

A copy of this document, which comprises a prospectus with regard to The Establishment Investment Trust plc (the "Company"), prepared in accordance with the listing rules made under section 74 of the Financial Services and Markets Act 2000, has been delivered to the Registrar of Companies in England and Wales in accordance with section 83 of that Act.

The Directors of the Company, whose names appear under the heading Directors, Investment Management and Administration on page 15 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Establishment Investment Trust plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 4355437)

Placing of up to 20,000,000 Ordinary Shares at 100p per Ordinary Share

Issue of Ordinary Shares in connection with the recommended Scheme of Reconstruction of The Establishment Trust

Investment Manager

BDT Investment Management Limited



Sponsor

CAZENOVE

Application has been made to the UKLA for the whole of the ordinary share capital of the Company, issued and to be issued as set out herein, to be admitted to the Official List and to the London Stock Exchange for admission to trading. It is expected that admission to the Official List will become effective and that dealings in the Ordinary Shares will commence on 18 March 2002.

This document does not constitute an offer to sell or to subscribe for, or the solicitation of an offer to buy or to subscribe for, Ordinary Shares in any jurisdiction in which such an offer or solicitation is unlawful and is not for distribution in or into any of the Prohibited Territories or their respective territories or possessions. The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, nor under the applicable securities laws of any of the other Prohibited Territories and, subject to certain exceptions, may not be offered or sold within any of the Prohibited Territories or to any national, resident, citizen of any of the Prohibited Territories or their respective territories or possessions.

Cazenove, which is regulated by the Financial Services Authority, is the sponsor to the Company. Cazenove is not acting for any other person and will not be responsible to any person other than the Company for providing the protections afforded to clients of Cazenove nor for providing advice in relation to the matters described in this document.

11 February 2002

Shareholders of The Establishment Trust who wish to elect for Ordinary Shares under the Scheme of Reconstruction should ensure that they complete and return their Form of Election and Proxies.

Persons interested in acquiring Ordinary Shares should inform themselves as to (i) the legal requirements within their countries of nationality, residence or domicile for the acquisition, holding or disposal of Ordinary Shares; (ii) any foreign exchange restrictions or exchange control requirements which they might encounter on the acquisition, holding or disposal of Ordinary Shares; and (iii) the income tax and other taxation consequences which may be relevant to the acquisition, holding or disposal of Ordinary Shares.

Investors should read the whole document including the Risk Factors set out in Part V of this document.

ESTIMATED ISSUE STATISTICS

Issue Price	100p
Number of Ordinary Shares following the Issue*	20,000,000
Net Proceeds*	£19,637,736
Initial Net Asset Value	98.2p

* Assuming the Issue is fully subscribed and that £12.5 million is raised pursuant to the Scheme and £7.5 million is raised pursuant to the Placing

EXPECTED TIMETABLE

	2002
Latest time for receipt of applications under the Placing and payment in full	13 March
Results of the Issue announced	18 March
Dealings in the Ordinary Shares commence	18 March
CREST accounts credited in respect of Ordinary Shares	18 March
Ordinary Share Certificates despatched by	2 April

PART I

SUMMARY

This summary is derived from and should be read in conjunction with the full text of this document.

The Company and Listing

The Company is a new investment trust incorporated in England and Wales. The share capital of the Company will comprise of a single class of Ordinary Shares for which application has been made for admission to the Official List and to trading on the London Stock Exchange.

Details of the Issue

Up to 20,000,000 Ordinary Shares are to be issued at an issue price of 100p per Ordinary Share.

Further details of the Placing are set out in Part IV on page 21 of this document.

Investment Objective

The investment objective of the Company is to achieve long-term capital growth from a managed international portfolio of securities. The preservation of capital will be of primary importance to the investment objective.

The investment policy of the Company is to invest primarily in equity and equity related securities (such as convertible bonds and warrants), although investment may also be made in collective investment schemes, bonds and other forms of debt instruments.

The Company aims to achieve absolute returns and will not be managed by reference to any equity or bond index or benchmark.

Dividend Policy

In order for the Company to qualify as an investment trust, the Company may not retain in respect of any accounting period more than 15 per cent. of the income it derives from shares and securities. The Directors expect any dividends to be paid annually but may from time to time approve the payment to Shareholders of such interim dividends as appear to the Directors to be justified.

Investment Manager

The Directors have appointed BDT Investment Management Limited as discretionary investment manager of the Company's assets. As part of its investment policy, it is intended that the Company will acquire as an investment an equity interest of twenty per cent. in the Investment Manager. This investment will be made at the same price per share as the investment made by the BDT Founder Shareholders.

Fees and Expenses

The Investment Management Fee is payable at the annual rate of 1 per cent. of the Adjusted Market Capitalisation of the Company. Details of the fee, together with the other operating costs and expenses of the Company including the

fees of the Directors, are set out in Part III: Directors, Investment Management and Administration on pages 15 to 20 below.

Performance Fee

In addition to the Investment Management Fee payable in respect of the Adjusted Market Capitalisation of the Company, the Investment Manager is also entitled to receive a performance related fee payable in respect of annual performance. The Performance Fee is payable at the rate of 10 per cent. of the amount by which the growth in the Adjusted Market Capitalisation per Ordinary Share of the Company exceeds the specified Performance Hurdle of 10 per cent. per annum.

Taxation

In order to obtain exemption from United Kingdom taxation on capital gains, the Directors intend to conduct the affairs of the Company with a view to obtaining and maintaining approval as an approved investment trust for the purposes of Section 842 ICTA. Such approval is only given retrospectively in respect of each fiscal accounting period of the Company.

Further details on the tax position of the Company and the Shareholders are set out in Part VI: Taxation on pages 27 to 28 below.

Reconstruction of ET

After Ordinary Shares are issued under the Placing, Ordinary Shares will be issued to holders of shares in The Establishment Trust who elect to receive them as part of the reconstruction of that company. The shares will be issued in exchange for the transfer to the Company of a portfolio of investments of The Establishment Trust with values equivalent to the amounts to which those Establishment Trust shareholders would be entitled in a winding-up.

Shareholder Information

The Company's annual report and accounts will be prepared up to 31 March each year, and it is expected that copies will be sent to Shareholders in June. The first accounting period of the Company will end on 31 March 2003. Shareholders will also receive an unaudited interim report covering the six months to 30 September each year. The Net Asset Value and the Net Asset Value per Ordinary Share of the Company will be calculated weekly by the Administrator.

Life of the Company

The Company does not have a fixed life, but the Board considers it desirable that Shareholders should have the opportunity to review the future of the Company in 2007. Accordingly, at the Annual General Meeting of the Company in 2007, an ordinary resolution will be proposed that the Company should continue as an investment trust. If this resolution is passed, then similar resolutions will be proposed at every third subsequent Annual General Meeting. In the event that this resolution is not passed, the Directors will formulate proposals for the future of the Company for submission to and approval by Shareholders.

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DIRECTORS, INVESTMENT MANAGER AND ADVISERS

Directors (all non-executive)	Richard Chicheley Thornton (Chairman) Sir David James Scott Cooksey Dr James Austin Charles King Rhoderick Martin Swire Richard Harry Wells
	all of: 77A High Street, Brentwood Essex CM14 4RR
Registered Office	77A High Street, Brentwood Essex CM14 4RR
Investment Manager	BDT Investment Management Limited 7 Albemarle Street London W1S 4HQ
Sponsor and Broker	Cazenove & Co. Ltd 12 Tokenhouse Yard London EC2R 7AN
Solicitors to the Company and the Placing	Stephenson Harwood One, St Paul's Churchyard London EC4M 8SH
Company Secretary and Administrator	Phoenix Administration Services Limited 77A High Street Brentwood Essex CM14 4RR
Registrars	Capita IRG Plc Bourne House 34 Beckenham Road Beckenham Kent BR3 4TU
Custodian	The Northern Trust Company London Branch 155 Bishopsgate London EC2M 3XS
Auditors	RSM Robson Rhodes 186 City Road London EC1V 2NU
Bankers	The Royal Bank of Scotland plc 1 Princes Street London EC2R 8PB

DEFINITIONS

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

Act	the Companies Act 1985, as amended;
Administrator	the administrator of the Company, Phoenix Administration Services Limited;
Admission	admission of the Ordinary Shares to the Official List of the UKLA and to trading on the London Stock Exchange becoming effective;
Articles	the Articles of Association of the Company;
BDT Founder Shareholders	the founder shareholders of BDT being Robert Brewis, Simon Dobson and Henry Thornton;
BDT Fund Products	investment products managed by BDT as described in Part III: Directors, Investment Management and Administration on pages 15 to 20 below;
BDT Shareholders Agreement	the shareholders agreement relating to BDT dated 24 July 2000 and made between (1) BDT (2) Henry Thornton (3) Simon Dobson (4) Robert Brewis (5) Lutea Trustees Limited (6) John Scott;
Board or Directors	the directors of the Company from time to time;
Business Day	a day on which banks are open for business in London (other than a Saturday or Sunday);
Cazenove	Cazenove & Co. Ltd;
Circular	the circular to shareholders of ET in relation to the Scheme dated 11 February 2002;
Company	The Establishment Investment Trust plc;
CREST	the computerised settlement system to facilitate the transfer of title to shares in uncertificated form operated by CREST Co. Limited;
ET or The Establishment Trust	The Establishment Trust, an investment company registered in Luxembourg under number B21743;
FSA	Financial Services Authority;
ICTA	Income and Corporation Taxes Act 1988;
Initial Net Asset Value per Ordinary Share	the initial Net Asset Value per Ordinary Share on the date of Admission;

Investment Management Agreement	means the agreement dated 11 February 2002 between the Company and the Investment Manager;
Investment Manager or BDT	BDT Investment Management Limited;
Investment Management Fee	the investment management fee payable by the Company to BDT, which is more particularly described on page 18 of this Prospectus;
Issue	the Placing and the Scheme;
Issue Price	100p per Ordinary Share;
London Stock Exchange	London Stock Exchange plc;
Net Asset Value and Net Asset Value per Ordinary Share	respectively the net asset value of the Company and the net asset value of an Ordinary Share;
Official List	the official list of the UKLA;
Ordinary Shares	ordinary shares of 25p each in the capital of the Company issued and to be issued pursuant to the Placing and the Scheme;
Performance Fee	the performance fee payable by the Company to BDT, which is more particularly described on page 18 of this Prospectus;
Performance Hurdle	the performance hurdle for the payment of the Performance Fee which is more particularly described on page 19 of this Prospectus;
Performance Period	a period for which any Performance Fee payable to BDT is calculated, which is more particularly described on page 18 of this Prospectus;
Placing	the placing of up to 20,000,000 Ordinary Shares on the terms and conditions set out in this document;
Prohibited Territories	United States of America, Canada, Japan, the Republic of Ireland and Australia;
Registrars	the registrars of the Company, Capita IRG Plc;
Scheme of Reconstruction or Scheme	the proposed scheme of reconstruction of ET as set out in the Circular;
Shareholders	registered holders of Ordinary Shares from time to time; and

**UKLA or United Kingdom
Listing Authority**

The Financial Services Authority acting in its capacity as the competent authority for the purposes of the Financial Services and Markets Act 2000.

In this document, unless otherwise specified, all references to Sterling, pounds or £ are to United Kingdom pounds sterling.

PART II

THE COMPANY

Introduction

The Company is a new UK investment trust incorporated in England and Wales as a public limited company. The share capital of the Company will comprise a single class of Ordinary Shares for which application has been made for admission to the Official List of the UKLA and to trading on the London Stock Exchange.

In order to obtain exemption from United Kingdom taxation on capital gains, the Directors intend to conduct the affairs of the Company with a view to obtaining and maintaining approval as an approved investment trust for the purposes of Section 842 ICTA. Such approval is only given retrospectively in respect of each fiscal accounting period of the Company.

