and that Simon Dessain will move from CEO to COO.

On Admission the New Board will comprise:

*Martyn Craig Rose, aged 58 (Non-Executive Chairman)*

Martyn, who joined the Board in May 2000, brings considerable entrepreneurial and management expertise to the Group and has been closely involved as an active investor in a wide range of companies. He qualified as a barrister before forming a corporate finance boutique involved in restructuring and refinancing smaller companies in 1975. Martyn became chairman of his first listed company at the age of 34 and has been chairman of over 20 public and private companies since then.

Successes include being the founder and chairman of a commercial radio group sold to the forerunner of Gcap where shareholders increased their investment twelve fold in eight years, and more recently the sale of his soft drinks manufacturing business where once again he was founder and chairman, and which he and his partner sold for £75 million in 2005 representing a 230 times return on their investment.

Martyn was short listed for the Non Executive Director of the Year Award in the first National Business Awards in 2002 and has been invited to judge The Entrepreneur of the Year Award category in 2004 to 2007.

*George Michael Lossius, aged 44 (Chief Executive)*

George has been involved with Vista for almost 20 years, holding executive positions in France, the United Kingdom and the United States. As CEO of Vista, in addition to the responsibilities of overall corporate management and strategic direction of the Vista Group, George oversees Vista's technology investments in new products, services and Vista's expansion of offshore initiatives. Prior to taking up his current position in April 2006, George was the Managing Director of Applications and Technology within the Vista Group, overseeing all aspects of the direction and development of Vista's applications and offshore services. During his tenure with Vista, George has also held positions as the CEO of Vista North America, and CEO of Vista France, as well as various project management, sales and technical positions. Before joining Vista, George worked for Unilever at Thames Group Ltd, and in the mid 1990's was also the founder and publisher of an electronic sports newsletter. George is a member of the Book Industry Study Group's Executive Board.

*Simon James Francis Dessain, aged 50 (Chief Operating Officer)*

As Chief Executive of Ingenta, Simon has had responsibility for leading the business globally. Prior to being appointed Chief Executive in 2004, Simon held the position of Chief Operating Officer for two years. He joined Ingenta from Cincom Systems, a large software vendor, where he worked for 14 years. His final role with Cincom was Managing Director for North America and Europe for their iD Solutions division for two years, having previously been Director of European Sales. Simon worked for IBM Australia before joining Cincom.

*Alan Boyd Moug, aged 40 (Chief Financial Officer)*

Alan Moug joined Vista in 2003 as Chief Financial Officer with jurisdiction over finance, human resources and administration for the Vista Group internationally. Prior to his move to Vista, Alan held a number of senior positions within Intershop AG, a global provider of e-commerce software and solutions, including CFO of Intershop Communications Inc. in San Francisco, California. Alan has also been the Corporate Reporting Manager for ICI plc and Finance & IT Manager for ICI Explosives Europe. Alan began his career as a Chartered Accountant with Coopers & Lybrand in Scotland after graduating from Glasgow University with a Bachelor of Accountancy degree.

*Mark Alexander Rowse, aged 46 (Non-Executive Director)*

Mark founded Ingenta in 1998 and was CEO of the Company for six years until 2004, when he became a non-executive director. He began his career at NM Rothschild in 1981, and since 1987



has been involved in a wide range of start-up and early stage businesses. Since stepping down as CEO of Ingenta, Mark has been developing a number of other business interests in the software and content industries and is currently a Non-executive Director of a number of companies.

*Ward Shaw, aged 61 (Non-Executive Director)*

Ward has been a non-executive director of the Company since 2000. He is a private investor and frequent speaker and contributor within the scholarly information community. He founded the CARL Corporation and UnCover Inc., and served as Chairman and CEO of those companies. Previously he was Executive Director of the Colorado Alliance of Research Libraries, Associate Director of Libraries at the University of Denver, and at Colby College. He holds degrees from Hamilton College, Simmons College, and an honorary Doctor of Laws from the University of Northern Colorado.

### **The City Code**

The issue of the Consideration Shares and the Subscription Shares to members of the Concert Party and the possible conversion after Completion of the New Loan Notes by the Trustees, gives rise to considerations under the City Code. Brief details of the City Code and the protections it affords shareholders are described below.

The City Code, which applies to the Company, is issued and administered by the Panel and Shareholders are entitled to the protections afforded by the City Code.

The Code is designed principally to ensure that shareholders of a company are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror.

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

Under the City Code, “acting in concert” is defined as follows:

“Persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company.”

Under the City Code, “control” is defined as follows:

“an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests gives de facto control.”

### *Concert Party*

The Concert Party comprises persons acting in concert for the purposes of the City Code in relation to the Company and includes all of the Vendors and myself, a director of the Company. Further details of the Concert Party are set out on pages 16 and 17 below.

The Concert Party currently holds in aggregate 7,374,028 Ordinary Shares, representing 3.96 per cent. of the Existing Ordinary Shares.

In addition, on Admission, the Concert Party’s interest in Ordinary Shares will or may be increased by:

- the issue of 260,000,000 Consideration Shares in aggregate pursuant to the Acquisition Agreement;

- the issue of 60,250,000 Subscription Shares in aggregate; and
- the issue of the New Loan Notes which are convertible into up to 100,000,000 Ordinary Shares.

Set out below is the current interest of each member of the Concert Party in the Company's share capital as at the date of this document, as it will be immediately after the issue of the Consideration Shares and the Subscription Shares and after the issue of the maximum number of Ordinary Shares on conversion of the New Loan Notes:

<i>Member of Concert Party</i>	<i>Current Shareholding</i>		<i>Shareholding immediately after Admission</i>		<i>Shareholding following maximum conversion under New Loan Notes</i>	
	<i>No. of Ordinary Shares</i>	<i>% of Ordinary Share Capital</i>	<i>No. of Ordinary Shares</i>	<i>% of<sup>1</sup> Ordinary Share Capital</i>	<i>No. of Ordinary Shares</i>	<i>% of<sup>1</sup> Ordinary Share Capital</i>
Almandine LLC	Nil	Nil	39,660,493	6.7	39,660,493	5.7
ESOT	Nil	Nil	36,339,808	6.1	36,339,808	5.2
Brian Gibson	Nil	Nil	36,164,628	6.1	36,164,628	5.2
George Lossius	Nil	Nil	36,164,628	6.1	36,164,628	5.2
Alan Moug	Nil	Nil	36,414,628	6.1	36,414,628	5.2
Colin Bottle	Nil	Nil	29,510,460	4.9	29,510,460	4.2
Jay Teitelbaum	Nil	Nil	8,014,193	1.3	8,014,193	1.2
Randy Petway	Nil	Nil	4,354,228	0.7	4,354,228	0.6
Ken Burch	Nil	Nil	3,185,310	0.5	3,185,310	0.5
Gary Bowman	Nil	Nil	2,123,540	0.4	2,123,540	0.3
Tony Scotto	Nil	Nil	1,206,557	0.2	1,206,557	0.2
C. Jamie Sehmer	Nil	Nil	2,206,557	0.4	2,206,557	0.3
Tony Hartley	Nil	Nil	313,705	0.1	313,705	0.05
Martyn Rose <sup>2</sup>	7,374,028	3.96	91,965,293	15.4	191,965,293	27.6
Totals:	<u>7,374,028</u>	<u>3.96</u>	<u>327,624,028</u>	<u>55.0</u>	<u>427,624,028</u>	<u>61.4</u>

Notes:

1 Assuming that no outstanding share options are exercised prior to these dates/events

2 134,591,265 of the Ordinary Shares in which Martyn Rose will be interested following maximum conversion will be registered in the name of the Trustees.

Immediately following Completion, the Concert Party will hold in aggregate 327,624,028 Ordinary Shares, representing 55.0 per cent. of the Enlarged Share Capital. If the New Loan Notes are converted in full at the most advantageous price of 2p per Ordinary Share, the Concert Party would hold a maximum of 427,624,028 Ordinary Shares, representing 61.4 per cent. of the issued ordinary share capital of the Company as enlarged by such conversion. The earliest date on which conversion of the New Loan Notes could occur is the date of Admission.

Shareholders should be aware that members of the Concert Party may, for so long as they between them hold over 50 per cent. of the voting rights of the Company and for so long as they continue to be treated as acting in concert, increase their aggregate interests in shares at a later date (including by the conversion of the New Loan Notes as described above) without incurring any further obligation under Rule 9 to make a general offer, although individual members of the Concert Party will not be able to increase their percentage shareholding above a Rule 9 threshold without Panel consent.

#### *Waiver of Rule 9*

Unless the Waiver is approved by Independent Shareholders, the issue to members of the Concert Party of Consideration Shares and Subscription Shares would give rise to an obligation on the Concert Party (or one or more of its members) to make a general offer to all Shareholders under Rule 9 of the City Code.

The Independent Directors believe that it is appropriate for the Company to carry out the Acquisition and the Fundraising, to issue the Consideration Shares and Subscription Shares to members of the Concert Party and to issue the New Loan Notes to the Trustees on behalf of me, a member of the Concert Party. However, the Independent Directors would not be prepared to approve the Acquisition or Fundraising in circumstances which would lead to the Concert Party or any member of it becoming obliged to make a general offer to acquire all of the Ordinary Shares not held by the Concert Party or such member.



**The members of the Concert Party are only prepared to enter into the Acquisition Agreement, Loan Note Sale Agreement and Subscription Agreements on the basis that they will not be obliged to make such an offer on issue of the Consideration Shares and/or Subscription Shares and/or on conversion of the New Loan Notes.**

It is for this reason that the Independent Directors have decided to seek the Waiver from the Panel from the obligation on the Concert Party (or any member of it) to make a general offer under Rule 9 as a result of the issue to them (or any of them) of the Consideration Shares, Subscription Shares and Ordinary Shares arising on conversion of the New Loan Notes.

**The Panel has agreed, subject to the Waiver Resolution being passed on a poll by the Independent Shareholders, to grant the Waiver. For the avoidance of doubt, the Waiver applies only in respect of increases in the holding of Ordinary Shares of the Concert Party resulting solely from the issue to them of the Consideration Shares, Subscription Shares or on the issue of up to 100,000,000 Ordinary Shares upon the conversion of the New Loan Notes.**

The Waiver is conditional upon the Waiver Resolution being approved by the Independent Shareholders voting on a poll at the EGM, and I, being the only member of the Concert Party who is also a Shareholder, have undertaken not to vote on such resolution.

#### *Intentions of the Concert Party*

Save for the appointment of the Proposed Directors on Admission, no member of the Concert Party is proposing any changes to the board of directors of the Company. The members of the Concert Party have confirmed their intention that, following any increase in their holdings of Ordinary Shares as a result of the issue to them of the Consideration Shares, Subscription Shares or Ordinary Shares on conversion of the New Loan Notes, the business of the Company would be allowed to continue in substantially the same manner, with no major changes. The members of the Concert Party have no intention of relocating the business or redeploying the fixed assets of the Enlarged Group.

The members of the Concert Party have also confirmed that the existing employment rights, including pension rights (where relevant), of all employees of the Enlarged Group would be maintained.

The members of the Concert Party are:

#### *Almandine LLC of PO Box 556, Charleston, Nevis, West Indies*

Almandine LLC is a corporate trust and was incorporated in St Kitts and Nevis under the Nevis Limited Liability Ordinance 1995 on 15 January 1998 and is registered to carry on business under independent management.

For tax purposes, Almandine LLC is resident in the Isle of Man. The sole manager is Falcon Management LLC and the sole member is Hawk Guarantors LLC. Both companies are special purpose managers and nominees wholly owned and controlled by KSi Hawk Ltd.

The company manager is subject to the veto of Brian Gibson, a director and shareholder of Vista and a member of the Concert Party. However, by holding such veto, Brian Gibson is prohibited from legally or beneficially benefitting from Almandine LLC other than by re-imbusement of expenses.

KSi Hawk Ltd is licensed by the Isle of Man Financial Supervision Commission as a Corporate Service Provider. As a licensed entity, KSi Hawk Ltd must adhere to the Isle of Man Anti-Money Laundering statutes and guidelines, which are considered to be equivalent to the relevant UK statutes by the UK joint anti-money laundering steering group. Further details relating to KSi Hawk Ltd can be found in the list of regulated entities on the Isle of Man Government website [www.gov.im/fsc](http://www.gov.im/fsc).

#### *Spread Trustee Company Limited as trustees of the ESOT*

The ESOT, which is administered by Spread Trustee Company Limited, has power to hold shares in Vista and to make benefits available to employees of the Vista Group. The ESOT has granted options over Vista shares to Vista Group employees which will become exercisable on Admission. It is also the registered holder of Vista shares, the beneficial interest in which has already vested in Vista Group employees.

*Brian Patrick Gibson (age 58) of 142 Kingsland Road, Boonton, New Jersey, USA 07005*

Brian is Chief Executive Officer of Vista North America and has been a leading executive at Vista since the company's inception, joining the company in 1981. He is responsible for the overall corporate management and strategic direction of Vista International's North American operation.

*George Michael Lossius (age 44) of 78A Elsham Road, London W14 8HH*

Please refer to the summary set out on page 13 above.

*Alan Boyd Moug (age 40) of Pumpmasters Cottage, Pumphouse Close, London SE16 7HS*

Please refer to the summary set out on page 13 above.

*Colin Bottle (age 46) of 45 Montefiore Street, London SW8 3TP*

Colin Bottle is Managing Director of Vista Europe and has been with Vista since 1990 and, since 1995, has been responsible for the division's P&L and overall management in his role as Managing Director.

Originally employed in a project management role, Colin held several positions including Technology Director and Business Development Director, before being promoted to his current role.

Prior to joining Vista, Colin held various roles in the publishing industry, including IT Manager for a key UK distributor as well as completing several project management assignments in a number of other industries.

*Martyn Craig Rose (age 58) of 7 Trebeck Street, London W1Y 7LV*

Please refer to the summary set out on page 13 above.

*Jay Teitelbaum (age 43) of 32 Wendover Road, East Windsor, New Jersey, USA 08520*

Jay is Chief Operating Officer of Vista North America and has been with Vista since 1987. As the Chief Operating Officer in North America for Vista International, he is responsible for Professional Services, Customer Services, and Account Management functions.

After graduating from Rutgers College in 1985, Jay spent several years as a software engineer at RCA's aerospace division before joining Vista.

Prior to entering into his current role, Jay served as Vice President of Operations, Development Group Director, Project Director, Project Manager, and Senior Software Consultant.

*Together with Randy Petway, Ken Burch, Gary Bowman, Anthony Scotto, C. Jamie Sehmer and Anthony Hartley.*

## **Related Party Issues**

### *Introduction*

I am a director and non-executive Chairman of both the Company and Vista. My interest in Vista shares is currently held through the Trustees, of whom I am one, as trustees of the MR Settlement. I am the beneficiary of the MR Settlement and am therefore deemed to be beneficially interested in any assets held by the Trustees.

My involvement in Vista commenced in December 2005 when, as part of a refinancing of the Vista Group (involving the buy-out of 3i Group plc's interest in the Vista Group) the Trustees advanced £2,400,000 to Vista under the terms of the Vista Loan Notes and I was simultaneously appointed a director and non-executive Chairman of Vista.

### *Vista Loan Notes and Loan Note Sale Agreement*

The principal terms of the Vista Loan Notes are as follows:

- they are secured over the assets of the Vista Group subject to prior charges in favour of the Vista Group's principal bankers, Royal Bank of Scotland plc;
- they bear interest at a fixed rate of 8 per cent. per annum with such interest rate being increased if the EBITDA (earnings before interest, tax, depreciation and amortisation) of the Vista Group fall below certain agreed thresholds; and
- they are convertible at any time into Vista Ordinary Shares.

On conversion in full of the Vista Loan Notes, the Trustees would currently be entitled to such number of Vista Ordinary Shares as would be equivalent to 38 per cent. of the entire issued share capital of Vista as enlarged by such conversion. In order to protect this potential shareholding, the Trustees were allotted one special share in Vista (“Special Share”), the rights of which, inter alia, prevent further borrowings of the Vista Group without the prior consent of the Trustees and entitle the holder of the Special Share to appoint/maintain a director on the board of Vista.

The Trustees have given notice, subject only to Admission, to convert £400,000 of the Vista Loan Notes into Vista Ordinary Shares which will be sold to the Company pursuant to the Acquisition Agreement (and in respect of which the Trustees will receive Consideration Shares on the same basis as the other Vendors). The balance of £2,000,000 of Vista Loan Notes will be sold to the Company pursuant to the Loan Note Sale Agreement in consideration for the issue by the Company to the Trustees of the New Loan Notes. At Completion, outstanding interest on the Vista Loan Notes of £306,000 will be paid to the Trustees.

#### *New Loan Notes*

The terms of the New Loan Notes are similar to those of the Vista Loan Notes save that:

- they will be secured over the assets of the Enlarged Group subject to the prior security in favour of the Company’s bankers;
- the interest payable by the Company cannot be increased by reference to any EBITDA or other financial thresholds of the Enlarged Group; and
- the New Loan Notes, instead of being convertible at any time, will be convertible at any time from Admission up to 31 December 2007 and then during the months of June and December (or later if conversion is not possible due to dealing restrictions under the AIM Rules) in each year commencing in 2008 until 31 December 2010, starting at a conversion price of 2p per Ordinary Share during 2007 and rising to 7p per Ordinary Share in 2010.

Certain of the rights relating to borrowing restrictions currently contained in the Special Share rights referred to above will be replicated in the New Loan Notes. The right to appoint/maintain a director on the board of the Company will be set out in the articles of association of the Company proposed to be adopted by resolution 4 as set out in the Notice of EGM. This will ensure that I or my appointee will be entitled to a seat on the New Board for as long as I am interested in voting rights (assuming full conversion of the New Loan Notes) equaling 10 per cent. or more of the total voting rights of the Company.

#### *Chairman*

On Admission, I will continue as non-executive Chairman of the Company. The terms of my appointment as Chairman of the Company are summarised in paragraph 10.3 of Part VII of this document.

#### *Acquisition Agreement*

The Trustees are also a party to the Acquisition Agreement (as one of the Vendors) pursuant to which they will, on Admission, sell their Vista Ordinary Shares and their Special Share in Vista to the Company in consideration for the allotment to them of 260,000,000 Consideration Shares on the same terms as the other Vendors. The Trustees are not giving any warranties (other than as to ownership of shares and capacity to sell) to the Company.

#### *Subscription*

I have also entered into one of the Subscription Agreements pursuant to which I have agreed, conditional, inter alia, on Admission, to subscribe for 50,000,000 Ordinary Shares at the Subscription Price and otherwise on the same terms as the other Subscribers.

#### *Related Party Implications*

Because the Trustees and I are related parties of the Company under the AIM Rules, the Company must be satisfied, having sought the advice of its Nominated Adviser, that the terms of the transactions with such related parties are fair and reasonable. In addition, because of my interests in the Proposals, I have taken no part in recommending any aspect of the Proposals to Shareholders. As I am not an Independent Shareholder I will not be entitled to vote on the Waiver Resolution.

## **Financial Information for the Enlarged Group**

An unaudited pro-forma statement of consolidated net assets for the Enlarged Group, prepared for illustrative purposes only, and showing the impact of the Acquisition and the Fundraising, is set out in Part VI of this document.

## **Current trading and prospects of the Enlarged Group**

### *Current trading*

#### *Ingenta*

Since 30 June 2006, Ingenta has made progress in improving operating margins and developing business from existing and new clients in its PCG and IngentaConnect divisions. However, as indicated in the announcement of the interim results on 29 September 2006, sales shortfalls in the ICD division, write off of product development costs, and high levels of central overheads, have continued in the second half.

#### *Vista*

Since 30 June 2006, Vista has traded ahead of expectations in terms of business gains and operating margins. Operating profits for the six month period to 31 December 2006 are expected to exceed those of the same period in 2005.

