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This document comprises an admission document and has been drawn up in accordance with the AIM and IEX Rules. It does not comprise a prospectus for the purposes of the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland or the Prospectus Rules published by the Financial Services Authority in the United Kingdom and has not been delivered to the Registrar of Companies in Dublin or the Registrar of Companies in England and Wales. The contents of zamano's website do not form any part of this document. Accordingly, this document has not been approved by the Financial Regulator. **Application will be made for the Existing Ordinary Shares to be re-admitted and for the Consideration Shares to be admitted to trading on AIM and IEX and it is expected that dealings in the Enlarged Share Capital will commence on AIM and IEX on 13 December 2007.**

AIM and IEX are markets designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM and IEX securities are not admitted to either the Official List of the UK Listing Authority or the Official List of the Irish Stock Exchange (together the "Official Lists"). Prospective investors should read the whole text of this document and should be aware that investment in the Company is speculative and involves a high degree of risk. In particular, prospective investors should consider the section entitled "Risk Factors" set out in Part II of this document.

Each AIM and IEX company is required pursuant to the AIM Rules for Companies and IEX Rules for Companies to have a nominated adviser and IEX adviser who are required to make a declaration to the London Stock Exchange and Irish Stock Exchange respectively on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers and the IEX Rules for IEX Advisers. Furthermore, neither the London Stock Exchange, the UK Listing Authority nor the Irish Stock Exchange have examined or approved the contents of this document.

The Directors of the Company, whose names appear on page 4 of this document, accept responsibility both individually and collectively for the information contained in this document and for compliance with the AIM Rules for Companies and IEX Rules for Companies. To the best of the knowledge and belief of the Company, the Directors (each of whom 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.

zamano plc

(Incorporated and registered in Ireland with registered number 329336)

Acquisition of Red Circle Technologies Limited

Admission of the Enlarged Share Capital to trading on AIM and IEX

and

Notice of Extraordinary General Meeting

Nominated Adviser and
Joint Broker

SEYMOUR
PIERCE

Seymour Pierce Limited

IEX Adviser, Financial Adviser and
Joint Broker



NCB Stockbrokers Limited

<i>Authorised</i>			<i>Maximum issued and fully paid on Admission</i>	
<i>Number</i>	<i>Nominal Amount</i>		<i>Number</i>	<i>Nominal Amount</i>
3,600,000,000	€3,600,000	ordinary shares of €0.001 each	81,434,806	€81,435

Seymour Pierce Limited ("Seymour Pierce"), which is regulated in the United Kingdom by the FSA and is a member of the London Stock Exchange, is acting as nominated adviser and joint broker for the Company and no one else in connection with the arrangements described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Seymour Pierce, nor for providing advice in relation to the Acquisition, any acquisition of shares or securities in the Company or any other matter referred to in this document. Seymour Pierce's responsibilities as the Company's nominated adviser and joint broker under the AIM Rules for Companies are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or any other person in respect of his or her decision to acquire Ordinary Shares in the Company in reliance on any part of this document.

Seymour Pierce is not making any representation or warranty, express or implied and does not accept any responsibility whatsoever as to the contents of this document nor for any other statement made or reported to be made by it or on its behalf in connection with the Company. Seymour Pierce accordingly disclaims all and any liability (save for statutory liability) arising in contract or tort or otherwise which it might have in respect of this document or in any other respect.

NCB Stockbrokers Limited ("NCB"), which is regulated in the United Kingdom by the FSA, is authorised in Ireland by the Financial Regulator under the Stock Exchange Act, 1995 and is a member of the London Stock Exchange and the Irish Stock Exchange, is acting as IEX adviser, financial adviser and joint broker to the Company and no one else in connection with the arrangements described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of NCB, nor for providing advice in relation to the Acquisition, any acquisition of shares or securities in the Company or any other matter referred to in this document. NCB's responsibilities as the Company's IEX adviser under the IEX Rules for Companies are owed solely to the Irish Stock Exchange and are not owed to the Company or to any Director or any other person in respect of his or her decision to acquire Ordinary Shares in the Company in reliance on any part of this document.

NCB is not making any representation or warranty, express or implied and does not accept any responsibility whatsoever as to the contents of this document nor for any other statement made or reported to be made by it or on its behalf in connection with the Company. NCB accordingly disclaims all and any liability (save for statutory liability) arising in contract or tort or otherwise which it might have in respect of this document or in any other respect.

A notice convening an Extraordinary General Meeting of the Company to be held at the Conrad Dublin Hotel, Earlsfort Terrace, Dublin 2, Ireland, at 11.00 a.m. on 12 December 2007 is set out at the end of this document. Shareholders will find enclosed with this document a Form of Proxy for use in connection with the Extraordinary General Meeting. To be valid the Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon so as to be received by Capita Registrars as soon as possible but in any event no later than 48 hours before the time fixed for the Extraordinary General Meeting. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the Extraordinary General Meeting should they so wish.

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy shares to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful. The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or under the applicable securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S promulgated under the Securities Act) except in certain transactions exempt from registration under the Securities Act. The Shares have not and will not be registered under the applicable laws of any province or territory of Canada, Australia, the Republic of South Africa, or Japan. Neither this document nor any copy of it may be sent to or taken into any of the United States, Canada, Australia, the Republic of South Africa, or Japan.

In making any investment in respect of the Company, no information or representation should be relied upon other than as contained in this document. No person has been authorised to give any information or make any representation other than that contained in this document and, if given or made, such information or representation must be relied upon as having been authorised.

In issuing this document, the Company has taken the benefit of the exemption set out in Rule 28 of the AIM Rules and IEX Rules for Companies in relation to the omission of historical financial information on zamano. Historical financial information on zamano is available publicly by reason of zamano's compliance with the AIM and IEX Rules for Companies, including on zamano's website, www.zamano.com and also available as described in paragraph 17 of Part VII of this document.

Copies of this document, which is dated 26 November 2007, will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the office of Seymour Pierce, 20 Old Bailey, London EC4M 7EN and the offices of NCB, being 3 George's Dock, IFSC, Dublin 1, Ireland and 51 Moorgate, London EC2R 6BH from the date of this document and on the Company's website, www.zamano.com.

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ADMISSION STATISTICS

Number of Shares currently in issue	69,490,362
Maximum number of Consideration Shares to be issued:	
– at Completion (Initial Consideration Shares)	11,944,444
– as Additional Consideration Shares	5,000,000
Maximum number of Initial Consideration Shares as a percentage of the Enlarged Share Capital	14.67 per cent.
Maximum number of Consideration Shares as a percentage of the Further Enlarged Share Capital	19.60 per cent.
Maximum number of Shares in issue immediately following Admission	81,434,806
AIM/IEX Symbol	ZMNO/ZAZ
ISIN Number	IE00BIG17W46

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this admission document and notice of EGM	26 November 2007
Latest time and date for receipts of completed Forms of Proxy from Shareholders for the EGM	11.00 a.m. on 10 December 2007
Extraordinary General Meeting	11.00 a.m. on 12 December 2007
Completion	12 December 2007
Re-admission of the Existing Ordinary Shares and admission of the new Ordinary Shares to AIM and IEX and commencement of dealings at 8.00 a.m. (London time)	13 December 2007

Save in relation to the date on which the Admission Document is published, each of the times and dates in the above timetable are subject to change. Any changes to the above timetable will be notified to a Regulatory Information Service to the extent required by the AIM Rules for Companies or IEX Rules for Companies.

FORWARD LOOKING STATEMENTS

All statements other than statements of historical facts included in this document, including but without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations or statements relating to expectations in relation to dividends or any statement preceded by, followed by or that include the words 'targets', 'believes', 'expects', 'aims', 'intends', 'plans', 'will', 'may', 'anticipates', 'would', 'could' or similar expressions or the negative thereof are forward looking statements.

Such forward looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance, achievements of or dividend paid by, the Company to be materially different from future results, performance or achievements, or dividend payments expressed or implied by such forward looking statements.

These forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future.

These forward looking statements are made only as at the date of this document. Neither the Directors nor the Company undertake any obligation to update forward looking statements or risk factors other than as required by the AIM Rules for Companies and the IEX Rules for Companies or by the rules of any other securities regulatory authority, whether as a result of new information, future events or otherwise.

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Roderick Alfred Matthews, <i>Non Executive Chairman</i> John O'Shea, <i>Managing Director</i> Colm Saunders, <i>Finance Director</i> Brendan Mullin, <i>Non Executive Director</i> Colin Patrick Tucker, <i>Non Executive Director</i> John Michael Watson, <i>Non Executive Director</i>
	whose address is: c/o 4 St Catherine's Lane West Digital Hub Dublin 8 Ireland
Secretary	Aoife Warren
Registered Office	4 St Catherine's Lane West Digital Hub Dublin 8 Ireland
Nominated adviser & joint broker to the Company	Seymour Pierce Limited 20 Old Bailey London EC4M 7EN United Kingdom
IEX adviser, financial adviser and joint broker to the Company	NCB Stockbrokers Limited 3 George's Dock, IFSC Dublin 1 Ireland
	51 Moorgate London EC2R 6BH United Kingdom
Solicitors to the Company	O'Donnell Sweeney Eversheds One Earlsfort Centre Earlsfort Terrace Dublin 2 Ireland
Solicitors to the Introduction	Memery Crystal LLP 44 Southampton Buildings London WC2A 1AP United Kingdom
Auditors to the Company	Ernst & Young Harcourt Centre Harcourt Street Dublin 2 Ireland

Reporting Accountants

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Registrars

Capita Registrars
Unit 5, Manor Street Business Park
Manor Street
Dublin 7
Ireland

DEFINITIONS

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

“Acquisition”	the proposed acquisition by the Company of the entire issued share capital of Red Circle pursuant to the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 23 November 2007 between (1) the Vendors, (2) the Company and others relating to the Acquisition, which is conditional, <i>inter alia</i> , on the passing of Resolution One at the EGM, further details of which are set out in Part VI of this document
“Acts” or “Companies Acts”	the Companies Acts 1963 to 2006 of Ireland
“Additional Consideration”	a sum equal to 6.3 times the EBITDA of Red Circle for the three months to 31 December 2007, up to a maximum of €7,200,000, calculated in accordance with the Acquisition Agreement
“Additional Consideration Shares”	such number of Ordinary Shares (rounded down to the nearest whole number) as will, based on the Consideration Issue Price, have an aggregate value equal to 25 per cent. of the Additional Consideration
“Admission”	the re-admission of the Existing Ordinary Shares and the admission of the Initial Consideration Shares to trading on AIM and IEX and such admission becoming effective in accordance with the AIM Rules for Companies and IEX Rules for Companies respectively
“Admission Document”	this document used for the purpose of Admission
“AIM”	the AIM market of the London Stock Exchange
“AIM Rules for Companies”	the rules of the London Stock Exchange which set out the rules and responsibilities in relation to companies whose shares are admitted to trading on AIM, as amended from time to time
“AIM Rules for Nominated Advisers”	the rules of the London Stock Exchange which set out the eligibility, ongoing obligations and certain disciplinary matters in relation to nominated advisers, as amended from time to time
“Articles”	the articles of association of the Company at the date of this document
“Board” or “Director(s)”	the directors of the Company whose names appear on page 4 of this document
“Capita Registrars”	a trading name of Capita Corporate Registrars Plc
“Company”	zamano plc incorporated in Ireland with registered number 329336
“Completion”	Completion of the Acquisition on the terms set out in the Acquisition Agreement
“Consideration”	up to €24,400,000 (as adjusted in accordance with the details set out in Part VI of this document) including the issue of the Consideration Shares to be paid and issued, as appropriate, to the Vendors in accordance with the Acquisition Agreement
“Consideration Issue Price”	the higher of €0.36 and the average closing price of the Ordinary Shares on IEX for the five trading days prior to the EGM

“Consideration Shares”	up to 16,944,444 new Ordinary Shares comprising the Initial Consideration Shares and the Additional Consideration Shares
“CREST Regulations”	the Companies Act 1990 (Uncertificated Securities) Regulations 1996 (SI 68 of 1996) of Ireland
“CREST”	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which CRESTCo Limited is the Operator (as defined in the CREST Regulations)
“CRESTCO”	CRESTCo Limited
“EBITDA”	earnings before interest, taxation, depreciation and amortisation
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company, convened for 11.00 a.m. on 12 December 2007, and any adjournment thereof, notice of which is set out at the end of this document
“Enlarged Group”	the Company and its subsidiaries following Completion
“Enlarged Issued Share Capital” or “Enlarged Share Capital”	the aggregate of the Existing Issued Shares and the Initial Consideration Shares
“EU”	the European Union
“Existing Issued Share Capital” or “Existing Ordinary Shares”	the existing issued Ordinary Shares
“Existing Shareholder”	a holder of Ordinary Shares
“Financial Regulator”	the Irish Financial Services Regulatory Authority
“Form of Proxy”	the form of proxy which accompanies this document for use by the Existing Shareholders in connection with the EGM
“FSA”	the Financial Services Authority of the United Kingdom
“FSMA”	the Financial Services and Markets Act 2000, as amended
“Further Enlarged Share Capital”	the aggregate of the Existing Issued Shares and the Consideration Shares
“Group” or “zamano”	the Company and its subsidiaries as at the date of this document
“Ireland”	the island of Ireland excluding Northern Ireland, and the word “Irish” shall be construed accordingly
“IEX”	The Irish Enterprise Exchange, a market regulated by the Irish Stock Exchange
“IEX Rules for Companies”	the Rules of the Irish Stock Exchange which set out the rules and responsibilities in relation to companies whose shares are admitted to trading on IEX, as amended from time to time
“IFRS”	International financial reporting standards as adopted by the European Union
“Initial Consideration”	the sum of up to €17,200,000 as adjusted to be paid to the Vendors in accordance with the Acquisition Agreement