The Directors shall retain overall control of the formulation of the investment objective and policies of the Company but the Company has the power to delegate the day-to-day investment management of its assets. In the exercise of these powers, the Directors have appointed BDT Investment Management Limited as discretionary investment manager of the Company's assets.

As part of its investment objective and policy, the Company will acquire as an investment an equity interest of twenty per cent. in the Investment Manager. The investment in the Investment Manager will be made at the same price per share as the investment made by the BDT Founder Shareholders. The BDT Founder Shareholders and executive directors of the Investment Manager are Robert Brewis, Simon Dobson and Henry Thornton who also intend to subscribe for Ordinary Shares in the Placing. The Directors believe that the Company's investment in the Investment Manager, and the personal investment of the BDT Founder Shareholders in the Company, give rise to a beneficial alignment of the interests of the Company and the Investment Manager in the future success and profitability of the Company and the Investment Manager.

The Investment Manager, its shareholders, directors and business are described in Part III: Directors, Investment Manager and Administration.

Investment Objective

The investment objective of the Company is to provide investors with long-term capital growth from a managed international portfolio of securities. The preservation of capital will be of primary importance to the investment objective.

The Company will, in the absence of unforeseen circumstances, follow the investment objective described above for a minimum period of three years following Admission. Any material change in the objective will only be made if approved by an ordinary resolution of Shareholders in general meeting. Thereafter, any change in the objective will be notified to Shareholders.

Investment Policy

The investment policy of the Company is to invest primarily in equity and equity related securities (such as convertible bonds and warrants), although investment may also be made in collective investment schemes (including 'hedge' funds), bonds issued by corporate and governmental issuers and other forms of debt instrument (such as promissory notes which are freely transferable and certificates of deposit).

The Company's key characteristic is that its investment strategy is not derived from or even influenced by any index or benchmark. The Investment Manager defines and measures risk in the Company's portfolio in terms of the volatility of absolute returns, not relative to an index.

In normal circumstances the assets of the Company will be primarily invested in a portfolio of equity and fixed interest securities from international financial markets, including less developed markets. There is no pre-determined geographic spread but there will normally be a reasonable diversification across markets and sectors.

The Company may invest in emerging markets. In some emerging market countries there is a higher than usual risk of nationalisation, expropriation and confiscatory taxation, any of which might have an adverse effect on the value of investments in those countries. Further details of emerging markets risk is set out in Part V: Risk Factors, Conflicts of Interest and Soft Commissions on pages 23 to 26.

The Directors note the potential for capital appreciation offered by the twenty per cent. equity stake the Company will hold in the Investment Manager. The business plan adopted by the Investment Manager provides that it is to establish a range of investment funds, including funds characterised by absolute return investment objectives and has the potential to earn both standard and performance fees. A minimum of 50 per cent. of the Investment Manager's net profits will be paid to its shareholders as dividends. The Company's investment in the Investment Manager will, assuming that £20 million is raised under the Issue, be approximately 1 per cent. of the Company's net assets at outset and will be made at the same price per share as was paid by the BDT Founder Shareholders.

Investment Outlook

The Directors and the Investment Manager believe that the flexibility of being unconstrained by a benchmark, and the ability to move from market to market to take advantage of attractive investment opportunities as they arise, means the Company is more likely to achieve the investment objective. Potential investors should therefore expect an initial geographic allocation that reflects the Directors and Investment Manager's views of the relative values of various equity markets and fixed interest securities.

The Directors believe that Asian and emerging markets are attractively valued at present and it is therefore expected that the Company's equity investments will be substantially weighted towards these markets. The Directors do not believe that the American equity market offers much short-term potential given the historically high valuations that persist even taking into account the declines of the past two years. Similarly the outlook for Japanese equities, the Directors believe, remains blighted by lack of Government leadership and the slow pace of restructuring. The Directors believe European and United Kingdom equities appear somewhat more reasonably valued and modest positions will be established in individual selected issues.

Fixed income securities still offer, in the opinion of the Directors, very satisfactory real rates of return and, in the absence of an improvement in the relative valuation of global equities, can be expected to be a core element of the portfolio. The Company will also invest in so-called absolute return investment vehicles, or hedge funds, where they believe the investment objectives are consistent with, and will contribute to, the investment objectives of the Company.

Investment Process

The Investment Manager intends to employ, in relation to the Company, bottom-up company specific analysis to identify growth companies around the world. The three founders of the Investment Manager have between them an average of fifteen years of experience of investing in global equity markets. By undertaking extensive, disciplined internal research and by utilising external contacts and networks, the Investment Manager believes that it is well positioned to identify attractive investment opportunities.

Although the Investment Manager will seek to be pragmatic in the use of the most appropriate investment style for prevailing market conditions, over the long term it is believed that investments in the shares of companies offering the prospect of high growth will generate superior investment returns. The Investment Manager will seek to identify companies that will benefit either from exposure to favourable macroeconomic conditions or from a competitive advantage born out of proprietary technology or superior management strategy.

The Investment Manager intends to purchase selectively collective investment schemes, not necessarily managed by BDT Investment Management Limited, in order to gain exposure to markets and sectors where the Investment Manager believes that a dedicated, specialist manager is likely to generate a superior return.

Investment Restrictions

It is the Company's intention to observe the investment restrictions necessary to achieve and maintain approved investment trust status in the United Kingdom and to comply with the Listing Rules of the UKLA. In connection with this and the Company's investment objectives and powers, the Company will not:-

- (a) make investments for the purposes of exercising control or management; or
- (b) invest or lend more than 15 per cent. by value of its assets (before deducting borrowed money) in securities of any one company (or other members of its group) other than another investment trust.

Borrowing and Gearing

The Company has power, under its Articles of Association, to borrow up to an amount equal to 50 per cent. of its share capital and reserves. The Directors intend that the Company should have the ability to utilise this power to leverage the portfolio in order to enhance returns where and to the extent that this is considered appropriate by the Directors. The Directors intend to use gearing selectively, not structurally. The Directors do not anticipate that there will be permanent debt. Instead, borrowings will be taken out in relation to a specific asset or circumstance. It is not the current intention of the Investment Manager to utilise gearing.

Dividend Policy

In order for the Company to qualify as an investment trust, the Company may not retain in respect of any accounting period more than 15 per cent. of the income it derives from shares and other securities. The Directors expect any dividends to be paid annually but may from time to time approve the payment to Shareholders of such interim dividends as appear to the Directors to be justified.

Share Repurchases

The Company may seek to purchase Ordinary Shares in the market in order to address any imbalance between the supply of and demand for Ordinary Shares and to enhance the Net Asset Value of the remaining Ordinary Shares.

Purchases will be made within guidelines established from time to time by the Board and in relation to Ordinary Shares, in circumstances in which the Board believes such purchases will result in an increase in the Net Asset Value of the remaining Ordinary Shares. Purchases will be made in accordance with the Listing Rules of the UKLA which currently provide that the price paid in respect of any repurchased Ordinary Shares may not exceed 5 per cent. above the average of the market values of the Ordinary Shares for the 5 business days before any such purchase is made.

Shareholder Information

The Company's annual reports and accounts will be prepared up to 31 March each year, the first accounting period of the Company ending on 31 March 2003, and it is expected that copies will be sent to Shareholders in June. Shareholders will also receive an unaudited interim report of the Company covering the six months to 30 September each year. The first report to Shareholders will be in respect of the period from incorporation to 30 September 2002.

Calculation of Net Asset Value

The Net Asset Value and the Net Asset Value per Ordinary Share will be calculated weekly by the Administrator in accordance with the principles set out in Part VII: General Information on pages 29 to 44 below. The value of the Company's investment in the Investment Manager taken into account for the purposes of these calculations will be determined as at the end of each calendar quarter on the basis of fair value, which the Directors have determined should be based on an average of the following calculations, multiplied by the percentage of the total number of shares held by the Company in the Investment Manager:

1. 4 per cent. of total funds under management (taken as the market capitalisation in the case of funds with fees charged on market capitalisation) by BDT calculated as at the relevant quarter end;
2. the unaudited book value of BDT, calculated at the relevant quarter end; and
3. a multiple of 4 times the previous 12 months investment management fees earned by BDT (excluding performance fees).

Continuation of the Company

The Company does not have a fixed life, but the Board considers it desirable that Shareholders should have the opportunity to review the future of the Company at appropriate intervals. At the Annual General Meeting of the Company in 2007 the Directors will propose an ordinary resolution for the continuation of the Company in its current form. If this resolution is passed, then similar resolutions will be proposed at every third subsequent Annual General Meeting. In the event that this resolution is not passed, the Directors will formulate proposals for the future of the Company for submission to and approval by Shareholders.

Reconstruction of The Establishment Trust

The Establishment Trust is an open ended investment company organised as a société anonyme under the laws of the Grand Duchy of Luxembourg and is qualified as a société d'investissement à capital variable. A scheme of reconstruction of that company has been proposed as part of which its shareholders may elect to receive Ordinary Shares in satisfaction of their entitlement in the winding-up of The Establishment Trust (with the existing portfolio of The Establishment Trust comprising mainly in UK treasury bills, in proportion to such entitlements, being transferred to the Company in consideration for the issue of the Ordinary Shares). If the reconstruction is approved by The Establishment Trust's shareholders, it will become effective on or around 18 March 2002. Ordinary Shares issued under the Scheme are expected to be issued on 19 March 2002, the day after such shares are expected to be issued under the Placing. The Placing and Admission are conditional on the Scheme of Reconstruction becoming effective.

Further Share Issues

Shareholders' pre-emption rights over any unissued share capital have not been disapplied so that the Directors will be obliged to offer new Ordinary Shares to Shareholders on a *pro rata* basis.

Listing

Application has been made for the Ordinary Shares to be admitted to trading on the London Stock Exchange and to listing by the UKLA.

Taxation

The Directors intend to manage the affairs of the Company so that, for each of its accounting periods, it should satisfy the current conditions for approval by the Inland Revenue as an investment trust for tax purposes under Section 842 ICTA.

Further information regarding the taxation of the Company and of Shareholders is set out in Part VI of this document.

If any potential investor is in any doubt about the taxation consequences of his or her acquiring, holding or disposing of Ordinary Shares, he or she should seek advice from his or her own professional adviser.

PART III

DIRECTORS, INVESTMENT MANAGEMENT AND ADMINISTRATION

The Board

The Directors are responsible for the determination of the Company's investment objective and policy and have overall responsibility for the Company's activities including the review of investment activity and performance. The Directors will implement procedures to ensure that the Company meets current corporate governance requirements to the extent which the Directors consider to be appropriate for a company of its size and type. A majority of the Directors are, and will continue to be, independent of the Investment Manager. The Directors, all of whom are non-executive, are listed below:

Richard Thornton (Chairman)

Richard Thornton, aged 70, has specialised in international investment management for more than 30 years with the Thornton & Co. Group, GT Management plc and, prior to that, the Foreign and Colonial Management Group. He was co-founder of GT Management and was the founder of Thornton & Co Limited, of which he was Chairman until June 1991. He is chairman of The Establishment Trust and was responsible for its investment management until 1997. He is a non-executive director of BDT.

Sir David Cooksey

David Cooksey, aged 61, has been involved in the venture capital business since 1981, when he founded Advent Venture Partners. He has been responsible for the development of the activities of Advent since that time and is currently Chairman. He was the first Chairman of the British Venture Capital Association in 1983/1984. He entered the venture capital industry following a career in industrial engineering and general management in the De La Rue Company, which he left in 1971 when he headed a management buy out of a small subsidiary. In addition to his responsibilities within Advent, he is currently a Director of the Bank of England, non-executive Chairman of Bepak plc and of William Baird plc. He is chairman of the UK Government's Small Business Investment Task Force which is charged with ensuring that public funds are effectively used to encourage investment in the Small Firms sector. Until the end of 1999, he was a Governor of the Wellcome Trust. He holds an MA in Metallurgy from Oxford University.