### *Prospects for the Enlarged Group*

The Directors are confident that there will be considerable opportunities for the Enlarged Group to increase revenues across its core business streams in particular from cross selling from the Enlarged Group's expanded suite of services. It is also expected that the Enlarged Group will considerably improve its group financial performance in the current financial year from already identified cost savings.

These savings are expected partly from reduction in duplicated functions and partly from efficiencies created by the Acquisition. The Directors anticipate that the Enlarged Group will benefit from the high degree of visibility provided by continuous revenue streams generated by renewable annual contracts.

The anticipated increased financial strength and scale resulting from the Acquisition will position the Enlarged Group as an attractive entity to lead the consolidation opportunities that exist within the markets in which it operates. Indeed, the Directors have already identified a number of potential complimentary acquisitions and will seek to bring these to fruition during the course of this year.

## **Strategy of the Enlarged Group**

The Enlarged Group will be seeking to optimise performance by allocating activities to profit and cost centres best suited to providing the services, and best placed to obtaining the revenue generation and cost savings targets of the New Board.

The New Board believes that the Enlarged Group will be able to achieve many of the targeted cost savings by reducing the duplication of activities within finance, HR, IT support and product development.

The sales teams of Vista North America and Europe will be bolstered by the inclusion of the sales force from the Ingenta ICD division, who have the capacity to extend their activities. The Inside Sales teams within Vista on both continents will also be extending their pro-active sales approach to include the new products and services offered by the Enlarged Group.

The products being offered by Vista will be extended to include the internet/online commerce products that have been developed by the Ingenta ICD division, thereby providing extensive publishing supply chain systems which integrate the print and electronic requirements of major publishers.

It is believed that both businesses have customers that can gain from the extended products and services that the Enlarged Group will be able to provide. Following Completion, the account management teams of both companies will commence a "road show" to present these to customers of both businesses.

It is expected that new opportunities will occur across the Enlarged Group to provide hosted fulfilment, royalties, and production systems for Ingenta's existing and future publishing customers.

## **Dealings and trading**

Application will be made by the Company for the Existing and the New Ordinary Shares to be admitted to AIM on completion of the Acquisition. Subject to completion of the Acquisition, trading in the Enlarged Share Capital is expected to commence on 28 February 2007.

## **Lock-In Arrangements**

The Proposed Directors and certain of the Vendors (namely, Almandine, Brian Gibson and Colin Bottle) have undertaken to the Company and Collins Stewart, subject to certain exceptions (including the ability to accept a take-over offer for the Company and to give an irrevocable undertaking to accept a takeover offer for the Company), not to dispose of or transfer any Ordinary Shares in which they are interested until the preliminary announcement of the Company's results for the year ending 31 December 2007 and have further undertaken only to dispose of any interest in Ordinary Shares for a further period of 12 months through Collins Stewart (or any other broker of the Company at the time).

The Existing Directors have given similar undertakings, save that in relation to their beneficial holdings of Existing Ordinary Shares, the non-disposal restriction will cease to apply on announcement of the Company's interim results for the six months ending 30 June 2007.

The aggregate number of Ordinary Shares subject to such lock-in arrangements is 304,834,001 representing approximately 51.1 per cent. of the Enlarged Share Capital.

Further details of the agreements containing such undertakings are set out in paragraph 13.6 of Part VII of this document.

## **Dividend Policy**

The New Board intends to retain earnings in the short term to fund the development and growth of the Enlarged Group's business. In the medium to long-term however, the New Board intends to pursue a progressive dividend policy in line with its rate of earnings growth (although it will maintain levels of dividend cover and retained earnings to fund the Enlarged Group's growth).

## **Corporate Governance**

The Directors recognise the value of the Combined Code. The Company endeavours to comply with the Combined Code, as appropriate for a company of its size and resources. The Board has established an audit committee, a remuneration committee and a nomination committee with formally delegated duties and responsibilities.

The audit committee is chaired by me and its other member is Ward Shaw. The audit committee receives and reviews reports from management and the Company's auditors relating to the annual and interim accounts and the accounting and internal control systems in use throughout the Group.

The remuneration committee is chaired by me and its other member is Ward Shaw. The remuneration committee reviews the scale and structure of the Executive Directors and senior managers' remuneration and the terms of their service contracts. The remuneration and terms and conditions of appointment for the Non-Executive Directors is set by the Board.

The nomination committee is chaired by me and its other member is Ward Shaw. The nomination committee considers the appointment of new directors.

The Company takes all reasonable steps to ensure compliance by the Directors and employees with the provisions of the AIM Rules relating to dealings in securities of the Company and will adopt a share dealing code for this purpose. The Board will comply with Rule 19 of the AIM Rules relating to directors' dealings and will take all reasonable steps to ensure compliance by the Company's "applicable employees" (as defined in the AIM Rules).

## **Extraordinary General Meeting**

Set out at the end of this document is a notice convening the Extraordinary General Meeting of the Company to be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP at 10.00 a.m. on 27 February 2007 at which the following resolutions will be proposed:

- Resolution 1 is an ordinary resolution to approve the Acquisition and the Loan Note Sale Agreement;



- Resolution 2 is an ordinary resolution to approve the waiver by the Panel of the obligations of the Concert Party under Rule 9 of the City Code in respect of the issue of Consideration Shares and Subscription Shares to members of the Concert Party and the issue of up to an additional 100,000,000 Ordinary Shares to the Trustees (members of the Concert Party) upon the future conversion of the New Loan Notes;
- Resolution 3 is a composite special resolution to (a) increase the authorised share capital of the Company to £15,010,371; (b) authorise the Directors under section 80 of the Act to issue Ordinary Shares up to an aggregate nominal amount of £7,500,000; and (c) authorise the Directors under section 95 of the Act to issue and allot otherwise than on a pre-emptive basis (i) the Placing Shares and the Subscription Shares, (ii) up to 100,000,000 Ordinary Shares on the conversion of the New Loan Notes, and the allotment of further Ordinary Shares up to a maximum nominal value of £700,000 (representing approximately 10 per cent. of the Enlarged Share Capital as increased by the allotment of the 100,000,000 Ordinary Shares referred to above);
- Resolution 4 is a special resolution to amend the Articles; and
- Resolution 5 is a special resolution to change the name of the Company to “Publishing Technology plc”.

Resolution 2 will be voted on by a poll of the Independent Shareholders.

Resolutions 3 to 5 are conditional upon the passing of Resolutions 1 and 2.

The attention of Shareholders is also drawn to the voting intentions of the Independent Directors set out under the heading “Recommendation and Voting Intentions” below.

#### **Taxation**

Information regarding United Kingdom taxation is set out in paragraph 19 of Part VII of this document. If you are in any doubt as to your tax position, you should contact your professional adviser immediately.

#### **Further information**

Your attention is drawn to the further information set out in Parts II to VII of this document.

#### **Action to be Taken**

You will find enclosed with this document a Form of Proxy, for use in connection with the EGM. Whether or not you intend to be present at the EGM, you are asked to complete the Form of Proxy in accordance with the instructions printed on it so as to be received by Capita IRG plc at The Registry, PO Box 25, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible but in any event not later than 10.00 a.m. on 25 February 2007. Completion of the Form of Proxy will not preclude you from attending and voting at the meeting should you so wish.

#### **Recommendation and Voting Intentions**

Given the extent of my interests in the Proposals and that I am a related party for the purposes of the AIM Rules, I have not participated in the Board’s deliberations with regard to the Proposals.

The Independent Directors, who have been so advised by Collins Stewart, consider that the Proposals are in the best interests of the Company and Shareholders as a whole and that the terms of the Proposals are fair and reasonable insofar as the Shareholders are concerned. In providing advice to the Independent Directors, Collins Stewart has taken into account the Independent Directors’ commercial assessments.

Accordingly, the Independent Directors recommend that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting, as they have irrevocably undertaken to do in respect of their own shareholdings, which in aggregate amount to 9.6 per cent. of the Existing Ordinary Shares.

Yours faithfully

**Martyn Rose**  
*Chairman*

## PART II

### Information on the Vista Group

#### Introduction

The Vista Group is a supplier of software solutions and related professional and customer services to the North American and European book and journal publishing industry. The core software solutions are business administration systems that manage the production, order taking, fulfilment and financials for book and subscription publishers. Professional services include the project management, systems implementation and creation of customised requirements related to each sale of software, and customer services range from full systems hosting and maintenance to a basic help desk service for Vista's customers.

Vista has approximately 100 staff located in New Jersey and Watford, and a management team with considerable experience in the publisher software solutions and services market.

Vista's management is led by George Lossius who has held various technical and management positions within Vista in the UK, the USA and France. George was appointed CEO of the Vista Group in April 2006 and is supported by CFO, Alan Moug, who joined in 2003, and Brian Gibson and Colin Bottle, the directors responsible for the North American and European operations respectively, both of whom have served the Vista Group for over 10 years.

Vista's publishing knowledge, technical and service skills are believed by Vista's directors to be key business advantages. Its profile in the market, assisted by production of research papers and participation on industry boards, gives Vista a broad understanding of the issues faced by publishers and assists its management in being able to respond to these.

#### Key strengths

The Proposed Directors believe that the Vista Group has the following key strengths:

- One of the leading systems specialised in the supply chain of the publishing industry
- Experience in implementation of major systems at many large publishing groups
- Publishing industry expertise and leadership through:
  - publishing industry research initiatives and publications
  - membership of industry bodies and boards
  - specialist publishing systems with intellectual property built up over nearly 30 years of experience
- Knowledgeable and experienced services delivery teams on two continents
- Pro-active sales process through sales and marketing teams in Europe and North America
- An experienced IT solutions management team

#### History and development

Founded in the late 1970's, Vista established itself as a business that provided fulfilment and distribution systems for the book publishing industry in the UK, and during the 1980's built a base of publishing customers.

During the mid 1990's, Vista invested in the development of a North American operation and the creation of new applications for this market. Towards the end of the 1990's, Vista created the product known as PubEasy.com.

During 1998 there was an MBO, financed with the assistance of 3i Group plc ("3i"), which allowed the founder and chairman to exit the business. Also during the period 1998-2000, Vista invested heavily in PubEasy.com, a web based product providing customer self-service and general e-commerce tools to bookstores and publishers, with a view to listing the business. In the event, and following the collapse in valuations for so-called "dotcom" businesses, PubEasy's potential value diminished significantly and the business was sold.



In 2004, Vista embarked on a process to upgrade its products in a new technology and architecture, and in doing so started the process of engaging offshore suppliers in India and Sri Lanka. This is a source of considerable investment, and is planned to continue for a further 24-30 months, with the first modules of the re-engineered software now becoming available.

At the end of 2005, through a combination of cash from the business and an investment from the Trustees through the New Loan Notes, 3i's interest in Vista was bought-out.

Today, Vista provides a suite of applications suited to a wide range of publishers from traditional book publishers to those who publish "fire-code" reference materials. The North American business now represents nearly half of the Group's revenues. The business has also changed its business model in the last 5-6 years to improve consistency of revenues by increasing the number of customers for which it provides long term service contracts.

## **Description of the business of Vista Group**

### *Software systems*

Vista's publishing software is called "author2reader" and the systems provide many parts of the systems requirements for taking a publication from inception to the consumer. The publishing supply chain encompasses marketing, order-taking, order-fulfilment, subscription renewal management, customer service, inventory management, warehouse management, accounts receivable, financial reporting, rights and royalty management, and inventory planning.

The Vista systems seek to provide solutions for small and large publishers in each of these areas, and seek to do so for a variety of types of publishers. Modules of the systems may be implemented as a whole or may be implemented individually, hence, customers tend to have parts of the systems offered rather than all of them.

Vista's software is managed as a package catering for the significantly varying requirements of the different geographic markets of its customers. However, as publishers will have some specific requirements for their business, Vista will perform customer specific code extensions, some of which may be taken into the package because they have a general use, and some of which will remain customer specific.

### *Services*

As well as providing software packages, Vista provides services to their customers that can be split into five main groupings:

- Application Implementation Services (AIS) are those services needed to implement the systems that customers have purchased. The extensive nature of Vista's applications is such that each sale will be accompanied by services which include project management, training, data conversion, integration with other systems (e.g. finance), system setup and implementation.
- Application Support and Update (ASU) services include such items as help desk support and updates to software to ensure their good functioning. Vista seeks to have an annual self-renewing contract with the customer for ASU provision.
- Applications Management Services (AMS) are largely an extension to ASU where Vista is engaged by the customer to provide more comprehensive services to manage the systems on its behalf. Vista seeks to obtain long term contracts for the provision of such services.
- Applications Hosting Services (AHS) are where Vista provides a comprehensive service to the customer, including the provision and management of the hardware requirements. This is a model often referred to as ASP, and is usually provided by a three or five year contract where there is a set up fee and then a monthly usage fee thereafter.
- Time Based Services (TBS) are other consulting services that Vista provides and do not fall into the above categories. These include services such as assisting publishers who have acquired a business to integrate the business on their Vista systems, providing bespoke requirements for the publisher and integrating Vista systems with other new systems (e.g. financial packages).

All the services described above are provided locally by Vista's North American or European operations.

## **Customers**

Vista's customers range from some of the largest publishers in the world such as Reed/Elsevier and Hachette, to far smaller specialist publishers such as Barefoot Books. Vista is represented in one or more of the publishing divisions of the majority of the 10 largest publishers in the world, and has customers in North America, Australia, the UK, Belgium, The Netherlands and France.

In the UK, Vista Group's customers tend to be trade book publishers and distributors such as Hachette, Random House, Penguin, and Walker Books, whereas in North America there is a larger element of learned journal, business, law and journal subscription publishers such as Aspen (Wolters Kluwer), the National Fire Protection Association, and the IMF.

Vista's largest customer is the Reed/Elsevier group where Vista has major systems implemented at Elsevier and LexisNexis (USA).

## **Marketplace and Competition**

### *Market overview*

The size of the publishing market is difficult to quantify because of the difficulty in establishing classifications of publishers and classifications of revenues. However, it is generally accepted that the four largest publishing markets are the USA, Japan, Germany and the UK. The New Board believes that there are eight major publishers or publishing groups in the world and that Vista supplies systems to six of them.

The approximate size of the publishing sector that Vista is able to target is estimated to have revenues of £30 billion. Vista estimates that the total IT expenditure of publishers is approximately 2.8 per cent. of revenues, of which approximately half is expenditure that Vista could be competing for. Therefore, the approximate market size for Vista is estimated at £350 million.

The Directors and Proposed Directors believe that Vista can increase its reach into this market through activities already initiated during 2006, such as changes to sales processes, variations in product offerings, and providing offshore services. By further extending the range of products and services that can be offered by combining with Ingenta, the New Board believes the Enlarged Group would be able to capitalise on an increase in opportunities to sell products and services to this market.

### *Competition Overview*

Vista's principal competition can be grouped into three categories: the leading ERP (Enterprise Resource Planning) vendors such as SAP and Oracle; software houses specialised in publishing; and internal IT departments of publishers.

Leading ERP vendors tend to limit their activities in the publishing industry to the relatively few large international publishers and so Vista competes against these organisations infrequently. Strengthening the business and increasing size should assist Vista in increasing competitiveness in this area.

There are a number of publishing specialist software companies in North America and Europe that provide the same or similar types of systems to Vista. In total, Vista's directors believe that there are approximately eight specialist software companies of significance in both markets. When competing for business at larger publishers, these competitors are usually limited to three as the other six competitors largely focus on the small publishers. In addition there are a few small organisations which target a specific area of publishing systems that Vista also provides systems for e.g. production management, rights and royalties. In North America and the UK, Vista is the largest provider in terms of revenues.

Some publishers still prefer to create and implement systems internally and there remain a large number of publishers with internally built systems.

## PART III

### Risk Factors

An investment in Ordinary Shares involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this document before investing in Ordinary Shares. The New Board consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not purport to comprise all those risks associated with an investment in the Company and are not set out in any particular order of priority. Reference should also be made to Parts IV, V and VI of this document which contain financial information on the Enlarged Group.

If any of the events described in the following paragraphs in this section actually occurs, the Enlarged Group's business, financial condition, capital resources, results or future operations could be materially adversely affected. In this event, the price of the Ordinary Shares could decline and investors may lose all or part of their investment. The investment offered in this document may not be suitable for all of its recipients. Before making an investment decision, prospective investors should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. A prospective investor should consider carefully whether an investment in the Company is suitable for him/her in the light of his/her personal circumstances and the financial resources available to him/her.

#### **Risks relating to the Acquisition and the Business of the Enlarged Group**

##### *Dependence on key customers*

The Enlarged Group will have one customer that will represent approximately 15 per cent. of the revenues of the Enlarged Group. This customer, Elsevier, has accounted for 20-25 per cent. of Vista revenues in the last three years. Whilst completion of contract renewal remains to be concluded, there are no known substantial adverse factors that would impact the projected revenues from this customer in the short or medium term. However, the loss of or a material decrease in this customer's revenues or any other of Vista's top three customers, none of whom exceed 8 per cent. of the Enlarged Group's revenues, could have a materially adverse effect on the financial performance and prospects of the Enlarged Group.

##### *Non continuous income*

The non continuous income of the Enlarged Group will represent approximately 40 per cent. of annual income. This revenue can depend on relatively few large contracts, which, should they not materialise, could adversely impact the financial performance of the Enlarged Group.

##### *Consortia Link*

Consortia Link income provides only a small margin, however it provides cash flow benefits. The income relies on one customer, and should it not renew in 2008, this could materially impact that cash balances of the Enlarged Group in December 2007 and January 2008.

##### *Publishing sector downturn*

The Enlarged Group operates within the publishing sector only. If there is a down turn in the publishing market, this could have a quite rapid adverse financial impact on the Enlarged Group.

##### *Advertising revenues not being achieved*

The advertising revenue stream within Ingenta is a new revenue stream, and there is therefore a risk that this revenue cannot be established to plan. If the advertising revenues do not materialise as expected, this could adversely impact all areas of the financial performance of the Enlarged Group.

##### *Integration Risk*

The operational and financial performance of the Enlarged Group is dependent on the successful integration of Vista's business into the Group. As with any acquisition, there are risks involved in seeking to achieve this integration. The New Board has undertaken both financial and legal due

diligence to seek to ensure that the businesses of the Vista Group and the Enlarged Group will meet expectations. However, no guarantee can be given that this will be the case and any delays or failure to integrate the business of the Vista Group could have an adverse effect on the performance of the Enlarged Group.

#### *Cost Synergies*

The financial performance of the Enlarged Group is dependent on the expected cost synergies and savings from the Acquisition and the need to effect the cost synergies from the outset. The Enlarged Group will be appointing a senior executive to lead the realisation of the cost synergies. Whilst these cost synergies have been largely identified at a detailed level, and the plan to effect them established, any material delay in effecting the cost synergies and resultant savings could have an adverse effect on the Enlarged Group's cash flow and increase its working capital requirement, thereby prejudicing its financial performance.

#### *Dependence on Key Personnel*

The Enlarged Group's performance will be dependent upon the expertise and continued service of the Directors and the Proposed Directors and upon the ability of the Enlarged Group to employ and retain senior management and other key personnel. In particular, it should be noted that a number of the Enlarged Group's employees are based in the United States and, as is usual employment practice there, most of them are not required to give notice to terminate their employment contracts. The loss of the services of any of the Directors, Proposed Directors, senior management or key employees, particularly at short notice, could have an adverse effect upon the Enlarged Group's future immediately following such an event.

#### *Competition*

Competitors may be able to develop products and services that are more attractive to customers than those of the Enlarged Group. In order to be successful in the future, the Enlarged Group will need to continue to respond promptly and effectively to such competition. Any significant new entrants to the market of the Enlarged Group, such as from Google or SAP, whilst considered unlikely, would provide significant competition and could have a material adverse effect on the Enlarged Group's prospects and financial performance.