“Initial Consideration Shares”	such number of Ordinary Shares (rounded down to the nearest whole number) as will, based on the Consideration Issue Price, have an aggregate value of €4,300,000
“IR£”	Irish Pounds
“Irish GAAP”	Irish generally accepted accounting principles
“Irish Stock Exchange”	the Irish Stock Exchange Limited
“Irish Takeover Rules”	Irish Takeover Panel Act 1997, Irish Takeover Rules 2001 to 2006
“Loan Facility”	the loan facility to be made available to the Company to fund the Acquisition, on the terms of the agreement described in paragraph 10 of Part VII of this document
“London Stock Exchange”	London Stock Exchange plc
“NCB”	NCB Stockbrokers Limited, the Company’s financial adviser, IEX adviser and joint broker, for the purposes of the IEX Rules for Companies
“New Schemes”	the Share Participation Plan and Share Save Plan
“Official Lists”	the official lists of the UK Listing Authority and the Irish Stock Exchange, as appropriate
“Options”	options to subscribe for Ordinary Shares granted pursuant to the Share Option Plans
“Ordinary Shares” or “Shares”	ordinary shares of €0.001 each in the capital of the Company
“Panel”	the Irish Takeover Panel
“Proposals”	the Acquisition, the Admission and the approval of the New Schemes
“Prospectus Rules”	the Prospectus Rules contained in the Financial Services Authority Handbook and the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland
“Red Circle”	Red Circle Technologies Limited, a company registered in Ireland with company number 285500
“Reorganisation”	(a) the disposal by Red Circle of its shareholdings in Fullthor Media Services Limited, Carapoca Limited and Red Circle Technologies Philippines Inc. which is a condition precedent of the Acquisition upon terms agreed with the Company; and (b) the assignment by Red Circle of a lease of property in London upon terms agreed with the Company
“Resolutions”	the resolutions set out in the notice for the EGM
“Resolution One”	the first resolution as set out in the notice for the EGM
“Seymour Pierce”	Seymour Pierce Limited, the Company’s nominated advisor and joint broker for the purposes of the AIM Rules for Companies
“Shareholders”	holders of Shares
“Share Option Plans”	the 2004 Share Option Plan and the 2006 Share Option Plan

“Share Participation Plan”	the proposed new all employee share participation plan, a summary of which is set out in paragraphs 12.3 and 12.5 of Part VII of this document
“Share Save Plan”	the proposed new all employee share save plan, a summary of which is set out in paragraphs 12.4 and 12.5 of Part VII of this document
“subsidiary” or “subsidiary undertaking”, “associated undertaking” and “undertaking”	have the meanings respectively ascribed to them by the Acts
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UKLA” or “UK Listing Authority”	the FSA acting in its capacity as the competent authority for the purposes of Part IV of FSMA
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
“US”	the United States of America
“VAT”	value added tax
“Vendors”	Grillon Holdings Limited, Kevin Moore, Sean O’Neill, Julian Moore, Cathal Fay, Eoin Dowling and Kevin Burkitt
“2004 Share Option Plan”	the zamano Holdings Limited Share Option Plan established on 3 February 2004, a summary of the principal provisions of which is set out in paragraph 12 of Part VII of this document
“2006 Share Option Plan”	the zamano plc Share Option Plan established on 26 September 2006, a summary of the principal provisions of which is set out in paragraph 12 of Part VII of this document
“€”	euro, the currency for the time being of Ireland
“£”	pounds sterling, the currency for the time being of the United Kingdom

GLOSSARY

3G	Third generation mobile networks and handsets. 3G allows approximately ten times more bandwidth than 2G networks and facilitates increasingly complex data services
Application	a technology structure that administers mobile services or content
B2B	Business-To-Business, being a transaction that occurs between two companies, as opposed to a transaction involving a consumer
B2C	Business-To-Consumer, being a transaction that occurs between a company and a consumer, as opposed to a transaction between companies
Content (or mobile content)	applications, downloads and services for mobile devices, including, <i>inter alia</i> , ringtones, images, games, videos, music
IVR	Interactive Voice Response. A system to automatically manage incoming calls. IVR can link phone callers (voice and/or touchtone) with a computer database. It can accept a question, access a company's database and provide a caller with the information they are seeking
Interoperability	this refers to the ability of a system or a protocol to work with other systems or protocols without input on the part of the consumer
Java	a high level object oriented programming language developed by Sun Microsystems
MMG	Mobile Messaging Gateway, the zamano developed proprietary platform that delivers digital entertainment via premium SMS or WAP to mobile devices
Mobile Operator or MNO	companies such as Vodafone, O2 and Orange who provide and operate mobile phone networks
Premium Rate Data Services	a premium rate text message or WAP download containing content that the mobile phone user pays either through his/her monthly bill issued by a mobile operator or by an immediate deduction from the mobile phone user's pre-paid phone credit
SMS	Short Message Service. A facility for sending short text messages between mobile phones, other hand held devices and landline telephones, for the purposes of personal communication as well as ordering mobile content or entering competitions
Shortcode	a four or five digit number typically rented from mobile operators which is used to purchase premium rate data services and mobile content
WAP	Wireless Application Protocol. A global open standard for accessing online services through mobile phones

PART I

LETTER FROM THE CHAIRMAN OF ZAMANO PLC

ZAMANO PLC

(Incorporated and registered in Ireland under the Companies Acts 1963 to 2005 of Ireland with company number 329336)

Directors:

Roderick Matthews (*Non Executive Chairman*)
John O'Shea (*Managing Director*)
Colm Saunders (*Finance Director*)
Brendan Mullin (*Non Executive Director*)
Colin Tucker (*Non Executive Director*)
John Michael Watson (*Non Executive Director*)

Registered and head office:

4 St Catherine's Lane West
Digital Hub
Dublin 8
Ireland

26 November 2007

To the holders of Existing Ordinary Shares and, for information purposes only, to the holders of Options

Dear Shareholder

Acquisition of Red Circle
Admission of the Enlarged Share Capital to trading on AIM and IEX
and
Notice of Extraordinary General Meeting

1. Introduction

The Company has today announced that it has conditionally agreed, subject to Existing Shareholder approval at the EGM, to acquire the entire issued share capital of Red Circle, a privately owned Dublin-based company that provides mobile content services in the UK, Ireland, Australia and the US.

The consideration for the Acquisition is up to €24.4 million (subject to adjustment) of which up to €6.1 million will be satisfied by the issue of the Consideration Shares at the Consideration Issue Price and the balance will be payable in cash. Discharge of the Consideration will occur in two stages – on Completion and in early 2008 when completion accounts are finalised.

The Acquisition constitutes a reverse takeover under the AIM Rules for Companies and the IEX Rules for Companies due to the size of Red Circle relative to zamano and, as such, requires the approval of the Existing Shareholders at an EGM. To complete the Acquisition, it will also be necessary to give the Directors the required powers and authorities to issue and allot the Consideration Shares. If the Acquisition is approved, the admission of Existing Ordinary Shares to trading on AIM and IEX will be cancelled and the Company will be obliged to apply for re-admission of the Existing Ordinary Shares and for admission of the Consideration Shares to trading on AIM and IEX.

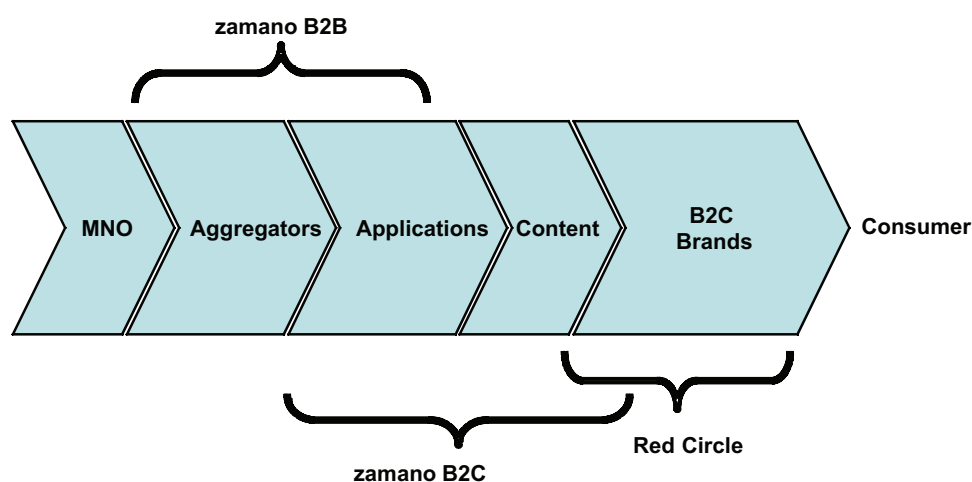
The purpose of this document is to provide you with details of the Proposals, to explain why your Board considers the Proposals to be in the best interests of the Company and its Shareholders, to seek your approval for the Proposals at the Extraordinary General Meeting and to recommend that Existing Shareholders vote in favour of the Resolutions which are necessary to approve and implement the Proposals. Shareholders are encouraged to read this document in its entirety and not just this letter.

2. Background and rationale for the proposed Acquisition

The Board has been considering opportunities for strategic expansion through carefully selected acquisitions and consolidation in the Company's sector. The proposed Acquisition will be zamano's second acquisition since listing on AIM and IEX.

The Directors identified Red Circle as a business which offers significant strategic and financial benefits to zamano. Red Circle has its head office in Dublin, with its core business in the United Kingdom and Ireland and emerging businesses in both Australia and the US.

The diagram below highlights the various components of value in the provision of digital entertainment to consumers' mobile devices. zamano currently operates in a number of sections of the value chain.



- zamano B2C business: develops interactive mobile applications that it delivers to consumers, along with third party content, through its multiple B2C brands and websites on its own MMG platform via SMS or WAP.
- zamano B2B business: provides interactive mobile applications and content to its business partners who in turn target consumers. It delivers business partners' applications and content to consumers on its MMG platform.

Red Circle operates almost exclusively in the "B2C Brands" segment of the value chain and the Acquisition will add a number of new B2C brands to zamano's existing B2C business.

The Directors believe that Red Circle's brands will enhance zamano's B2C business and that the acquisition of Red Circle by zamano should create opportunities for further geographic expansion and enhance the earnings per share before amortisation of the Enlarged Group.

Summary financial information on zamano

The following financial information is an extract of zamano's historical financial information for the three years ended 31 December 2006 and the six month period ended 30 June 2007. Financial information for the six month period ended 30 June 2007 and the year ended 31 December 2006 is stated under IFRS. Prior to this, audited financial information was stated under Irish GAAP. A reconciliation of the reported Irish GAAP financial information to the IFRS financial information is set out in the Company's IFRS Adoption document, published on 20 September 2007.

	6 months ended		12 months ended 31 December			
	30 June 2007	2006	2006	2005	2004	
	Unaudited IFRS	Unaudited restated under IFRS ¹	Audited Irish GAAP	Audited Irish GAAP	Audited Irish GAAP	
	€000	€000	€000	€000	€000	€000
Revenue	9,671	12,352	13,357	9,694	5,067	
Operating profit	1,310	2,392	2,182	1,302	155	
Profit before taxation	1,393	2,451	2,241	1,307	151	
Profit after taxation	1,183	2,207	1,997	1,276	125	

¹The audited financial information for the year ended 31 December 2006 has been restated following the Group's adoption of IFRS as its primary accounting basis as required for all AIM and IEX listed companies. zamano had previously published its audited results to 31 December 2006 under Irish GAAP.

Summary financial information on Red Circle

The summary financial information of Red Circle for each of the three years ended 31 May 2007 is set out in the table below. This has been extracted without material adjustment from Part III of this document, which has been prepared in accordance with IFRS, as modified to exclude those subsidiaries which are being disposed of by Red Circle as part of the Reorganisation. Further detail on the basis of preparation applied is set out in Note 1 to the financial information in Part III.

	<i>12 months ended 31 May</i>		
	<i>2007</i>	<i>2006</i>	<i>2005</i>
	<i>€000</i>	<i>€000</i>	<i>€000</i>
Revenue	31,068	28,456	17,605
Operating profit	3,417	3,102	1,402
Profit before taxation	3,778	3,148	1,402
Profit after taxation	3,294	2,739	1,257

The Board expects that the pre-tax cost savings arising from the Acquisition will be at least €500,000 per annum once the full benefits of the Acquisition are realised and Red Circle is fully integrated. These savings will be offset in year one by certain integration costs of combining the two businesses.

3. Information on zamano

History

Established in 2000 with offices in the UK and Ireland, zamano is a leading provider of digital entertainment to mobile devices. zamano has well established operations in Ireland and the UK and a growing presence in Australia.

zamano has 40 employees, 34 of which are located at its head office in Dublin and the remainder in London.

zamano develops, promotes and distributes digital entertainment such as mobile content and interactive services. zamano has built an advanced technology platform, MMG, that delivers digital entertainment both directly to consumers through its B2C operations and indirectly through business partners via its B2B operations. zamano also delivers business customer developed content on its MMG platform.

zamano listed on AIM on 31 October 2006, raising €4.9 million net of expenses. Subsequently it listed on IEX to further broaden its shareholder base and enhance liquidity. Its strategy continues to include using the funds raised for strategic acquisitions, investment in developing mobile applications, enhancing its MMG platform and expansion into new territories.

During the past five years, zamano has made a number of strategic acquisitions leading to a multi-branded suite of offerings. On 20 April 2007, in its first acquisition since listing on a public exchange, zamano acquired the entire issued share capital of Eirborne Text Promotions Limited (“Eirborne”), an Irish based mobile content company active in the UK, Irish and Australian markets. Prior to this, in May 2004, zamano acquired Enabletel Limited and since then has operated a mobile content brand, MobileX, upon which the Group’s B2C business was founded. zamano made two acquisitions in 2002: the entire issued share capital of M-iSphere Telecommunications Limited (“M-isphere”) and the assets of Avoca Communications Limited (“Avoca”).

Revenues have been boosted by the acquisition of Eirborne. The Company continues to invest in sales, marketing and its core applications and development team to support further growth.

zamano’s B2B business accounts for approximately 58 per cent. of overall revenues as at 30 June 2007 with approximately 42 per cent. generated by the sale of zamano’s mobile content and interactive services in the B2C business. The gross profit margins for the B2C services are significantly higher than the B2B services at between 35 per cent. to 65 per cent. compared to 5 per cent. to 30 per cent. respectively. The Directors believe that growth prospects exist for both elements of zamano’s business.