Dr. James King

Dr. King, aged 63, is Chairman of the Bermuda Telephone Company Limited and a director of the Bank of Butterfield. He is also Chairman of The Argus Insurance Company, Centurion Insurance Services Limited and St Martin's Reinsurance Company Limited. He has been a director of The Establishment Trust since July 1995.

Rhoddy Swire

Rhoddy Swire, aged 50, is Chairman of The Pantheon Group and is responsible for overseeing private equity investments and the development and implementation of corporate strategy within Pantheon. He is a member of the Pantheon International Investment Committee, a director of Pantheon International Participations PLC and a director of a number of other specialist private equity investment funds managed by Pantheon. In 1981 Rhoddy joined GT Management to oversee and

manage unquoted investments and he subsequently led the buy-out from GT Management to Pantheon. Previously he was an executive with John Swire & Sons Limited for four years, working in Hong Kong, Sydney and London.

Rhoddy is also Chairman of the OFEX listed company, Clyde Marine PLC, and a UK investment trust, The Lindsell Train Investment Trust plc. He has a BSc in Engineering and Economics from Birmingham University and qualified as a Chartered Accountant with Peat, Marwick Mitchell & Co.

Harry Wells

Harry Wells, aged 48, has over 25 years experience of investment markets both in London and Hong Kong, latterly as a Managing Director of Salomon Smith Barney until taking early retirement in October 2001. Mr Wells is a Member of the Royal Institution of Chartered Surveyors, Fellow of the Securities Institute and holds an MA Degree from Cambridge University. He was an independent member of the London Stock Exchange and the Hong Kong Stock Exchange. Mr Wells was previously Director of UBS Securities Ltd (1992-1995) with Credit Lyonnais Securities (1991-1992) and was Managing Director of Rowe & Pitman (Far East) Ltd (1980-1985) in Hong Kong.

Investment Manager

The Company has appointed the Investment Manager, BDT Investment Management Limited, to undertake the day-to-day discretionary investment management of the Fund. The Investment Manager is an investment management company incorporated in England and Wales on 7 March 2000. BDT commenced commercial operations in October 2000. It is regulated by the Financial Services Authority and is authorised to conduct investment business in the United Kingdom and it is also registered with the US SEC. Its principal business is to provide investment management and advisory services to clients in the United Kingdom and other parts of the world. As at 31 December 2001, the Investment Manager had £49.2 million of assets under management.

The success of the Investment Manager will be dependent on achieving satisfactory investment performance and growing funds under management.

BDT's primary focus is to build assets under management in absolute return investment vehicles. BDT believes that an opportunity exists to deliver products with an absolute return focus to a market place that is much wider than the typical hedge fund investor. In March 2001 BDT launched BDT Invest Funds plc, a UCITS compliant Dublin domiciled umbrella fund. Currently the fund consists of one absolute return product, the BDT Invest Global Fund. Over time it is anticipated that additional sub-funds will be launched under the umbrella structure. BDT believes that UCITS compliant and for well regulated absolute return investment vehicles will prove to be a rapidly growing market niche. BDT is well positioned to take advantage of this trend. BDT also expects to launch a small number of hedge funds with differing risk profiles to capitalise on specific investment opportunities.

The Investment Manager will generally be remunerated for its investment management of the investment funds established by way of fee structures incorporating periodic management fees and, where appropriate, performance related fees. Where, pursuant to the investment objective of the Company, investment is made by the Investment Manager on behalf of the Company in BDT Fund Products, the Investment Manager will waive periodic management and performance fees otherwise receivable by it from the relevant underlying fund on the amount so invested. In addition, the Company will not invest in aggregate more than 20 per cent. by value of its assets in BDT Fund Products.

The BDT Shareholders Agreement commits BDT to distribute a minimum of 50 per cent. of profits available for distribution as dividends to its shareholders. It also provides that the annual remuneration of the BDT Founder Shareholders will be, subject to BDT's profitability, at a rate that would be enough (and only enough) to bring each of them within the top quartile of annual remuneration paid at

the relevant time to investment directors (or equivalent executives) working in the fund management industry. In determining such remuneration the directors of BDT shall be entitled to have regard to such evidence as they consider appropriate and shall have regard to relevant figures and statistics published by appropriate actuaries.

The executives of BDT are as follows:

Henry Thornton (aged 38)

Henry Thornton is the chief executive officer of BDT. He joined Thornton Management (Asia) in 1985. In 1989 he was appointed investment director of Royal Trust Asset Management (Asia), a position he retained during subsequent acquisitions by Credit Lyonnais International Asset Management and Nicholas Applegate Capital Management. In 1999 he was appointed head of emerging markets at Colonial First State Investments, a position he retained until his resignation in April 2000.

Robert Brewis (aged 34)

Robert Brewis is a director of BDT. He joined Thornton Management in 1988 in London and transferred to Asia the following year. In 1990 he joined Royal Trust Asset Management (Asia), where he remained during subsequent acquisitions by Credit Lyonnais International Asset Management and Nicholas Applegate Capital Management. In 1999 he returned to London with Colonial First State Investments until his resignation in April 2000.

Simon Dobson (aged 38)

Simon Dobson is a director of BDT. He joined GT Management (Asia) in 1985 and was posted to Hong Kong in that year. In 1988 he was made a director and head of the South East Asia Investment Team. In 1992 he was transferred to GT Management (Japan) in Tokyo, subsequently INVESCO Japan. In 1999 he returned to INVESCO London and worked on the Global Equity Team until his resignation in February 2000.

The other directors of BDT are:

- John Scott (Chairman); and
- Richard Thornton.

Capital Structure of Investment Manager

BDT Investment Management Limited has an issued share capital of 536,000 ordinary 100p shares and has subordinated loans of, in total, £264,000. The Company has agreed to subscribe for 134,000 new ordinary shares and provide an interest free subordinated loan of £66,000 to BDT. Following the issue of such shares, the Company will own twenty per cent. of the issued share capital of the Investment Manager.

The Investment Manager has an option scheme for employees. As at 31 December 2001 options over 53,600 shares had been granted to employees. A total of 167,500 shares can be granted under the option scheme. If all options are granted and subsequently exercised the Company's equity stake would be reduced to 16 per cent.

After having given BDT two months written notice, such notice to expire no earlier than the fifth anniversary of the date of the subordinated loan and subject to profitable operation, liquidity requirements and approval from the FSA, it is envisaged that the interest free subordinated loan will be redeemed by the Investment Manager when it is in a position to do so.

Fees and Expenses

Investment Management Fee

For the purposes of calculating the Investment Management Fee, the Adjusted Market Capitalisation per Ordinary Share on the last Business Day of any calendar month will be the average of the mid market prices of an Ordinary Share as derived from the Official List of the UK Listing Authority on each Business Day in such calendar month. The Adjusted Market Capitalisation of the Company on the last Business Day of any calendar month will be the Adjusted Market Capitalisation per Ordinary Share as at that day multiplied by the number of Ordinary Shares in issue as at that day.

The Investment Management Fee is a management fee payable by the Company to BDT at the annual rate of 1 per cent. of the Adjusted Market Capitalisation of the Company, accrued weekly but calculated and payable monthly based on the last Business Day of each month.

Performance Fee

For the purposes of calculating the Performance Fee, the Adjusted Market Capitalisation per Ordinary Share on the last Business Day of each Performance Period will be the average of the mid-market prices for an Ordinary Share as derived from the Official List of the UK Listing Authority on each Business Day in the last month of that Performance Period, adjusted by adding back the total amount of all dividends paid during that Performance Period. For the purposes of accruing the Performance Fee in calculating the Net Asset Value at any date other than the last Business Day of a Performance Period, the Adjusted Market Capitalisation per Ordinary Share will be the mid-market price for an Ordinary Share as derived from the Official List of the UK Listing Authority at that date adjusted by adding back the total amount of all dividends paid during that Performance Period.

The Investment Manager is entitled to receive in respect of the Ordinary Shares of the Company, a performance related investment management fee (the "Performance Fee") payable in respect of annual performance. The Performance Fee is payable at the rate of 10 per cent. of the amount by which the growth in the Adjusted Market Capitalisation per Ordinary Share exceeds the Performance Hurdle (described below). The Performance Fee is payable in arrears in respect of each Performance Period and is calculated in accordance with the rules set out below.

A "Performance Period" for these purposes means a period commencing immediately following the last day of the preceding Performance Period and ending on and including the next Calculation Day. The first Performance Period shall commence on the closing of the initial offer in respect of the Ordinary Shares and will end on 31 March 2003. "Calculation Day" for these purposes means:

- (a) the last Business Day of the Company's financial year;
- (b) the date of termination of the Investment Management Agreement; or
- (c) such other date on which BDT or the Company may be liquidated or cease trading.

In order for a Performance Fee to be payable in respect of a Performance Period, the Adjusted Market Capitalisation per Ordinary Share on the last Business Day of the relevant Performance Period (the "Final Adjusted Market Capitalisation per Ordinary Share") must exceed the "Performance Hurdle". Where the Performance Hurdle is exceeded, the Performance Fee payable per Ordinary Share is equal to 10 per cent. of the amount by which the Final Adjusted Market Capitalisation per Ordinary Share exceeds the Performance Hurdle. The total Performance Fee payable will be an amount equal to the Performance Fee per Ordinary Share (calculated as above) multiplied by the average number of Ordinary Shares in issue during the relevant Performance Period.

The average number of Ordinary Shares in issue during any Performance Period shall be calculated based upon the number of Ordinary Shares in issue on the last Business Day of each week during the Performance Period.

The "Performance Hurdle" for the first Performance Period of the Company in respect of the Ordinary Shares is 100p per Ordinary Share (the initial offer price for Ordinary Shares) grown by the Performance Rate of Return calculated on the basis of the number of days elapsed in the relevant Performance Period. The Performance Hurdle for subsequent Performance Periods is the average of the mid market prices of an Ordinary Share as derived from the Official List of the UK Listing Authority on each Business Day in the last month of the preceding Performance Period in respect of which a Performance Fee has been paid, grown by the Performance Rate of Return for each subsequent Performance Period. If no Performance Fee is payable in respect of the first Performance Period of the Company, and until such time as a Performance Fee is paid, the Performance Hurdle for subsequent Performance Periods is the Performance Hurdle for the first Performance Period grown by the Performance Rate of Return for each subsequent Performance Period.

The "Performance Rate of Return" for each Performance Period is calculated at the rate of 10 per cent. compound per annum. It may be necessary to take into account the Performance Rate of Return for more than one Performance Period in order to calculate the Performance Hurdle for a Performance Period.

The Investment Management Fee and Performance Fees will be calculated by the Administrator and such calculation verified by the Company's auditors. The amount of Management Fees and Performance Fees earned by the Investment Manager in respect of any Performance Period will be retained regardless of the subsequent performance of the Company. If the determination of the Adjusted Market Capitalisation per Ordinary Share is suspended on any Calculation Day, the calculation of the Management Fees and Performance Fees on that date will be based upon the next available determination of the Adjusted Market Capitalisation per Ordinary Share and the amount of any Management Fee and Performance Fee accrued will be adjusted accordingly.

Directors Fees

The initial fees payable to the Directors of the Company, who will be non executive, will be £7,500 per annum for the Chairman and £5,000 per annum for each of the other Directors.

In addition, each Director shall be entitled to his pro rata share of a performance fee which shall be equal to 1 per cent. of the amount by which the increase in the Adjusted Market Capitalisation per Ordinary Share exceeds that of the Performance Hurdle. However, the amount paid to Directors by way of fees shall not exceed in aggregate £150,000 (plus VAT) in any financial year or such greater sum as may be determined from time to time by ordinary resolution of the Company.

Administration Fees

Phoenix Administration Services Limited will be entitled to an initial set up fee of £5,000 (plus value added tax) and a fee of £55,000 per annum (plus value added tax).