#### *New Markets*

The majority of Vista's and Ingenta's products and services are currently focussed on the English-speaking markets. Vista and Ingenta are exploring, and the Enlarged Group will continue to explore opportunities in other markets, for example in China, and the failure to expand into such markets could have an adverse effect on the Enlarged Group's trading and financial performance.

#### *Funding and Gearing*

Whilst the New Loan Notes have a fixed rate of interest, any increase in interest rates on the bank facilities could have an adverse effect on the Group's cash flow. The Group has not taken any interest hedge arrangements on the new loans.

The Company has secured access to bank borrowings and floating facilities. The Enlarged Group will continue to require access to appropriate funding, including bank financing, and any failure to gain such access or the withdrawal or adverse change in terms of existing finance facilities may adversely affect the Enlarged Group's trading and financial performance. If bank or other suitable financing is not available the Company might have to issue further equity in which case shareholders would be further diluted.

#### *R&D Tax Credit*

The cash flow of the Enlarged Group projects receipt of an R&D tax credit payment of £200,000 in June 2007. Historical payments to Ingenta, and the continued development investment at Ingenta indicate that the amount and timing of the payment are appropriate, however, the non-payment, any material reduction in the amount or a material delay in payment will have an adverse effect on the Enlarged Group's cash flow and increase its working capital requirement.

## *US Dollar*

Approximately 55 per cent. of the Enlarged Group's current revenue is generated and paid in United States dollars. As a result, the Enlarged Group is subject to foreign currency exchange risk due to exchange movements. As 40 per cent. of the costs of the Enlarged Group will also be incurred in United States dollars the Group has decided not to hedge its currency risks.

## **General Risks**

### *Possible Volatility of Share Price*

Following Admission, the market price of the Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in the stock market regarding the Ordinary Shares or businesses similar to that of the Enlarged Group or in response to various facts and events, including any regulatory changes affecting the Enlarged Group's operations, variations in the Enlarged Group's half yearly or yearly operating results and business developments of the Enlarged Group or its competitors. Further, the trading price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including those referred to in this Part III, as well as variations in the operating results of the Enlarged Group, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, stock market fluctuations and general economic conditions or changes in political sentiment, each of which may adversely affect the market price of Ordinary Shares, regardless of the Enlarged Group's actual performance or conditions in its key markets.

### *Liquidity of the Ordinary Shares*

It may be more difficult for an investor to realise its investment in an AIM traded company than in a company whose securities are admitted to listing on the Official List. AIM has been in existence since June 1995, but its future success and liquidity as a market for the Ordinary Shares cannot be guaranteed. In addition, the market for shares in smaller public companies is generally less liquid than for larger public companies. Consequently, the Company's share price may be subject to greater fluctuation than a company whose securities or shares are admitted to the Official List and the Ordinary Shares may be difficult to buy and sell. Prospective investors should be aware that the value of the Ordinary Shares could go down as well as up and that prospective investors may not recover their initial investment.

### *Forward Looking Statements*

This Admission Document contains forward looking statements that relate to the Enlarged Group's prospective financial condition, results of operations, and its business plan, strategies, forecasts, prospective competitive position, and growth opportunities. This Admission Document also contains forward looking statements that relate to the market, financial and regulatory environments in which the Enlarged Group plans to operate, the plans and objectives of the Enlarged Group's management, and various other matters. These forward looking statements are identifiable by words such as "anticipate", "estimate", "project", "plan", "intend", "expect", "believe", "forecast" and similar expressions, and are located throughout this Admission Document. Prospective investors should be aware that these statements are estimates, reflecting only the judgment of the Company and the Enlarged Group's management and prospective investors should not place reliance on any forward looking statements.

**The list of risk factors above does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Company. Prospective investors should read this entire Admission Document. The investment described in this Admission Document may not be suitable for all those who receive this Admission Document. Before making a final decision, investors in any doubt are recommended to consult an independent financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.**



## PART IV

### Financial Information on Vista

#### Section A – Accountant’s report on the Vista Group



BDO Stoy Hayward LLP  
Chartered Accountants

BDO Stoy Hayward LLP  
8 Baker Street  
London  
W1U 3LL

The Directors and Proposed Directors  
Ingenta plc  
Unipart House  
Garsington Road  
Oxford  
OX4 2GQ

The Directors  
Collins Stewart Europe Limited  
88 Wood Street  
London  
EC2V 7QR

2 February 2007

Dear Sirs

Vista International Limited (“Vista”) and its subsidiaries (together, the “Vista Group”)

#### Introduction

We report on the financial information set out in Section B of Part IV. This financial information has been prepared for inclusion in the admission document dated 2 February 2007 of Ingenta plc (the “Admission Document”) on the basis of the accounting policies set out in note 1 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any 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 consenting to its inclusion in the Admission Document.

#### Responsibilities

As described in Section B of this Part IV, the directors and proposed directors of Ingenta plc (the “Directors”) are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with applicable law and United Kingdom Accounting Standards (“United Kingdom Generally Accepted Accounting Practice”).

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.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

**Basis of opinion**

We conducted our work in accordance with 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 judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, 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 Admission Document, a true and fair view of the state of affairs of the Vista Group as at the dates stated and of its consolidated results, cash flows, recognised gains and losses for the years then ended in accordance with the basis of preparation set out in note 1 to the financial information and has been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice as described in note 1 to the financial information.

**Declaration**

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules, we are responsible for this report as part of the Admission Document and declare that 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.

Yours faithfully

BDO Stoy Hayward LLP  
*Chartered Accountants*



## Section B – Financial information on the Vista Group

### Responsibility

The Directors are responsible for preparing the financial information set out below on the basis of preparation set out in note 1 to the financial information and in accordance with applicable law and United Kingdom Accounting Standards (“United Kingdom Generally Accepted Accounting Practice”).

### Consolidated profit and loss accounts

	<i>Notes</i>	<i>Year ended 30 June 2004 £</i>	<i>Year ended 30 June 2005 £</i>	<i>Year ended 30 June 2006 £</i>
<b>Turnover</b>	2	9,663,667	11,102,143	10,771,686
Cost of sales		<u>(5,845,476)</u>	<u>(7,023,359)</u>	<u>(7,384,900)</u>
<b>Gross profit</b>		3,818,191	4,078,784	3,386,786
Sales and marketing expenses		(1,107,844)	(1,154,799)	(908,853)
Administrative expenses		<u>(2,564,454)</u>	<u>(2,559,300)</u>	<u>(2,762,111)</u>
		<u>(3,672,298)</u>	<u>(3,714,099)</u>	<u>(3,670,964)</u>
<b>Operating profit/(loss)</b>	5	<u>145,893</u>	<u>364,685</u>	<u>(284,178)</u>
Interest receivable		21,651	18,513	33,651
Interest payable and similar charges	6	<u>(482,409)</u>	<u>(452,296)</u>	<u>(460,054)</u>
		<u>(460,758)</u>	<u>(433,783)</u>	<u>(426,403)</u>
<b>Loss on ordinary activities before taxation</b>		(314,865)	(69,098)	(710,581)
Taxation on loss from ordinary activities	7	<u>(89,410)</u>	<u>(99,539)</u>	<u>184,919</u>
<b>Loss on ordinary activities after taxation</b>		<u>(404,275)</u>	<u>(168,637)</u>	<u>(525,662)</u>
<b>Retained loss for the financial year</b>	17	<u><u>(404,275)</u></u>	<u><u>(168,637)</u></u>	<u><u>(525,662)</u></u>

All amounts relate to continuing activities.

**Consolidated statement of total recognised gains and losses**

		<i>Year ended</i> <i>30 June</i> <i>2004</i> £	<i>Year ended</i> <i>30 June</i> <i>2005</i> £	<i>Year ended</i> <i>30 June</i> <i>2006</i> £
<b>Consolidated statement of total recognised gains and losses</b>				
Loss for the financial year		(404,275)	(168,637)	(525,662)
Currency translation differences on foreign currency net investments	17	<u>(108,905)</u>	<u>(2,794)</u>	<u>(21,943)</u>
Total recognised losses relating to the year		<u><u>(513,180)</u></u>	<u><u>(171,431)</u></u>	<u><u>(547,605)</u></u>

## Reconciliation of movements in shareholders' funds

		<i>Year ended</i> <i>30 June</i> <i>2004</i>	<i>Year ended</i> <i>30 June</i> <i>2005</i>	<i>Year ended</i> <i>30 June</i> <i>2006</i>
	<i>Notes</i>	£	£	£
Loss for the financial year		(404,275)	(168,637)	(525,662)
A ordinary shares redeemed in the year		—	—	(12,250)
Capital redemption reserve on redemption of preference shares classified within liabilities		—	—	756,001
Other recognised losses relating to the year		(108,905)	(2,794)	(21,943)
New share capital subscribed		350,000	—	12,289
(Loss)/profit on sale of own shares		—	9,708	(33,290)
Purchase of own shares		—	(7,997)	(1,589)
Preference share dividends previously appropriated		(166,476)	—	—
Other movement	18	—	—	3,936
Net change in shareholders' deficit		(329,656)	(169,720)	177,492
Opening shareholders' deficit		(1,008,955)	(1,338,611)	(1,508,331)
Closing shareholders' deficit		<u>(1,338,611)</u>	<u>(1,508,331)</u>	<u>(1,330,839)</u>

## Consolidated balance sheets

		<i>As at</i> 30 June 2004 £	<i>As at</i> 30 June 2005 £	<i>As at</i> 30 June 2006 £
	<i>Notes</i>			
<b>Fixed assets</b>				
Intangible assets	8	4,757,423	4,327,181	3,992,019
Tangible assets	9	129,518	133,520	99,387
		<u>4,886,941</u>	<u>4,460,701</u>	<u>4,091,406</u>
<b>Current assets</b>				
Debtors – falling due within one year	11	1,949,871	2,215,598	2,464,402
Cash at bank and in hand		1,395,330	1,622,987	488,168
		<u>3,345,201</u>	<u>3,838,585</u>	<u>2,952,570</u>
<b>Creditors: amounts falling due within one year</b>	12			
Convertible debt		—	—	(451,871)
Other creditors		(4,697,106)	(5,521,019)	(5,027,957)
		<u>(4,697,106)</u>	<u>(5,521,019)</u>	<u>(5,479,828)</u>
<b>Net current liabilities</b>		<u>(1,351,905)</u>	<u>(1,682,434)</u>	<u>(2,527,258)</u>
<b>Total assets less current liabilities</b>		3,535,036	2,778,267	1,564,148
<b>Creditors: amounts falling due after more than one year</b>	13			
Preference shares and management redeemable shares		(1,904,861)	(1,904,861)	(1,061,111)
Convertible debt		—	—	(1,833,876)
Other creditors		(2,968,786)	(2,381,737)	—
		<u>(4,873,647)</u>	<u>(4,286,598)</u>	<u>(2,894,987)</u>
<b>Net (liabilities)</b>		<u>(1,338,611)</u>	<u>(1,508,331)</u>	<u>(1,330,839)</u>
<b>Capital and reserves</b>				
Called up share capital	16	43,167	43,167	37,062
Share premium account	17	—	—	6,144
Capital redemption reserve	17	—	—	756,001
Profit and loss account	17	(1,375,320)	(1,541,897)	(2,122,792)
		<u>(1,332,153)</u>	<u>(1,498,730)</u>	<u>(1,323,585)</u>
Less: investment in own shares	18	(6,458)	(9,601)	(7,254)
<b>Shareholders' (deficit)</b>		<u>(1,338,611)</u>	<u>(1,508,331)</u>	<u>(1,330,839)</u>

## Consolidated cash flow statements

		<i>Year ended</i> 30 June 2004 £	<i>Year ended</i> 30 June 2005 £	<i>Year ended</i> 30 June 2006 £
<b>Net cash inflow from operating activities</b>	22	185,799	697,852	207,958
<b>Returns on investment and servicing of finance</b>				
Interest paid		(326,436)	(327,753)	(525,198)
Interest received		20,200	18,513	33,651
Capitalised issue costs		(275,623)	—	—
		<u>(581,859)</u>	<u>(309,240)</u>	<u>(491,547)</u>
<b>Taxation</b>				
Overseas tax paid		(54,207)	(263)	(10,874)
Taxes refunded		274,838	—	—
		<u>220,631</u>	<u>(263)</u>	<u>(10,874)</u>
<b>Capital expenditure and financial investment</b>				
Purchase of tangible fixed assets		(49,774)	(87,482)	(48,485)
Sale of tangible fixed assets		2,676	—	—
Investment in own shares	18	—	(7,997)	(1,589)
Loss on sale of own shares		—	—	(32,900)
		<u>(47,098)</u>	<u>(95,479)</u>	<u>(82,974)</u>
<b>Net cash inflow/(outflow) before financing</b>		<u>(222,527)</u>	292,870	(377,437)
<b>Financing</b>				
Issue of shares		350,000	—	12,288
Increase in short-term borrowings		1,125,000	—	—
Repayment of loans		(4,386,514)	(698,929)	(2,750,151)
Increase in long-term borrowings		3,175,000	—	—
New convertible debt issued		—	—	2,285,747
		<u>263,486</u>	<u>(698,929)</u>	<u>(452,116)</u>
<b>(Decrease)/increase in cash</b>	23	<u>40,959</u>	<u>(406,059)</u>	<u>(829,553)</u>

## Notes to the consolidated financial information

### 1. Accounting policies

The financial information has been prepared under the historical cost convention and in accordance with applicable accounting standards. The following principal accounting policies have been applied:

#### *Basis of consolidation*

The consolidated financial information incorporates the financial information of the company and its subsidiaries.

The group uses the acquisition method of accounting to consolidate the results of subsidiary undertakings.

#### *Turnover*

Turnover represents charges for services rendered. Hardware revenue is taken on delivery. Licences and sales of standard software packages and sales of bespoke software are taken to revenue in accordance with the percentage completed. Revenue from contracts for the support and maintenance of software is spread evenly over the term of such contracts.

#### *Goodwill*

Goodwill arising on an acquisition of subsidiary undertakings is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. It is amortised through the profit and loss account over the directors' estimate of its useful life, being 20 years.

#### *Investments*

Investments held as fixed assets are stated at cost less any provision for impairment in value.

#### *Employee Share Option Trust*

The company is deemed to have control of the assets, liabilities, income and costs of the Vista International Limited 1998 Employee Share Ownership Trust ("ESOT").

The borrowings of the ESOT, which have been guaranteed by the company, are included in borrowings, with the net financing costs of the ESOT being shown as finance charges in the profit and loss account.

All dividends in respect of these shareholdings have been waived.

#### *Depreciation*

Depreciation is provided on all fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life. It is calculated over the following useful economic lives:

Leasehold improvements	– over lease term
Computer equipment	– over 3 years
Fixtures and fittings	– over 5 years
Office equipment	– over 3 years
Motor vehicles	– over 5 years

#### *Research and development*

Expenditure on pure and applied research is charged to the profit and loss account in the year in which it is incurred. Development costs are also charged to the profit and loss account in the year of expenditure.

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

### *Capital instruments*

The company has adopted the provisions of Financial Reporting Standard 4 'Capital instruments' ("FRS 4") which requires the amount of shareholders' funds attributable to equity and non-equity interest to be separately disclosed.

### *Foreign currencies*

The closing net assets of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The profit and loss accounts are translated at the average rate in the year.

The exchange difference arising on the re-translation of opening net assets is taken directly to reserves together with the exchange difference arising on the re-translation of the profit and loss accounts to the closing rate. All other translation differences are taken to the profit and loss account.

### *Leasing commitments*

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

### *Pension costs*

The group operates a defined contribution pension scheme.

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

## **2. Turnover**

Turnover represents the amounts derived from the provision of goods and services which fall within the group's ordinary activities, stated net of value added tax.

Analysis by geographical market:

	<i>Year ended 30 June 2004 £</i>	<i>Year ended 30 June 2005 £</i>	<i>Year ended 30 June 2006 £</i>
United Kingdom	5,656,789	5,765,794	5,827,253
Rest of Europe	543,323	685,369	506,670
Australasia	18,911	19,664	107,410
North America	3,444,644	4,631,316	4,330,353
	<u>9,663,667</u>	<u>11,102,143</u>	<u>10,771,686</u>

## **3. Employees**

Staff costs, including directors, consist of:

	<i>Year ended 30 June 2004 £</i>	<i>Year ended 30 June 2005 £</i>	<i>Year ended 30 June 2006 £</i>
Wages and salaries	4,746,088	5,170,551	5,516,826
Social security costs	513,554	535,640	543,462
Other pension costs	213,384	224,653	224,350
Other staff costs	235,615	264,148	191,755
	<u>5,708,641</u>	<u>6,194,992</u>	<u>6,476,393</u>



The average number of employees during each year was as follows:

	<i>Year ended 30 June 2004 Number</i>	<i>Year ended 30 June 2005 Number</i>	<i>Year ended 30 June 2006 Number</i>
Operations	76	78	76
Sales and marketing	12	14	9
Administration	10	10	11
	<u>98</u>	<u>102</u>	<u>96</u>

#### 4. Directors' remuneration

Directors' remuneration consists of:

	<i>Year ended 30 June 2004 £</i>	<i>Year ended 30 June 2005 £</i>	<i>Year ended 30 June 2006 £</i>
Fees as non-executive director	35,000	40,937	38,346
Executive directors' emoluments	691,223	941,291	894,623
Company pension contributions to money purchase schemes	51,033	51,503	27,865
	<u>777,256</u>	<u>1,033,731</u>	<u>960,834</u>
Highest paid director: Aggregate emoluments	<u>173,474</u>	<u>213,939</u>	<u>159,299</u>

There are three (2005 – three, 2004 – two) directors included in the money purchase pension schemes.