As a result of growth in zamano’s business and the level of data transmitted and processed on zamano’s MMG platform, zamano’s annual revenues have grown substantially over the past four financial years.

Business

B2C Business

zamano operates under a collection of brands, including MobileX and Veronicasmoco.

zamano's first established B2C business, branded as "MobileX", delivers mobile content and interactive services directly to consumers. It is promoted primarily through "off the page" advertising in tabloids and magazines in Ireland. Interactive services include competitions, horoscopes, chat and dating. zamano both develops content in-house and also sources mobile phone content externally.

The Veronicasmoco (www.veronicasmoco.com) and www.textual.tv suite of web and WAP portals offer content and interactive services in the UK, Irish, Australian and American markets. Subscribers can download unlimited mobile content and send unlimited weekly text messages from websites for weekly fees such as €2.50/£1.75.

At present zamano's B2C brands have in excess of 235,000 active subscribers.

B2B Business

zamano's MMG platform offers a diverse range of functionality and communication capabilities to the Company's business partners, providing connectivity between applications, Mobile Operators (including in the UK and Australia) and consumers.

zamano's applications can be used on a stand-alone basis or as part of an integrated bespoke combination depending on client requirements. The MMG platform identifies which device is requesting information or content and delivers it in a suitable format for that particular device.

Over 80 business partners currently utilise zamano's MMG technology platform on an ongoing basis, including mobile operators, media and marketing companies as well as mobile content providers.

Revenues are predominantly generated through mobile operators' charges to customers for every interaction which occurs. These transactions result in a defined revenue share being paid to zamano. The amount of revenue retained by zamano is dependent upon the extent to which the Group's B2B customers utilise zamano's technology services on each transaction.

Products and services

zamano develops and delivers digital entertainment such as interactive mobile applications and content to mobile devices via SMS and WAP. zamano reaches its consumers both directly and through business partner channels.

The following are some of the Group's applications that have been developed internally.

Content

zamano's mobile device content includes, *inter alia*, graphics or images which can be sent and received via text message, monophonic and polyphonic ringtones and realtones, full track downloads, games which can be downloaded and played on mobile phones, video clips and web-text (SMS sent via the internet).

WAP Publisher

zamano's WAP Publisher empowers mobile content providers to develop and publish their own mobile internet (WAP) sites and broadcast them to consumers via bulk SMS. WAP Publisher enables content providers to market a broader selection of their own content directly to consumers. This service allows end users simply to click and download the content they select whilst browsing through the mobile internet site. The link to the WAP page can be stored in the mobile handset allowing consumers to refresh the site at anytime and also check for new and updated content.

Subscription

zamano has developed a subscription application that allows businesses to set up and manage a range of subscription based services provided by them. zamano's subscription application facilitates:

- Detailed breakdown of subscriber and unsubscriber numbers;
- Fast and easy to use visual control of content lists; and
- Pre-scheduled text and multimedia content delivery to subscribers.

Chat

zamano's chat application is a fully managed interactive multi-media chat system. The application has extensive multimedia capability and is also used by some customers for the provision of tarot card reading services.

Dating

zamano's dating application was built in partnership with a customer that has extensive experience of IVR dating services in the UK. These dating services are promoted in a broad range of newspaper and magazine titles in the UK and Ireland. Advertisements can be placed via text by consumers upon reading these advertisements in newspapers. Consumers typically choose to communicate via IVR or SMS.

SMS Broadcaster

SMS Broadcaster is typically used by direct marketing companies or business organisations who wish to communicate with consumers via text message. This service is a web based application which allows businesses to upload lists of mobile phone numbers, schedule broadcasts and send bulk SMS to any mobile phone user worldwide.

The Directors believe that SMS broadcasting will continue to grow due to increasing recognition by businesses of the benefits that bulk text messaging afford in communicating directly with a large number of consumers.

HelpText

The "HelpText" application is a text message solution which enables consumers to send queries via text message directly to the screen of a HelpText operator. The application also provides a history of prior interaction. In cases where all operators are busy at a certain time, all incoming messages will be automatically queued and stored.

Interactive Video Recognition

Interactive Video Recognition is a new area of focus for zamano and is only available on 3G networks. The service allows consumers to interact with each other in real time through video images streamed to their handsets. The Directors believe that this represents a natural extension of mobile content delivery, permitting users to watch, listen and simultaneously interact with services.

Reporting

zamano's reporting application enables businesses to access and analyse up-to-date traffic and revenue results. This application allows businesses to analyse product performance and to group traffic by date, service, shortcode, Mobile Operator or service type. Customers can also configure the reporting interface to highlight relevant information in accordance with personal preferences.

Data Miner

zamano's Data Miner records details of all interactions between applications and users, amounting to millions of records. Data Miner allows B2B customers to track usage of services and establish patterns of usage for targeted marketing.

Markets and competition

The global market for mobile content was predicted to be worth \$16.5 billion by the end of 2006 growing to \$23.3 billion by 2010. (*Source: Informa Mobile Content and Services Worldwide Market Analysis of Strategic Outlook 2005-2010*)

The market for mobile content continues to be stimulated by the advent of technologically sophisticated mobile handsets which can receive and transmit greater quantities of data and run Java based applications. The Directors believe that zamano's marketing strategy coupled with its ability to develop and market mobile content should ensure that it retains a strong presence in this growing market.

There are several competitors in each of the key markets in which zamano operates. However, zamano differentiates itself from some of the competition through its hybrid model, which positions zamano in both the B2C and B2B market.

zamano has invested significant human resources in ensuring that the MMG platform is updated and enhanced on an ongoing basis. The upgrades are based on direct feedback from consumer behaviour, as monitored by zamano's B2C staff and by zamano's B2B partners. The Directors believe that investment in the Group's MMG platform has enabled zamano to build its reputation as a leading provider of digital entertainment to mobile devices.

The Group also possesses a high degree of technical expertise which the Directors believe has allowed zamano to effectively administer and operate the MMG platform, while also ensuring that the platform is constantly developed in line with consumer and market demands.

Financial information

In issuing this document, the Company has taken the benefit of the exemption set out in Rule 28 of both the AIM Rules for Companies and IEX Rules for Companies in relation to the omission of historical financial information on zamano. Historical financial information on zamano is available publicly by reason of zamano's compliance with the AIM and IEX Rules for Companies, including on zamano's website, www.zamano.com, and also available as described in paragraph 17 of Part VII of this document.

The following financial information is an extract of zamano's historical financial information for the three years ended 31 December 2006 and the six month period ended 30 June 2007. Financial information for the six month period ended 30 June 2007 and the year ended 31 December 2006 is stated under IFRS. Prior to this financial information was stated under Irish GAAP. A reconciliation of the reported Irish GAAP financial information to the IFRS financial information is set out in the Company's IFRS Adoption document, published on 20 September 2007.

	<i>6 months ended</i>		<i>12 months ended 31 December</i>		
	<i>30 June 2007</i>	<i>2006</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>
	<i>Unaudited</i>	<i>Unaudited restated</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>
	<i>IFRS</i>	<i>under IFRS¹</i>	<i>Irish GAAP</i>	<i>Irish GAAP</i>	<i>Irish GAAP</i>
	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>
Revenue	9,671	12,352	13,357	9,694	5,067
Operating profit	1,310	2,392	2,182	1,302	155
Profit before taxation	1,393	2,451	2,241	1,307	151
Profit after taxation	1,183	2,207	1,997	1,276	125

¹The audited financial information for the year ended 31 December 2006 has been restated following the Group's adoption of IFRS as its primary accounting basis as required for all AIM and IEX listed companies. zamano had previously published its audited results to 31 December 2006 under Irish GAAP.

The following table sets forth zamano's revenue for the financial years ended 31 December 2004, 2005 and 2006 and the six month period ended 30 June 2007, broken down by category of activity.

	<i>6 months ended</i>		<i>12 months ended 31 December</i>		
	<i>30 June 2007</i>	<i>2006</i>	<i>2006</i>	<i>2005</i>	<i>2004</i>
	<i>IFRS</i>	<i>IFRS</i>	<i>Irish GAAP</i>	<i>Irish GAAP</i>	<i>Irish GAAP</i>
	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>
B2C revenue	4,069	5,752	4,385	2,442	748
B2B revenue	5,602	6,600	8,972	7,252	4,319

The majority of zamano's revenue in both the B2C and B2B sector is generated in the UK and Ireland.

4. Information on Red Circle

Introduction

Red Circle is a privately owned mobile content services provider with headquarters in Dublin. Red Circle's core business is the provision of content to consumers for the personalisation of mobile devices. Red Circle delivers its content and applications via SMS and WAP.

The company has demonstrated significant organic growth in the digital entertainment to mobile devices sector since it was incorporated in 1998 and generated revenue of approximately €31.1 million for the year ended 31 May 2007.

Red Circle operates predominantly in the UK and Ireland. It recently established operations in Australia and the US based on the same business model and platform as used in the UK and Ireland.

Red Circle has in excess of 506,000 active subscribers.

History

Red Circle was founded in 1998 by Ger Dowling. It was originally called Calltwo & Date Café Limited but changed its name to Calltwo Communications in August 1999. In April 2000, the company changed its name to Red Circle Technologies Limited. Red Circle's initial focus was the use of speech recognition for a range of applications including dating and gaming services, but, in 2001, it began offering ringtone applications using speech recognition.

By 2002 ringtones had become Red Circle's most successful product line and became the strategic focus of the business using direct advertising in UK magazines, under the brand TXT UK. In the same year, it became an early adopter of the use of premium SMS as a billing method, which continues to be its primary billing method. Red Circle continues to use its TXT UK brand (primarily through print focused marketing with content sold on an a-la-carte basis) in addition to other brands such as Zing Club (premier mobile subscription service) and Mobile Diva (targeted at teen and young female market), each of which focuses on a different target group and marketing media.

Business operations

Red Circle's business focuses on a B2C model of providing mobile content services. This business model has been highly successful with revenue growth in the UK market and emerging revenue streams in Australia and the US.

The success of Red Circle is based largely on the creative content of its products and the use of targeted advertising, all of which are supported by an underlying content management and data mining technology platform.

Red Circle uses a management information system which allows real time consumer statistical monitoring to ensure the effectiveness of advertising campaigns. Knowledge from existing customer behaviour is transferred directly to the in-house content production team and ultimately into the mobile content and marketing collateral, facilitating the use of a targeted analytical approach and therefore ensuring the return

from advertising investment is optimised. Red Circle monitors evolving market trends and mobile device development to ensure it can meet the changing demand for content.

In addition to generating its own in-house content, Red Circle works with a broad range of third party content providers and leading licence holders.

Red Circle does not have the same level of internal controls as zamano. As a result, some of the content Red Circle has previously made available has not had the correct rights attached. The Directors believe the resultant risk to the Enlarged Group is minimal. Going forward, the Directors will implement the existing zamano internal controls in all of the Enlarged Group.

Summary financial information

The summary financial information of Red Circle for each of the three years ended 31 May 2007 is set out in the table below. This has been extracted without material adjustment from Part III of this document, which has been prepared in accordance with IFRS, as modified to exclude those subsidiaries which are being disposed of by Red Circle as part of the Reorganisation. Further detail on the basis of preparation applied is set out in Note 1 to the financial information in Part III.

	<i>12 months ended 31 May</i>		
	<i>2007</i>	<i>2006</i>	<i>2005</i>
	<i>€000</i>	<i>€000</i>	<i>€000</i>
Revenue	31,068	28,456	17,605
Operating profit	3,417	3,102	1,402
Profit before taxation	3,778	3,148	1,402
Profit after taxation	3,294	2,739	1,257

All of Red Circle's revenue is generated in the B2C sector and predominately in the UK and Ireland.

5. Principal terms and conditions of the Acquisition

The principal terms and conditions of the Acquisition Agreement are summarised in Part VI of this document.

Under the Acquisition Agreement the initial consideration payable by zamano to the Vendors at Completion is €17.2 million (the "Initial Consideration"), subject to adjustment as explained below. This will be satisfied by the issue at Completion of the Initial Consideration Shares valued at €4.3 million at the Consideration Issue Price and the payment of the balance in cash.

The cash element of the Initial Consideration payable at Completion is subject to an adjustment in respect of the estimated net cash of Red Circle five business days before Completion.

Under the Acquisition Agreement, the Additional Consideration is payable to the Vendors based on the EBITDA which Red Circle achieves for the three months ending on 31 December 2007. This will be satisfied as to twenty five per cent. by the issue of the Additional Consideration Shares at the Consideration Issue Price and the payment of the adjusted balance in cash.

The cash element of the Additional Consideration is subject to adjustment in respect of (a) the actual net cash position of Red Circle at Completion; (b) the working capital position of Red Circle at Completion (both of which will be verified by Completion accounts); (c) the corporation tax liability of Red Circle at 31 December 2007; and (d) other specified costs of up to €100,000. Payment of this cash element and the issue of the Additional Consideration Shares are expected to occur in early 2008 when completion accounts and EBITDA calculations are finalised.

At the time when the cash element of the Additional Consideration is being paid, €2,011,000 will be deducted from it and paid into an escrow account as security for the warranties and indemnities given by the Vendors and Gerard Dowling in the Acquisition Agreement. Certain amounts may be released from escrow upon discharge of the related liabilities to the Company's satisfaction. The balance will be released two years after Completion.

The maximum aggregate consideration payable for Red Circle is €24.4 million (subject to adjustment). The maximum aggregate cash element of the consideration of €18.3 million (subject to adjustment), along with the related transaction expenses, will be satisfied out of new secured bank borrowings to be drawn down under the Loan Facility (further details of which are set out in paragraph 10 of Part VII of this document). The Initial Consideration Shares will be issued at Completion and the Additional Consideration Shares will be issued in early 2008 when the Completion accounts are finalised.