Registrars' Fees

Capita IRG Plc will be entitled to a minimum fee of £1,000 per annum (plus value added tax).

Custodian's Fees and Expenses

The Custodian will perform a variety of banking and custodial services for the Company on arms length commercial terms for which transaction fees will be charged at normal commercial rates. The Custodian will also be entitled to have its expenses reimbursed and such expenses are not subject to a

cap. There is a separate custodial fee payable to the Custodian. The minimum separate custodial fee payable by the Company to the Custodian is £30,000 (plus value added tax). All sub-custodian fees will be charged at normal commercial rates.

Other Fees and Expenses

The Company will also pay the expenses incurred in the operation of the Company including, without limitation, taxes, expenses for legal and auditing services, costs of listing and of printing, shareholders' reports, prospectuses and other promotional expenses, registration fees and other expenses due to supervisory authorities in various jurisdictions, fees and out of pocket expenses of the Directors, certain out of pocket expenses which may be payable to the Investment Manager, Administrator and Custodian, insurance, interest, brokerage costs and the cost of publication of the Net Asset Value and the Net Asset Value per Ordinary Share. The Company may also pay brokerage or equivalent fees to any introducer of investment opportunities. The anticipated initial costs and expenses are set out in Part VII of this document.

PART IV

DETAILS OF THE ISSUE

The Issue

The size of the Company following the Issue will be determined by the number of subscriptions for Ordinary Shares received under the Placing and the elections made (and deemed to be made) under the Scheme. Up to 20,000,000 Ordinary Shares will be issued pursuant to the Placing and under the Scheme and any elections under the Scheme will be satisfied in full. In the event of over subscription of the Ordinary Shares under the Placing, the Company will be entitled to scale back applications in its absolute discretion.

The net proceeds of the Issue will be fully applied in accordance with the Company's investment objective.

The Placing

Ordinary Shares are available under the Placing. The Ordinary Shares of 25p each will be placed at a Issue Price of 100p per Ordinary Share. The Placing will not be underwritten and the number of Ordinary Shares to be issued pursuant to the Placing will not exceed 20,000,000.

The minimum subscription per investor under the Placing is for Ordinary Shares with an aggregate value at the Issue Price of £1,000.

The latest time for receipt of Placing Application Forms and payment is 5.00 p.m. (London time) on 13 March 2002. The Placing Application Form, together with the terms and conditions of the Placing, can be found in Parts VIII and IX of this document.

Applications under the Placing will be scaled back, if necessary, by the Company, dependent on the elections (or deemed elections) for Ordinary Shares under the Scheme. The Company retains the right otherwise to determine, in their absolute discretion, the allocation of Ordinary Shares amongst applicants under the Placing.

No commission will be payable to places subscribing for Ordinary Shares.

Expenses

On the assumption that the issue is fully subscribed and that £12.5 million is raised pursuant to the Scheme and £7.5 million is raised pursuant to the Placing the initial expenses of the Issue are estimated to be £362,264 representing 1.8 per cent. of the initial gross assets of the Company.

Settlement and Dealings

Application has been made to the UKLA for the Ordinary Shares to be admitted to the Official List and application has been made to the London Stock Exchange for the Ordinary Shares to be admitted to trading. It is expected that the basis of allocation of Ordinary Shares will be announced on 18 March 2002. It is expected that admission to the Official List of the Ordinary Shares will become effective, and that separate dealings in the Ordinary Shares issued pursuant to the Placing will commence, at 8:00 a.m. on 18 March 2002. The Directors have been advised that, in order for the Scheme to constitute a scheme of reconstruction for tax purposes, dealings in the Ordinary Shares issued pursuant to the Scheme, should preferably commence on a different day from those issued under the Placing. Accordingly, it is expected that, in respect of the Ordinary Shares issued pursuant to the Scheme, admission to the Official List will become effective and that dealings will commence at 8:00 a.m. on 19 March 2002.

The Ordinary Shares will be issued in both certificated form and in uncertificated form for settlement through CREST. Investors should be aware that dealings in Ordinary Shares held in certificated form are likely to incur, on an ongoing basis, higher costs than dealings in Ordinary Shares held in CREST. Ordinary Shares initially issued in certificated form may subsequently be deposited into CREST in accordance with normal CREST procedures. Certificates for Ordinary Shares are expected to be despatched within 14 days of Admission. Temporary documents of title will not be issued pending the delivery of Ordinary Shares to subscribers and, during that period, transfers will be certified against the register.

PART V

RISK FACTORS, CONFLICTS OF INTEREST AND SOFT COMMISSIONS

Risk Factors

Investment in the Company involves risk including, but not limited to, the risks referred to below. No assurance can be given that Shareholders will realise a profit on their investment. Moreover, Shareholders may lose some or all of their investment. The risks referred to below are not exhaustive. Potential investors should review this document carefully and in its entirety and consult with their professional advisors before subscribing for Ordinary Shares in the Placing.

Lack of operating history

The Company is newly formed and the Investment Manager, established in 2000, has yet to achieve profitable operation. There can be no assurance that the Company will achieve its investment objective.

Business dependent upon key individuals

The success of the Company is significantly dependent upon the expertise of the BDT Founder Shareholders. Their past investment performance may not be construed as an indication of the future results of an investment in the Company.

The Investment Manager

It is anticipated that the Company will subscribe for a 20 per cent. shareholding in the Investment Manager soon after launch. At this point, the Investment Manager will have monthly expenses in excess of monthly revenues assuming the executives are remunerated as outlined in the BDT Shareholders Agreement. If the Investment Manager is unable to reverse this trend over the course of the next two years of trading, it will require further injections of capital or, failing that, may be liquidated.

Investment in the Investment Manager

In addition to its subscription of 20 per cent. of the issued ordinary share capital in the Investment Manager, the Company will provide an interest free subordinated loan of £66,000 to the Investment Manager. In the event that the Investment Manager fails, these investments may not be repaid in full, if at all.

Fees and expenses

Whether or not the Company is profitable, it is required to meet certain fixed costs, including start-up and organisational expenses, ongoing administrative and operating expenses and advisory fees.

Performance fee

In the event of the Company becoming liable to pay a large performance fee, it may consequently record a loss for the relevant year and be forced to liquidate some of its investments to pay the fee.

Investment strategies

The Company's key characteristic is that its investment strategy is not derived from or even influenced by any index or benchmark. The Investment Manager defines and measures risk in the Company's portfolio in terms of the volatility of absolute returns, not relative to an index.

No assurance can be given that the strategies to be used will be successful under all or any market conditions. The Company may seek to hedge against fluctuations in the relative values of the Company's portfolio positions as a result of changes in exchange rates. Such hedging transactions may not always achieve the intended effect and can limit potential gains.

Concentration of investments

Although the Company will endeavour to diversify its portfolio it may hold a few relatively large equity positions. Consequently, a loss in any such position could result in significant losses to the Company and a proportionately higher reduction in its Net Asset Value and the Net Asset Value per Ordinary Share than if the Company had invested in a wider number of positions.

Illiquidity and volatility of investments

Investments in Ordinary Shares may be relatively illiquid. There may be a limited number of shareholders and this fact together with the small size of the Issue may contribute to infrequent trading on the London Stock Exchange and volatile share price movements.

Investment in Debt Securities

No rating criteria have been established for the debt securities in which the Company may invest. Therefore, in accordance with the Company's investment policy, the Company may invest in low rated (considered to be those that are below investment grade) and unrated debt securities. Low rated and unrated debt securities are the equivalent of high yield, high risk bonds, commonly known as junk bonds, and are generally considered to be speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of its obligations under such securities.

Currency

Certain of the Company's assets may be invested in securities and other investments denominated in currencies other than Sterling. The value of such investments may be affected favourably or unfavourably by fluctuations in currency exchange rates, notwithstanding any efforts made to hedge such fluctuations. In addition, prospective investors whose assets and liabilities are primarily denominated in currencies other than the currency of investment should take into account the potential risk of loss arising from fluctuations in the rate of exchange between Sterling and such other currency or currencies.

Market risk

The Company's investments are subject to normal market fluctuations and the risks inherent in the purchase, holding or selling of equity securities and related instruments, and there can be no assurance that appreciation will occur. Further, the Company may invest in unquoted equity securities that are not readily realisable. The value of such securities will be determined quarterly by the Investment Manager. There can be no guarantee that the value would be realisable in the event of a forced sale. The value of Ordinary Shares can go down as well as up, and investors may not realise the value of their initial investment.

Emerging Markets Risk

Investment may be made in securities of companies in emerging markets. Such securities may involve a higher degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscation, taxation, nationalisation, and social, political and economic instability; (ii) the small current size of the markets for securities of emerging markets issuers and the currently low or non-existent volume of trading, resulting in lack of liquidity and in price volatility; (iii) certain national policies which may restrict the investment opportunities available in respect of a fund including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; and (iv) the absence of developed legal structures governing private or foreign investment and private property.

Conflicts of Interest

The Investment Manager, the Administrator, any of their respective directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an "Interested Party") may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, an Interested Party may acquire on behalf of a client an investment in which the Company may invest.

However, where the Investment Manager could allocate an investment between two or more funds or accounts which it manages or advises (including the Company) or make a disposal of investments held by two or more such funds or accounts, it will act fairly as between the relevant funds or accounts in making such allocation or disposal, having regard to, *inter alia*, factors such as cash availability and portfolio balance.

The Company may acquire or sell a security from or to any Interested Party or any fund or account advised or managed by any such person. An Interested Party may provide professional services to the Company (provided that no interested party shall act as auditor to the Company) or hold Ordinary Shares or buy, hold and deal in any investments for their own account notwithstanding that similar investments may be held by the Company. An Interested Party may contract or enter into any financial or other transaction with any Shareholder or with any entity any of whose securities are held by or for the account of the Company, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions to which it or he is contractually entitled in relation to any sale or purchase of any investment of the Company effected by it or him for the account of the Company, provided that in each case the terms are no less beneficial to the Company than a transaction involving a disinterested party and any commission. In the event of the Directors becoming aware of a conflict of interest they will seek to ensure that it is resolved in the best interests of the Company. The Investment Management Agreement also provides that any conflict of interest will be dealt with in accordance with the applicable Financial Services Authority conduct of business rules.

Soft Commissions

The Investment Manager may conduct part of its business through brokers or an agency rather than dealing direct as principal with market-makers because of the benefits of the services which they provide. The Investment Manager may use a number of full service brokers who provide research which benefits the whole range of the Investment Manager's clients by contributing to its investment decision making processes. In connection with the transactions it makes on behalf of the Company, the Investment Manager may use brokers who provide goods or services ("Disclosable Softing Services") which are of demonstrable benefit to the Investment Manager's clients or specifically to the Company. Such goods and services may include: research and advisory services; economic and political analysis relevant to investment; portfolio analysis (including valuation and performance

measurement; market analysis; data and quotation services); computer hardware and software incidental to the above goods and services; safe custody services; and investment-related publications and professional association memberships. The Investment Manager is entitled to receive the benefit of Disclosable Softing Services where it is satisfied that the transactions for the Company generating the Disclosable Softing Services are in strict compliance with this document and the regulatory requirements applicable to it and are made in good faith and in the best interest of the Company and brokerage rates are not in excess of customary full-service brokerage rates. The Investment Manager has agreed to report to the Directors on a quarterly basis the total commissions with a break-down between Soft Commissions and other types of commissions paid by the Company.

Soft Commission credits will only be used to pay for research services.

PART VI

TAXATION

The following information is based on the law and practice currently in force in the UK and applies to Shareholders who are resident or ordinarily resident in the UK for taxation purposes and who hold Ordinary Shares as an investment. The information is not exhaustive and, if potential investors are in any doubt as to their taxation position, they should consult their professional adviser. Investors should note that tax law and interpretation can change and that, in particular, the levels and bases of, and reliefs from, taxation may change and that changes may alter the benefits of investment in the Company.