#### 5. Operating profit

This has been arrived at after charging/(crediting):

	<i>Year ended 30 June 2004 £</i>	<i>Year ended 30 June 2005 £</i>	<i>Year ended 30 June 2006 £</i>
Auditors' remuneration – audit services	46,810	69,499	68,000
– non-audit services	18,330	9,250	8,750
Depreciation of tangible fixed assets	79,063	83,574	82,579
Amortisation of goodwill	335,162	335,162	335,162
Amortisation of development costs	190,157	95,110	—
Operating lease rentals			
– Land and buildings	246,400	233,684	109,954
– Other	220,521	191,380	44,724
Exchange (gain)/loss	(174,938)	18,346	13,447
Redundancy costs	1,300	111,208	414,196

#### 6. Interest payable and similar charges

	<i>Year ended 30 June 2004 £</i>	<i>Year ended 30 June 2005 £</i>	<i>Year ended 30 June 2006 £</i>
Interest payable – Bank loans	90,669	105,889	128,119
– Other loans	236,082	221,864	172,551
– Amortised finance costs	130,370	99,255	159,384
Dividends – 'A' preference shares	25,288	25,288	—
	<u>482,409</u>	<u>452,296</u>	<u>460,054</u>

## 7. Taxation on loss on ordinary activities

	<i>Year ended</i> 30 June 2004 £	<i>Year ended</i> 30 June 2005 £	<i>Year ended</i> 30 June 2006 £
<i>Current tax</i>			
Current tax on losses of the year – UK	—	75,536	—
– Overseas	27,606	11,036	1,678
Adjustment in respect of previous years' corporation tax			
– UK	42,431	—	—
– Overseas	—	—	(12,920)
Total current tax	<u>70,037</u>	<u>86,572</u>	<u>(11,242)</u>
<i>Deferred tax</i>			
Overseas	26,601	5,630	(146,714)
Overprovision in prior years	(20,730)	(1,444)	(38,557)
Origination and reversal of timing differences	13,502	8,781	11,594
Movement in deferred tax provision (note 15)	<u>19,373</u>	<u>12,967</u>	<u>(173,677)</u>
Taxation on loss on ordinary activities	<u>89,410</u>	<u>99,539</u>	<u>(184,919)</u>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	<i>Year ended</i> 30 June 2004 £	<i>Year ended</i> 30 June 2005 £	<i>Year ended</i> 30 June 2006 £
Loss on ordinary activities before tax	<u>(314,865)</u>	<u>(69,098)</u>	<u>(710,581)</u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30% (2004 – 30%)	(94,460)	(20,729)	(213,174)
Effects of:			
Expenses not deductible for tax purposes	140,641	190,855	126,734
Depreciation in year in excess of capital allowances	(36,134)	(15,838)	(11,597)
Timing differences	(3,968)	(27,223)	—
US tax losses carried forward	—	—	146,714
Unutilised tax losses carried forward	111,148	2,207	—
Utilisation of tax losses	(98,115)	(41,486)	(32,366)
Adjustment to tax charge in respect of previous periods			
– UK	42,431	—	—
– Overseas	—	—	(12,920)
Tax rate difference	8,494	—	(14,633)
Marginal relief	—	(1,214)	—
Current tax credit for the year	<u>70,037</u>	<u>86,572</u>	<u>(11,242)</u>

## 8. Intangible assets

	<i>Development expenditure</i> £	<i>Goodwill</i> £	<i>Total</i> £
<i>Cost</i>			
At 1 July 2003	969,728	6,578,620	7,548,348
Exchange movements	(18,943)	—	(18,943)
At 30 June 2004	950,785	6,578,620	7,529,405
Exchange movements	298	—	298
At 30 June 2005 and 30 June 2006	951,083	6,578,620	7,529,703
<i>Amortisation</i>			
At 1 July 2003	678,809	1,581,115	2,259,924
Provided during the year	190,157	335,162	525,319
Exchange movements	(13,261)	—	(13,261)
At 30 June 2004	855,705	1,916,277	2,771,982
Provided during the year	95,110	335,162	430,272
Exchange movements	268	—	268
At 30 June 2005	951,083	2,251,439	3,202,522
Provided during the year	—	335,162	335,162
At 30 June 2006	951,083	2,586,601	3,537,684
<i>Net book value</i>			
At 30 June 2004	95,080	4,662,343	4,757,423
At 30 June 2005	—	4,327,181	4,327,181
At 30 June 2006	—	3,992,019	3,992,019

## 9. Tangible assets

	<i>Leasehold improvements</i> £	<i>Fixtures and fittings</i> £	<i>Office equipment</i> £	<i>Motor vehicles</i> £	<i>Computer equipment</i> £	<i>Total</i> £
<i>Cost</i>						
At 1 July 2003	22,359	227,257	346,253	28,633	739,019	1,363,521
Movements on exchange	(333)	(13,471)	(25,760)	(2,402)	(1,644)	(43,610)
Additions	—	5,201	15,268	11,899	17,406	49,744
Disposals	—	(46,393)	(12,227)	—	(45,000)	(103,620)
At 30 June 2004	22,026	172,594	323,534	38,130	709,781	1,266,065
Movements on exchange	5	212	425	55	26	723
Additions	—	1,816	33,409	—	52,257	87,482
At 30 June 2005	22,031	174,622	357,368	38,185	762,064	1,354,270
Disposals	—	(2)	(2,152)	—	(339,399)	341,553
Movements on exchange	(23)	(938)	(1,970)	(242)	(114)	(3,287)
Additions	—	876	34,818	(11,841)	24,709	48,562
At 30 June 2006	22,008	174,558	388,064	26,102	447,260	1,057,992
<i>Depreciation</i>						
At 1 July 2003	2,789	197,024	289,270	7,158	698,307	1,194,548
Movements on exchange	(105)	(12,765)	(21,767)	(600)	(783)	(36,020)
Provided during the year	7,270	10,364	31,886	866	28,677	79,063
Disposals	—	(43,932)	(12,112)	—	(45,000)	(101,044)
At 30 June 2004	9,954	150,691	287,277	7,424	681,201	1,136,547
Movements on exchange	3	209	382	11	24	629
Provided during the year	6,859	7,895	33,892	7,637	27,291	83,574
At 30 June 2005	16,816	158,795	321,551	15,072	708,516	1,220,750
Disposals	—	(13)	(509)	—	(341,119)	(341,641)
Movements on exchange	(17)	(933)	(1,838)	(180)	(115)	(3,083)
Additions	4,810	2,533	36,945	7,589	30,702	82,579
At 30 June 2006	21,609	160,382	356,149	22,481	397,984	958,605
<i>Net book value</i>						
At 30 June 2004	12,072	21,903	36,257	30,706	28,580	129,518
At 30 June 2005	5,215	15,827	35,817	23,113	53,548	133,520
At 30 June 2006	399	14,176	31,915	3,621	49,276	99,387

## 10. Investments

### *Subsidiary undertakings*

Details of the unlisted investments in which the company holds majority shareholdings are as follows:

<i>Company</i>	<i>Country of registration</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Nature of business</i>
Vista Computer Services Limited	England	Ordinary shares	100%	Computer software and services
Vista Holdings Limited	England	Ordinary shares	100%	Dormant
Vista North America Holdings Limited	England	Ordinary shares	100%	Holding company
Vista Computer Services LLC	USA	Ordinary shares	100%	Company software and services
PubEasy.com Limited	England	Ordinary shares	100%	Dormant
PubEasy.com Inc.	USA	Ordinary shares	100%	Dormant

All subsidiary companies have been consolidated within the group financial information.

## 11. Debtors

	<i>As at 30 June 2004 £</i>	<i>As at 30 June 2005 £</i>	<i>As at 30 June 2006 £</i>
Amounts falling due within one year:			
Trade debtors	1,226,938	1,679,122	1,812,203
Other debtors	166,436	34,310	87,373
Prepayments and accrued income	116,498	107,946	272,283
Amounts recoverable on long term contracts	379,349	342,875	56,279
Corporation tax	—	—	11,242
Deferred tax asset (note 15)	60,650	51,345	225,022
	<u>1,949,871</u>	<u>2,215,598</u>	<u>2,464,402</u>

## 12. Creditors: amounts falling due within one year

	<i>As at</i> 30 June 2004 £	<i>As at</i> 30 June 2005 £	<i>As at</i> 30 June 2006 £
Convertible debt:			
Convertible redeemable loan stock	—	—	451,871
Other amounts:			
Bank overdraft	215,572	849,288	544,022
Bank loans (note 14)	651,388	640,491	402,922
Other loans (note 14)	(37,596)	(38,255)	—
Trade creditors	374,471	291,432	497,938
Other creditors	49,622	41,719	143,426
Corporation tax	—	86,410	75,536
Other taxes and social security costs	340,835	256,475	268,654
Dividends payable	232,564	257,852	—
Accruals	405,727	612,248	482,376
Deferred income	2,464,523	2,523,359	2,613,083
	<u>4,697,106</u>	<u>5,521,019</u>	<u>5,027,957</u>

The bank loan is secured by a fixed and floating charge over certain of the group's assets.

## 13. Creditors: amounts falling due after more than one year

	<i>As at</i> 30 June 2004 £	<i>As at</i> 30 June 2005 £	<i>As at</i> 30 June 2006 £
Preference and management redeemable shares:			
'A' preference shares	743,750	743,750	—
'B' preference shares	811,111	811,111	811,111
Management redeemable shares	350,000	350,000	250,000
	<u>1,904,861</u>	<u>1,904,861</u>	<u>1,061,111</u>
Convertible debt:			
Convertible redeemable loan stock	—	—	1,833,876
Other amounts:			
Bank loan (note 14)	787,088	161,784	—
Other loan (note 14)	2,181,698	2,219,953	—
	<u>2,968,786</u>	<u>2,381,737</u>	<u>—</u>

The long term bank loan is secured by a fixed and floating charge over certain of the group's assets.

All preference shares are redeemable in more than 5 years. There is no fixed date for the redemption of management redeemable shares. These may be redeemed at any time at the discretion of the holder, by giving written notice. See note 16 for a summary of the class rights for all preference shares.



## 14. Borrowings

	<i>As at</i> 30 June 2004 £	<i>As at</i> 30 June 2005 £	<i>As at</i> 30 June 2006 £
Analysis of maturity of debt:			
<i>Bank loan</i>			
Within one year	651,388	640,491	402,922
In more than one year but less than two years	628,926	161,784	—
In more than two years but less than five years	158,162	—	—
	<u>1,438,476</u>	<u>802,275</u>	<u>402,922</u>
<i>Other loans</i>			
Within one year	(37,596)	(38,255)	—
In more than one year but less than two years	(38,255)	661,073	—
In more than two years but less than five years	2,219,953	1,558,880	—
	<u>2,144,102</u>	<u>2,181,698</u>	<u>—</u>
<i>Convertible debt</i>			
Within one year	—	—	451,871
In more than one year but less than two years	—	—	451,525
In more than two years but less than five years	—	—	1,382,352
	<u>—</u>	<u>—</u>	<u>2,285,748</u>
	<u>3,582,578</u>	<u>2,983,973</u>	<u>2,688,670</u>

Convertible debt comprises:

- Loan amount of £2,400,000.
- Unamortised finance costs of £114,252 (2005 – £159,563 – related to other loans).

The convertible redeemable loan stock may be converted at the holder's option into fully paid ordinary shares at any time up to 31 January 2011 at a rate of one ordinary share for every £4.38 of convertible loan stock. If the conversion option is not exercised, the loan stock will be redeemed at par, in five instalments of £480,000 on 31 January 2007, 31 January 2008, 31 January 2009, 31 January 2010 and 31 January 2011.

The bank and other long term loans are secured by a fixed and floating charge over certain assets of the group.

## 15. Deferred tax asset

	£
Balance at 1 July 2003	83,685
Debited to profit and loss account (note 7)	<u>(19,373)</u>
Balance at 30 June 2004	64,312
Debited to profit and loss account (note 7)	<u>(12,967)</u>
Balance at 30 June 2005	51,345
Credited to profit and loss account (note 7)	173,677
Balance at 30 June 2006	<u>225,022</u>
	£
	£
Accelerated capital allowances	<u>64,312</u> <u>51,345</u> <u>225,022</u>

## 16. Share capital

	<i>As at</i> 30 June 2004 £	<i>As at</i> 30 June 2005 £	<i>As at</i> 30 June 2006 £
<i>Authorised</i>			
1,289,197 (2005 – 618,333, 2004 – 618,333) ordinary shares of 5p each	30,917	30,917	64,460
Nil (2005 – 245,000, 2004 – 245,000) ‘A’ ordinary shares of 5p each	12,250	12,250	—
1 (2005 – Nil, 2004 – Nil) special share of £1 each	—	—	1
78,422,400 (2005 – 28,224, 2004 – 28,224) deferred shares of £1 each	<u>28,224</u>	<u>28,224</u>	<u>784,224</u>
	<u>71,391</u>	<u>71,391</u>	<u>848,685</u>
Nil (2005 – 743,750, 2004 – 743,750) ‘A’ preference shares of £1 each	<u>743,750</u>	<u>743,750</u>	<u>—</u>
811,111 (2005 – 811,111, 2004 – 811,111) ‘B’ preference shares of £1 each	<u>811,111</u>	<u>811,111</u>	<u>811,111</u>
250,000 (2005 – 350,000, 2004 – 350,000) management redeemable shares of £1 each	<u>350,000</u>	<u>350,000</u>	<u>250,000</u>
<i>Issued and fully paid</i>			
741,216 (2005 – 618,333, 2004 – 618,333) ordinary shares of 5p each	30,917	30,917	37,061
Nil (2005 – 245,000, 2004 – 245,000) ‘A’ ordinary shares of 5p each	12,250	12,250	—
1 (2005 – Nil, 2004 – Nil) special share of £1 each	—	—	1
	<u>43,167</u>	<u>43,167</u>	<u>37,062</u>
Nil (2005 – 743,750, 2004 – 743,750) ‘A’ preference shares of £1 each	<u>743,750</u>	<u>743,750</u>	<u>—</u>
811,111 (2005 – 811,111, 2004 – 811,111) ‘B’ preference shares of £1 each	<u>811,111</u>	<u>811,111</u>	<u>811,111</u>
250,000 (2005 – 350,000, 2004 – 350,000) management redeemable shares of £1 each	<u>350,000</u>	<u>350,000</u>	<u>250,000</u>

On 20 December 2005, the authorised share capital was increased by £33,544 by the creation of 670,864 new ordinary shares of 5p each and one special share of £1 each. All deferred shares of £1 each in the authorised and issued share capital of the company were sub-divided into 100 new deferred shares of 1p each.

Of the 670,864 new ordinary shares created, 122,883 shares, with a total nominal value of £6,144, were issued at a premium of 5p, giving rise to total consideration of £12,288.

On 20 December 2005, as part of the settlement deal with 3i plc, all issued ‘A’ ordinary shares and ‘A’ preference shares were repurchased by Vista. These shares were subsequently converted into 75,600,000 deferred shares of 1p each, with a total nominal value of £756,000.

On 12 July 2005, as a consequence of J P Wicker resigning as a director of the company, the company redeemed 100,000 management redeemable shares of £1 each held by Mr Wicker per the Articles. This reduced share capital by £100,000.

On 20 December 2005, a special share of £1 was created.

## Summary of class rights

The ordinary shares are entitled to dividends after the required dividends for 'A' preference and 'A' ordinary shares have been met. On winding up, their rights are restricted to a repayment of the amount paid up and to share in any surplus assets arising. The ordinary shares have full voting rights.

The 'B' preference shares and deferred shares carry no dividend rights. On winding up, their rights to repayment of capital are restricted to nominal value.

'B' preference shares and deferred shares carry no voting rights unless redemption has not been made within 14 days of the due date, in which case 'B' preference shares have full voting rights.

The management redeemable shares carry no voting rights, and previously carried no dividend rights. On 20 December 2005, the Articles of Association were amended, and management redeemable shares are entitled to a fixed rate dividend commencing on 31 July 2006. On winding up, their rights to repayment are restricted to the subscription price.

The special share carries voting rights equivalent to 38 per cent. of all votes attached to the shares less the number of votes attached to the ordinary shares issued to the holders of the Convertible Loan Notes. This percentage will reduce upon each and every payment of the Convertible Loan Notes. See the Articles of Association adopted on 20 December 2005 for further details. The special share carries no dividend rights.

Subject to the provisions of the Companies Act 1985, the 'A' and 'B' preference shares shall be redeemed at nominal value in accordance with the proportions and dates set out in the Articles of Association of the Company.

Subject to the provisions of the Companies Act 1985, the management redeemable shares shall be redeemed at nominal value upon any holder ceasing to be an employee of the company and provided this does not lead to a breach in the financial covenants of the company to its senior lender.

## 17. Reserves

	<i>Share premium account</i>	<i>Capital redemption reserve</i>	<i>Profit and loss account</i>
	£	£	£
At 1 July 2003	—	—	(2,950,525)
Retained (loss) for the year	—	—	(404,275)
Exchange movements	—	—	(108,905)
Capital reduction	—	—	2,254,861
Preference share dividends previously appropriated	—	—	(166,476)
At 30 June 2004	—	—	(1,375,320)
Retained (loss) for the year	—	—	(168,637)
Exchange movements	—	—	(2,794)
Share options exercised	—	—	4,854
At 30 June 2005	—	—	(1,541,897)
Shares issued in the year	6,144	—	—
Shares redeemed in the year	—	756,001	—
Retained (loss) for the year	—	—	(525,662)
Loss on sale of own shares	—	—	(33,290)
Other recognised losses relating to the year	—	—	(21,943)
At 30 June 2006	<u>6,144</u>	<u>756,001</u>	<u>(2,122,792)</u>

Fixed accumulative dividends on the preference shares are in arrears by £Nil (2005 – £257,852, 2004 – £232,564).

## 18. Investment in own shares

	<i>Shares held in trust</i>		
	<i>Number</i> £	<i>Nominal</i> £	<i>Cost</i> £
At 1 July 2003 and 30 June 2004	131,650	6,458	6,458
Share options exercised	(97,066)	(4,854)	(4,854)
Shares purchased in the year	78,722	4,061	7,997
At 30 June 2005	113,306	5,665	9,601
Prior year correction	—	—	(3,936)
Shares purchased in the year	20,687	1,034	1,589
At 30 June 2006	133,993	6,699	7,254

## 19. Commitments under operating leases

The group had annual commitments under non-cancellable operating leases as set out below:

	2004		2005		2006	
	<i>Land and buildings</i> £	<i>Other</i> £	<i>Land and buildings</i> £	<i>Other</i> £	<i>Land and buildings</i> £	<i>Other</i> £
Operating leases which expire:						
Within one year	—	7,684	109,954	44,724	114,250	46,226
In two to five years	244,034	176,654	123,879	144,534	—	133,182
	<u>244,034</u>	<u>184,338</u>	<u>233,833</u>	<u>189,258</u>	<u>114,250</u>	<u>179,408</u>

## 20. Pensions

The company operates a defined contribution pension scheme for certain of its employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The charge for the year was £220,229 (2005 – £232,479, 2004 – £211,768).

## 21. Contingent liability

A cross guarantee exists between the bank facilities of Vista International Limited and its UK subsidiary companies.

## 22. Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	<i>Year ended</i> <i>30 June</i> 2004 £	<i>Year ended</i> <i>30 June</i> 2005 £	<i>Year ended</i> <i>30 June</i> 2006 £
	Operating profit/(loss)	145,893	364,685
Depreciation	79,063	83,574	82,616
Amortisation of development costs	190,157	95,110	—
Amortisation of goodwill	335,162	335,162	335,162
(Increase)/decrease in debtors	584,094	(275,031)	(237,561)
Increase/(decrease) in creditors	(1,053,973)	115,341	22,395
Exchange differences	(94,497)	(17,371)	51,141
(Profit) on disposal of fixed assets	(100)	(3,618)	1,179
Net cash inflow/(outflow) from operating activities	<u>185,799</u>	<u>697,852</u>	<u>(29,246)</u>

### 23. Reconciliation of net cash inflow/(outflow) to movement in net debt

	<i>Year ended</i> 30 June 2004 £	<i>Year ended</i> 30 June 2005 £	<i>Year ended</i> 30 June 2006 £
Increase/(decrease) in cash in the year	40,959	(406,059)	(829,553)
Cash outflow from debt	86,514	698,929	452,116
Other non-cash changes	466,689	(99,255)	(159,384)
Exchange movement	(129,652)	(1,067)	2,571
Movement in net debt in the year	464,510	192,548	(534,250)
Opening net debt	<u>(2,867,332)</u>	<u>(2,402,822)</u>	<u>(2,210,274)</u>
Closing net debt	<u><u>(2,402,822)</u></u>	<u><u>(2,210,274)</u></u>	<u><u>(2,744,524)</u></u>

### 24. Analysis of net debt

	<i>At</i> 30 June 2004 £	<i>Cash flow</i> £	<i>Other</i> <i>non-cash</i> <i>changes</i> £	<i>Exchange</i> <i>movement</i> £	<i>At</i> 30 June 2005 £	<i>Cash flow</i> £	<i>Other</i> <i>non-cash</i> <i>changes</i>	<i>Exchange</i> <i>movement</i>	<i>At</i> 30 June 2006
Cash at bank	1,395,330	227,657	—	—	1,622,987	(1,134,819)	—	—	488,168
Bank overdraft	(215,572)	(633,716)	—	—	(849,288)	305,266	—	—	(544,022)
	<u>1,179,758</u>	<u>(406,059)</u>	<u>—</u>	<u>—</u>	<u>773,699</u>	<u>(829,553)</u>	<u>—</u>	<u>—</u>	<u>(55,854)</u>
Debt due within one year	(651,388)	698,929	(649,292)	(484)	(602,235)	452,116	(159,384)	(545,290)	(854,793)
Debt due after one year	(2,931,192)	—	550,037	(583)	(2,381,738)	—	—	547,861	(1,833,877)
	<u>(3,582,580)</u>	<u>698,929</u>	<u>99,255)</u>	<u>(1,067)</u>	<u>(2,983,973)</u>	<u>452,116</u>	<u>(159,384)</u>	<u>2,571</u>	<u>(2,688,670)</u>
Total	<u><u>(2,402,822)</u></u>	<u><u>292,870</u></u>	<u><u>99,255)</u></u>	<u><u>(1,067)</u></u>	<u><u>(2,210,274)</u></u>	<u><u>(377,437)</u></u>	<u><u>(159,384)</u></u>	<u><u>2,571</u></u>	<u><u>(2,744,524)</u></u>

## PART V

### Summarised financial information on Ingenta

#### SECTION A

The summarised financial information in Section A of this Part V does not constitute statutory financial statements within the meaning of section 240 of the Companies Act and has been extracted, without material adjustment, from the published audited consolidated financial statements for the year ended 30 September 2003, the fifteen months ended 31 December 2004 and the year ended 31 December 2005. Audited statutory consolidated financial statements have been delivered to the Registrar of Companies in England and Wales for each of these three periods. Unqualified audit reports, as defined by Section 235 of the Companies Act, and which did not contain a statement under Section 237 (2) or (3) of the Companies Act, have been given by Ingenta's auditors for each of these three periods. However, the audit reports on the financial statements for the fifteen months ended 31 December 2004 and the year ended 31 December 2005 each contained a paragraph regarding the ability of the Group to continue as a going concern.