Completion of the Acquisition is conditional, *inter alia*, upon, the Reorganisation, the passing at the EGM of Resolution One by Existing Shareholders and upon the availability of funding. Further details of the principal terms of the Acquisition Agreement are set out in Part VI of this document.

6. Directors

The existing Directors of zamano will remain as Directors of the Enlarged Group.

The executive and non executive Directors are:

Rod Matthews, aged 64, (*Non Executive Chairman*)

Rod was previously Chief Executive of ScottishTelecom, from November 1993 to March 1999, where he successfully built the company from incorporation to deliver revenues in excess of £200 million per annum and positive earnings within 4 years. Rod was also President & COO of Global Crossing EMEA from March 2000 to October 2000, Engineering Director and IT Director of the Central Electricity Generating Board in the UK from November 1976 to June 1986 and Chairman of AIM listed company Transcomm plc from July 2001 to April 2004 which was sold to BT in 2004. Rod is currently Chairman of UK-listed Keycom plc and Chairman of Nasdaq-listed Commodore International Corporation. He was appointed a Member of the Order of the British Empire following his leadership of a European/Asian/American harmonisation of interoperability of computing networks. Rod was appointed Chairman of zamano in March 2003.

John O'Shea, aged 43, (*Managing Director*)

John's career to date spans 11 years of multinational telecommunications companies and 11 years spent building up two technology innovators. John worked in Munich with Siemens before joining Rohde and Schwarz. He then took up a role as a Product Manager for AT&T Network Systems. He was appointed Managing Director of Webfactory, a web development company, in January 1997 and grew annual revenues from €400,000 that year to nearly €3 million in 2000. The company was sold to Horizon in 2000 for €10 million. John joined zamano as Commercial Director in May 2002, charged with growing sustainable revenue streams. He became Managing Director in January 2005.

Colm Saunders, aged 35, (*Finance Director*)

Colm qualified as a chartered accountant with KPMG and worked in London with CCF Charterhouse in their Corporate Finance group. In 2000, he moved to NCB Stockbrokers where he worked in M&A and fundraising for high growth Irish companies. Colm then joined Spectel, for whom he had raised US\$45 million in both debt and equity funding, and worked in Boston as their General Manager, US Operations. Spectel was acquired by Avaya for over US\$100 million and Colm worked on the integration of Spectel into Avaya subsequently taking a role as Strategy and Operations Director for Avaya. Colm joined zamano as Finance Director in October 2007.

Brendan Mullin, aged 44, (*Non Executive Director*)

Brendan is the founding partner of Quantum Investment Capital. He is also currently a director of Vordel, an Irish technology company which produces web services security software. Between 2004 and 2007 Brendan was a director of Quinlan Private Capital, a leading international real estate and investment advisory group in Ireland. He previously worked with both Goodbody and Davy Stockbrokers in Dublin. Brendan was appointed director of zamano in November 2005.

Colin Tucker, aged 62, (*Non Executive Director*)

Colin was Deputy Chairman of Hutchison 3G Europe between 2003 and 2007. He was a founding director of Orange between 1994 and 2000, and ran Hutchison UK (subsequently under the brand 3) between 2000 and 2003 prior to his current appointment. He is a non executive director of UK-listed technology integrator Morse plc and was appointed a Director of zamano in September 2006.

John Michael Watson, aged 61, (*Non Executive Director*)

John Michael (“Mike”) was Director of Marketing and Technical Strategy for ICL/Fujitsu, Managing Director of BICC Technologies and more recently CEO of Tertio. He is a non executive director of AIM listed Spectrum Interactive plc, and previously Xitec plc and OSI Group plc. He became a Director of zamano in September 2006.

7. Key management

The Board will be supported by the following senior management:

Cathal Fay (*B2C Managing Director*)

Cathal Fay is currently Chief Operations Officer at Red Circle and has 16 years experience in the IT and telecommunications industries. Cathal has had a variety of management roles from Project Manager to Chief Technology Officer. Prior to his role at Red Circle, Cathal co-founded Estuary Technologies, an early player in the PDA and mobile phone software market.

Enda Farrell (*Chief Technical Officer*)

Enda joined zamano in 2001 and is responsible for managing the optimisation of zamano’s technology platform and planning the Company’s development roadmap. He is also charged with integrating technology acquired either through purchase or business acquisition. Enda has extensive software development and project management experience and was previously employed with EDS.

Paul McKeagney (*Business Manager – Ireland*)

Paul joined zamano in 2002 and is responsible for the Irish sales division of the Group. Paul was previously employed as a business analyst with Accenture.

Margaret O’Connor (*Marketing Manager*)

Margaret is head of marketing at Red Circle. Margaret has 7 years of experience in the mobile content industry and is responsible for managing marketing activities across the UK, Ireland, Australia and the US.

Paul O’Shea (*B2C Channel Manager and Business Development Manager*)

Paul has extensive business experience within the operator space, having worked at a senior level with O2 in Ireland for four years. Paul was previously employed with Vodafone Australia and Ernst & Young London.

Declan Pettit (*Head of UK Sales*)

Declan joined zamano in early 2005, bringing a wealth of experience from the UK mobile application space. Prior to joining zamano, Declan ran a development company that delivered a range of mobile applications for the UK market. Declan has overall responsibility for growing zamano’s UK business.

Aoife Warren (*Financial Controller and Company Secretary*)

Aoife is a qualified chartered accountant with significant experience of financial roles within the technology space internationally, having previously worked with IBM and Informix. She also worked with PricewaterhouseCoopers in Cork and Silicon Valley.

Employees

As at 23 November 2007, there were 40 employees employed by zamano and 29 employees employed by Red Circle. The average number of employees during each financial year for zamano and Red Circle respectively was as follows:

	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2006</i>	<i>2005</i>	<i>2004</i>
Number of zamano employees	26	20	16
	<i>31 May</i>	<i>31 May</i>	<i>31 May</i>
	<i>2007</i>	<i>2006</i>	<i>2005</i>
Number of Red Circle employees	24	25	18

8. Current trading and prospects

zamano

zamano expects acquisitions, territorial expansion and technology capabilities to be key features of the Enlarged Group's growth going forward.

The Board believes zamano is well positioned to benefit from continued growth and activity in the digital entertainment to mobile devices market which is being driven by increasingly sophisticated handsets with higher bandwidth, lower data download costs and the availability of higher quality and consumer relevant content designed to fit individual mobile device screens.

The unaudited interim results for zamano for the 6 months ended to 30 June 2007 show a profit after tax figure of €1.2 million from revenues of approximately €9.7 million. The business continues to perform very strongly and as stated when the interim results were announced on 20 September 2007, the Board continues to be very comfortable with the market expectations for the full year to 31 December 2007.

Red Circle

The financial information set out in Part III of this document shows a profit after tax of €3.3 million for Red Circle for the year ended 31 May 2007, on revenues of €31.1 million. Since 31 May 2007, Red Circle has traded in line with the Board's expectations.

Enlarged Group

The Directors believe that the future growth prospects for the Enlarged Group are attractive. The Company will continue to focus on ensuring that its technology platforms and mobile content are continually developed to meet the changing needs of mobile device users and business partners.

9. Lock-in and orderly market agreements

The Vendors, who, on Admission, will together hold up to 14.67 per cent. of the Enlarged Share Capital (excluding any Additional Consideration Shares), will undertake to Seymour Pierce, NCB and the Company not (save in certain specific circumstances) to dispose of any Consideration Shares, or any shares into which such Consideration Shares are subdivided or converted, for a period of 12 months following Admission, and for the 6 months thereafter only to dispose of such shares through the Company's broker from time to time.

10. Share schemes

Details of the Share Option Plans are set out in paragraphs 12.1 and 12.2 of Part VII of this document. The Board is proposing to adopt two new share plans, the Share Participation Plan and the Share Save Plan, for employees which it believes will help motivate and retain staff and align their interests with those of Shareholders. Details of these proposed share plans are set out in paragraphs 12.3, 12.4 and 12.5 of Part VII

of this document. Details of the respective resolutions that are proposed in relation to these new share plans are set out in paragraph 16 of this Part I.

11. Corporate governance

The Directors will comply with Rule 21 of the AIM Rules for Companies and Rule 21 of the IEX Rules for Companies relating to directors' dealings as applicable to AIM and IEX companies respectively and take all reasonable steps to ensure compliance by the Company's applicable employees.

The Directors recognise the importance of sound corporate governance and will, in so far as is practicable given the Company's size and the constitution of the Board, comply with the main provisions of the Combined Code: Principles of Corporate Governance and Code of Best Practice. The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and corporate actions. The Company holds Board meetings at least 6 times each financial year and at other times as and when required.

Committees

The audit committee of the Company, comprising John Michael Watson, Colin Tucker and Brendan Mullin (all non executive Directors) and Colm Saunders (an executive Director) is chaired by John Michael Watson and meets at least three times a year. The audit committee is responsible for ensuring that the Company's financial performance is properly monitored, controlled and reported. It will also meet the auditors and review reports from the auditors relating to accounts and internal control systems. The audit committee meets once a year with the auditors.

The remuneration committee of the Company, comprising John Michael Watson, Colin Tucker, Rod Matthews and Brendan Mullin (all non executive Directors) is chaired by Colin Tucker and meets at least twice a year. The remuneration committee sets and reviews the scale and structure of the executive Directors' remuneration packages, including share options and the terms of their service contracts. The remuneration and the terms and conditions of the non executive Directors are determined by the Directors with due regard to the interests of the Shareholders and the performance of the Group. The remuneration committee also makes recommendations to the Board concerning the allocation of share options to employees. Committee members will serve for such terms as the Board determines.

The Company has adopted a model code for Directors' dealings which is appropriate for an AIM and IEX quoted company.

12. Dividend policy

The Directors anticipate that, following Admission, cash resources will be retained for organic expansion opportunities and acquisitions and will not be distributed until the Company has an appropriate level of distributable profits. The declaration and payment by the Company of any dividends and the amount thereof will depend on results of the Company's operations, its financial position, cash requirements, prospects, banking covenants, profits available for distribution and other factors deemed to be relevant at the time.

13. Admission and dealings

As the Acquisition constitutes a reverse takeover under Rule 14 of both the AIM Rules for Companies and Rule 14 of the IEX Rules for Companies, application, which is conditional on the passing of Resolution One, will be made to the London Stock Exchange and the Irish Stock Exchange for the whole of the Enlarged Share Capital to be admitted to trading on AIM and IEX. It is expected that Admission will become effective and that dealings will commence on 13 December 2007. The Ordinary Shares are eligible for CREST settlement.

14. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Ordinary Shares are eligible for settlement through CREST. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within CREST if the relevant shareholder so wishes. Settlement of transactions in the Ordinary Shares through CREST is voluntary and Shareholders who wish to receive and retain certificates will be able to do so.

15. Taxation

Information on taxation in the UK and Ireland with regard to holdings of Ordinary Shares is set out in Part V of this document. Shareholders who are in any doubt as to their tax position or who are subject to tax in any other jurisdiction should consult an appropriate independent professional adviser immediately.

16. Extraordinary General Meeting

The Acquisition is classed as a reverse takeover for the purpose of the AIM Rules for Companies and the IEX Rules for Companies and is therefore conditional upon the approval of Existing Shareholders at the EGM. You will find set out at the end of this document the Notice convening the Extraordinary General Meeting to be held at 11.00 a.m. on 12 December 2007 at the Conrad Dublin Hotel, Earlsfort Terrace, Dublin 2, Ireland for the purpose of considering and, if thought fit, passing the Resolutions. The Resolutions will, if passed:

1. (a) approve the Acquisition on the terms set out in the Acquisition Agreement;
- (b) authorise the directors of the Company generally and unconditionally, pursuant to section 20 of the Companies (Amendment) Act 1983, to allot the Consideration Shares;

This authority represents approximately 24.38 per cent. of the Existing Issued Share Capital. If passed, this authority will expire on the earlier of 12 months from the date of the passing of the resolution and the conclusion of the next annual general meeting of the Company. Other than the issue of the Consideration Shares, the Directors have no present intention of issuing any authorised but unissued share capital of the Company (except any shares issued pursuant to the Existing Schemes and New Schemes).

2. approve the adoption of the Share Participation Plan; and
3. approve the adoption of the Share Save Plan.

17. Action to be taken

A Form of Proxy is enclosed with this document. Whether or not Existing Shareholders intend to be present at the EGM, they are asked to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible but in any event so as to arrive not later than 48 hours before the time of the EGM. Completion and return of the Form of Proxy does not preclude Existing Shareholders from attending the EGM and voting in person, should they wish to do so.

Existing Shareholders who are CREST members should refer to their CREST sponsors regarding the action to be taken in connection with this document.

18. Further information

Your attention is drawn to the additional information set out in Parts II to VII of this document and in particular to the Risk Factors relating to the Enlarged Group set out in Part II.

AIM and IEX are markets designed primarily for emerging or smaller companies to which a higher investment risk than that associated with larger or more established companies tends to be attached. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser being, in the case of persons resident in the United Kingdom, an organisation or firm authorised pursuant to the Financial Services and Markets Act 2000 and, in the case of persons resident in Ireland, an organisation or firm authorised or exempted pursuant to the Investment Intermediaries Act 1995 or the Stock Exchange Act 1995.

19. Recommendation

The Directors, who have been so advised by NCB, believe that the Acquisition is in the best interests of the Company and its Shareholders as a whole. In providing advice to the Directors, NCB has relied upon the information supplied by the Directors and their commercial assessments. Accordingly, the Directors unanimously recommend that all Existing Shareholders vote in favour of the Resolutions as they have undertaken to do in respect of their own beneficial holdings of, in aggregate, 5,426,061 Ordinary Shares, representing approximately 6.66 per cent. of the Existing Ordinary Shares.

Yours faithfully

Roderick Alfred Matthews
Non Executive Chairman

PART II

RISK FACTORS

Investment in the Shares should be regarded as a highly speculative investment and an investment in the Shares should only be made by those with the necessary expertise to properly evaluate the investment. In addition to the usual risks associated with investment in a business with a limited trading history generally, prospective investors should consider the following risks carefully before acquiring Shares.