The Company

It is the intention of the Directors to conduct the affairs of the Company so as to satisfy the conditions for approval as an investment trust under Section 842 ICTA each year. Under Corporation Tax Self Assessment, the Inland Revenue are no longer obliged to give written approval. Instead, the Inland Revenue have twelve months after the return filing date in which to give notice that they intend to enquire into the return but, if no such notice is given, then approval may be assumed to have been obtained. One of the requirements for approval as an investment trust is that the Company is not a close company.

In respect of each fiscal accounting period for which approval is granted, the Company will be exempt from United Kingdom taxation on its capital gains. The Company will, however, be liable to United Kingdom corporation tax on its income in the normal way. Thus, whilst the Company will not be subject to corporation tax on dividends received from other United Kingdom companies, it will be subject to corporation tax at a rate of up to 30 per cent. on its other income after relief for allowable expenses. Income arising from overseas investments may be subject to overseas withholding taxes, subject to relief which may be available under any relevant double taxation agreement with the UK or under UK domestic law.

Shareholders

Taxation of Capital Gains

Depending on their personal circumstances, United Kingdom resident Shareholders may be subject to capital gains tax (or, in the case of corporate Shareholders, corporation tax on capital gains) in respect of any gain arising on a disposal, including a disposal on winding-up the Company, of their Ordinary Shares unless the Shareholder is taxed as a dealer in securities, in which case the Directors have been advised that any gain will be treated as income and taxed as such. An individual will be taxed on such gains at either 10 per cent., 20 per cent. or 40 per cent. for starting, basic and higher rate tax payers respectively but this may be reduced by the annual exemption (currently £7,500) and taper relief which will reduce the amount of the chargeable gain according to how long (measured in years) the Ordinary Shares have been held. Corporate Shareholders may be entitled to an indexation allowance.

Non-United Kingdom resident Shareholders who are not carrying on a trade, profession or vocation in the UK through a branch or agency to which the Ordinary Shares are attributable as assets, will not normally be liable to United Kingdom taxation of capital gains in respect of any sale or other disposal of their Ordinary Shares, although they may be subject to foreign taxation.

In the event of a winding-up of the Company, distributions (other than to dealers in securities who are subject to different rules) will be treated as capital receipts.

A Shareholder who sells Ordinary Shares in the market for purchase by the Company will be treated, for the purposes of UK taxation, as though the Shareholder had sold them in the normal way to a third party.

Taxation of Dividends and Distributions

Under current United Kingdom tax legislation, no withholding tax will be deducted from any dividends paid by the Company. Shareholders will receive a notional tax credit equal to 1/9th of the cash dividend (10 per cent. of the gross dividend). Individuals who pay tax at the starting, lower or basic rate will have no further tax to pay. Individuals who pay tax at the higher rate will be subject to additional tax of 22.5 per cent. of the dividend plus the tax credit. Non-taxpayers will not be able to claim repayment of the tax credit.

A UK resident corporate Shareholder (including authorised unit trusts) will generally not be liable to corporation tax on any dividend received from the Company.

Shareholders who are resident outside the UK should consult an appropriate professional adviser as to their tax position. Such Shareholders should note that they may not be entitled to any payment from the Inland Revenue in respect of the tax credit on dividends.

Stamp Duty and Stamp Duty Reserve Tax

No United Kingdom stamp duty or stamp duty reserve tax ("SDRT") will generally be payable on the issue of the Ordinary Shares in certificated form. The transfer of Ordinary Shares in certificated form will be subject to SDRT at the rate of 0.5 per cent. of the actual consideration paid if an unconditional agreement to transfer the Ordinary Shares is not completed by a duly stamped transfer within 60 days. If an instrument of transfer of the Ordinary Shares is subsequently produced it will generally be subject to stamp duty calculated on the actual consideration paid, the SDRT charge will be cancelled and any SDRT already paid will be refunded.

Under the CREST system for paperless transfers, no stamp duty or SDRT will arise on the transfer of Ordinary Shares into the system unless such a transfer is made for a consideration in money or money's worth, in which case a liability to SDRT (usually at the rate of 0.5 per cent.) will arise. Paperless transfers of shares within CREST are liable to SDRT (usually at the rate of 0.5 per cent. of the actual consideration paid) rather than stamp duty and SDRT on relevant transactions settled within the CREST system, or reported through it for regulatory purposes, is collected by CREST. No stamp duty or SDRT will be payable on the issue of definitive certificates unless they are issued to persons to whom the depository receipt or clearance service charge to SDRT may apply (currently, at the rate of 1.5 per cent. of the issue price).

In the ordinary course of events, liability to pay any stamp duty or SDRT is that of the purchaser or transferee.

Special rules apply to agreements made by certain persons including recognised intermediaries, market makers and broker dealers in the ordinary course of their business, and persons connected with depository receipt arrangements or clearance services.

THE ABOVE PARAGRAPHS ARE A GENERAL GUIDE ONLY AND ARE NOT EXHAUSTIVE. IF YOU ARE IN ANY DOUBT AS TO YOUR TAX POSITION YOU SHOULD CONSULT AN APPROPRIATE PROFESSIONAL ADVISOR WITHOUT DELAY.

PART VII

GENERAL INFORMATION

1 Listing

Application has been made to the UKLA for the Ordinary Shares to be issued pursuant to the Issue to be admitted to the Official List and to the London Stock Exchange for admission to trading. It is expected that admission of the Ordinary Shares to the Official List will become effective, and that dealings in the Ordinary Shares will commence, on 18 March 2002 in respect of Ordinary Shares issued pursuant to the Placing, and on 19 March 2002 in respect of Ordinary Shares issued pursuant to the Scheme. The Issue is of up to 20,000,000 Ordinary Shares and application has been made for the listing and admission to trading of up to this number of Ordinary Shares. None of the Placing is being underwritten.

2 Responsibility

The Directors of the Company, whose names are set out in Part III of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

3 Incorporation

The Company was incorporated and registered in England and Wales under the Companies Act as a public limited company on 17 January 2002 with the name The Establishment Investment Trust plc and with registered number 4355437. No accounts of the Company have been made up since its incorporation. The Company has not traded since its incorporation.

The Company operates under the Companies Act and the regulations made under it. It has no subsidiaries. The Company may establish further subsidiaries to engage in transactions connected with its proposed activities.

On 1 February 2002 the Registrar of Companies issued a certificate under section 117 of the Act entitling the Company to commence business.

Changes in the authorised and issued share capital of the Company since its incorporation are summarised below. Contracts entered into by the Company since its incorporation are referred to below.

4 Share Capital

The authorised share capital of the Company on incorporation was £7,500,000 divided into 30,000,000 Ordinary Shares of 25p each. On incorporation two Ordinary Shares were issued nil paid and on 29 January 2002 were transferred to the Investment Manager and its nominee. These Ordinary Shares will be included in the Placing.

On 29 January 2002 the Investment Manager was allotted 49,998 Ordinary Shares of 25p each against its irrevocable undertaking to pay up the nominal value and a premium of 75p of these (and the two subscriber shares) by no later than 14 March 2002. These Ordinary Shares will be included in the Placing.

Pursuant to a written special resolution of the members passed on 4 February 2002:

- (i) the Directors were generally and unconditionally authorised pursuant to section 80 of the Act to exercise all the powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) pursuant to the placing of the Company's ordinary shares and in connection with the issue of ordinary shares pursuant to the recommended scheme of reconstruction of The Establishment Trust proposed to be effected in 18 March 2002 (together the "Issue"), up to an aggregate nominal amount of £7,500,000 (unless previously revoked, varied or extended by the Company in general meeting), but so that the Directors may, at any time before such expiry, make an offer or agreement which would or might require relevant securities in pursuance of such offer or agreements as if the authority had not expired; and
- (ii) the Directors were empowered (pursuant to section 95(1) of the Act) to allot and make offers or agreements to allot equity securities (as defined in section 94(2) of the Act) pursuant to the authority referred to in sub-paragraph (i) above as if section 89(1) of the Act did not apply to any such allotment, provided that such power is limited to the allotment of equity securities up to the conclusion of the annual general meeting of the Company in 2003 and pursuant to the Issue (the "Section 89 Period"). The Directors may, at any time prior to the expiry of the Section 89 Period, make an offer or agreement which would or might require equity securities to be allotted after the expiry of the Section 89 Period and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power had not expired.

No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

The provisions of section 89 of the Act (which to the extent not disapplied pursuant to section 84 of the Act, confer on shareholder rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to the balance of the authorised but unissued share capital of the Company save to the extent disapplied as mentioned above.

Save as disclosed in this document since the date of its incorporation no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, either for cash or any other consideration and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital.

Any of the Ordinary Shares comprised in the Issue but not subscribed or available for issue will remain authorised but unissued.

The Ordinary Shares are in registered form.

Subject to the Uncertificated Securities Regulations 2001, the Company's register may be closed at such time or times and during such period as the Directors may think fit, not exceeding in total 30 days in each year.

5 Memorandum and Articles of Association

The memorandum of association of the Company provides that the Company's principal object is to carry on the business of an investment trust company in all its branches and in any part of the world. The objects of the Company are set out in clause 4 of the memorandum of association which is available for inspection at the address set out in paragraph 14 below.

The articles of association (the "Articles") of the Company, a copy of which is available for inspection at the address set out in paragraph 14 below, contain provisions, *inter alia*, to the following effect:

(i) *Non disclosure of Interests in Shares*

The Directors of the Company may by notice (a "default notice") to a member direct that such member shall not be entitled to attend or vote (either in person or by proxy (or, being a corporation, by representative)) at any general meeting or class meeting if that member or any other person appearing to be interested in shares held by such member has been duly served with a notice under section 212 of the Act and in respect of that member is in default for a period of 28 days after the date of such service in supplying the information thereby required except where the default shares represent at least 0.25 per cent of the shares concerned in which case such period shall be 14 days. Where the relevant shares held by such member represent 0.25 per cent. or more of the issued shares of their class then, in addition, if the relevant default notice so directs, any sums payable (whether in respect of dividend or other money which would otherwise be payable) in respect of such shares or any part thereof shall be withheld by the Company until such time as the relevant notice under section 212 of the Act ceases to have effect and the Company shall not have any obligation to pay interest on any such sums when they are finally paid to the member concerned and no transfer of such shares shall be registered, save in certain circumstances.

(ii) *Variation of Rights and Class Meetings*

Whenever the share capital of the Company is divided into different classes of shares, the rights attached to any class may, subject to the provisions of the Act and the Articles, be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. All the provisions of the Act and of the Articles relating to general meetings of the Company and the proceedings thereat shall, so far as applicable, apply to any such separate general meeting except that the necessary quorum at such meeting shall be two persons holding or representing by proxy at least one third in nominal value of the issued shares of that class (except at an adjourned meeting when the quorum shall be any holder of shares of that class present in person or by proxy (or, in the case of a corporation, its representative)). Any holder of shares of the relevant class present in person or by proxy (or, being a corporation, by representative) may demand a poll and every such holder shall on a poll have one vote for every share of that class held by him.

(iii) *Alteration of Capital*

The Company may by ordinary resolution:

- (a) increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe;
- (b) consolidate and divide any of its shares into shares of larger amount than its existing shares;
- (c) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its share capital by the amount of the shares so cancelled; and
- (d) subject to the provisions of the Act, subdivide any shares into shares of smaller amount and the resolution may determine that as between the shares resulting from the subdivision, one or more of such shares may have such preferred, deferred or other special rights or be subject to any such restrictions, compared with other shares.

Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account or other undistributable reserve in any manner. The Company may also by ordinary resolution or special resolution, as the case may require, purchase its own shares (including any redeemable shares) in any manner authorised by the Act.