#### Consolidated profit and loss accounts

	<i>15 months</i>		
	<i>Year ended</i>	<i>ended</i>	<i>Year ended</i>
	<i>30 September</i>	<i>31 December</i>	<i>31 December</i>
	<i>2003</i>	<i>2004</i>	<i>2005</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
<b>Turnover</b>	8,457	8,767	6,598
Cost of sales	<u>(2,007)</u>	<u>(2,255)</u>	<u>(1,657)</u>
<b>Gross profit</b>	6,450	6,512	4,941
Administrative expenses	(9,289)	(9,465)	(5,557)
Exceptional items	<u>—</u>	<u>(701)</u>	<u>—</u>
<b>Operating loss</b>	(2,839)	(3,654)	(616)
Interest receivable and similar income	6	4	5
Interest payable and similar charges	<u>(49)</u>	<u>(51)</u>	<u>(4)</u>
<b>Loss on ordinary activities before taxation</b>	(2,882)	(3,701)	(615)
Tax on loss on ordinary activities	877	433	304
<b>Loss for the financial period</b>	<u><u>(2,005)</u></u>	<u><u>(3,268)</u></u>	<u><u>(311)</u></u>
<b>Loss per 1p share</b>			
– basic and diluted	<u><u>(2.4p)</u></u>	<u><u>(2.5p)</u></u>	<u><u>(0.2p)</u></u>

All activities are classified as continuing.

#### Statement of consolidated total recognised gains and losses

	<i>15 months</i>		
	<i>Year ended</i>	<i>ended</i>	<i>Year ended</i>
	<i>30 September</i>	<i>31 December</i>	<i>31 December</i>
	<i>2003</i>	<i>2004</i>	<i>2005</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Loss for the financial period	(2,005)	(3,268)	(311)
Currency translation differences on foreign currency net investments	<u>115</u>	<u>178</u>	<u>(128)</u>
<b>Total recognised losses for the period</b>	<u><u>(1,890)</u></u>	<u><u>(3,090)</u></u>	<u><u>(439)</u></u>



## Consolidated balance sheets

	<i>As at</i> 30 September 2003 £000	<i>As at</i> 31 December 2004 £000	<i>As at</i> December 2005 £000
<b>Fixed assets</b>			
Tangible assets	1,022	399	210
Investments	227	202	221
Interests in joint venture	3	—	—
	<u>1,252</u>	<u>601</u>	<u>431</u>
<b>Current assets</b>			
Stocks	39	7	7
Debtors	2,387	2,665	2,321
Cash at bank and in hand	—	883	567
	<u>2,426</u>	<u>3,555</u>	<u>2,895</u>
<b>Creditors – amounts falling due within one year</b>			
Deferred income	(1,358)	(1,978)	(1,904)
Other	(4,303)	(2,860)	(2,915)
	<u>(5,661)</u>	<u>(4,838)</u>	<u>(4,819)</u>
<b>Net current liabilities</b>	<u>(3,235)</u>	<u>(1,283)</u>	<u>(1,924)</u>
<b>Total assets less current liabilities</b>	(1,983)	(682)	(1,493)
<b>Creditors – amounts falling due after more than one year</b>	(593)	(37)	(4)
<b>Provisions for liabilities and charges</b>	(521)	(463)	(124)
<b>Net liabilities</b>	<u>(3,097)</u>	<u>(1,182)</u>	<u>(1,621)</u>
<b>Capital and reserves</b>			
Called up share capital	5,414	7,510	7,510
Share premium account	18,046	20,955	20,955
Merger reserve	11,056	11,056	11,056
Reverse acquisition reserve	12,679	12,679	12,679
Profit and loss account deficit	<u>(50,292)</u>	<u>(53,382)</u>	<u>(53,821)</u>
<b>Equity shareholders' deficit</b>	<u>(3,097)</u>	<u>(1,182)</u>	<u>(1,621)</u>

## Consolidated cash flow statements

	<i>15 months</i>		
	<i>Year ended</i>	<i>ended</i>	<i>Year ended</i>
	<i>30 September</i>	<i>31 December</i>	<i>31 December</i>
	<i>2003</i>	<i>2004</i>	<i>2005</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
<b>Net cash outflow from operating activities</b>	<u>(4,010)</u>	<u>(3,857)</u>	<u>(998)</u>
<b>Returns on investments and servicing of finance</b>			
Interest received	6	4	5
Interest paid on bank overdraft	(28)	(47)	(4)
Interest paid on finance leases	(21)	(4)	—
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net cash (outflow)/inflow from returns on investments and servicing of finance</b>	<u>(43)</u>	<u>(47)</u>	<u>1</u>
<b>Taxation</b>	<u>532</u>	<u>344</u>	<u>489</u>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets	(60)	(100)	(54)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net cash outflow form capital expenditure and financial investment</b>	<u>(60)</u>	<u>(100)</u>	<u>(54)</u>
<b>Acquisitions</b>			
Deferred consideration	—	(30)	(7)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net cash outflow from acquisitions</b>	<u>—</u>	<u>(30)</u>	<u>(7)</u>
<b>Management of liquid resources</b>			
Sale/(purchase) of short term deposits	—	(680)	680
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net cash inflow/(outflow) from management of liquid resources</b>	<u>—</u>	<u>(680)</u>	<u>680</u>
<b>Cash (outflow)/inflow before financing</b>	<u>(3,581)</u>	<u>(4,370)</u>	<u>111</u>
<b>Financing</b>			
Repayment of principal under finance leases	(276)	(84)	(1)
Issue of ordinary share capital	2,258	5,004	—
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Cash inflow/(outflow) from financing</b>	<u>1,982</u>	<u>4,920</u>	<u>(1)</u>
<b>(Decrease)/increase in cash in the period</b>	<u>(1,599)</u>	<u>550</u>	<u>110</u>

**SECTION B**  
**Unaudited Interims**

The summarised financial information in Section B of this Part V does not constitute statutory financial statements within the meaning of section 240 of the Companies Act and has been extracted, without material adjustment, from the unaudited interim report for the six months ended 30 June 2006.

**For the 6 months ended 30 June 2006**

	<i>6 months ended 30 June 2006 (unaudited) £m</i>	<i>6 months ended 30 June 2005 (unaudited) £m</i>	<i>Year ended 31 December 2005 (audited) £m</i>
Turnover	3.1	3.3	6.6
Cost of sales	(0.8)	(0.8)	(1.7)
Gross profit	<u>2.3</u>	<u>2.5</u>	<u>4.9</u>
Overheads	(2.9)	(2.9)	(5.5)
Operating loss and loss before tax	(0.6)	(0.4)	(0.6)
Tax	0.1	0.1	0.3
Loss for the financial period	<u>(0.5)</u>	<u>(0.3)</u>	<u>(0.3)</u>
Basic and diluted loss per share	<u>(0.3p)</u>	<u>(0.2p)</u>	<u>(0.2p)</u>

## Statement of group total recognised gains and losses

	<i>6 months ended 30 June 2006 (unaudited) £m</i>	<i>6 months ended 30 June 2005 (unaudited) £m</i>	<i>Year ended 31 December 2005 (audited) £m</i>
Loss for the financial period	(0.5)	(0.3)	(0.3)
Currency translation differences on foreign currency net investments	(0.0)	(0.0)	(0.1)
Total recognised losses for the period	<u>(0.5)</u>	<u>(0.3)</u>	<u>(0.4)</u>

## Consolidated Balance Sheet

As at 30 June 2006

	<i>As at</i> 30 June 2006 <i>(unaudited)</i> £m	<i>As at</i> 30 June 2005 <i>(unaudited)</i> £m	<i>As at</i> 31 December 2005 <i>(audited)</i> £m
<b>Fixed assets</b>			
Tangible assets	0.2	0.3	0.2
Investments	0.2	0.2	0.2
	<u>0.4</u>	<u>0.5</u>	<u>0.4</u>
<b>Current assets</b>			
Debtors	1.2	1.6	2.3
Cash at bank and in hand	0.1	0.3	0.6
	<u>1.3</u>	<u>1.9</u>	<u>2.9</u>
Creditors: amounts falling due within one year	(3.8)	(3.6)	(4.8)
Net current liabilities	(2.5)	(1.7)	(1.9)
Total assets less current liabilities	(2.1)	(1.2)	(1.5)
Provisions for liabilities and charges	—	(0.3)	(0.1)
Net liabilities	<u>(2.1)</u>	<u>(1.5)</u>	<u>(1.6)</u>
<b>Capital and reserves</b>			
Called up share capital	7.5	7.5	7.5
Share premium account	21.0	21.0	21.0
Merger reserve	11.0	11.0	11.0
Reverse acquisition reserve	12.7	12.7	12.7
Profit and loss account	(54.3)	(53.7)	(53.8)
Equity shareholders' deficit	<u>(2.1)</u>	<u>(1.5)</u>	<u>(1.6)</u>

**Consolidated Cash Flow Statement**  
**For the 6 months ended 30 June 2006**

	<i>6 months ended 30 June 2006 (unaudited) £m</i>	<i>6 months ended 30 June 2005 (unaudited) £m</i>	<i>Year ended 31 December 2005 (audited) £m</i>
<b>Net cash outflow from operating activities</b>	(0.6)	(1.1)	(1.0)
<b>Returns on investments and servicing of finance</b>			
Interest and other income received	0.0	0.0	0.0
Interest paid	0.0	0.0	0.0
Interest element of finance lease rentals	0.0	0.0	0.0
<b>Net cash inflow from returns on investments and servicing of finance</b>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>Taxation</b>	<u>0.3</u>	<u>0.5</u>	<u>0.5</u>
<b>Capital expenditure and financial investments</b>			
Purchase of tangible fixed assets	(0.1)	0.0	(0.1)
<b>Net cash outflow from capital expenditure and financial investments</b>	<u>(0.1)</u>	<u>0.0</u>	<u>(0.1)</u>
<b>Management of liquid resources</b>			
Increase in cash placed on short-term deposit	0.0	0.7	0.7
<b>Cash (outflow)/inflow before financing</b>	<u>(0.4)</u>	<u>0.1</u>	<u>0.1</u>
<b>(Decrease)/increase in cash in the year</b>	<u>(0.4)</u>	<u>0.1</u>	<u>0.1</u>



## Reconciliation of operating loss to net cash outflow from operating activities

For the 6 months ended 30 June 2006

	<i>As at 30 June 2006 (unaudited) £m</i>	<i>As at 30 June 2005 (unaudited) £m</i>	<i>As at 31 December 2005 (audited) £m</i>
Operating loss	(0.6)	(0.4)	(0.6)
Depreciation	0.1	0.1	0.2
Decrease in debtors	1.0	0.7	0.2
Decrease in creditors	(1.0)	(1.3)	(0.5)
Decrease in provisions	(0.1)	(0.2)	(0.3)
Net cash outflow from operating activities	<u>(0.6)</u>	<u>(1.1)</u>	<u>(1.0)</u>

## Reconciliation of net cash flow to movement in net (debt)/funds

(Decrease)Increase in cash in the year	(0.4)	0.1	0.1
Cash (inflow)/outflow from increase/decrease in debt and lease financing	0.0	(0.7)	0.0
Cash inflow from decrease in liquid resources	<u>0.0</u>	<u>0.0</u>	<u>(0.7)</u>
Change in net debt resulting from cash flows and movement in net funds in year	(0.4)	(0.6)	(0.6)
Net funds at beginning of year	<u>0.3</u>	<u>0.9</u>	<u>0.9</u>
Net (debt)/funds at end of year	<u>(0.1)</u>	<u>0.3</u>	<u>0.3</u>

**Notes to the Unaudited Interim Report  
for the 6 months ended 30 June 2006**

**1. Basis of preparation**

The interim financial information has been prepared on the basis of the accounting policies set out in the Group's statutory financial statements for the year ended 31 December 2005 with the exception that FRS 20 "Share Based Payments" has been adopted in the interim financial statements.

In accordance with FRS 20, the fair value of equity-settled share-based payments is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the Company's estimate of the options that will eventually vest. The adoption of FRS 20 has resulted in a charge to the profit and loss account of £13,220. The comparative figures have not been restated as there is no material effect.

**2. Publication of Non-Statutory Accounts**

The financial information contained in this interim report is unaudited and has not been reviewed by the auditors. It does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. Statutory accounts for the 12 months ended 31 December 2005 incorporating an unqualified audit report have been filed with the Registrar of Companies.

**3. Basis of EPS Calculation**

The basic loss per share has been calculated by dividing the loss for the period by the weighted number of ordinary shares of 186,207,420 (6 months to 30 June 2005: 186,207,420) in issue during the 6-month period ended 30 June 2006. The company had no dilutive ordinary shares in issue in any of the periods and there is therefore no difference between the loss per ordinary share and the diluted loss per ordinary share. There was no change in the number of shares in issue during the period.

**4. Comparative period**

The comparative figures used in this report are for the six-month period ending 30 June 2005. The results for that period have been prepared on the same basis and under the same accounting policies as those set out in the Group's statutory financial statements for the year ended 31 December 2005.

**5. Reconciliation of movements in shareholders' deficit**

	<i>Balance at 1 January 2006 £m</i>	<i>FRS 20 Share option charge £m</i>	<i>Loss for the period £m</i>	<i>Balance at 30 June 2006 £m</i>
Called up share capital	7.5	—	—	7.5
Share premium account	21.0	—	—	21.0
Share Option Reserve – see note 1	0.0	—	—	0.0
Merger reserve	11.0	—	—	11.0
Reverse acquisition reserve	12.7	—	—	12.7
Profit and loss account	(53.8)	0.0	(0.5)	(54.3)
<b>Total</b>	<u>(1.6)</u>	<u>0.0</u>	<u>(0.5)</u>	<u>(2.1)</u>

## PART VI

### Unaudited Pro Forma Statement of Net Assets of the Enlarged Group

The following unaudited pro forma statement of net assets of the Enlarged Group following the Acquisition and Fundraising has been prepared for illustrative purposes only to provide information about the impact of the Acquisition and Fundraising on the Group and, because of its nature, may not give a true reflection of the financial position of the Enlarged Group. It has been prepared on the basis that the Acquisition and Fundraising were undertaken as at 30 June 2006 and on the basis set out in the notes below:

	<i>Adjustments</i>				<i>Pro forma net assets of the Enlarged Group</i>
	<i>The Group As at 30 June 2006 (note 1) £000</i>	<i>The Vista Group As at 30 June 2006 (note 2) £000</i>	<i>The Acquisition (note 3) £000</i>	<i>The Fundraising (note 4) £000</i>	
<b>Fixed assets</b>					
Intangible assets	200	3,992	4,231	—	8,423
Tangible assets	200	99	—	—	299
	400	4,091	4,231	—	8,722
<b>Current assets</b>					
Debtors	1,200	2,465	—	—	3,665
Cash at bank and in hand	100	488	(700)	1,500	1,388
	1,300	2,953	(700)	1,500	5,053
<b>Creditors: amounts falling due within one year</b>					
Convertible debt	—	(452)	400	—	(52)
Other	(3,800)	(5,028)	—	—	(8,828)
	(3,800)	(5,480)	400	—	(8,880)
<b>Net current (liabilities)/assets</b>	(2,500)	(2,527)	(300)	1,500	(3,827)
<b>Creditors: amounts falling due after more than one year</b>					
Convertible debt	—	(1,834)	—	—	(1,834)
Other	—	(1,061)	—	—	(1,061)
	—	(2,895)	—	—	(2,895)
<b>Net (liabilities)/assets</b>	(2,100)	(1,331)	3,931	1,500	2,000

**Notes:**

The unaudited pro forma statement of net assets has been prepared on the following basis:

- The net assets of the Group at 30 June 2006 have been extracted from the unaudited interim financial information on the Group for the six months ended 30 June 2006.

**Adjustments:**

- The net assets of the Vista Group as at 30 June 2006 have been extracted from the financial information on the Vista Group set out in Section B of Part IV.
- This adjustment reflects an estimate of the goodwill arising following the Acquisition, as illustrated in the table below:

	<i>£000</i>	<i>£000</i>
Consideration		2,600
Estimate of the costs of the Acquisition (excluding VAT)		700
		3,300
Pro forma separable net liabilities assumed (as above)	1,331	
Adjustment in respect of capitalisation of convertible debt	(400)	931
Pro forma goodwill		4,231

The consideration is based on the issuance by the Company of 260,000,000 million Consideration Shares at a price of 1 pence each, being the Subscription Price.

The final calculation of goodwill will incorporate the net liabilities of the Vista Group at the actual date of acquisition, including any fair value adjustments. The calculation above is based on the net liabilities of the Vista Group as at 30 June 2006, as adjusted for the capitalisation of £400,000 of convertible debt. Any difference between actual net liabilities as at the date of acquisition and the adjusted net liabilities shown above as at 30 June 2006 will alter the calculation of the pro forma goodwill and the difference may be material.

- The Fundraising will raise gross proceeds of £1.5 million.
- No adjustments have been made to reflect the trading results of the Group or of the Vista Group since 30 June 2006.

## PART VII

### Additional Information

#### 1. The Company

- 1.1 The Company is incorporated under the name Ingenta Plc and trades under the names Ingenta Plc, IngentaConnect, InTouch, PCG and Heron.
- 1.2 The Company is domiciled in the United Kingdom and was incorporated and registered in England and Wales on 10 February 1965 as a public limited company with the name Geofdon Limited and registered number 00837205. The Company changed its name to Ingenta Plc on 26 May 2000. The liability of its members is limited.
- 1.3 The Company was incorporated under the Companies Act 1948 and its securities are now governed by the Act.
- 1.4 The Company's registered office and principal place of business is located at Unipart House, Garsington Road, Oxford, OX4 2GQ. The telephone number of the Company's registered address and principal place of business is +44 (0)1865 397800.
- 1.5 The Company has no administrative, management or supervisory bodies other than the Board, the remuneration committee and the audit committee, both of which have no members other than the Board.
- 1.6 The Company's auditors during the period covered by the summarised financial information set out in Part V of this document were Grant Thornton UK LLP of 1 Westminster Way, Oxford, OX2 0PZ, who are members of the Institute of Chartered Accountants in England and Wales.