AN INVESTMENT IN THE COMPANY MAY NOT BE SUITABLE FOR ALL RECIPIENTS OF THIS DOCUMENT. ACCORDINGLY, PROSPECTIVE INVESTORS RESIDENT IN THE UNITED KINGDOM ARE STRONGLY ADVISED TO CONSULT AN INDEPENDENT FINANCIAL ADVISER AUTHORISED FOR THE PURPOSE OF FSMA WHO SPECIALISES IN THE ACQUISITION OF SHARES AND OTHER SECURITIES IN THE UK BEFORE MAKING ANY DECISION TO INVEST IN THE COMPANY. PROSPECTIVE INVESTORS RESIDENT IN IRELAND ARE STRONGLY ADVISED TO CONSULT AN ORGANISATION OR FIRM AUTHORISED OR EXEMPTED UNDER THE INVESTMENT INTERMEDIARIES ACT, 1995 OF IRELAND OR THE STOCK EXCHANGE ACT, 1995 OF IRELAND BEFORE MAKING ANY DECISION TO INVEST IN THE COMPANY.

This Part II contains what the Directors believe to be the principal risk factors associated with an investment in the Company. In addition to the other information contained in this document, these risk factors should be considered carefully in evaluating whether to make an investment in the Company.

If any of the following risks, which are not exhaustive, were to materialise, the Company's business, financial condition, results, or future operations could be materially adversely affected. In any such case, the market price of the Shares could decline and a Shareholder may lose all or part of his investment.

Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect on the Company. Prospective investors should carefully consider the other information in this document. Prospective investors should note that the risks described below are not the only risks faced by the Company and are not set out in any order of priority. There may be additional risks that the Directors currently consider not to be material or of which they are currently unaware.

The Acquisition

The Company is investing in the proposed Acquisition of Red Circle with the expectation that Red Circle's operations will continue to succeed and grow. There is no guarantee that this will occur, nor that synergies expected from the Acquisition will be realised. Red Circle is at present a privately owned company and has not been listed on a public stock exchange and therefore may have to adapt its corporate governance procedures to maintain suitability as a subsidiary of a public listed company upon completion of the Acquisition.

In assessing the merits of the proposed Acquisition, zamano has carried out an extensive due diligence process and has engaged external advisers as necessary. Furthermore, suitable warranties and indemnities have been obtained from the Vendors where relevant. Although the process has been comprehensive, there can be no certainty that all potential legal, financial or commercial issues have been identified or that the warranties and indemnities obtained by the Company from the Vendors will cover any future losses arising from the Acquisition.

Furthermore, there is no certainty that the performance of managers and employees of zamano and Red Circle will not be affected by the Acquisition.

Valuation of unlisted securities is inherently subjective due to the lack of marketability and the nature of accounting practices. As a result, the valuation of Red Circle and the Consideration cannot be guaranteed to represent what a different acquirer may consider to be best value.

Securities traded on AIM and IEX

The Ordinary Shares will be traded on AIM and IEX rather than the Official Lists. An investment in shares traded on AIM or IEX carries a higher risk than those listed on the Official Lists. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions, overall market or sector sentiment, legislative changes in the Company's sector, and other events and factors outside of the Company's control. Stock markets have from time to time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price for the Ordinary Shares. Prospective investors should be aware that the value of the Ordinary Shares could go down as well as up, and investors may therefore not recover their original investment especially as the market in the Ordinary Shares may have limited liquidity. Admission to AIM and IEX should not be taken as implying that there will be a liquid market for the Ordinary Shares.

Share price effect of sales of Ordinary Shares

The market price of Ordinary Shares could decline significantly as a result of any sales of Ordinary Shares by certain Shareholders following the expiry of the relevant lock-in periods, details of which are set out in Part VI and Part VII of this document, or the expectation or belief that sales of such shares may occur.

Lack of liquidity of Ordinary Shares

Although the Company has applied for the Enlarged Share Capital to be re-admitted to trading on AIM and IEX, no assurance can be given at any time after Admission that a liquid market for Ordinary Shares will develop. Shareholders who need to dispose of their Ordinary Shares may be forced to do so at prices that do not fully reflect the fair market value per Ordinary Share.

Future fundraisings

Whilst the Directors have no current plans for raising additional capital immediately after Admission and are satisfied that the working capital available to the Enlarged Group will, for 12 months from Admission, be sufficient for its present requirements, it is possible that the Company will need to raise extra capital in the future to develop fully the Company's business or to take advantage of acquisition opportunities. The Company's capital requirements depend on numerous factors, including its ability to maintain and expand its customer base and further potential acquisitions, although none are currently envisaged. It is difficult for the Directors to predict accurately the timing and amount of the Company's capital requirements for such extraordinary items. If the plans or assumptions set out in the Company's business plan change or prove to be inaccurate, or if the Company makes any material acquisitions, the Company may require further financing. Any additional equity financing may be dilutive to Shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Market perception of the Enlarged Group may change for a number of reasons, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds by the issue of further Ordinary Shares or otherwise.

Taxation change

There can be no certainty that the current taxation regime in Ireland, the United Kingdom, or in overseas jurisdictions in which the Company operates from will remain in force, or that the current levels of corporate taxation will remain unchanged. There can be no assurance that there will be no amendment to the existing taxation laws applicable to the Company's business, which may have a material affect on the Company's business.

Dependence on key executives and personnel and ability to attract and retain key employees

The Company's future success is substantially dependent on the continued services and performance of its executive Directors and senior management and its ability to continue to attract and retain highly skilled and qualified personnel. The Directors cannot give assurances that members of the senior management team and the executive Directors will continue to remain with the Company. The loss of the services of the Directors, members of senior management and other key employees could damage the Company's business. There can be no guarantee that the Company will be able to continue to attract and retain employees of the calibre required.

Potential litigation in enforcing the Enlarged Group's patent and licence rights

If the Enlarged Group's competitors file patent applications that claim technology also claimed by the Company, the Company may have to participate in interference or opposition proceedings to determine the priority of patents. An adverse outcome could subject the Company to significant liabilities and require the Company to cease using a technology.

The Enlarged Group could incur substantial costs in any litigation or other proceedings relating to patent rights, trademarks, copyright or other intellectual property rights, even if it is resolved in the Company's favour. Some of its competitors or intellectual property rights holders may be able to sustain the costs of complex litigation more effectively or for a longer time than the Company can because of their substantially greater resources. In addition, uncertainties relating to any patent, pending patent or intellectual property litigation could have a material adverse effect on the Company's ability to commercialise a technology, or raise additional funds.

Potential litigation involving infringements of rights and regulations

Some of the content used by Red Circle has not had the correct intellectual property rights attached to it. There can be no guarantee and the Enlarged Group cannot give any assurances that an action for infringement or breach of third party intellectual property rights or codes of practice issued by regulatory authorities, will not be brought by a third party or regulatory body against the Enlarged Group. Whether meritorious or not, such an action could take up substantial resources and management attention and may be costly to defend. An action for infringement of intellectual property rights could give rise to fines, damages or to an injunction being granted against the Enlarged Group.

Dependence on strategic partners

The Enlarged Group's business relies significantly on strategic partners, specifically the MNOs. If the relationship with any one of these partners is adversely affected results of operations may be adversely impacted.

zamano cannot guarantee that:

- existing arrangements or agreements will be maintained;
- existing partners will not seek to renegotiate the terms of existing arrangements or contracts;
- any new arrangements or agreements will be on favourable terms; or
- any arrangements or agreements will prove successful.

If the Enlarged Group is unable to continue with any of the existing relationships and, following negotiations with the relevant partners, terminates an agreement, no assurance can be given that this will not have a negative impact on the reputation of zamano or its ability to secure additional agreements in the future.

Contracts with rights holders

A substantial proportion of content provided by the Enlarged Group is licensed from rights holders and the Enlarged Group's ability to enter into revenue sharing agreements with MNOs and to attract customers through its own portals will depend to a significant extent upon the range and quality of content that the

Enlarged Group is able to source from rights holders. While the Enlarged Group is not dependent on any single rights holder for its entertainment content, the failure to secure such content or licensing rights going forward could result in lower than expected revenues and could adversely affect the Enlarged Group's business, financial condition and operating results.

Evolution of mobile entertainment content

Mobile entertainment content is constantly evolving and the Directors anticipate that the Enlarged Group will experience a continuous change in the mix and type of the product which it provides to its customers. The Enlarged Group seeks to maximise its revenues by sourcing content that it anticipates will attract high demand from consumers. Should the Enlarged Group not be able to predict successfully either consumer demand for mobile entertainment content or the rate and extent of change in its business mix then the business, financial condition and operating results of the Enlarged Group could be adversely affected.

Subscription based business models

Subscription based business models which are important enablers of the businesses of the Enlarged Group may be impacted by varying levels of customer acceptance, from time to time. Customer acceptance of subscription based services may also be adversely impacted by consumer trends and fashions, adverse publicity and regulatory changes.

Competition

The Enlarged Group's competitors may have superior research and development capabilities, products or marketing expertise. Competitors may have significantly greater financial and human resources and may have more experience in research and development. As a result, they may develop more effective products, implement more effective sales and marketing programs or be able to establish superior proprietary positions. In addition, the Directors anticipate that they will face increased competition in future as new companies enter the Enlarged Group's markets and alternative products and technologies become available.

Red Circle may have different competitors to zamano and as such the number of competitors faced by the Enlarged Group may be higher than the number of competitors of zamano alone.

Product lifespan and technological change

It should be recognised that the Enlarged Group is in a market that sees continuous technological development. If competitors introduce new products that employ new technologies, the Enlarged Group's existing technology and systems may become obsolete. The future success of the Company will depend, *inter alia*, on the Company's ability to:

- enhance its existing products and services;
- address the increasingly sophisticated and varied needs of its customers; and
- respond to technological advances and emerging industry standards and practices on a cost effective and timely basis.

Developing the Enlarged Group's technology and product range entails significant technical and business risks. The Enlarged Group may use or procure new technologies ineffectively or fail to adapt its systems to customer requirements or emerging industry standards. If the Enlarged Group faces material delays in introducing new products, services or enhancements, it may be at a significant competitive disadvantage.

Deployment of advanced mobile handsets

The future growth of the mobile entertainment market will depend substantially upon the penetration of 3G enabled handsets, which allow consumers to access and store advanced content such as video clips. Should the take-up of 3G enabled handsets proceed at a slower rate than the Enlarged Group expects, consumer demand for the existing range of entertainment products may be harmed and could have an adverse impact on the Enlarged Group's business, financial condition and operating results.

Management of growth

The ability of the Company to implement its strategy in a rapidly evolving market requires effective planning and management control systems. The Directors anticipate that further expansion will be required to respond to market opportunities and the potential growth in its client base. The Company's growth plans may place a significant strain on the Company's management, operational, financial and personnel resources. Therefore the Company's future growth and prospects will depend on its ability to manage this growth and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls. Any failure to expand and improve operational, financial and management information and quality control systems in line with the Company's growth could have a material adverse effect on the Company's business, financial condition and results of operations.

Dividends

There can be no assurance as to the level of future dividends, if any. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the shareholders of the Company or, in the case of interim dividends, to the discretion of the Directors, and will depend upon, among other things, the Company's earnings, financial position, cash requirements, availability of profits, as well as provisions for relevant laws or generally accepted accounting principles from time to time.

Exchange rate fluctuations

The Group currently sells its products in the UK, Ireland and Australia and following the acquisition of Red Circle, the Enlarged Group will include these geographies as well as the US. As the sales are made in the local currency of each of these countries, the Enlarged Group is open to exchange rate fluctuations. This may adversely affect the profitability of the Company.

Regulations

Existing and future legislation, regulation and actions could cause additional expense, capital expenditure, restrictions and delays in the activities of the Enlarged Group, the extent of which cannot be predicted. No assurance can be given that new laws, rules and regulations will not be enacted or existing laws, rules and regulations will not be applied in a manner which could limit or curtail certain of the Enlarged Group's services.

Denial of service

While the Enlarged Group has wherever possible designed its MMG platform, including its internet service connectivity, to have substantial elements of dual redundancy on-site to help to ensure service reliability for its clients, a total loss of facilities at the Company's co-location centre or a prolonged disruption in telephone and data lines would have a material adverse impact on the Enlarged Group's business. There could be no assurance that, in the time it took the Enlarged Group to re-establish the zamano platform, zamano customers would be prepared or able to wait before migrating to competing service providers.

Revenue related taxation

Sales taxes are subject to taxation legislation and regulations which vary from country to country. Where mobile data service providers, such as the Company, operate across multiple taxation jurisdictions, there may be significant variation in interpretation between those jurisdictions. Should such a conflict arise it could have an adverse impact on the accounting in this regard and could result in additional taxation liabilities for the Enlarged Group.

Gearing

The proposed Acquisition will result in the Company significantly increasing its levels of debt. The Loan Facility requires the Company, *inter alia*, to provide the bank with security over its assets and agree to a number of performance measures and covenants. There can be no guarantee in the future that the Company

will not breach these covenants associated with the Loan Facility which may affect the financial position of the Company. The Company's debt will rank in priority to the Ordinary Shares for repayment on a winding up or other return of capital.

Due to the gearing effect of any borrowings undertaken by the Company, Shareholders will, to an exaggerated extent, suffer from any underperformance of the Company's assets, compared to the cost of any borrowing and conversely will benefit from any out-performance relative to any borrowing cost.

Further details of the Loan Facility are set out in paragraph 10 of Part VII of this document.

Loan Facility

The Loan Facility is available for drawdown in two tranches. There can be no guarantee however that the second tranche will be available for drawdown by the Company if the Enlarged Group were to breach certain of the Loan Facility's covenants, representations or warranties. The inability to access the second tranche of the Loan Facility would significantly affect the Company's ability to finance the Acquisition in the terms defined by the Acquisition Agreement.