(iv) *Transfer of shares*

- (a) Transfers of shares in certificated form may be effected by transfers in any usual or common form or in any other form acceptable to the Directors. The instrument of transfer shall be signed by, or on behalf of, the transferor and (except in the case of fully paid shares) by, or on behalf of, the transferee. In relation to uncertificated shares references in the Articles to instruments of transfer shall include instructions and/or notifications made in accordance with the relevant system relating to the transfer of such shares.
- (b) The Directors may, in their absolute discretion and without assigning any reason therefor, refuse to register a transfer of any shares (being a fully paid share) held in certificated form unless the relevant instrument of transfer is:
 - A. in respect of a share provided that, where such shares are admitted to the Official List, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis;
 - B. in respect of only one class of share;
 - C. in favour of a single transferee or not more than four joint transferees;
 - D. duly stamped if required; and
 - E. delivered for registration to the registered office of the Company or such other place as the Directors may from time to time determine, accompanied, except in the case of a transfer by a recognised person where a certificate has not been issued, by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the right of the transferor to make the transfer.
- (c) The Directors may also refuse to register a transfer of uncertificated shares in such other circumstances as may be permitted or required by the Uncertificated Securities Regulations 2001 (the "Regulations") and the relevant system.
- (d) Subject to the Act, registration of transfers may be suspended and the register of members closed by the Directors, provided that the register of members shall not be closed for more than 30 days in any year.

(v) *Directors*

- (a) Unless otherwise determined by the Company by ordinary resolution, the number of Directors shall not be less than two.
- (b) The provisions of section 293 of the Act (which regulate the appointment and continuation in office as directors of persons who have attained the age of 70 or more) shall not apply to the Company.

- (c) At each annual general meeting of the Company, one-third of the Directors who are subject to retirement by rotation (or, if their number is not three or an integral multiple of three, the nearest whole number exceeding one-third) shall retire from office by rotation, but if any Director has at the start of the annual general meeting been in office for more than three years since his last appointment or re-appointment he shall retire and, if there is only one Director who is subject to rotation, he shall retire.
- (d) The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine provided that the aggregate amount paid to Directors by way of fees shall not exceed £150,000 (plus VAT, if any) in any financial year, or such greater sum as may be determined from time to time by ordinary resolution of the Company. The Directors shall also be entitled to be repaid all expenses properly incurred by them in or about the performance of their duties as Directors, including expenses incurred in attending meetings. If, by arrangement with the Board, any Director shall perform or render any special duties or services outside his ordinary duties as a Director or shall travel or reside abroad for any business or purposes of the Company, he shall be entitled to receive such sum as the Board may think fit for expenses, and also such reasonable additional remuneration as the Board may determine either in addition to or in substitution for any other remuneration he may be entitled to receive.
- (e) Subject to the provisions of the Act and provided that he has disclosed to the Directors the nature and extent of his interest, a Director may be a party to, or otherwise interested in, any contract, transaction or arrangement to which the Company is a party or in which the Company is otherwise interested. Subject to any agreement to the contrary between the Company and the Director, a Director:
 - A. may be a director or other officer of, or employed by, or a party to any contract, transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
 - B. may (or any firm of which he is a partner, employee or member may) act in a professional capacity for the Company (other than as Auditor) and be remunerated therefor; and
 - C. shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he derives from any such contract, transaction or arrangement or from any office or employment or from any interest in any such body corporate or for such remuneration and no such contract, transaction or arrangement shall be liable to be voided on the grounds of any such interest or benefit.
- (f) A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board concerning his own appointment, or the settlement or variation of the terms of the termination of his appointment to any office or place of profit with the Company or any other company in which the Company is interested.
- (g) A Director shall not vote at a meeting of the Directors (or a committee of the Directors) on any resolution concerning any contract or arrangement or any other proposal whatsoever in which he has any material interest (together with any interest of any person connected with him within the meaning of section 346 of the Act) otherwise than by virtue of his interest in shares, debentures or other securities of, or

otherwise in or through, the Company. A Director shall be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:

- A. the giving of any security, guarantee or indemnity in respect of (a) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings or (b) a debt or other 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;
- B. any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to or may participate;
- C. any proposal concerning any other body corporate in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise, provided that he (together with persons connected with him within the meaning of Section 346 of the Act) does not have an interest (as that term is used in Sections 198 to 211 of the Act) in one per cent. or more of the issued equity share capital of any class of such body corporate (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purposes of the Articles to be a material interest in all circumstances);
- D. any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; and
- E. any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors.

A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

(vi) *Borrowing Powers*

The Directors may exercise all the powers of the Company to borrow money and to mortgage, or charge its undertaking, property and uncalled capital or any parts or parts thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligations of the Company or of any third party. The Board shall restrict the borrowings of the Company so as to secure that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Company shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed 50 per cent. of the "Capital and Reserves", which expression means the aggregate of the amount paid up on the issued share capital for the time being of the Company and the amounts standing to the credit of the reserves of the Company. Provided that (i) no such sanction shall be required for the borrowing of any sum of money applied or intended to be applied within six months of the date of borrowing in the repayment (with or without premium) of any moneys then already borrowed and remaining undischarged notwithstanding that the same may result in the said limit being exceeded; (ii) for the purpose of the said limit the issue of debentures or unsecured loan stock or loan capital shall be deemed to constitute borrowing notwithstanding that the

same may be issued in whole or in part for a consideration other than cash and; (iii) provided that prior to the first audited balance sheet of the Company being prepared the borrowings of the Company shall be limited to an amount equal to £10,000,000.

(vii) *Reserves*

The Directors shall establish a capital reserve (the "capital reserve") and either carry to the credit of the capital reserve or apply in providing for depreciation or contingencies all capital appreciation arising on the sale, realisation, transposition, repayment or revaluation of any investments or other capital assets of the Company in excess of the book value thereof. Any loss realised on the sale, realisation, transposition, repayment or revaluation of any investments or other capital assets and any other sum incurred in connection with the assets of the Company, which in the opinion of the Board is reasonably and fairly apportioned to capital, may be carried to the debit of the capital reserve except insofar as the Directors may in their discretion decide to make good the same out of other reserves of the Company. All sums carried and standing to the credit of the capital reserve may be applied for any of the purposes to which sums standing to any reserve are applicable except and provided that no part of the capital reserve or any other moneys in the nature of accretion to capital shall be transferred to revenue account or be applied in paying dividends on any shares in the Company's capital or be regarded as or treated as profits of the Company available for distribution, save that the Company may distribute capital profits by way of the redemption or purchase of any of the Company's own shares in accordance with Section 160 or 162 of Chapter VII of Part V of the Act. The Directors may, subject to applicable legislation and practice, determine whether any amount received by the Company is to be dealt with as income or capital or partly one and partly the other.

(viii) *Dividends*

- (a) The Company may by ordinary resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.
- (b) No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Act.
- (c) Unless, and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid.
- (d) No dividend or other moneys payable on or in respect of a share shall bear interest.
- (e) Any dividends unclaimed after a period of 12 years from the date such dividend is payable shall, if the Board so resolves, be forfeited and shall cease to remain owing by the Company.

(ix) *Duration of the Company*

The Directors will procure that at the AGM of the Company to be held to approve the Company's accounts in respect of the financial year ending 31 March 2007 an ordinary resolution will be proposed to the effect that the Company shall continue in being as an investment trust. If at such meeting such resolution is passed, the Directors shall procure that at the third subsequent AGM of the Company (and at every third subsequent AGM thereafter) an ordinary resolution will be proposed at such later meeting to the effect that the Company shall continue in being as an investment trust. If at any such meeting such resolution to continue in being as an investment trust is not passed, the Directors shall within 90 days of such meeting convene an extraordinary general meeting of the Company at which a resolution or resolutions shall be proposed for the reorganisation, unitisation or reconstruction of the Company and/or for shareholders to receive cash or, if appropriate, a cash alternative, and, if such resolution or resolutions shall not be passed, a special resolution requiring the Company to be wound up voluntarily. In the case of the special resolution referred to in the preceding sentence relating to a voluntary winding up, any member may demand a poll and each holder of shares present in person or by proxy and who votes in favour of the special resolution shall have such number of votes in respect of each share held by him that the aggregate number of votes cast in favour of the resolution is four times the aggregate number of shares in respect of which votes are cast against the resolution and each holder of shares who votes against the resolution shall have one vote for each share held by him.

6 Directors

- (a) In addition to their Directorships of the Company the Directors hold or have held the following Directorships, and are or were members of the following partnerships, over or within the past five years:

<i>Name</i>	<i>Present</i>	<i>Past</i>
Richard Thornton	The Establishment Trust Barton Management Limited Marianne SICAV ET Investment Management Limited	SR Pan-European Investment Trust plc The Philippines Long Term Equity Fund Limited
Rhoddy Swire	Abberley Hall Enterprises Limited Aberley Hall Limited Asia Direct Limited Clyde Marine PLC China Navigation Company Limited Janus Participations Limited Juno International Participations Limited The Lindsell Train Investment Trust plc Pantheon Asia Fund Limited Pantheon Asia Fund II Limited Pantheon Asia Fund III Limited Pantheon Capital (Asia) Limited Pantheon Europe Fund Limited Pantheon Europe Fund II Limited Pantheon Europe Fund III Limited Pantheon Global Secondary Fund Limited Pantheon Holdings Limited Pantheon International Participations PLC Pantheon USA Fund Limited	European Special Situations Investments SA

Pantheon USA Fund II Limited
 Pantheon USA Fund III Limited
 Pantheon USA Fund IV Limited
 Pantheon Ventures Inc.
 Pantheon Ventures Limited
 PIP Securities Limited

Sir David Cooksey

Advent 2 Fund Managers Limited
 Advent 2 VCT plc
 Advent Fund Managers Limited
 Advent GPIC Limited
 Advent Holdings Ltd
 Advent Investments Limited
 Advent Limited
 Advent Management II Limited
 Advent Management III Limited
 Advent Management Limited
 Advent Nominees Limited
 Advent Services Limited
 Advent Trustee Limited
 Advent VCT plc
 Baird Group Pension Trustees Limited
 Bank of England
 Bepak plc
 iTouch PLC
 Micropore International Limited
 Ozone Industries Ltd
 William Baird PLC

A L S Founder Executives Ltd
 Advent Life Sciences Limited
 AFLP Investments Limited
 BE Services Limited
 Catalyst Biomedica Limited
 Mary Rose Archaeological Services Ltd
 Mary Rose Trust
 The Coronary Artery Disease
 Research Association
 The Flagship Portsmouth Trust
 The Microbio Group Limited
 Wellcome Trust Limited
 Wellcome Trust Nominees Ltd

Dr James King

The Bank of N.T. Butterfield & Sons
 Limited
 Key Tech Limited
 The Bermuda Telephone Co Ltd
 Argus Insurance Company Ltd
 Bermuda Life Insurance Company Ltd
 Bermuda Life Worldwide Limited
 Somers Isles Insurance Co Ltd
 Argus International Management Ltd
 Argus Management Services Ltd
 Centurion Insurance Services Ltd
 St Martin's Reinsurance Co Ltd
 Argus Property Ltd & Trott Property Ltd
 Medex Company Limited
 Buzzoni Company Limited
 G.S.N. Company Limited
 Devonshire Industries Company Limited
 Bank of Butterfield UK Limited
 Butterfield Bermuda Fund
 Bermuda Cable Vision Company Limited

Holmes Williams and Purvey Limited

Harry Wells

None

Salomon Brothers International Ltd

None of the Directors:

- (i) has any unspent convictions in relation to indictable offences;
 - (ii) has been adjudged bankrupt or entered into an individual voluntary arrangement;
 - (iii) was a director with an executive function of any company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangements of that company or any composition or arrangement with its creditors generally or any class of its creditors;
 - (iv) was a partner in a partnership at the time of or within the 12 months preceding any compulsory liquidation, administration or partnership voluntary arrangement of such partnership;
 - (v) has had his assets the subject of any receivership or has been a partner in a partnership at the time of or within the 12 months preceding any assets of the partnership being the subject of a receivership; or
 - (vi) has been the subject of any public criticisms by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- (b) There are no existing or proposed service contracts between any of the Directors and the Company.
- (c) Save as referred to below, none of the Directors has any interests in the share capital of the Company or any interests which are required to be notified to the Company pursuant to sections 324 or 328 of the Act or which are required pursuant to section 325 of the Act to be entered in the register referred to therein, nor does (so far as is known to, or could with reasonable diligence be ascertained by, the Directors) any person connected with the Directors (which expression shall be construed in accordance with section 346 of the Act) have any interests in such share capital.