#### 2. Securities being offered/admitted

- 2.1 The Ordinary Shares are ordinary shares of 1p each in the capital of the Company and are to be issued in British Pounds Sterling. The ISIN of the Ordinary Shares is GB0002619715.
- 2.2 The Ordinary Shares may be held in certificated form or under the CREST system, which is a paperless settlement procedure enabling securities to be evidenced and transferred otherwise than by a written instrument in accordance with the CREST Regulations. The Company's registrars, Capita IRG Plc of The Registry, PO BOX 25, 34 Beckenham Road, Beckenham, Kent, BR3 4BR are responsible for keeping the Company's register of members.
- 2.3 The dividend and voting rights attaching to the Ordinary Shares are set out in paragraph 8 of this Part VII.
- 2.4 Section 89 of the Act gives the Company's shareholders pre-emption rights on any issue of shares by the Company to the extent not disapplied by a special resolution passed pursuant to section 95 of the Act. It is proposed that at the Extraordinary General Meeting to be held on 27 February 2007 a special resolution will be passed pursuant to which the Directors will be authorised to allot the following securities other than pre-emptively:
  - (a) the Placing Shares;
  - (b) the Subscription Shares;
  - (c) the Ordinary Shares arising upon the conversion of the New Loan Notes; and
  - (d) further Ordinary Shares up to a maximum nominal amount of £700,000.
- 2.5 The Ordinary Shares have no right to share in the profits of the Company other than through a dividend, distribution or return of capital; further details of such rights are set out in paragraph 8 of this Part VII.
- 2.6 Each Ordinary Share is entitled, on a *pari passu* basis with all other issued Ordinary Shares, to share in any surplus on a liquidation of the Company.
- 2.7 The Ordinary Shares have no redemption or conversion provisions.

- 2.8 It is proposed that at the Extraordinary General Meeting to be held on 27 February 2007 the Directors will be authorised to allot and issue the Placing Shares and the Subscription Shares pursuant to:
- an ordinary resolution authorising the Directors pursuant to section 80 of the Act to allot Ordinary Shares with an aggregate nominal value of up to £7,500,000;
  - a special resolution authorising the Directors pursuant to section 95 of the Act (*inter alia*) to allot the Placing Shares and Subscription Shares for cash pursuant to the authority referred to in 2.9(a) above as if section 89(1) of the Act did not apply to such allotment (as described in paragraph 2.4 above).
- 2.9 It is anticipated that the Placing Shares and Subscription Shares will be issued on 28 February 2007, the proposed date of Admission.
- 2.10 The Ordinary Shares are freely transferable provided that such shares are fully paid, the Company has no lien over such shares, the instrument of transfer is duly stamped, is in favour of not more than four joint transferees and is in respect of only one class of shares.
- 2.11 The Placing Shares and the Subscription Shares will be subject to the City Code. Under Rule 9 of the City Code (“Rule 9”), any person, or group of persons acting in concert, who acquires, whether by a series of transactions over a period of time or not, an interest in shares which taken together with shares in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the City Code (which includes the Company), or any person who, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, is normally required by the Panel to make a general offer in cash to acquire the remaining shares in the company to all its shareholders at not less than the highest price paid by him or any persons acting in concert with him within the preceding twelve months. Rule 9 is subject to a number of dispensations and in particular the Company is requesting the Waiver, further details of which are set out in Part 1 of this document under the heading “The City Code”.
- 2.12 In addition, in the event that an offeror acquires at least nine-tenths in value of the issued share capital of the Company to which the offer relates the offeror may, in accordance with the procedure set out in sections 428-430 of the Act, require the holders of any shares he has not acquired to sell them subject to the terms of the offer, and such Shareholders may in turn require the offeror to purchase such shares on the same terms.
- 2.13 No person has made a public takeover bid for the Company’s issued share capital in the financial period to 31 December 2006 or in the current financial period.

### 3. Share Capital of the Company

- 3.1 The authorised and issued share capital of the Company as at 31 December 2006 was as follows:

<i>Authorised share capital</i>			<i>Issued and fully paid up share capital</i>	
£	Number		£	Number
3,351,703.20	335,170,320	Ordinary Shares of 1p	1,862,074.20	186,207,420
5,648,296.80	141,207,420	Deferred Shares of 4p	5,648,296.80	141,207,420

- 3.2 The authorised and issued share capital of the Company immediately after Admission will be as follows:

<i>Authorised share capital</i>			<i>Issued and fully paid up share capital</i>	
£	Number		£	Number
9,362,074.20	936,207,420	Ordinary Shares of 1p	5,962,074.20	596,207,420
5,648,296.80	141,207,420	Deferred Shares of 4p	5,648,296.80	141,207,420

- 3.3 During the period from 1 January 2006 to 31 December 2006, the Company has not allotted or issued any Ordinary Shares.
- 3.4 The Fundraising will result in the allotment and issue of 150,000,000 New Ordinary Shares, diluting existing holders of Ordinary Shares by 25.2 per cent. and 260,000,000 Consideration Shares, diluting existing holders of Ordinary Shares by 43.6 per cent.
- 3.5 The par value of each Ordinary Share is 1p.
- 3.6 The Company has no issued Ordinary Shares that are not fully paid up.
- 3.7 On 18 March 2004, the Company passed an ordinary resolution to increase the authorised share capital from £7,750,000 to £9,000,000 by the creation of 25,000,000 ordinary shares of 5p each ranking *pari passu* with the existing ordinary shares in the share capital of the Company.
- 3.8 By special resolution of the Company dated 22 November 2004, all issued ordinary shares of 5p each were sub-divided into one Ordinary Share of 1p and one Deferred Share of 4p. All unissued existing ordinary shares in the share capital of the Company were sub-divided into five Ordinary Shares ranking *pari passu* with the existing Ordinary Shares in issue.
- 3.9 During the period covered by the summarised financial information set out in Part V of this document the Company made the following allotment of Ordinary Shares:
- (a) on 18 March 2004, the Company allotted 26,250,000 ordinary shares of 5p each to Cost Nominees Limited at a price of 12p per share;
  - (b) on 11 May 2004, the Company allotted 3,300 ordinary shares of 5p to Andrew May for a total of £173.25; and
  - (c) on 22 November 2004, the Company allotted 45,000,000 Ordinary Shares for a total of £1,800,000 to the following allottees:

<i>Allottee</i>	<i>No. of ordinary shares</i>
(i) Noble Group Limited	3,750,000
(ii) Collin Stewart Channel Islands Limited	2,500,000
(iii) Collins Stewart Private Clients	1,750,000
(iv) Alliance Cornhill Insurance PLC	5,000,000
(v) Invesco	4,500,000
(vi) RAB Capital	2,500,000
(vii) Cazenove Fund Management Ltd	17,500,000
(viii) Collins Stewart Ltd	3,500,000
(ix) Laing & Cruickshank Investment Management Ltd	1,500,000
(x) Ward Shaw	625,000
(xi) Mark Rowse	750,000
(xii) Simon Dessain	375,000
(xiii) Martyn Rose	750,000

- 3.10 The authorised share capital of £9,000,000 of the Company is therefore divided into 335,170,320 Ordinary Shares and 141,207,420 Deferred Shares.
- 3.11 Save as disclosed in this document:
- (a) no share or loan capital of the Company has been issued or is proposed to be issued and fully or partly paid, either for cash or for a consideration other than cash;
  - (b) there are currently no outstanding convertible securities, exchangeable securities or securities with warrants issued by the Company;



- (c) there are no shares in the Company not representing capital;
- (d) there are no shares in the Company held by or on behalf of the Company itself or by subsidiaries of the Company;
- (e) there are no acquisition rights and/or obligations over authorised but unissued share capital of the Company and the Company has made no undertaking to increase its share capital;
- (f) no person has any preferential or subscription rights for any share capital of the Company; and
- (g) no share or loan capital of the Company or any member of the Group is under option or is the subject of an agreement, conditional or unconditional to be put under option.

#### 4. Deferred Shares

4.1 The Deferred Shares were issued in connection with a sub-division of the existing share capital of the Company as referred to in paragraph 3.8 of this Part VII.

4.2 Immediately following the sub-division of the existing ordinary share capital of the Company, the Deferred Shares were held by the holders of the existing ordinary shares of the Company at the time of such sub-division. The Deferred Shares are not listed on AIM.

4.3 The rights attaching to the Deferred Shares in the Company are, *inter alia*:

- (a) no entitlement to receive or participate in any dividend or distribution or attend or vote at a general meeting or on a return of capital (whether on a winding up or otherwise) to the repayment of the amount paid up on such Deferred Shares until after repayment of the capital paid up on the Ordinary Shares together with payment of £10,000,000 on each Ordinary Share;
- (b) no capability of transfer at any time other than with the prior written consent of the Board;
- (c) the Company is irrevocably authorised to: (i) appoint a person to execute a transfer of all or some of the Deferred Shares to such person as the Board shall determine; (ii) cancel all or any of the Deferred Shares, and (iii) purchase the Deferred Shares and nominate a person to receive the consideration; and
- (d) the issue of any shares ranking in priority, the redemption or purchase of any shares or the cancellation of any shares, shall not constitute a variation of the Deferred Shares and the consent of the holders of Deferred Shares to such action shall not be required.

#### 5. Terms of the Approved and EMI Schemes

5.1 The Company's Approved Share Option Scheme (the "Approved Scheme").

The Company's Approved Scheme was approved by the Inland Revenue and adopted on 25 May 2000. A summary of the rules of the Approved Scheme is as follows:

(a) *Eligibility*

Any person who is either:

- (i) an employee of the Group; or
- (ii) an employee who is also a director of the Group and required under their contract of employment to work for not less than 25 hours per week

is eligible to participate in the Approved Scheme, provided that such person does not have at the specified time a material interest in the Company.

(b) *Grant of options*

Options may be granted at the discretion of the Board to eligible persons at any time from the date of adoption of the Approved Scheme for a period of ten years. The Board has delegated authority to the Company's management to issue a certain number of options to certain bands of employees as set out in the rules of the Approved Scheme.

(c) *Individual participation*

The extent of any individual's participation in the Approved Scheme is limited such that the market value of the shares subject to the option to be granted and previously granted to such individual, under this or any other approved share option scheme, does not exceed £30,000.

(d) *Exercise of options*

Options may be exercised as to one third of the shares subject to the option following the first anniversary of the date of grant, as to two thirds of such shares following the second anniversary of the date of grant and in respect of all such shares after the third anniversary of the date of grant.

Options may be exercised for a limited period (provided they have vested but notwithstanding the length of period for which they have been held) in the event of the death, injury, disability, redundancy or retirement at normal retirement age of the option holder.

To the extent that they have vested and for a limited period only, options may be exercised in the event of a sale of more than 50 per cent. of the issued share capital of the Company involving a change of control of the Company (a "Sale") where such Sale occurs within three years of the date of grant of the option provided that the option holder has been an eligible person throughout and the shares acquired pursuant to the exercise are sold on the same terms as the person acquiring control of the Company acquires other shares in the Company.

(e) *Substituting options following a change in the control of the Company*

In the event that a company (an "Acquirer") acquires control of the Company through a general offer or a scheme of arrangement under section 425 of the Act, an option holder may, during a limited period, agree with the Acquirer to release his options under the Approved Scheme in exchange for the grant to him of an option over shares in the Acquirer provided that certain conditions are met.

(f) *Variation of capital*

In the event of any variation in the share capital of the Company, the Board may make such adjustments as it considers appropriate (with confirmation from the auditors in writing that such adjustments are fair and reasonable) to the number of shares subject to the option and the price payable on exercise of the options.

(g) *Limits on the Approved Scheme*

No options shall be granted if such grant would result in the aggregate of the number of shares over which subsisting options have been granted under the Approved Scheme and the number of shares which have been issued on the exercise of options granted under the Approved Scheme exceeding 10 per cent of the shares in issue.

(h) *Amendment and termination of the Approved Scheme*

The Board shall, at any time, be entitled to amend, by resolution, all or any of the provisions of the Approved Scheme, provided that no prejudice would be suffered by the existing option holders unless the Board has received the prior written consent of option holders entitled to exercise options in respect of at least three quarters of the total number of shares over which options are subsisting and that no amendment will have effect until approved by the Board of Inland Revenue.

The Board may at any time by resolution and without any other formality amend the Approved Scheme in any way to the extent necessary to ensure that the Approved Scheme retains the approval of the Inland Revenue.

The Approved Scheme may be terminated at any time by the Board or the Company in general meeting subject to the continued validity of existing options granted under it.

## 5.2 The Company's Enterprise Management Incentive Scheme (the "EMI Scheme")

The Company's EMI Scheme was adopted on 13 October 2004. A summary of the rules of the EMI Scheme is as follows:-

### (a) *Eligibility*

Any person who:

is an employee of the Group or any subsidiary and

(i) whose committed time (which is defined as time required to be spent by them as an employee of the Group on the business of the Group) amounts to at least 25 hours a week or, if less, at least 75 per cent. of his working time, (which is defined as time spent by them on remunerative work as an employee or self employed person); and

(ii) who does not have a material interest in any member of the Group,

is eligible for the grant of an option (an "Eligible Employee").

### (b) *Grant of options*

Options may be granted at the discretion of the Board to Eligible Employees at any time to acquire, at the exercise price, such number of shares as the Board may specify in the option agreement, along with any conditions of exercise.

### (c) *Limits on participation*

No options will be granted if such grant will result in the permitted maximum for relevant Eligible Employees to be exceeded and, if the aggregate initial market value of any outstanding options held by any Eligible Employee is equal to or more than the permitted maximum.

If an Eligible Employee has been granted options for shares which have an aggregate initial market value equal to or more than the permitted maximum, no further options can be granted for a three year period (which commences from the date of the last grant).

The aggregate initial market value for all unexercised options must not exceed £3,000,000.

### (d) *Exercise of options*

Subject to the satisfaction of any specified conditions, options may be exercised following the third anniversary of the date of grant.

If an option that is outstanding has not been exercised by the ninth year and sixth month from the date of grant, the option is immediately exercisable. Any option not exercised on or by the tenth anniversary from the date of grant will lapse.

### (d) *Lapse of options*

An option shall lapse upon the earliest of the following:

(i) the option holder ceasing to be an employee of the Group; or

(ii) the day on which the option holder is declared bankrupt or charges or creates any security interest over the option; or

(iii) on the tenth anniversary of the date of grant.

An option cannot be transferred, assigned or charged.

At the Board's discretion, an option holder may still exercise their option for 40 days from the occurrence of a Disqualifying Event (as defined in sections 534 to 536 of the Income Tax (Earnings and Pensions) Act 2003).

(f) *Adjustment of option terms*

In the event of any variation in the share capital of the Company, the auditors may make such adjustments which they consider to be fair and reasonable, to the number of shares subject to the option and the price payable on exercise.

(g) *Changes in control of the Company*

In the event of a change of control of the Company, any option may be exercised within six months from the change of control. Any options not exercised during this period will lapse thereafter.

If, under Sections 428 to 430F of the Companies Act 1985 and any other relevant legislation, an individual is bound or becomes entitled to acquire a particular class of shares over which options have been granted, the Board will notify option holders. The option must be exercised within one month of notification, after which any unexercised options will lapse.

In the event of a merger or reconstruction of the Company, an option can be exercised from a date determined by the court.

If shares over which options have been granted cease to be listed on the London Stock Exchange, the option must be exercised within six months from date of cessation, after which, any unexercised option will lapse.

If members receive notice of a resolution for the voluntary winding up of the Company, options may be exercised until the resolution is passed. All options will lapse once the resolution is passed.

(h) *Company reorganisation*

In the event that a company (an “Acquirer”) acquires control of the Company through a general offer or a scheme of arrangement under section 425 of the Act, an option holder may during a limited period agree with the Acquirer to release his options under the scheme in exchange for the grant to him of an option over shares in the Acquirer provided that certain conditions are met.

(i) *Modification of the EMI Scheme*

The Board may make alterations to the EMI Scheme provided that alterations do not materially prejudice the interests of the option holders for options already granted (unless the written consent of such option holders is obtained).

The EMI Scheme may be suspended or terminated at any time by the Board of the Company.

**6. The Enlarged Group**

6.1 Following the completion of the Acquisition, to the best of the knowledge of the Company, there are no persons who directly or indirectly control the Company, where control means owning 30 per cent. or more of the voting rights attaching to the share capital of the Company, save for the Concert Party, details of whom are set out in Part I of this document, under the heading “The Concert Party”.

6.2 Save as set out in Part I of this document under the heading “The City Code” the Company is not aware of any arrangements which may at a subsequent date result in a change in control of the Company.

6.3 Following completion of the Acquisition, the Company will be the holding company of 16 subsidiaries. Details of the Enlarged Group's subsidiaries are set out in the table below:

<i>Name</i>	<i>Country of incorporation</i>	<i>Percentage holding (%)</i>
Ingenta UK Limited	England	100
Bids Limited	England	100
Catchword Limited	England	100
Panorama Homes Limited	England	50
Vista Holdings Limited	England	100
Vista North America Holdings Limited	England	100
Vista Computer Services Limited	England	100
Pub Easy.Com Limited	England	100
Ingenta US Holdings Inc.	USA	100
UnCover Inc.	USA	100
Publishers Communication Group Inc.	USA	100
Ingenta Inc	USA	100
Vista Computer Services LLC	USA	100

6.4 The Company also holds shares in the following companies:

<i>Name</i>	<i>Country of incorporation</i>	<i>Percentage holding (%)</i>
Dynamic Diagrams Inc	USA	19.9
Bidz.com Inc	USA	0.1

## 7. Memorandum of Association

The memorandum of association of the Company provides that its principal object and purpose is to carry on the business as a general commercial company. Its objects and purposes are set out in full in clause 3 of the memorandum of association.

## 8. Articles of Association

The Articles include provisions to the following effect:

### 8.1 *Votes of members*

Subject to any rights or restrictions as to voting attached to any class of shares, at any general meeting, on a show of hands, every member who is present in person has one vote and, in the case of a poll, every member present in person or by proxy has one vote for every share of which he is the holder. No member is entitled to vote at a general meeting either personally or by proxy if he or any person appearing to be interested in shares held by him has been duly served with a notice under section 212 of the Act and is in default for the prescribed period in supplying to the Company the information required thereby or, unless the Directors determine otherwise, if any calls from him have not been paid.

### 8.2 *Special voting rights attaching to Martyn Rose's shareholding*

So long as Martyn Rose or any associated party shall together carry the right to exercise 10 per cent. or more of the aggregate voting rights of all Ordinary Shares in issue, or hold rights convertible into Ordinary Shares which, when aggregated with Ordinary Shares then held by him or an associated party carry the right to exercise 10 per cent. or more of the aggregate voting rights of all Ordinary Shares in issue (the "Threshold Rights") then he shall be entitled to appoint as a director of the Company any person approved by the Directors (the "Nominated Director"). The Nominated Director shall not be required to retire by rotation or have to stand for re-election following his appointment. Any Nominated Director shall be deemed to have resigned immediately upon Martyn Rose or an associated party together ceasing to carry the Threshold Rights. On any resolution proposing to remove the Nominated Director from office or to amend this specific article, the Ordinary Shares held by Martyn Rose or an associated party shall be deemed to have such voting rights as are equal to 50 per cent. of the Ordinary Shares eligible to vote on such a resolution.

### 8.3 *General Meetings of Shareholders*

All general meetings which are not annual general meetings are extraordinary general meetings. General meetings may be called by directors whenever they think fit or within 28 days of receipt of a requisition of members served in accordance with the Act. If there are insufficient directors in the UK to form a quorum, any director or two members may convene an extraordinary general meeting, in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

An annual general meeting and an extraordinary general meeting for the passing of a special resolution or a resolution appointing a person a director shall be called by at least twenty-one clear days' notice and all other extraordinary general meetings shall be called by at least fourteen clear days' notice.