Insurance

Although the Enlarged Group believes that it has in place adequate insurance with respect to its operations in accordance with industry practice, in certain circumstances the Enlarged Group's insurance may not be adequate to cover the consequences of all its operations. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of operations of the Enlarged Group.

Intangible assets

The Enlarged Group cannot give assurances that steps taken to protect its proprietary technology and other intangible assets are or will be adequate to prevent against being used or copied by third parties. Unauthorised use of the Enlarged Group's intellectual property could have a negative impact on the Enlarged Group's brand and business. Whilst the Enlarged Group's platforms and applications may be protected by copyright and the law of confidentiality, copyright infringement and misuse of confidential information are generally harder to prove than patent infringement.

Third party rights and regulations

If the Enlarged Group's applications or business operations infringe third party intellectual property rights or codes of practice issued by regulatory authorities, there can be no guarantee, and the Enlarged Group cannot give any assurances, that an action for infringement or breach will not be brought by a third party or regulatory body against the Enlarged Group. Whether meritorious or not, such an action could take up substantial resources and management attention and be costly to defend. An action for infringement of intellectual property rights could give rise to fines, damages or to an injunction being granted against the Enlarged Group.

Counterparty risk

One of the Vendors is a Cypriot registered company. If the Company seeks to recover against such Vendor under the Acquisition Agreement, the proceedings for such recovery could prove difficult and costly given that the Company would be seeking to enforce an Irish judgment in the Cypriot courts.

PART III

FINANCIAL INFORMATION AND ACCOUNTANTS' REPORT RELATING TO RED CIRCLE



PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

The Directors
zamano plc
4 St Catherine's Lane West
The Digital Hub
Dublin 8

Seymour Pierce Limited
20 Old Bailey
London EC4M 7EN

NCB Stockbrokers Limited
3 George's Dock
IFSC
Dublin 1

26 November 2007

Dear Sirs

Red Circle Technologies Limited

We report on the financial information set out on pages 33 to 50 of this Part III below. This financial information has been prepared for inclusion in the admission document dated 26 November 2007 (the "Admission Document") of zamano plc (the "Company") on the basis of the accounting policies set out in note 2 to the financial information. This report is required by Schedule Two of the AIM Rules for Companies published by the London Stock Exchange plc (the "AIM Rules") and Schedule Two of the IEX Rules for Companies published by the Irish Stock Exchange Limited (the "IEX Rules") and is given for the purpose of complying with those items and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information in accordance with the basis of preparation set out in note 1 to the financial information.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules and paragraph (a) of Schedule Two of the IEX Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in accordance with this report or our

statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules and Schedule Two of the IEX Rules, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to Red Circle Technologies Limited's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Red Circle Technologies Limited as at the dates stated and of its profits and cash flows for the periods then ended in accordance with the basis of preparation set out in note 1 to the financial information.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules and Paragraph (a) of Schedule Two of the IEX Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules and Schedule Two of the IEX Rules.

Yours faithfully

PricewaterhouseCoopers
Chartered Accountants

COMBINED INCOME STATEMENT

For the three years ended 31 May 2007

		Year ended 31 May		
	Notes	2007 €'000	2006 €'000	2005 €'000
Revenue	3	31,068	28,456	17,605
Cost of sales		(25,196)	(22,256)	(14,322)
Gross profit		<u>5,872</u>	<u>6,200</u>	<u>3,283</u>
Administrative expenses		(2,455)	(3,098)	(1,881)
Operating profit	4	<u>3,417</u>	<u>3,102</u>	<u>1,402</u>
Finance income	6	361	46	–
Profit before tax		<u>3,778</u>	<u>3,148</u>	<u>1,402</u>
Income tax expense	7	(484)	(409)	(145)
Profit for the year		<u>3,294</u>	<u>2,739</u>	<u>1,257</u>
Earnings per share	8			
- basic		3.13	2.53	0.91
- diluted		<u>3.03</u>	<u>2.46</u>	<u>0.91</u>

COMBINED BALANCE SHEET

to 31 May 2007

		2007	As at 31 May 2006	2005
	Notes	€'000	€'000	€'000
ASSETS				
Non-current assets				
Property, plant and equipment	10	99	172	20
Current assets				
Trade and other receivables	11	4,048	3,831	2,606
Financial assets	12	910	187	–
Cash and cash equivalents	13	57	2,242	1,138
		<u>5,015</u>	<u>6,260</u>	<u>3,744</u>
Total assets		<u>5,114</u>	<u>6,432</u>	<u>3,764</u>
LIABILITIES				
Current liabilities				
Trade and other payables	15	(3,064)	(3,235)	(2,378)
Current income tax liabilities		(27)	(74)	(123)
		<u>(3,091)</u>	<u>(3,309)</u>	<u>(2,501)</u>
Total liabilities		<u>(3,091)</u>	<u>(3,309)</u>	<u>(2,501)</u>
Net assets		<u>2,023</u>	<u>3,123</u>	<u>1,263</u>
Invested capital	19	<u>2,023</u>	<u>3,123</u>	<u>1,263</u>

COMBINED CASH FLOW STATEMENTS

Three years ended 31 May 2007

	<i>Year ended 31 May</i>		
	<i>2007</i>	<i>2006</i>	<i>2005</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Cash flows from operating activities			
Profit before tax from continuing operations	3,778	3,148	1,402
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	117	33	76
Share-based payments expense	19	16	–
Increase in trade and other receivables	(217)	(1,325)	(1,624)
(Decrease)/increase in trade and other payables	(329)	857	1,250
Finance income	(361)	(46)	–
	<u>3,007</u>	<u>2,683</u>	<u>1,104</u>
Income tax paid	(531)	(458)	(255)
Net cash generated from operating activities	<u>2,476</u>	<u>2,225</u>	<u>849</u>
Cash flows from investing activities			
Interest received	–	11	–
Purchase of property, plant and equipment	(44)	(185)	(78)
Purchase of financial assets	(941)	(2,152)	–
Receipts from disposal of financial assets	575	2,000	–
Income from financial assets	4	–	–
Net cash flows in investing activities	<u>(406)</u>	<u>(326)</u>	<u>(78)</u>
Cash flows from financing activities			
Dividends paid to company's shareholders	(2,252)	–	–
Redemption of ordinary shares	–	(557)	(100)
Issue of ordinary shares	–	5	–
Net cash used in financing activities	<u>(2,252)</u>	<u>(552)</u>	<u>(100)</u>
Net change in cash and cash equivalents excluding Excluded Operations	(182)	1,347	671
Funding to Excluded Operations	(2,003)	(243)	–
Net change in cash and cash equivalents	<u>(2,185)</u>	<u>1,104</u>	<u>671</u>
Cash and cash equivalents at beginning of year	2,242	1,138	467
Cash and cash equivalents at end of year	<u>57</u>	<u>2,242</u>	<u>1,138</u>

NOTES TO THE FINANCIAL INFORMATION

1 Basis of preparation

The combined financial information has been prepared in accordance with the requirements of both the AIM Rules for Companies and the IEX Rules for Companies and in accordance with this basis of preparation. The basis of preparation describes how the financial information has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) except as described below.

IFRSs as adopted by the EU do not provide for the preparation of combined financial information, and accordingly in preparing the combined financial information certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 (Investment Reporting Standard applicable to public reporting engagements on historical financial information) issued by the UK Auditing Practices Board have been applied. The application of these conventions results in the following material departure from IFRSs as adopted by the EU. In other respects IFRSs as adopted by the EU have been applied.

Subsidiaries are entities in which Red Circle has the power to govern the financial and operating activities. The combined financial information excludes the results and balances of subsidiaries not transferring as part of the Reorganisation (“the Excluded Operations”). The Excluded Operations are excluded in order to show the historical financial track record of the Red Circle group as it existed at 31 May 2007.

The Excluded Operations are:

- (i) Fullthor Media Services Limited
- (ii) Red Circle Technologies Philippines Inc.
- (iii) Carapoca Limited

No cash, finance income or costs have been apportioned to the Excluded Operations.

The Red Circle group (excluding the Excluded Operations) has not in the past formed a separate legal group and therefore it is not meaningful to show share capital or an analysis of reserves for this group. Its net assets are represented by the cumulative capital invested in the Red Circle group (shown as “invested capital”).

Amounts in respect of Excluded Operations are included in the combined financial information:

- (i) All funding of the Excluded Operations and movements in short term treasury cash management balances with the Excluded Operations during the periods have been reflected as movements in invested capital under the heading “Funding paid to Excluded Operations” as shown in note 19.
- (ii) Cash flows to and from the Excluded Operations have been reflected in the combined cash flow statement under the heading “Funding to Excluded Operations”.

2 Accounting policies

Basis of accounting

The combined financial information is drawn up in accordance with the convention of historical cost accounting, except for financial assets held for trading which are recorded at fair value.

The combined financial information is presented in euro, rounded to the nearest thousand.

The policies set out below have been consistently applied to all the years presented.

2 Accounting policies (continued)

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sales of goods and services in the ordinary course of Red Circle's activities. Revenue is shown net of value added tax, returns, rebates and discounts.

Red Circle recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for Red Circle's activities. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. Red Circle bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from the provision of mobile data services is recognised on the basis of receipted transactions with the ultimate end user. Where Red Circle acts as a principal supplier of mobile phone content, entertainment and other services, revenue is recorded before the deduction of revenue share payments to network operators.

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, Red Circle reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Taxation

The current tax expense is based on the profits for the periods.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

Computer and equipment	4 years
Office equipment	8 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2 Accounting policies (continued)

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains – net' in the income statement.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Impairment of non-financial assets

The entity assesses at each reporting date whether there is any indication an asset may be impaired. If any such indicator exists the entity tests for impairment by estimating the recoverable amount. If the recoverable amount is less than the carrying value of an asset an impairment loss is required.

Financial assets

The entity classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' in the balance sheet.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other (losses)/gains – net' in the period in which they arise.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the entity establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The entity assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Foreign currencies

(a) Functional and presentation currency

Items included in this financial information are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The combined financial information is presented in euro (rounded to the nearest thousand), which is Red Circle's functional and presentation currency.

2 Accounting policies (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

Employee benefits

(a) Pension obligations

Red Circle operates a defined contribution pension scheme. A defined contribution plan is a pension plan under which Red Circle pays fixed contributions into a separate entity. Red Circle has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods. Red Circle pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual and voluntary basis. Red Circle has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Share-based compensation

Red Circle operates an equity-settled, share-based compensation plan for certain employees. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that Red Circle will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the income statement.

2 Accounting policies (continued)

Cash and equivalents

Cash and cash equivalents comprise of cash at banks and in hand and short term deposits with a maturity of less than three months.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Dividend distribution

Dividend distribution to Red Circle's shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. A financial liability is a contractual obligation to deliver cash or another financial asset to a third party.

Provisions

Provisions are recognised when Red Circle has a present obligation (legal or constructive) as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Segmental reporting

A segment is a distinguishable component of Red Circle that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns different to those of other segments. Stemming from Red Circle's internal organisational and management structure and its system of internal financial reporting, segmentation by business is regarded as being the predominant source and nature of the risks and returns facing Red Circle and is thus the primary segment. Geographical segmentation is therefore the secondary segment.

Critical accounting estimates, judgements and assumptions

The preparation of the combined financial information requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial information and the reported amounts of revenues and expenses during the period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. The judgments that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are discussed below.

(i) *Impairment of non-financial assets*

Red Circle tests annually whether related party receivables (note 16) have suffered any impairment, in accordance with the accounting policy stated above ("Impairment of non-financial assets"). Management uses its judgement in considering what factors might indicate whether such impairment has actually occurred. This includes consideration of the financial position of those related parties. A provision for impairment is established when there is objective evidence that Red Circle will not be able to collect all such amounts due.

2 Accounting policies (continued)

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for Red Circle's accounting periods beginning on or after 1 June 2007 or later periods, but which Red Circle has not early adopted, as follows:

- *IFRS 7, Financial Instruments: Disclosures, and the complementary Amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures*, were early adopted in 2006. IFRS 7 introduces new disclosures relating to financial instruments.
- *IFRS 8 – Operating Segments* (effective for accounting periods beginning on or after 1 January 2009). IFRS 8 sets out the requirements for disclosure of financial and descriptive information about an entity's operating segments and also about the entity's products and services, the geographical areas in which it operates, and its major customers. The IFRS replaces IAS 14 Segment Reporting. Management is currently considering the impact of this standard on its disclosures but do not anticipate that this will have a major impact on Red Circle.
- *IFRIC 7, Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies* (effective from 1 March 2006). IFRIC 7 provides guidance on how to apply requirements of IAS 29 in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. As Red Circle does not have a currency of a hyperinflationary economy as its functional currency, IFRIC 7 is not relevant to Red Circle's operations.
- *IFRIC 9, Reassessment of embedded derivatives* (effective for annual periods beginning on or after 1 June 2006). IFRIC 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. Management does not consider that the requirements of IFRIC 9 impact on Red Circle's operations.
- *IFRIC 10, Interim Financial Reporting and Impairment* (effective for annual periods beginning on or after 1 November 2006). IFRIC 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. Red Circle will apply IFRIC 10 from 1 June 2007, but it is not expected to have any significant impact on Red Circle's financial statements.
- *IFRIC 11 IFRS 2—Group and Treasury Share Transactions* (effective for annual periods beginning on or after 1 March 2007). It addresses two issues: (a) whether certain transactions should be accounted for as equity settled or as cash-settled under the requirements of IFRS 2 and (b) how share based payment arrangements that affect more than one company in a group are accounted for in each company's financial statements. Red Circle will apply IFRIC 11 from 1 June 2007. Management does not anticipate that the requirements of this standard will significantly impact on Red Circle's financial statements.
- *IFRIC 12 Service Concession Arrangements* (effective for annual periods beginning on or after 1 January 2008). Service concessions are arrangements whereby a government or other public sector entity grants contracts for the supply of public services – such as roads, airports, prisons and energy and water supply and distribution facilities – to private sector operators. As Red Circle is not a service concession operator IFRIC 12 is not relevant to Red Circle's activities.