The following Directors, including their immediate families and related trusts, have agreed to subscribe under the Placing for the number of Ordinary Shares set out against their respective names below:

	No. of Ordinary Shares
Richard Thornton	0
Sir David Cooksey	50,000
Dr James King	10,000
Rhoddy Swire	25,000
Harry Wells	15,000

- (d) Mr. Thornton is the holder of 1,588,016 shares in The Establishment Trust. Mr Thornton intends to elect for Ordinary Shares in the Company in respect of his entitlements in the Scheme of Reconstruction. Mr. Thornton is also a trustee of The Thornton Foundation which

holds 727,000 shares in The Establishment Trust. The Thornton Foundation intends to elect for Ordinary Shares in the Company in respect of its entitlements in the Scheme of Reconstruction. Sir David Cooksey's wife is a holder of 39,387 shares in The Establishment Trust. Sir David Cooksey's wife intends to elect for Ordinary Shares in the Company in respect of her entitlements in the Scheme of Reconstruction.

- (e) Mr Thornton is a shareholder and chairman of ET, which is a party to the Implementation Agreement referred to in paragraph 10(d) below. Mr Thornton is a shareholder and director of BDT, which will receive fees under the Investment Management Agreement referred to in paragraph 10(a) below. Save as aforesaid, none of the Directors has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been effected by the Company since its incorporation.

7 Substantial Share Interests

As at 7 February 2002 (the latest practicable date prior to the publication of this Prospectus), the Company was not aware of any persons who, immediately following the Issue, could, directly or indirectly, jointly or severally, exercise control over the Company.

Assuming that the Issue is fully subscribed (and assuming that £12.5 million is raised pursuant to the Scheme and £7.5 million is raised pursuant to the Placing, a terminal asset value per share of ET of 242p per share and that the Directors will elect in full for shares under the Scheme in respect of their beneficial and non-beneficial interests in ET) so far as it is known to the Company no person other than those disclosed below will be, directly or indirectly, interested in 3 per cent. or more in the Company's issued share capital:

Name	No. of Ordinary Shares	%
R.C. Thornton	3,846,812	19.2
Thornton Foundation	1,761,085	8.8

8 Investment Restrictions

It is the intention of the Directors to conduct the affairs of the Company so that it satisfies the requirements for qualification as an investment company under section 266 of the Act and to give notice to the Registrar of Companies of its intention to carry on business as an investment company pursuant to that section.

The Company also intends to maintain its admission to the Official List and admission to trading on the London Stock Exchange. In accordance with the requirements of the United Kingdom Listing Authority, the investment policies described in Part II of this document will, in the absence of unforeseen circumstances, be adhered to for a minimum period of three years from the date on which the Ordinary Shares are first admitted to the Official List and any material change in the policies within that period will only be made with the approval of Ordinary Shareholders.

9 Calculation of Net Asset Value

The determination of the Net Asset Value is carried out by the Administrator under delegated authority from the Directors by deducting the total liabilities of the Company from its total assets. Unless otherwise determined by the Directors in their absolute discretion, the following principles will apply:

- (a) securities traded on a stock exchange are to be valued generally at the latest available prices quoted on such exchange;
- (b) unlisted securities will be valued initially at cost and thereafter with any reduction or increase in value (as the case may be) as the Directors shall in their absolute discretion deem appropriate in the light of the circumstances to reach a fair value, including the prices at which recent comparable capital issues or dealings between third parties are known to the Directors to have taken place;
- (c) any value otherwise than in Sterling shall be converted into Sterling at the rate (whether official or otherwise) which the Directors shall in their absolute discretion deem appropriate to the circumstances having regard inter alia to any premium or discount which they consider may be relevant and to the costs of exchange;
- (d) the value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest accrued and not yet received shall be deemed to be the full amount thereof, unless it is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate to reflect the true value thereof;
- (e) the value of units in any unit trust or shares in an open ended investment company shall be derived from the latest prices published by the unit trust or open ended investment company;
- (f) there will be deducted all liabilities of the Company and such provisions and allowances for contingencies (including tax) as the Directors think appropriate and accrued costs and expenses payable by the Company.

Notwithstanding the above principles, the Company's shareholding in the Investment Manager will be calculated in accordance with the formula set out in the section entitled Calculation of Net Asset Value in Part II on page 13 above. The Net Asset Value will be calculated on the last day of every week, or if such day is not a Business Day then on the next Business Day thereafter. The Net Asset Value per Ordinary Share (calculated to two decimal places) will be calculated by dividing the Net Asset Value by the number of outstanding Ordinary Shares at that time.

10 Material contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company since its incorporation and are, or may be, material and there are no other contracts entered into by the Company which include an obligation or entitlement which is material to the Company at the date of this document:

- (a) An agreement (the "Management Agreement") dated 11 February 2002 between the Company, and the Manager, the Company has appointed the Manager to provide investment management services to the Company. The Manager may, subject to overriding principles of suitability and best execution, effect transactions for the Company in which the Manager has an interest.

The Manager will be entitled to receive from the Company for its services as Manager for the Company an annual fee which is referred to on page 18 of this document. The Manager is also entitled to a performance fee which is referred to on page 18 of this document.

The Management Agreement is for an initial period of 2 years and will continue thereafter until terminated by either party on not less than 6 months notice, subject to earlier termination on certain breaches or the insolvency of any party.

- (b) An agreement (the "Subscription Agreement") dated 11 February 2002 between the Company and BDT, the Company agreed to subscribe for 134,000 ordinary shares in BDT for £134,000 and adhere to BDT Shareholders Agreement and provide an interest free subordinated loan of £66,000.
- (c) An administration agreement (the "Administration Agreement") dated 11 February 2002 between the Company and Phoenix Administration Services Limited (the "Administrator") whereby the Administrator has agreed to provide secretarial services and to administer the business and affairs of the Company (subject to Admission becoming effective). The Administration Agreement has an initial fixed term of one year and may be terminated thereafter by either party giving not less than six months prior notice in writing at any time. The Administration Agreement is subject to earlier termination in the event of, *inter alia*, a serious breach of contract by, or on the liquidation of, the Company or the Administrator. The Administrator will receive an initial set up fee of £5,000 (plus value added tax) and an annual fee of £55,000 (plus value added tax).
- (d) An implementation agreement dated 11 February 2002 (the "Implementation Agreement") between, *inter alia*, the Company, ET and the proposed liquidators of ET, the parties have, *inter alia*, undertaken to enter into the Transfer Agreement (as defined in paragraph 10(e) below).
- (e) Provided the Scheme is approved by ET's shareholders and proceeds, the Company will enter into a transfer agreement (the "Transfer Agreement") with the liquidators of ET on or around 18 March 2002. Pursuant to the Transfer Agreement, certain assets of ET will be transferred to the Company on the basis of elections made by ET's shareholders. The Company will also be entitled to purchase certain remaining assets of ET.
- (f) A registrars agreement (the "Registrars Agreement") dated 11 February 2002 between the Company and Capita IRG Plc ("Capita IRG") pursuant to which Capita IRG has agreed to act as registrars to the Company. Under the Registrars Agreement, Capita IRG is entitled to a minimum fee (excluding disbursements) of £1,000. These fees are payable monthly in arrears. Provision exists for such fees to be reviewed periodically. The Registrars Agreement is subject to an initial fixed term of one year and thereafter may be terminated on not less than six months written notice by either party. The Registrars Agreement may also be terminated on shorter notice, including during the initial fixed term of one year in that event that any fees due to the Registrars are outstanding for more than 30 days or if no agreement is reached with the Company as to any increase in such fees.

11 Crest

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instruments. The Articles of Association of the Company will permit the holding of Ordinary Shares under the CREST system. The Directors have applied for the Ordinary Shares to be admitted to CREST. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

12 The City Code on Takeovers and Mergers

Rule 9 of the City Code on Takeovers and Mergers stipulates, *inter alia*, that a person or group of persons acting in concert owning shares carrying (i) 30 per cent. or more but not more than 50 per cent. or (ii) less than 30 per cent. of the voting rights of a public company will incur a mandatory bid obligation and will be required to make a general offer to shareholders to acquire the balance of the equity share capital of that company if, in the case of (i) above, they acquire any further shares carrying voting rights or, in the case of (ii) above, they acquire further shares resulting in their holding voting rights being 30 per cent. or more.

Where a person or group of persons acting in concert holds more than 50 per cent. of the voting rights in a company no obligation would normally arise to make a general offer under Rule 9 if the concert party increases its aggregate shareholding. However, even if the concert party holds over 50 per cent. of the voting rights, the Panel may, inter alia, regard (i) any acquisition by a member that increases his holding to 30 per cent. or more or (ii) any increase by a member of that concert party of his personal holding within the 30 to 50 per cent. band as giving rise to an obligation on that individual to make an offer.

It is possible that an investor, following his subscription for Ordinary Shares, and depending on the number of Ordinary Shares issued pursuant to the Scheme of Reconstruction and placed under the Placing, may either alone or together with persons acting in concert with him hold 30 per cent. or more of the voting rights of the Company. The Board is not aware of any persons who may hold 30 per cent. or more of the issued share capital. The Panel has confirmed that no mandatory bid obligation under Rule 9 of the City Code would be triggered by virtue of the initial allotment and issue of shares in the Company under the Scheme of Reconstruction or Placing even if, as a result, the relevant person (either alone or together with persons acting in concert with him) holds 30 per cent. or more of the Company's issued share capital.

Richard Thornton and his connected interests (the "Concert Party") own shares representing 36.0 per cent. of The Establishment Trust. On the assumption that these holdings are elected in their entirety for Ordinary Shares in the Company, the terminal net asset value per share of The Establishment Trust is 242p and the Issue results in an issue of 20,000,000 Ordinary Shares, then the Concert Party holding will amount to 9,283,182 Ordinary Shares representing 46.4 per cent. of the Company's issued share capital.

13 General

- (a) The Company does not have, nor has it had since its incorporation, any employees. The Company has no subsidiaries or associated companies.
- (b) The Company is not, and has not since its incorporation been, engaged in any legal or arbitration proceedings including any such proceedings which are pending or threatened of which the Company is aware, which may have or have had since its incorporation, a significant effect on the Company's financial position.
- (c) There has been no significant change in the trading or financial position of the Company since its incorporation.
- (d) The registered office of the Company is 77A High Street, Brentwood, Essex CM14 4RR.
- (e) Dividends on the Ordinary Shares will be paid to those holders of Ordinary Shares on the register of members on the record date for such dividend.
- (f) The Placing is not underwritten. The costs and expenses of, and incidental to, the Issue which will be borne by the Company have been estimated at 1.8 per cent. of the initial gross assets of the Company assuming that the Issue is fully subscribed and that £12.5 million is raised pursuant to the Scheme and £7.5 million is raised pursuant to the Placing. Assuming gross proceeds of £20,000,000, the estimated net proceeds of the Issue will be £19,637,736 which will be applied in accordance with the Company's investment objective.
- (g) The Issue Price of 100p represents a premium of 75p over the nominal value of an Ordinary Share of 25p.