### 8.4 *Class Rights*

The special rights attached to any class of shares may, subject to any applicable law, be altered or cancelled, either with the consent in writing of the holders of 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 shares of that class.

The provisions of the Articles applicable to general meetings apply *mutatis mutandis* to class meetings but the necessary quorum is two persons holding or representing by proxy not less than one third of the issued shares of that class except where there is only one holder of the relevant class of shares in which case the quorum shall be that holder.

### 8.5 *Changes to Share Capital*

The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its shares into shares of a larger amount, cancel any shares not taken or agreed to be taken by any person and sub-divide its shares into shares of a smaller amount.

### 8.6 *Reduction of Share Capital*

The Company may by special resolution (and, with court approval where required) reduce its authorised or issued share capital or any capital redemption reserve and any share premium account in any way subject to authority required by law. Subject to applicable law, the Company may purchase its own shares.

### 8.7 *Directors*

- (a) A director is not required to hold any qualification shares.
- (b) The amount of any fees payable to Directors shall be determined by the Directors provided that they shall not in any year exceed an aggregate amount of £100,000 or such other sum as may from time to time be approved by ordinary resolution. Any such fees shall be divisible among the Directors as they may agree, or failing agreement, equally. The Directors are also entitled to be repaid all expenses properly incurred by them respectively in the performance of their duties. Any director holding an executive office or otherwise performing services which in the opinion of the Directors are outside the scope of his ordinary duties as a director may be paid such remuneration as the Directors may determine.
- (c) The Directors may establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, and give donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment or service of the Company or any other company which is a subsidiary of the Company or is allied to or associated with the Company or any such subsidiary of any such other company ("associated companies") and the families and dependants of any such persons and the Directors shall have power to purchase and maintain insurance against liability for any persons who are or were at any time directors, officers, employees or auditors of the Company, its associated companies and for trustees of any pension fund in which employees of the Company or its associated companies are interested.



- (d) The Directors may from time to time appoint one or more of their body to be the holder of any executive office (including the office of chairman, deputy chairman, managing director or chief executive) on such terms and for such period as they may determine.
- (e) Subject to the provisions of applicable law and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a director notwithstanding his office:
  - (i) may be a party to, or otherwise interested in, any contract, transaction or arrangement with the Company or in which the Company is otherwise interested;
  - (ii) may be a director or other officer of, or employed by, or a party to, any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
  - (iii) may hold any other office or place of profit under the Company (except that of auditor or auditor of a subsidiary of the Company) in conjunction with the office of director and may act in a professional capacity to the Company on such terms as to remuneration and otherwise as the Directors may arrange; and
  - (iv) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such contract, transaction or arrangement or from any interest in any such body corporate, and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.
- (f) Save as specifically provided in the Articles, a director may not vote in respect of any contract, transaction or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company. A director will not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
- (g) Subject to applicable law, a director is (in the absence of some material interest other than as indicated below) entitled to vote (and will be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:
  - (i) the giving of any guarantee, security or indemnity to a third party in respect of money lent or obligations incurred by him at the request or for the benefit of the Company or any of its subsidiary undertakings;
  - (ii) the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - (iii) any contract, transaction, arrangement or proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting thereof;
  - (iv) any contract or arrangement in which he is interested by virtue of his interest in shares or debentures or other securities of the Company;
  - (v) any contract or arrangement in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise, provided that he does not hold an interest (as defined in sections 198-211 of the Act) in one per cent. or more of the issued shares of any such body corporate;
  - (vi) any proposal concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to the directors and employees of the Company or any of its subsidiaries;



- (vii) any arrangement for the benefit of employees of the Company or of any of its subsidiaries under which the Director benefits in a similar manner to the employees; and
  - (viii) any proposal, contract, transaction or arrangement concerning the purchase or maintenance of insurance for the benefit of directors or persons who include directors.
- (h) Subject to any applicable law, the Company may by ordinary resolution suspend or relax the provisions summarised under sub-paragraphs (g)(vi) and (g)(vii) above either generally or in relation to any particular matter, or ratify any transactions not duly authorised by reason of a contravention of such provision.
- (i) At every general meeting, one third of all directors other than any Nominated Director then serving on the Board shall retire by rotation and stand for re-election.
- (j) A Director shall not be required to retire upon reaching the age of 70, but shall be required to offer himself for re-election at each subsequent annual general meeting.

#### 8.8 *Transfer of shares*

All transfers of shares may be effected by transfer in any usual form or in any other form acceptable to the Directors and shall be executed by or on behalf of the transferor and, if the share is partly paid, the transferee.

#### 8.9 *Dividends*

There are no fixed dates on which a dividend entitlement arises. The Company may by ordinary resolution from time to time declare dividends to be paid to Shareholders, although the amount of the dividend cannot exceed the amount recommended by the Directors. In addition the Directors may pay interim dividends if justified by the profits of the Company available for distribution.

The dividend payment to each Shareholder shall be calculated proportionately to the amounts paid up on each issued Ordinary Share. All dividend payments shall be non-cumulative.

All unclaimed dividends may be used for the benefit of the Company until claimed and shall not attract interest. Any dividend which remains unclaimed twelve years after the date the dividend becomes due for payment shall, at the option of the Directors, be forfeited and shall revert to the Company.

There are no dividend restrictions attaching to the Ordinary Shares, provided they are fully paid up. Payments of dividends may be made by any method the Directors consider appropriate and on a cash dividend there are no special arrangements for non-resident Shareholders. The Directors may make such arrangements as they consider expedient in connection with a dividend payment in shares to deal with any legal or other difficulties that may arise in any territory in which non-resident shareholders are present.

#### 8.10 *Rights of Shares*

The Ordinary Shares rank *pari passu* as a class in terms of preference, restriction and all other rights.

### 9. **Directors', Proposed Directors' and other Interests**

- 9.1 The interests of the Directors and the Proposed Directors at the date of this document and, as they are expected to be immediately after Admission, which: (i) have been notified to the Company pursuant to section 324 or 328 of the Act; or which (ii) are required pursuant to section 325 of the Act to be entered in the register of directors' interests referred to in that section; or which (iii) are interests of a person connected (within the meaning of section 346 of the Act) with a Director or Proposed Director and which would, if the connected person were a Director or Proposed Director, be required to be disclosed under (i) or (ii) above; and

the existence of which is known to or could, with reasonable diligence be ascertained by the Director or Proposed Director in question are as follows (all such interests being beneficial unless otherwise noted):

<i>Name</i>	<i>Number of Ordinary Shares at the date of this document</i>	<i>% of the issued Ordinary Share capital at the date of this document</i>	<i>Number of Ordinary Shares immediately after Admission</i>	<i>% of Enlarged Share Capital</i>	<i>Options</i>
Martyn Rose	7,374,028	4.0	91,965,293*	16.2	—
Mark Rowse	14,058,558	7.6	26,558,558	4.7	—
Ward Shaw	2,808,978	1.0	6,308,978	1.4	—
Simon Dessain	1,086,355	0.6	2,086,335	0.4	2,175,000
Alan Moug	—	—	36,414,628	6.4	—
George Lossius	—	—	36,164,628	6.3	—

\* 34,591,265 New Ordinary Shares will be held by the Trustees as the trustees of the M C Rose Settlement No. 1.

- 9.2 Save as disclosed in paragraph 9.1 above and this paragraph, the Company is not aware of any interest (within the meaning of Part VI of the Act) in the Company's ordinary share capital which amounts or would, immediately following Admission, amount to 3 per cent. or more of the Company's issued ordinary share capital other than the following:

<i>Name</i>	<i>Number of Ordinary Shares at the date of this document</i>	<i>% of the issued ordinary share capital at the date of this document</i>	<i>Number of Ordinary Shares immediately after Admission</i>	<i>% of Enlarged Share Capital</i>
Cazenove Fund Management Limited	22,976,000	12.3	52,976,000	8.9
Almandine LLC	—	—	39,660,493	7.0
Spread Trustee Company Limited	—	—	36,339,808	6.4
Brian Gibson	—	—	36,164,628	6.3
Colin Bottle	—	—	29,510,460	5.2

Save as set out in paragraph 8.2 above the voting rights of the Shareholders set out in paragraphs 9.1 and 9.2 do not differ from the voting rights held by other Shareholders.

- 9.3 Save in connection with the New Loan Notes to be issued to the Trustees, details of which are set out in paragraph 13.5 of this Part VII, there are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors or Proposed Directors.
- 9.4 Save as disclosed in this paragraph 9 and in Part I under the heading "Related Party Issues" in relation to Martyn Rose, no Director or Proposed Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.
- 9.5 There are no interests, rights to subscribe for or short positions (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to acquire another person to take delivery held in any relevant securities of the Company by:
- an associate of the Company;
  - a pension fund of the Company or a pension fund of a company that is an associate of the Company;
  - an employee benefit trust of the Company or an employee benefit trust of a company that is an associate of the Company other than as set out in paragraph 9.7 below;

- (d) a connected adviser of the Company or a connected adviser of a company that is an associate of the Company other than as set out in paragraphs 9.8 and 9.9 below; or
  - (e) any person controlling, controlled by or under the same control as any connected adviser of the Company or a connected adviser of a company that is an associate of the Company.
- 9.6 Save as disclosed in paragraph 9.1 above, none of the Directors or Proposed Directors has any interest, rights to subscribe for or short positions in (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to take delivery, or has borrowed or lent, any relevant securities in the Company.
- 9.7 The ESOT will receive 36,339,808 Consideration Shares (representing 5.2 per cent. of the Enlarged Share Capital) pursuant to the Acquisition Agreement.
- 9.8 David Adams, a director of Yeates Corporate Services Limited, which has provided project management services to the Company, has agreed to subscribe for 5,000,000 Ordinary Shares at the Subscription Price as part of the Subscription. Save as aforesaid no connected adviser of the Company or any associate of the Company has any interests, rights to subscribe or short positions held (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to take delivery in any relevant securities.
- 9.9 Save for the acquisition of the Ordinary Shares currently held by them as disclosed above, none of the Directors, Proposed Directors or any connected adviser of the Company or an associate of the Company has dealt for value in relevant securities in the Company in the past twelve months.
- 9.10 No party acting in concert with the Company has borrowed or lent any relevant securities in the Company.
- 9.11 In this paragraph 9, the word “associate” means, a parent, subsidiary or fellow subsidiary of the Company or companies of which such companies own or control 20 per cent. or more of the equity share capital and the words “acting in concert”, “connected adviser” and “relevant securities” have the same meanings as defined in the City Code and the word “interest” in paragraphs 9.4 to 9.6 and 9.8 has the same meaning as the words “interest in securities” as defined in the City Code.

## **10. Directors’ and Proposed Directors’ and Key Management Service Agreements/Letters of Appointment**

- 10.1 On 2 February 2007, George Lossius entered into a service agreement with the Company, conditional on Admission, under the terms of which he agreed to act as full time Chief Executive of the Company.

His salary is £129,517 per annum and he is entitled to a discretionary bonus of not less than £14,400 per annum. In addition, he will receive additional benefits including, inter alia, a 7.25 per cent. pension contribution, life insurance and a company car.

The employment is for an indefinite period from Admission and is terminable thereafter either by 12 months notice from the Company or by 6 months notice from himself.

Upon termination of his service agreement, George Lossius is subject to a number of post termination restrictions for a period of 12 months.

- 10.2 On 2 February 2007, Alan Moug entered into a service agreement with the Company, conditional on Admission, under the terms of which he agreed to act as Finance Director of the Company.

His salary is £112,500 per annum and he is entitled to a discretionary bonus of not less than £12,500 per annum. In addition, he will receive additional benefits including, inter alia, a 5.25 per cent. pension contribution, life assurance and a company car.

The employment is for an indefinite period from Admission and is terminable thereafter either by 12 months notice from the Company or by 6 months notice from himself.

Upon termination of his service agreement, Alan Moug is subject to a number of post termination restrictions for periods of between 6 and 12 months.

- 10.3 On 1 October 2002, Martyn Rose entered into an agreement to act as a Non-Executive Director of the Company. Under the terms of the agreement, the Company agrees to pay a fee of £48,000 per annum together with a reimbursement of office and secretarial expenses of £2,500 per quarter.

The agreement is for an initial term of 12 months, terminable by either party by one month's written notice.

The agreement contains no post termination restrictions.

- 10.4 On 2 February 2007, Simon Dessain entered into a deed of amendment, varying the terms of his service agreement dated 24 April 2001 with the Company, conditional on Admission, under the terms of which he agreed to act as Chief Operating Officer of the Company.

His salary is £111,500 per annum and he has no bonus entitlement. In addition, he will receive additional benefits including, inter alia, a 10 per cent. pension contribution and an additional monthly contribution of £833. He is further entitled to private health insurance, life assurance and a company car.

The employment is for an indefinite period and is terminable either by 12 months' notice from the Company or by 6 months' notice from himself.

Upon termination of his service agreement Simon Dessain is subject to a number of post termination restrictions for a period of up to 6 months.

- 10.5 On 13 October 2004, Starlock Consultants Limited ("Starlock") entered into a consultancy agreement with the Company to provide Mark Rowse's services as a Non-Executive Director of the Company. Under the terms of the consultancy agreement the Company agrees to pay Starlock a fee of £15,000 per annum and reimburse Mark Rowse for all of his out-of-pocket expenses which he incurs in the course of his duties.

The appointment is for an initial term of one year, to be automatically renewed every year unless either party has given 3 months' notice in writing, such notice to expire on the anniversary of each term.

Upon termination of the consultancy agreement, Mark Rowse is subject to a number of post-termination restrictions for a period of up to 5 years.

- 10.6 On 1 March 2002, Ward Shaw entered into an agreement for the provision of services as a non-executive director to the Company and to provide additional consultancy services to the Company. Under the terms of the agreement, the Company agrees to pay Ward Shaw fees (and all taxes on those fees) of US\$7,500 quarterly for his duties as non-executive director and US\$2,500 for each day that he is engaged in providing consultancy services. The Company also agrees to reimburse Ward Shaw for all his out-of-pocket expenses which he incurs in the course of his duties.

The agreement is for an initial term of one year, to be automatically renewed every year unless either party has given ninety days' notice in writing. Upon termination of the agreement, Ward Shaw is subject to an indefinite confidentiality obligation.

- 10.7 Save as disclosed in sub-paragraphs 10.1 to 10.6 above, there are no service contracts, existing or proposed, between any Director or Proposed Director and the Company or any of its subsidiaries or proposed subsidiaries.

- 10.8 Save for the service contracts with each of the Directors and Proposed Directors referred to in paragraphs 10.1 to 10.6 above no service contracts has been entered into or amended by the Company or any of its subsidiaries or proposed subsidiaries in the six months prior to the date of this document.

10.9 Details of the length of time in which the Directors have been in office are set out below:

<i>Name</i>	<i>Commencement of Period of office</i>
Simon Dessain	1 January 2002
Mark Rowse	25 May 2000
Martyn Rose	25 May 2000
Ward Shaw	25 May 2000

10.10 There are no service contracts in place between the Company or any subsidiary and any member of the administrative/management or supervisory bodies which provides for benefits on termination of employment.

## 11. Additional Information on the Board

11.1 In addition to directorships of the Company the Directors and Proposed Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this document:

<i>Director</i>	<i>Current Directorships and Partnerships</i>	<i>Past Directorships and Partnerships</i>
Simon Dessain	Ingenta UK Limited Bids Limited Catchword Limited Panorama Homes Limited List Limited (the)	None
Mark Rowse	Starlock Consultants Limited Ingenta UK Limited Bids Limited Catchword Limited Panorama Homes Limited Aspect Digital Media Limited Oxford Chamber Music Festival Limited Cherington Hill Partnership	Braemar Homes Limited <sup>(1)</sup> Inveresk Property Services Limited <sup>(2)</sup> Braemar Homes 2 Limited <sup>(3)</sup> Dragon School Trust Limited
Martyn Rose	Cherry Blossom Limited Frost & Reed Limited Martyn Rose Limited Grangers' Limited Grangers International Limited Dentons (Holdings) Limited Enviro-vac Machine The Radio Business Limited Dentons Pension Management Limited Cremanaze Limited The Voice of Yorkshire Limited The Voice of Yorkshire (Holdings) Limited The Voice of Yorkshire (Administration) Limited Orwell Park School Educational Trust Limited The Ipswich Broadcasting Company Limited The Retail Radio Business Limited The In Store Radio Business Limited	Abbeyflow Limited Yorkshire Radio Enterprises Limited Macaw (Holdings) Limited Macaw (Soft Drinks) Limited

<i>Director</i>	<i>Current Directorships and Partnerships</i>	<i>Past Directorships and Partnerships</i>
Ward Shaw	None	Ingenta UK Limited
Alan Moug	Vista North America Holdings Limited Vista Holdings Limited Vista Computer Services Limited Triggerfish Communications Limited Vista International Limited	Pubeasy.com Limited <sup>(4)</sup> Intershop (UK) Limited
George Lossius	Vista International Limited Vista North America Holdings Limited Vista Computer Services Limited Vista Holdings Limited	None

Notes:

- (1) was dissolved on 24 August 2005.
- (2) was dissolved on 20 August 2005.
- (3) was dissolved on 20 August 2005.
- (4) was dissolved on 13 December 2005.

- 11.2 (i) Martyn Rose was a director of Allied Partnership Group Public Limited Company which went into administrative receivership in January 1992.
- (ii) Mark Rowse was a director of The Flower Corporation Limited and a number of its subsidiaries when it went into LPA Receivership in November 1990.
- (iii) Mark Rowse was a director of Sheila Rowse Limited when it was placed into members' voluntary liquidation in December 1993.
- 11.3 Save as disclosed in paragraph 11.2 above, none of the Directors or Proposed Directors has:
- (a) any unspent convictions in relation to indictable offences;
  - (b) had any bankruptcy order made against him or entered into any voluntary arrangements;
  - (c) been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
  - (d) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
  - (e) been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
  - (f) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
  - (g) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a Company.



## 12. Employees

As at 31 December 2006, the Company had 88 employees. As at the date of this document, the Enlarged Group has 189 employees.

As at 31 December 2006, the Company employed the following numbers of employees, in the following areas of expertise:

<i>Location</i>	<i>Oxford</i>	<i>Bath</i>	<i>Providence (Rhode Island) USA</i>	<i>Cambridge (Massachusetts) USA</i>	<i>Home</i>
<b><i>Function</i></b>					
Administration	5		2	1	
Sales	10	3	2	13	2
Marketing	3				
Technical	22	13	9		3
<b>Total</b>	<b>40</b>	<b>16</b>	<b>13</b>	<b>14</b>	<b>5</b>

## 13. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or a member of the Enlarged Group within the two years immediately preceding the date of this document and are, or may be, material:

- 13.1 An agreement (the “Introduction and Placing Agreement”) dated 2 February 2007 between the Company (1), the Directors (2) the Proposed Directors (3) and Collins Stewart (4) pursuant to which Collins Stewart has agreed conditional upon, *inter alia*, Admission taking place on or before 28 February 2007 (or such later time and or date as the Company and Collins Stewart may agree being not later than 14 March 2007) to use reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price.

The Introduction and Placing Agreement contains warranties and indemnities from the Company and warranties from the Directors and the Proposed Directors in favour of Collins Stewart together with provisions which enable Collins Stewart to terminate the Introduction and Placing Agreement in certain circumstances prior to Admission including circumstances where any warranties are found to be untrue or inaccurate in any material respect. Under the Introduction and Placing Agreement the Company has agreed to pay Collins Stewart a fee of £150,000.

- 13.2 Subscription Agreements dated 2 February 2007 between the Subscribers (1) and the Company (2) pursuant to which the Subscribers have agreed, conditional, *inter alia*, on completion of the Placing and Admission, to subscribe in aggregate for the Subscription Shares at the Subscription Price.