2 Accounting policies (continued)

- *IAS 23 (Amendment), Borrowing Costs* (effective for annual periods beginning on or after 1 January 2009). The Amendment to IAS 23 requires that an entity shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The previous version of IAS 23 allowed an option as to whether this expenditure was capitalised. Management does not consider that it will have a significant impact on the Red Circle's financial statements.
- *IFRIC 13, Customer loyalty programmes* (effective for financial periods beginning on or after 1 July 2008). IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. Red Circle does not operate customer loyalty programmes.
- *IFRIC 14, IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction*, (effective for annual financial periods beginning on or after 1 January 2008). IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. Red Circle has no defined benefit pension arrangements.
- *IAS 1 (Amendment), Presentation of financial statements*, (effective for financial periods beginning on or after 1 January 2009). The main aim of the amended version of IAS 1 is to aggregate information in the financial statements on the basis of shared characteristics. Consequently changes in equity (net assets) of an entity arising from transactions with owners in their capacity as owners will be disclosed separately from other changes in equity. Management does not consider that it will have a significant impact on Red Circle's financial statements.

3 Revenue

Based on risks and returns the directors consider that the primary reporting format is by business segment. The directors consider that there is only one business segment, being the provision of mobile data services and technology direct to end consumers (B2C).

The secondary reporting format is by geographical analysis, by origin and destination.

	2007	2006	2005
	€'000	€'000	€'000
Revenue (by location of end-consumer)			
Ireland & UK	27,540	28,175	17,605
Rest of world	3,528	281	–
	<u>31,068</u>	<u>28,456</u>	<u>17,605</u>
Total assets by geographical location:			
Ireland & UK	<u>5,114</u>	<u>6,432</u>	<u>3,764</u>
Capital expenditure by geographic location:			
Ireland & UK	<u>44</u>	<u>185</u>	<u>78</u>

4 Expenses by nature

	2007	2006	2005
	€'000	€'000	€'000
Direct cost of sales (including payments to Mobile Operators)	25,196	22,256	14,322
Employee benefit expense	1,432	1,788	1,126
Depreciation of property, plant and equipment	117	33	76
Loss/(gain) on foreign currencies	158	16	(7)
Auditors' remuneration	30	13	8
Other	718	1,248	678
Total cost of sales and administrative expenses	<u>27,651</u>	<u>25,354</u>	<u>16,203</u>

Direct cost of sales mainly comprise advertising spend and payments to Mobile Operators.

5 Employee benefit expense

	2007	2006	2005
	€'000	€'000	€'000
Wages and salaries	1,280	1,554	973
Social welfare costs	113	137	61
Share-based payment	19	16	–
Pension costs – defined contribution plans	20	81	92
	<u>1,432</u>	<u>1,788</u>	<u>1,126</u>
Key management compensation (including directors):			
Remuneration and other emoluments	247	382	444
Share-based payment	19	16	–
Pension contributions	10	71	87
	<u>276</u>	<u>469</u>	<u>531</u>
	<i>Number</i>	<i>Number</i>	<i>Number</i>
Average number of employees	<u>24</u>	<u>25</u>	<u>18</u>
Administration	10	10	11
Technical and creative	14	15	7
	<u>24</u>	<u>25</u>	<u>18</u>

6 Finance income and finance costs

	2007	2006	2005
	€'000	€'000	€'000
Finance income:			
Financial assets held for trading	361	35	–
Bank deposit interest	–	11	–
	<u>361</u>	<u>46</u>	<u>–</u>

7 Income tax expense

	2007 €'000	2006 €'000	2005 €'000
Tax on profits for the period	454	389	165
Adjustments in respect of previous periods	30	20	(20)
Current tax	<u>484</u>	<u>409</u>	<u>145</u>
The charge for the year reconciles to the profit before tax as set out in the income statement as follows:			
Profit before tax	<u>3,778</u>	<u>3,148</u>	<u>1,402</u>
Tax at the Irish corporation tax rate of 12.5% (2006: 12.5%, 2005: 12.5%)	472	394	175
Tax effects of:			
Expenses not deductible in determining taxable profit	27	–	28
Income not subject to tax	(45)	(5)	–
Adjustments in respect of previous periods	30	20	(20)
Utilisation of tax losses	–	–	(38)
Actual amount of tax charge	<u>484</u>	<u>409</u>	<u>145</u>

The weighted average applicable tax rate was 12.0% (2006: 12.4%; 2005: 11.8%).

8 Earnings per ordinary share

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighed average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2007 €'000	2006 €'000	2005 €'000
Profit attributable to equity holders	<u>3,294</u>	<u>2,739</u>	<u>1,257</u>
Basic weighted average number of shares	1,051	1,083	1,374
Dilutive potential ordinary shares:			
Employee share options	<u>35</u>	<u>31</u>	<u>–</u>
Diluted weighted average number of shares	<u>1,086</u>	<u>1,114</u>	<u>1,374</u>
Earnings per share (€):			
- basic	3.13	2.53	0.91
- diluted	<u>3.03</u>	<u>2.46</u>	<u>0.91</u>

9 Dividends

	2007 €'000	2006 €'000	2005 €'000
Interim dividend:			
Ordinary shares of €0.01269738 each	2,000	–	–
“A” ordinary shares of €1 each	410	–	–
	<u>2,410</u>	<u>–</u>	<u>–</u>
Dividend per share (€):			
Ordinary shares of €0.01269738 each	1.90	–	–
“A” ordinary shares of €1 each	4,100	–	–
	<u>4,100</u>	<u>–</u>	<u>–</u>

10 Property, plant and equipment

	<i>Office equipment</i> €'000	<i>Computer equipment</i> €'000	<i>Total</i> €'000
Cost			
At 1 June 2005	13	308	321
Additions	36	149	185
At 31 May 2006	<u>49</u>	<u>457</u>	<u>506</u>
Additions	33	11	44
At 31 May 2007	<u>82</u>	<u>468</u>	<u>550</u>
Accumulated depreciation			
At 1 June 2005	2	299	301
Charge for the year	5	28	33
At 31 May 2006	<u>7</u>	<u>327</u>	<u>334</u>
Charge for the year	2	115	117
At 31 May 2007	<u>9</u>	<u>442</u>	<u>451</u>
Net book value			
At 31 May 2005	11	9	20
At 31 May 2006	<u>42</u>	<u>130</u>	<u>172</u>
At 31 May 2007	<u>73</u>	<u>26</u>	<u>99</u>

11 Trade and other receivables

	2007	2006	2005
	€'000	€'000	€'000
Trade receivables	3,523	3,107	1,928
Less: Provision for impairment of receivables	–	–	(8)
Trade receivables – net	3,523	3,107	1,920
Prepayments and other receivables	243	347	347
Receivables from related parties (note 16)	98	301	339
Value added tax	184	76	–
	<u>4,048</u>	<u>3,831</u>	<u>2,606</u>
By currency:			
Euro	2,282	2,761	2,489
Sterling	897	990	117
US dollar	423	–	–
Australian dollar	446	80	–
	<u>4,048</u>	<u>3,831</u>	<u>2,606</u>

The carrying amount of trade and other receivables of each year end was considered to be equivalent to their fair value. The ageing of trade receivables at 31 May 2007 was consistent with the underlying agreed credit terms.

12 Financial assets

	2007	2006	2005
	€'000	€'000	€'000
Held for trading:			
At beginning of the year	187	–	–
Additions	941	2,152	–
Disposals	(575)	(2,000)	–
Fair value gains	357	35	–
At end of the year	<u>910</u>	<u>187</u>	<u>–</u>

The financial assets held for trading are stated at fair value. These comprise short term investment products and saving bonds, all of which were disposed of post 31 May 2007.

13 Cash and cash equivalents

Cash comprises balances held by the Red Circle group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

14 Called up share capital

	2007 €'000	2006 €'000	2005 €'000
Authorised equity			
10,000,000 ordinary shares of €0.01269738 each	127	127	127
100 "A" ordinary shares of €1 each* (2006: nil, 2005: nil)	–	–	–
	<u>127</u>	<u>127</u>	<u>127</u>
Allotted, called up and fully paid equity			
1,051,258 ordinary shares of €0.01269738 each (2006: 1,051,258, 2005: 1,374,105)	13	13	18
100 "A" ordinary shares of €1 each* (2006: nil, 2005: nil)	–	–	–
	<u>13</u>	<u>13</u>	<u>18</u>

*Rounded to nil for financial reporting purposes.

On 1 June 2005 the company issued 52,000 ordinary shares at par. On 28 June 2005 25,750 ordinary shares were issued for a total consideration of €5,000.

On 28 June 2005 400,597 ordinary shares were redeemed for a total consideration of €656,835.

On 28 June 2005 options of 34,825 ordinary shares were granted to certain employees. These options have not yet been exercised.

On 24 August 2006 a special resolution was passed by the members of the company, authorising the increase in the ordinary share capital by €100, and the creation of 100 "A" ordinary shares.

- The "A" ordinary shares do not entitle the holders thereof to receive notice of, attend or vote at general meetings of the company.
- The holders of "A" ordinary shares are entitled to be repaid the amount of capital paid up or credited as paid up on their "A" ordinary shares (including any premium paid) respectively on a return of assets or on liquidation but shall not be entitled to any further participation in the assets of the company in a winding up.
- The holders of "A" ordinary shares shall not be entitled to transfer the "A" ordinary shares to another shareholder or third party save at the sole discretion of the directors of the company.

The profits of the company available for distribution may be used to pay dividends on the ordinary shares of €0.01269738 each and/or the "A" ordinary shares of €1 each. Every dividend shall be distributed to the shareholders pro rata according to the amounts paid up or credited as paid up on the shares held by them respectively.

Share options

Share options are granted to selected employees. Options are conditional on the employee completing 18 month's service (the vesting period). The options start to vest 18 months from the grant date. The company has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

14 Called up share capital (continued)

	<i>Year ended 31 May 2007</i>		<i>Year ended 31 May 2006</i>	
	<i>Average</i>	<i>Options</i>	<i>Average</i>	<i>Options</i>
	<i>exercise price</i>	<i>(thousands)</i>	<i>exercise price</i>	<i>(thousands)</i>
	<i>in € per share</i>		<i>in € per share</i>	
At beginning of year	3.30	35	–	–
Granted	–	–	3.30	35
Forfeited	–	–	–	–
Exercised	–	–	–	–
At end of year	3.30	<u>35</u>	3.30	<u>35</u>

Out of the 34,825 outstanding options (2006: 34,825 options), all were exercisable.

Share options outstanding at the end of the period had the following expiry date and exercise prices:

Expiry date

	<i>Exercise</i>	<i>Shares ('000)</i>	
	<i>price in €</i>	<i>2007</i>	<i>2006</i>
	<i>per share</i>		
31 December 2008	3.30	<u>35</u>	<u>35</u>

The weighted average fair value of options granted during the period determined using the Black-Scholes valuation model was €1.34 per option. The significant inputs into the model were a weighted average share price of €3.30 (2006: €3.30) at the grant date, the exercise price shown above, volatility of 50% (2006: 40%), risk free rate of 4% (2006: 4%). The volatility is based on statistical analysis of daily share prices over the last two years.

15 Trade and other payables

	<i>2007</i>	<i>2006</i>	<i>2005</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Trade payables	2,142	2,415	1,158
Social security and other taxes	35	39	107
Owed to related parties (note 16)	86	–	–
Accrued expenses	801	781	1,113
	<u>3,064</u>	<u>3,235</u>	<u>2,378</u>

The carrying amount of trade and other payables at each year end was considered to be equivalent to their fair value. Accruals and other creditors at 31 May 2007 included dividends declared but unpaid of €158,000 (2006: €nil, 2005: €nil). These were paid in full in June 2007.

16 Related party transactions

	<i>2007</i>	<i>2006</i>	<i>2005</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>
Receivable from related parties:			
Bang Media (London) Limited	98	291	105
Advance payment for share repurchase (note 14)	–	–	100
Receivables from directors	–	10	134
	<u>98</u>	<u>301</u>	<u>339</u>
Owing to directors	<u>86</u>	<u>–</u>	<u>–</u>

16 Related party transactions (continued)

During the period Red Circle provided financial support to Bang Media (London) Limited, a company incorporated in the United Kingdom, It has been identified as a related party in the period by virtue of common shareholders and directors.

	<i>Gerard Dowling €'000</i>	<i>Eoin Dowling €'000</i>	<i>Total €'000</i>
At 1 June 2004	117	–	117
Repaid to Red Circle	(11)	–	(11)
Advanced from Red Circle	28	–	28
At 31 May 2005	134	–	134
Repaid to Red Circle	(150)	(6)	(156)
Advanced from Red Circle	–	32	32
At 31 May 2006	(16)	26	10
Repaid to Red Circle	(258)	(152)	(410)
Advanced from Red Circle	273	41	314
At 31 May 2007	(1)	(85)	(86)

17 Contingencies and commitments

(a) Contingencies

Red Circle has contingent liabilities in respect of claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from these contingent liabilities.

(b) Commitments

Red Circle leases offices under a non-cancellable operating lease agreement. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	<i>31 May 2007 €'000</i>
No later than one year	64
Later than one year and no later than five years	21
	<u>85</u>

18 Financial risk management

Red Circle's activities expose it to a variety of financial risks, including currency risk, credit risk and liquidity risk. Its overall risk management programme focuses on the reduction or, where possible, elimination of the impact of these risks on Red Circle's performance. Specifically these policies seek to ensure that activities undertaken do not subject Red Circle to undesired levels of risk.

Currency risk

Red Circle operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Sterling. The main currency exposures result from a deficit in euro and a surplus in Sterling. Where appropriate management seeks to match receipts and payments in the same currency to minimise any underlying currency risk.