- (h) Save in connection with the Scheme, none of the Ordinary Shares is being made available to the public.
- (i) Temporary documents of title will not be issued in respect of the Issue. It is expected that title to the Ordinary Shares to be registered in uncertificated form will be delivered within CREST on Admission, which is expected to be on 18 March 2002. For Ordinary Shares to be delivered in certificated form, it is anticipated that definitive certificates will be despatched by first class post within 14 days of Admission. Prior to despatch of share certificates following the Placing in relation to Ordinary Shares to be registered in certificated form, transfers will be certified against the register of members.
- (j) The Investment Manager is or may be a promoter of the Company. Save as disclosed in this document, no amount or benefit has been paid or given by the Company to any promoter and none is intended to be paid or given.
- (k) No person has been authorised to give any information or to make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised. This document does not constitute an offer to sell or the solicitation of an offer to buy any securities in any circumstances in which such offer or solicitation is unlawful. The delivery of this document shall not under any circumstances imply that the information contained herein is correct as at any time subsequent to the date hereof or that there has not been any change in the affairs of the Company since the date hereof.
- (l) None of the Ordinary Shares have been, nor will be, registered under the United States Securities Act of 1933 (the "1933 Act") and, except in a transaction which does not violate the 1933 Act or any other applicable United States securities laws (including without limitation any applicable law of any of the States of the United States), none of the Ordinary Shares may be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a U.S. Person. The Company will not be registered under the United States Investment Company Act of 1940. Notwithstanding the foregoing limitation on offers and sales in the United States or to or for the benefit of U.S. Persons, the Company may make a private placement of Ordinary Shares to a limited number or category of U.S. Persons or at the discretion of the Directors permit transfers to U.S. Persons.

14 Documents available for inspection

Copies of the following documents will be available for inspection at the registered office of the Company and at the London offices of Stephenson Harwood, One, St. Paul's Churchyard, London EC4M 8SH during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document up to and including 18 March 2002:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the material contracts referred to above in this Part VII above;
- (c) the BDT Shareholders Agreement and the memorandum and articles of association of BDT; and
- (d) this document.

Copies of this document are available for collection free of charge from the Company Announcements Office, the London Stock Exchange, Stock Exchange Tower, Capel Court Entrance,

off Bartholomew Lane, London EC21N 1HP up to 25 February 2002 and, until 18 March 2002, from the Company and from Cazenove & Co. Ltd, 12 Tokenhouse Yard, London EC2R 7AN.

PART VIII

TERMS AND CONDITIONS OF THE PLACING

- 1 These terms and conditions apply to persons agreeing to subscribe for Ordinary Shares in the Placing by completing and returning the attached Placing Application Form. Each person to whom these terms and conditions apply (an "applicant") agrees with the Company, Cazenove and the Registrars to be bound by these terms and conditions as being the terms and conditions upon which Ordinary Shares are to be issued in the Placing.
- 2 The Company is offering up to 20,000,000 Ordinary Shares at 100p per Ordinary Share payable in full on application. Applications must be for a minimum of 1,000 Ordinary Shares.

Applicants should note that if valid applications in respect of 20,000,000 Ordinary Shares are not received prior to the closing of the Placing, the Directors may accept applications in respect of a lower number of Ordinary Shares or may elect that the Placing be cancelled. In this latter case, monies sent by applicants will be returned as set out below. The Placing is conditional upon the admission to the Official List of the Ordinary Shares to be issued pursuant to the Placing becoming effective no later than close of business on 25 March 2002 (or such later date, not being later than close of business on 31 March 2002, as the Board may determine).

In addition, the Directors of the Company have discretion to scale down or reject applications for Ordinary Shares on such basis as they may decide. Accordingly, applicants may not receive all of the Ordinary Shares applied for, and it is possible that an applicant may not receive any Ordinary Shares.

- 3 Applicants must lodge the Placing Application Form, together with a remittance for the full amount payable on application, with the Registrars at the address set out in the Placing Application Form, prior to 5:00 p.m. (London time) on 13 March 2002 (or such later date, not being later than the close of business on 31 March 2002, as the Board may determine). The Directors may extend the closing date for receipt of application under the Placing at their discretion.
- 4 All payments must be made by cheque or bankers' draft in pounds sterling drawn on a bank or building society in the United Kingdom, which is either a settlement member of the Cheque and Credit Clearing Company Limited, or the CHAPS and Town Clearing Company Limited or a member of the Scottish or Belfast Clearing Houses, or which has arranged for its cheques and bankers' drafts to be cleared through the facilities provided by those companies or committees. All such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner.
- 5 Cheques or bankers' drafts should be made payable to "Capita IRG Plc A/C The Establishment Investment Trust plc" and crossed "A/C Payee only". It is a term of the Placing that all cheques will be honoured on first presentation. The Company reserves the right to seek special clearance of cheques.
- 6 All cheques and bankers' drafts may be presented for payment on receipt by the Company and the Company may retain certificates representing Ordinary Shares and surplus application monies pending clearance of successful applicants' cheques and in order to ensure compliance with the Money Laundering Regulations 1993. The Company reserves the right in its absolute discretion to reject in whole or in part, or to scale down or limit, any application.

- 7 Application monies will be held in a separate account by Capita IRG pending allotment or return if the application is unsuccessful. No interest will be paid on amounts received. Application monies will be returned in whole or in part without interest to unsuccessful applicants by second class post. Posting will be at the risk of the addressee.
- 8 By completing and delivering a Placing Application Form, you as applicant (or, if you sign the Application Form on behalf of someone else or a corporation, that person or corporation) agree to be bound by these terms and conditions and notwithstanding such agreement, confirm that you (or the appropriate person or corporation): -
- offer to subscribe for the number of Ordinary Shares specified in your Placing Application Form (or such lesser number for which your application is accepted) at the Issue Price and on the terms of, and subject to the conditions of, these terms and conditions of application and the Memorandum and Articles of Association of the Company;
 - warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that, if such remittance is not so honoured, you will not be entitled to receive certificates in respect of any Ordinary Shares applied for until payment is made in cleared funds and such payment is accepted by the Company in its absolute discretion;
 - agree that any monies returnable to you will not bear interest;
 - agree that any certificates and any monies returnable to you may be retained pending verification of identity under the Money Laundering Regulations 1993;
 - authorise the Company to send at your risk a certificate in respect of the number of Ordinary Shares for which your application is accepted and/or a crossed cheque for any monies returnable without interest, by post to the address of the first-named person in the Placing Application Form and procure that your name(s) is/are placed on the register of members of the Company in respect of such number of Ordinary Shares;
 - warrant that, if you sign the Placing Application Form on behalf of someone else or on behalf of a corporation, that you have due authority to do so and such person or corporation will also be bound accordingly;
 - agree that, having had the opportunity to read this document, you are deemed to have had notice of all information and representation concerning the Company and the Placing;
 - confirm that in making your application, neither you nor any person on whose behalf you are applying are relying on any information or representation in relation to the Company and/or the Ordinary Shares other than as contained in this document and accordingly you agree that no person solely or jointly responsible for this document or any part thereof shall have any liability for any such other information and representation;
 - warrant that in connection with your application you have observed the laws of all requisite territories outside the United Kingdom, obtained any requisite governmental or other consents, complied with all requisite formalities and that you have not taken, and that by applying for Ordinary Shares you will not be taking, any action which will or may result in the Company and/or Cazenove acting in breach of the regulatory or legal requirements of any territory in connection with the Placing;

- agree that all applications and contracts resulting therefrom under the Placing shall be governed by and construed in accordance with English law;
 - warrant that you are not under the age of 18;
 - save where you have been notified in writing that you have satisfied the Company that an appropriate exemption applies so as to permit you to subscribe, represent and agree that you are not (i) a U.S. Person and are not acting on behalf or for the benefit of a U.S. Person and that you are not purchasing with a view to resale in the United States or for the account of a U.S. Person or (ii) a resident of Canada, Australia, Ireland or Japan.
- 9 No person receiving a copy of this document and/or Placing Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use such Placing Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Placing Application Form could lawfully be used without contravention of any legal or regulatory requirements. It is the responsibility of any overseas person wishing to make an application hereunder to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including any requisite governmental or other consents, observing other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- 10 For the purposes of this document, a person outside the United Kingdom shall include any person so resident, any corporation, partnership or other entity created, organised or incorporated outside the United Kingdom and any estate of which any executor or administrator or any trust of which any beneficiary or trustee is a person outside the United Kingdom.
- 11 It is a term of the Placing that, to ensure compliance with Money Laundering Regulations 1993, Capita IRG Plc may in its absolute discretion require verification of the identity of any applicant including, without limitation, any applicant who tenders payment by way of cheque or bankers' draft drawn on an account in the name of a person or persons other than the applicant or by way of a direct credit transfer made by order of a person or persons other than the applicant or who appears to Capita IRG Plc to be acting on behalf of some other person. In either case, verification of the identity of any person on whose behalf the applicant appears to be acting may be required. Pending the provision of evidence of identity satisfactory to Capita IRG Plc, Placing Application Forms stamped paid and/or share certificates in respect of the relevant Ordinary Shares may be retained in the absolute discretion of Capita IRG Plc. If within a reasonable time following a request for verification of identity, Capita IRG Plc has not received evidence satisfactory to it as described, the Directors may, in their absolute discretion, terminate the contract to subscribe, in which event the money payable on application will be returned without interest to the account at the drawee bank to which such money was originally debited.
- 12 The Company may treat applications as valid and binding even if not made in all respects in accordance with the prescribed instructions and the Company may, at its discretion, accept an application in respect of which payment is not received by the Company prior to the closing of the Placing.
- 13 Save where the context requires otherwise, terms defined in this document bear the same meaning when used in this Part VIII and in the Placing Application Form.

PART IX

APPLICATION FORM

The Establishment Investment Trust plc - Placing of up to 20,000,000 Ordinary Shares at 100p per Ordinary Share payable in full on application

PLACING APPLICATION FORM

Please complete and return this Placing Application Form together with your cheque or bankers' draft for the full amount payable on application to Capita IRG Plc at the address set out at the foot of this Form.

If you have a query regarding completion of this Placing Application Form, please call 0870 162 3100.

1 PLACING APPLICATION

I/We offer to subscribe.....Ordinary Shares at 100p per Ordinary Share subject to the terms and conditions of application set out in Part VIII of this document and to the Memorandum and Articles of Association of The Establishment Investment Trust plc. (Applications should be for a minimum of 1000 Ordinary Shares).

I/We request that you send me/us a share certificate by post at my/our risk to the address given below for the number of Shares in respect of which this application may be accepted. I/We understand that the completion and delivery of this Placing Application Form accompanied by a cheque or bankers' draft constitute an undertaking that the cheque or bankers' behalf will be honoured on first presentation and an acceptance of the other terms and procedure for application set out in the prospectus published in connection with the Placing. I/We understand that no application will be accepted unless and until payment in full has been made. I/We agree to accept a lower number of Ordinary Shares should the Directors exercise their discretion to scale down applications.

2. AMOUNT PAYABLE

I/We attach a cheque or bankers' draft for the amount payable of:

3. REGISTRATION DETAILS - PLEASE USE BLOCK CAPITALS

Mr, Mrs, Miss, Ms, Other **Surname**.....

Forenames (in full):

Address (in full):

Postcode:

4. SIGNATURE

Signed: **Dated:**

Signed: **Dated:**

Signed: **Dated:**

Signed: **Dated:**

The Placing Application Form may be signed by another person on your behalf if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or bank) must be enclosed for inspection. A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated.

5. PAYMENT

I/We enclose a cheque or bankers' draft for the amount shown in (2) above made payable to "Capita IRG Plc A/C The Establishment Investment Trust plc" and crossed "A/C Payee only".

6. CONTACT DETAILS (IN CASE OF ANY QUERIES)

Name:

Address:

.....

Daytime telephone number..... Fax number:

Email address:

Please return the completed form to

**Capita IRG Plc, PO Box 166, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TH
so as to arrive no later than 5:00 p.m. (London time) on 13 March 2002**