- 13.3 An Acquisition Agreement dated 2 February 2007 between the Company (1) and the Vendors (2) pursuant to which the Company has agreed, conditional upon *inter alia*, the passing of the Resolutions and Admission, to acquire the entire issued share capital of Vista from the Vendors. The aggregate consideration for the Acquisition is to be satisfied on Completion by the issue and allotment to the Vendors on Admission of the Consideration Shares, credited as fully paid at the Subscription Price.

The Acquisition Agreement contains warranties regarding the Vista Group from certain of the Vendors, namely Colin Bottle, Brian Gibson, George Lossius and Alan Moug (together the “Warrantors”) to the Company and similar warranties regarding the Group from the Company to the Vendors. The aggregate maximum liability of the Warrantors on the one hand and the Company on the other, is capped at £1,000,000.

Certain non-competition and other restrictive covenants have also been given by the Warrantors.



- 13.4 A Loan Note Sale Agreement dated 2 February 2007 between the Company (1) and the Trustees (2) pursuant to which the Company has agreed, conditional upon the completion of the Acquisition Agreement, to acquire £2,000,000 nominal amount of Vista Loan Notes from the Trustees. The consideration for the sale of the Vista Loan Notes is to be satisfied on Completion by the issue to the Trustees of the New Loan Notes.
- 13.5 The Loan Note Instrument dated 2 February 2007 constituting the New Loan Notes, the principal terms and conditions of which are as follows:
- (a) they will carry interest at 8 per cent. per annum, which will be payable half yearly in arrears on 30 June and 31 December save that interest accruing during the period from the issue of the New Loan Notes until 30 June 2007 will be rolled-up and become payable in full on 31 December 2007;
  - (b) they will be repayable in the amount of £500,000 on every 31 December from 2007 to 2010 or earlier upon the happening of certain events of default (such as failure by the Company to comply with the terms of the New Loan Note Instrument or of the terms of banking facilities);
  - (c) they can be converted into Ordinary Shares, at the option of the holder of the New Loan Notes, at any time from Admission until 31 December 2007 and then between 1 June and 30 June and 1 December and 31 December in each of 2008, 2009 and 2010 at agreed rates of conversion ranging from a maximum of 50 Ordinary Shares for every £1 of New Loan Notes converted in 2007 to a minimum of 14.29 Ordinary Shares for every £1 of New Loan Notes converted in 2010; and
  - (d) the obligations of the Company to repay the New Loan Notes (together with interest thereon) are secured subject to prior security in favour of the Company's bankers.

The New Loan Note Instrument also provides that, for so long as Martyn Rose or any person connected with him (including the Trustees) carry the right to exercise 10 per cent. or more of the aggregate voting rights of the Company, or rights convertible into such voting rights, the Company agrees to certain restrictions, including not to amend its banking facilities or increase its borrowing, without the consent of Martyn Rose.

- 13.6 Lock-in agreements dated 2 February 2007 between Collins Stewart and each of the Directors, Proposed Directors, Brian Gibson, Colin Bottle, the Trustees and Almandine (the "Covenantors") pursuant to which each of the Existing Directors have agreed not to dispose of their Existing Ordinary Shares subject to certain exceptions (including the ability to accept a take-over offer for the Company and to give an irrevocable undertaking to accept a take-over offer for the Company) until announcement of the Company's interim results for the six months ending 30 June 2007 (and only to dispose of such shares through Collins Stewart for a further 12 months) and all of the Covenantors have undertaken to the Company and Collins Stewart that they will not dispose of all of their other Ordinary Shares in the Company until the preliminary announcement of the Company's results for the year ending 31 December 2007 and for a further 12 months, only to make disposals through Collins Stewart.

The non-disposal restrictions will cease to apply to any Director upon him ceasing to be a director of the Company.

#### **14. Dependence on Intellectual Property etc.**

Save as disclosed in this document, the Enlarged Group is not dependent on any patents, licences, industrial, commercial or financial contracts or new manufacturing processes which have a material effect on the Enlarged Group's business or profitability.

#### **15. Related Party Transactions**

Save as set out in Part I of this document under the heading "Related Parties Issues" and save for the participation of Mark Rowse, a director of the Company and a related party, in the Subscription, during the period from 30 June 2006, until the date of this document, the Company has not entered into any related party transactions.

## 16. Litigation

The Enlarged Group is not involved nor has it been involved in any governmental, legal or arbitration proceedings in the previous twelve months which may have or have had in the recent past a significant effect on the Enlarged Group's financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened against any member of the Enlarged Group.

## 17. No Significant Change

17.1 Save as disclosed in this document, there has been no significant or material change in the financial or trading position of the Vista Group since 30 June 2006, being the date to which the last audited financial statements have been drawn up.

17.2 Save as disclosed in this document, there has been no significant or material change in the financial or trading position of the Group since 30 June 2006, the date to which the latest unaudited financial information has been drawn up.

## 18. Working Capital

The Directors and Proposed Directors are of the opinion, having made due and careful enquiry and having taken into account the net proceeds of the Fundraising, that following Admission the Enlarged Group will have sufficient working capital for the 12 month period following Admission.

## 19. Taxation

The following paragraphs are intended as a general guide only for shareholders who are resident and ordinarily resident in the United Kingdom for tax purposes, holding Ordinary Shares as investments and not as securities to be realised in the course of a trade, and are based on current legislation and HM Revenue & Customs practice. Any prospective purchaser of Ordinary Shares who is in any doubt about his tax position, or who is subject to taxation in a jurisdiction other than the UK, should consult his own professional adviser immediately.

### 19.1 *Taxation of Chargeable Gains*

For the purpose of UK tax on chargeable gains, the issue of Ordinary Shares pursuant to the Placing 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 Ordinary Shares, a liability to tax on chargeable gains may, depending on his circumstances, arise.

Any gain arising on the disposal of Ordinary Shares by individual shareholders may be reduced by taper relief, depending upon the period the shares were owned.

Any gains arising on the disposal of Ordinary Shares by a company should be reduced by indexation allowance applied to the base cost of the Ordinary Shares.

### 19.2 *Loss Relief*

If an investor is an individual or an investment company, relief for losses incurred by that investor on disposal of the Ordinary Shares may be available under Sections 573 to 576 of the Income and Corporation Taxes Act 1988 against income of the same or prior year provided the Company and the investor satisfy the relevant statutory requirements.

### 19.3 *Inheritance Tax*

#### *Business Property Relief*

Unquoted Ordinary shares representing minority interests in trading companies potentially qualify for 100 per cent business property relief which gives up to 100 per cent exemption from Inheritance Tax. Where an investor makes a lifetime gift of qualifying shares or dies

while still owner of the shares, no inheritance tax will be payable in respect of the value of the shares, provided certain conditions are met, including that the investor held the shares for two years before the date of transfer or death.

#### 19.4 *Stamp duty and Stamp Duty Reserve Tax*

No stamp duty or stamp duty reserve tax (“SDRT”) will generally be payable on the issue of the Ordinary Shares.

#### 19.5 *Dividends and other Distributions*

Under current UK legislation, no tax is withheld from dividend payments by the Company.

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 dividend basic rate (10 per cent.) or the dividend higher 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 onto account the tax credit) of 22.5 per cent of the aggregate of the cash dividend and the 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.

Trustees of discretionary trusts are liable to account for income tax at the dividend trust rate, currently 32.5 per cent.

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 company is carrying on a trade of dealing in shares.

#### 19.6 Persons who are not resident in the UK should consult their own tax advisers on what relief or credit may be claimed for any such tax credit in the jurisdiction in which they are resident. These comments are intended only as a general guide to the current tax position in the UK as at the date of this document. The comments assume that Ordinary Shares are held as an investment and not as an asset of financial trade.

If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the UK, you should consult your professional adviser.

### 20. **Information on the Concert Party**

#### 20.1 The only member of the Concert Party to hold Ordinary Shares at the date of this document is Martyn Rose who is beneficially interested in 7,374,028 Ordinary Shares.

#### 20.2 The Company has obtained irrevocable undertakings to vote in favour of the Resolutions from the following individuals:

<i>Name</i>	<i>No. Ordinary Shares held</i>
Mark Rowse	14,058,558
Ward Shaw	2,808,978
Simon Dessain	1,086,335

#### 20.3 Other than as set out in this paragraph 20 no member of the Concert Party (or any party acting in concert with them) has any interest, right to subscribe for or short position in any relevant securities (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to take delivery in each case, in any relevant

- securities in the period beginning 12 months before the date of this document. There are no indemnities or other arrangement to which Note 6 on Rule 8 of the City Code would apply between any member of the Concert Party (or any party acting in concert with them) and any third party.
- 20.4 No member of the Concert Party (or any party acting in concert with any member of the Concert Party or any member of it) has borrowed or lent any relevant securities in the Company.
- 20.5 Save for the Acquisition, the Loan Note Sale Agreement, the New Loan Notes the letters of appointment and the service agreements between each of George Lossius, Alan Moug and the Company referred to in paragraphs 10 and 13 of this Part VII and the letter of appointment between the Company and Martyn Rose referred to in paragraph 10.3 of this Part VII, there are currently no agreements, arrangements or understandings (including any compensation arrangements) between the Concert Party (or any person acting in concert with them) and any of the directors, recent directors, shareholders or recent shareholders of the Company having any connection with or dependence upon the Proposals.
- 20.6 There are currently no arrangements between any member of the Concert Party and any other party for the transfer by any member of the Concert Party to any party of any Ordinary Shares acquired by any member of the Concert Party in connection with the Acquisition.
- 20.7 Save for the fact that Martyn Rose is a director and shareholder of the Company and member of the Concert Party there are no relationships (personal, financial or commercial), arrangements or understandings between any member of the Concert Party and:
- (a) any of the Directors or Proposed Directors (or their close relatives and related trusts); or
  - (b) any of the shareholders in the Company or any person who is, or is presumed to be, acting in concert with any such shareholder.
- 20.8 There are no relationships (personal, financial or commercial), arrangements or understandings between the Concert Party and Collins Stewart or any person who is, or is presumed to be, acting in concert with Collins Stewart.
- 20.9 In this paragraph 20 the words “acting in concert” and “relevant securities” have the same meanings as defined in the Code, and the word “interest” has the same meaning as the words “interest in securities” as defined in the Code.
- 20.10 The Directors and Proposed Directors (whose names and business addresses appear on page 4 of this document) accept responsibility for the information contained in this document other than information relating to the Concert Party. To the best of the knowledge and belief of the Directors and Proposed 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 this document makes no omission likely to affect the import of such information.
- 20.11 The members of the Concert Party accept responsibility for the information relating to themselves contained in Part I of this document. To the best of the knowledge and belief of the members of the Concert Party (who have taken all reasonable care to ensure such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

## **21. General**

- 21.1 The gross proceeds of the Fundraising are expected to be £1.5 million. The total costs and expenses relating to Admission and the Fundraising are payable by the Company and are estimated to amount to approximately £0.7 million (excluding Value Added Tax). The net proceeds of the Fundraising are expected to be £0.8 million.
- 21.2 The Ordinary Shares were originally admitted to trading on AIM on 26 May 2000. Other than as referred to in this paragraph 21.2 and the current application for Admission, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements for dealings in the Ordinary Shares.

- 21.3 Collins Stewart has given and not withdrawn its written consent to the inclusion in this document of reference to its name in the form and context in which it appears.
- 21.4 BDO Stoy Hayward LLP has given and not withdrawn its written consent to the inclusion in this document of its report in Section A of Part IV in the form and context in which it is included.
- 21.5 Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company, the Directors and the Proposed Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 21.6 The accounting reference date of the Company is 31 December.
- 21.7 The Directors and Proposed Directors are not aware of any exceptional factors which have influenced the activities of the Enlarged Group.
- 21.8 The Enlarged Group has not made any investments since 30 June 2006 up to the date of this document nor are there any investments by the Enlarged Group in progress or anticipated which are significant save for the Acquisition.
- 21.9 The Subscription Price represents no premium over the nominal value of each Ordinary Share.
- 21.10 It is expected that definitive share certificates will be dispatched by hand or first class post by 7 March 2007. In respect of uncertificated shares it is expected that Shareholders' CREST stock accounts will be credited on 28 February 2007.
- 21.11 Save as disclosed above no person directly or indirectly (other than the Company's professional advisors and trade suppliers or save as disclosed in this document) in the last twelve months received or is contractually entitled to receive, directly or indirectly, from the Company on or after Admission (excluding in either case persons who are professional advisors otherwise than as disclosed in this document and persons who are trade suppliers) any payment or benefit from the Company to the value of £10,000 or more or securities in the Company to such value or any other benefit to such value or entered into any contractual arrangements to receive the same from the Company at the date of Admission.
- 21.12 The Directors and the Proposed Directors are not aware of any environmental issues or risks affecting the Enlarged Group or its operations.

## 22. Market Quotations

Set out below are the closing prices for the Company's Ordinary Shares for the first business day in each of the six months immediately prior to the date of this document and for 1 February 2007, being the last practicable date before the publication of this document.

<i>Date</i>	<i>Price (pence)</i>
August 2006	1.80
September 2006	1.77
October 2006	1.58
November 2006	1.05
December 2006	1.23
January 2007	1.25
1 February 2007	0.9

## 23. Documents available for inspection

Copies of the following documents will be available for inspection, during normal business hours, at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP, until the Extraordinary General Meeting and at the meeting itself:

- (a) the memorandum and articles of association of the Company;
- (b) the audited consolidated accounts of the Company for the three years ended 31 December 2005 and the unaudited interim accounts for the six months ended 30 June 2006;

- (c) the audited consolidated accounts of Vista International Limited for the three years ended 30 June 2006;
- (d) the service contracts and letters of appointment referred to in paragraph 10 above;
- (e) the letters of consent referred to in paragraph 21.3 and 21.4 above;
- (f) the material contracts referred to in paragraph 13 above;
- (g) the irrevocable undertakings to vote in favour of the Resolutions referred to in Part I and paragraph 20 of this Part VII; and
- (h) the EMI Scheme and Approved Scheme documents referred to in paragraph 5 above.

**24. Availability of this Document**

Copies of this document are available free of charge from the Company's registered office and at the offices of Memery Crystal LLP, 44 Southampton Buildings, London, WC2A 1AP, during normal business hours on any weekday (Saturdays and public holidays excepted) and shall remain available for at least one month after Admission.

Dated: 2 February 2007



# Ingenta PLC

(Registered No. 00837205)

## Notice of Extraordinary General Meeting

NOTICE IS HEREBY GIVEN THAT an EXTRAORDINARY GENERAL MEETING of the above-named company (the "Company") will be held at the offices of Memery Crystal LLP at 44 Southampton Buildings, London WC2A 1AP on 27 February 2007 at 10.00 a.m. for the purposes of considering and, if thought fit, approving the following resolutions of which the first two resolutions will be proposed as ordinary resolutions and resolutions three to five as special resolutions. A poll of shareholders other than members of the Concert Party (as defined in resolution 2) will be taken on resolution 2.

### Ordinary Resolutions

1. That:
  - (a) the acquisition by the Company of Vista on the terms and subject to the conditions contained in the acquisition agreement dated 2 February 2007 between the Company (1) and the shareholders of Vista (2) (the "Acquisition Agreement"); and
  - (b) the acquisition by the Company of the Vista Loan Notes (as defined in the Company's Admission Document dated 2 February 2007 ("Admission Document")) on the terms and subject to the conditions contained in the acquisition agreement dated 2 February 2007 between the Company (1) and Martyn Craig Rose and James Sykes as Trustees of the MC Rose Settlement No. 1 ("MR Trustees") (2) ("Loan Note Sale Agreement"),be and the same are hereby approved and that the directors of the Company be and are hereby authorised to take all steps necessary or, in the opinion of the directors of the Company, desirable, to give effect to the Acquisition Agreement and the Loan Note Sale Agreement.
2. That the waiver granted by the Panel on Takeovers and Mergers of any obligation under Rule 9 of the City Code on Takeovers and Mergers on any or all of the Concert Party (as defined in the Admission Document) to make a general offer to shareholders of the Company which obligation would otherwise have arisen as a result of:
  - (a) the issue to the Concert Party of 260,000,000 Ordinary Shares of 1p each in the Company ("Ordinary Shares") as consideration under the Acquisition Agreement;
  - (b) the issue to certain members of the Concert Party of 60,250,000 Ordinary Shares pursuant to the Subscription; and
  - (c) the issue of up to an additional 100,000,000 Ordinary Shares to the MR Trustees (members of the Concert Party), upon the conversion of certain convertible loan notes on the terms summarised in the Admission Document of which this notice forms part;be and is hereby approved.

### Special Resolutions

3. That, subject to the passing of the ordinary resolutions numbered 1 and 2 above:
  - (a) the authorised share capital of the Company be increased from £9,000,000 to £15,010,371 by the creation of 601,037,100 new Ordinary Shares, such Ordinary Shares ranking *pari passu* in all respects with the existing Ordinary Shares in the capital of the Company;
  - (b) in substitution for any existing such authority, the directors of the Company be and are hereby generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 (the "Act") to allot relevant securities of the Company (within the meaning of that section 80) up to an aggregate nominal amount of £7,500,000, such authority (unless previously revoked or varied) to expire on the day falling 15 months following the passing of this resolution or, if earlier, at the conclusion of the Annual General Meeting of the Company to be held in 2007 save that the Company may before



such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired; and

- (c) the directors of the Company be and they are hereby empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) of the Act) pursuant to the authority conferred by paragraph 3(b) above as if Section 89(1) of the Act did not apply to any such allotments provided that this power shall be limited to:
- (i) the allotment of 150,000,000 new Ordinary Shares in connection with the Fundraising (as defined and summarised in the Admission Document);
  - (ii) the allotment of up to 100,000,000 new Ordinary Shares on the conversion of the New Loan Notes (as defined in the Admission Document); and
  - (iii) the allotment of Ordinary Shares up to a maximum nominal amount of £700,000 (representing approximately 10 per cent. of the Enlarged Share Capital (as defined in the Admission Document)) as increased by the allotment of new Ordinary Shares referred to in sub-paragraph (ii) above,

provided that such power (unless previously revoked or varied) shall expire at the Annual General Meeting of the Company to be held in 2007 or 15 months from the date of passing of this resolution (whichever is the earlier) provided that the directors may, before the power expires, make an offer or enter into an agreement which would or might require equity securities to be allotted after such power expires and the directors may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

4. That, subject to the passing of the resolutions numbered 1, 2 and 3 above, the new Articles of Association presented to the meeting and, for identification purposes, initialled by the Chairman, be and are hereby adopted as the new Articles of Association of the Company.
5. That, subject to the passing of the resolutions numbered 1 to 4 above, the name of the Company be changed to “Publishing Technology plc”.

*By Order of the Board*  
Mark Rowse  
*Secretary*

*Registered office:*  
Unipart House  
Garsington Road  
Oxford  
OX4 2GQ

Dated 2 February 2007

Notes:

- (1) A member entitled to attend and vote at the Extraordinary 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 pre-paid 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 authority) must be deposited at the offices of the Company's Registrars, Capita IRG plc, The Registry, PO Box 25, 34 Beckenham Road, Kent BR3 4TU not later than 10.00 a.m. on 25 February 2007 or 48 hours before any adjourned meeting. Completion of the form of proxy will not preclude a member from attending and voting in person.
- (3) The Company specifies that only those shareholders registered in the register of members of the Company as at 10.00 a.m. on 25 February 2007 shall be entitled to attend or vote at the Extraordinary 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 Extraordinary General Meeting.
- (4) Shareholders (or their proxies) attending the meeting are deemed, for the purpose of the Financial Services and Markets Act 2000, to have requested any information given to them orally by the directors or any other person on their behalf at the meeting.