18 Financial risk management (continued)

Liquidity risk

The principal policy objective, in relation to liquidity, is to ensure that Red Circle has access, at a minimum cost, to sufficient liquidity to enable it to meet its obligations as they fall due and provide adequately for contingencies. Cash balances in excess of these requirements are normally maintained on short term deposits, in order to enable Red Circle to take advantage of commercial opportunities while generating a sufficient return.

Credit risk

A majority of Red Circle's revenues are collected through third party aggregators. Credit risk is managed primarily through the implementation of and adherence to set credit limits with those third parties and other customers.

Fair value estimation

The fair value of financial instruments traded in active markets (such as financial assets held for trading) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by Red Circle is the current bid price.

19 Invested capital

	2007	2006	2005
	€'000	€'000	€'000
Invested capital at beginning of period	3,123	1,263	6
Profit for the year	3,294	2,739	1,257
Issue of shares	–	5	–
Redemption of shares	–	(657)	–
Dividends to equity shareholders	(2,410)	–	–
Share based payments	19	16	–
	<u>4,026</u>	<u>3,366</u>	<u>1,263</u>
Funding paid to Excluded Operations	(2,003)	(243)	–
Invested capital at end of period	<u>2,023</u>	<u>3,123</u>	<u>1,263</u>

20 Subsidiary undertaking

The following was the subsidiary undertaking of the company at 31 May 2007 (excluding the Excluded Operations):

<i>Subsidiary</i>	<i> Holding</i>	<i>Activity</i>	<i>Place of incorporation</i>
Red Circle Inc.	100%	Dormant	United States of America

Red Circle Inc. was incorporated on 18 August 2006. It has not yet commenced to trade. Its net assets at 31 May 2007 comprised 1,000 common ordinary shares at US\$0.10 each, issued to Red Circle.

PART IV

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma net assets statement set out below has been prepared for illustrative purposes only on the basis of the notes set out below. The unaudited pro forma net assets statement has been prepared to illustrate the effect on the consolidated net assets of the Company as if the proposed Acquisition had taken place on 30 June 2007. As a result of its nature, the pro forma net assets statement addresses a hypothetical situation and, therefore, does not represent the Enlarged Group's actual financial position following the proposed Acquisition.

The unaudited pro forma net assets statement has been compiled from the net assets statement of the Company at 30 June 2007 and of Red Circle at 31 May 2007.

The unaudited pro forma net assets statement of the Enlarged Group does not constitute financial statements within the meaning of section 4 of the Companies (Amendment) Act 1986.

	<i>Company</i> €'000 <i>Note 1</i> <i>30 June</i> <i>2007</i>	<i>Red Circle</i> €'000 <i>Note 2</i> <i>31 May</i> <i>2007</i>	<i>Adjustments</i>		<i>Unaudited</i> <i>pro forma</i> <i>net asset of</i> <i>the Enlarged</i> <i>Group</i> €'000 <i>Note 5</i>
			<i>€'000</i> <i>Note 3</i>	<i>€'000</i> <i>Note 4</i>	
ASSETS					
Non current assets					
Property, plant and equipment	173	99	–	–	272
Intangible assets	9,370	–	–	25,198	34,568
	9,543	99	–	25,198	34,840
Current assets					
Trade and other receivables	4,228	4,048	(98)	–	8,178
Deferred tax asset	26	–	–	–	26
Cash and cash equivalents	7,395	57	(57)	–	7,395
Financial assets	–	910	(910)	–	–
	11,649	5,015	(1,065)	–	15,599
Total assets	21,192	5,114	(1,065)	25,198	50,439
LIABILITIES					
Current liabilities					
Trade and other payables	(3,563)	(3,064)	244	–	(6,383)
Deferred consideration	(6,559)	–	–	–	(6,559)
Income tax payable	(455)	(27)	–	–	(482)
	(10,577)	(3,091)	244	–	(13,424)
Non current liabilities					
Deferred tax liability	(110)	–	–	–	(110)
Borrowings	–	–	–	(20,300)	(20,300)
Total liabilities	(10,687)	(3,091)	244	(20,300)	(33,834)
Net assets	10,505	2,023	(821)	4,898	16,605

NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

- The figures for the Company are extracted without material adjustment from the Interim Financial Statements of the Company, published on 20 September 2007.
- The figures for Red Circle as at 31 May 2007 have been extracted, without material adjustment, from the Financial Information Table for Red Circle as set out in Part III.
- This reflects certain working capital adjustments under the terms of the Acquisition Agreement.

	€'000
Receivables from related parties	98
Cash and cash equivalents	57
Financial assets held as investments	910
Owing to directors	(86)
Unpaid dividend (paid June 2007)	(158)
	<u>821</u>

- The proposed Acquisition has been accounted for as an acquisition under IFRS 3 "Business Combinations".

For the purposes of this pro forma net asset statement, no adjustment has been made to the values of the individual net assets of Red Circle to reflect any restatement to fair value which may arise on the acquisition. The gross difference between the net assets of Red Circle as reported at 31 May 2007 and the sum of the estimated consideration and related transaction expenses has therefore been presented as a single value in "intangible assets". Following Completion, the carrying values of the assets and liabilities of Red Circle will be restated to their fair values at the date of Completion. No account has been taken of any fair value adjustment to the net assets of Red Circle on its Acquisition by the Group which will be required to be accounted for in the Group's next published financial statements.

The estimated maximum consideration for the Acquisition of Red Circle is €24.4 million, based on the maximum consideration payable under the terms of the Acquisition Agreement. The estimated transaction costs of €2.0 million are based on the Company's Directors' latest estimate of transaction and other costs directly attributable to the Acquisition. The total cost of the Acquisition will be satisfied by a combination of:

	€'000
Total Acquisition cost	<u>26,400</u>
Satisfied by:	
Bank loans	20,300
Consideration shares	6,100
Total	<u>26,400</u>

The intangible assets and goodwill arising on this basis has been calculated as follows:

	€'000
Estimated consideration	24,400
Estimated transaction costs and other costs directly attributable to the Acquisition	2,000
	<u>26,400</u>
Less: Reported value of Red Circle's net assets at 31 May 2007	(2,023)
Add: Red Circle working capital adjustment (note 3 above)	821
Estimated intangible assets and goodwill arising on the Acquisition	<u>25,198</u>

- No adjustment has been made to reflect trading results of the Company since 30 June 2007 or of Red Circle since 31 May 2007.

PART V

TAXATION

The following summary, which is intended as a general guide only, outlines certain aspects of legislation and revenue practice in Ireland and the United Kingdom regarding the ownership and disposition of Ordinary Shares. It relates only to the position of Shareholders who are resident or ordinarily resident in Ireland or the United Kingdom for tax purposes and who hold Ordinary Shares as capital assets and not for the purpose of a trade.

This summary does not address the position of certain classes of Shareholders such as dealers in securities, to whom special rules apply. This summary is not exhaustive and Shareholders are advised to consult their own tax advisers as to the taxation consequences of their purchase, ownership and disposition of Ordinary Shares. The summary is based on current Irish and United Kingdom tax legislation and on the current Taxation Treaty between Ireland and the United Kingdom. Shareholders should be aware that future legislative, administrative and judicial changes could affect the taxation consequences described below.

This document refers to the current system of taxation in Ireland and the United Kingdom. The Pre-Budget 2007 Report of 9 October 2007 published by the UK Treasury has proposed a number of taxation changes which will have effect from 6 April 2008. The proposed changes, as announced, have been referred to in this document where appropriate. It is important to note that these changes have yet to be enacted, and may not be enacted exactly as they were announced on 9 October 2007. Accordingly, all shareholders are advised to consult their professional advisors regarding their own tax position.

1.1. Taxation of the Company

The Company is an Irish incorporated company and is managed and controlled in Ireland and accordingly it is resident in Ireland for tax purposes.

1.2. Irish Withholding Tax

Withholding tax at the standard rate of income tax (20 per cent. with effect from 6 April, 1999) applies to dividend payments and other profit distributions by an Irish resident company. Certain categories of Shareholders may be entitled to receive dividends free of dividend withholding tax provided, where considered necessary, valid declarations or certificates are completed and supplied to the Company, qualifying intermediary or authorised withholding agent in advance of the dividend payment. Categories of Shareholder who may be entitled to receive dividends free of dividend withholding tax include (but not limited to):

- (a) Irish resident companies;
- (b) Exempt approved pension schemes within the meaning of section 774, Taxes Consolidation Act, 1997;
- (c) Retirement annuity contracts or a trust scheme to which section 784 or 785, Taxes Consolidation Act, 1997 applies;
- (d) Charities exempt from Irish tax under schedule F in accordance with section 207, Taxes Consolidation Act, 1997;
- (e) Qualifying Employee Share Ownership trusts;
- (f) Individuals who are neither resident nor ordinarily resident in Ireland and who are resident in another EU Member State or in a country with which Ireland has a double tax treaty;

- (g) Companies not resident in Ireland which are themselves resident in an EU Member State (other than Ireland) or in a country with which Ireland has a double tax treaty but who are not under the control, whether directly or indirectly, of persons resident in Ireland;
- (h) Companies, the principal class of whose shares or the shares of its 75 per cent. parent are substantially and regularly traded on one or more than one recognised stock exchange in an EU Member State (other than Ireland) or in a country with which Ireland has a double tax treaty, or such other stock exchange as may be approved of by the Minister for Finance;
- (i) Companies not resident in Ireland which are controlled, whether directly or indirectly, by a person or persons resident in another EU Member State or a country with which Ireland has a double tax treaty and who is or are, as the case may be, not controlled, whether directly or indirectly, by a person or persons not resident in another EU Member State or a country with which Ireland has a double tax treaty;
- (j) Companies resident in another EU Member State and holding at least 5 per cent. of the share capital of the Company and who are not controlled directly or indirectly by persons, other than persons resident in an EU Member State (other than Ireland) or a country with which Ireland has a double tax treaty, unless it is shown that the company receiving the dividend does not exist for *bona fide* commercial reasons and forms part of any arrangement or scheme of which the main purpose, or one of the main purposes, is the avoidance of a liability to tax.

In relation to dividends paid to a UK company that does not fall within the categories of shareholders entitled to the exemptions from dividend withholding tax the Ireland/UK Double Tax Treaty reduces the rate of withholding tax to 15 per cent. of the gross amount of the dividend provided that a treaty application is made.

1.3. Taxation of Dividends

(a) *Taxation of Irish Resident Shareholders*

Irish resident Shareholders who are individuals will be subject to income tax, levies and possible PRSI on the aggregate of the net dividend received and the withholding tax deducted. The withholding tax deducted will be available for offset against the individual's Irish income tax liability (including the individual's liability to levies and PRSI). A Shareholder may claim to have the withholding tax refunded to him to the extent it exceeds his Irish income tax liability.

An Irish resident Shareholder, which is a company, will not be subject to Irish corporation tax on dividends received from the Company and tax will not be withheld at source by the Company provided the appropriate declaration is made. A company, which is a close company, as defined under Irish legislation, may be subject to a corporation tax surcharge on such dividend income. Shareholders who are Irish approved pension funds or Irish approved charities are generally exempt from tax on their dividend income and will not have tax withheld at source by the paying company from dividends received provided the appropriate declarations are made.

(b) *Taxation of United Kingdom Resident Shareholders*

Dividends paid to a United Kingdom resident Shareholder will generally not be subject to Irish withholding tax on the understanding that the Shareholder satisfies the necessary legislative requirements described above.

UK Resident Companies

A United Kingdom resident Shareholder that is a company which either directly or indirectly controls, or is a subsidiary of a company which either directly or indirectly controls, less than 10 per cent. of the voting power of the Company, will be subject to corporation tax in the United Kingdom on the dividends received. If Irish tax is withheld on the dividend because the

company does not fall within legislative requirements described above then the company will be subject to United Kingdom corporation tax on the gross amount (i.e. net dividend received plus withholding tax) and a deduction can be claimed against the UK tax liability for the Irish withholding tax suffered. However, there may be restrictions on the offset of Irish withholding tax against the UK tax liability on the dividend where the Irish withholding tax exceeds the UK tax liability.

A United Kingdom resident Shareholder that is a company which either directly or indirectly controls, or is a subsidiary of a company which either directly or indirectly controls, 10 per cent. or more of the voting power of the Company will be liable to United Kingdom corporation tax on the aggregate of the dividend (plus any withholding tax suffered) and the underlying Irish corporation tax. The underlying Irish corporation tax (and any Irish withholding tax suffered) will be available for set off against the United Kingdom corporation tax liability on the aggregate amount. However, there may be restrictions on the offset of Irish withholding tax and underlying Irish corporation tax against the UK tax liability on the dividend where the Irish withholding tax and underlying Irish corporation tax exceed the UK tax liability.

A United Kingdom resident Shareholder which is not a company controlling directly or indirectly 10 per cent. or more of the voting power of the Company and which is not subject to tax in the United Kingdom by reason of the United Kingdom law affording relief to charities and certain superannuation schemes or to insurance companies in respect of their pension business should not be subject to tax in the United Kingdom on a dividend from the Company.

UK Resident Individuals

In respect of dividends on Ordinary Shares, individual Shareholders who are resident in the UK for tax purposes and are only liable to tax at the lower or standard rates are taxed at 10 per cent. on UK and foreign dividends. In the case of UK dividends they also entitled to a tax credit at the rate of one ninth of the cash dividend or 10 per cent. of the aggregate of the cash dividend and the associated tax credit. Dividend income will be treated as the top slice of an individual's income.

It is likely that the dividends received from the Company will be treated as foreign dividends from an Irish company. As Shareholders resident in the UK for taxation purposes no Irish dividend withholding tax will be deducted from the dividend payment, subject to completion of the relevant declarations. Consequently Shareholders receiving dividends will be liable to UK income tax on the dividend at, in the case of starting and basic rate taxpayers, the Schedule F ordinary rate of 10 per cent. in 2007-2008 or, in the case of higher rate taxpayers, the Schedule F upper rate of 32.5 per cent. (in 2007-2008). As the dividend is received without any deduction of withholding tax no foreign tax credit is available.

(c) *Other*

Non-UK resident Shareholders and Shareholders subject to tax in a jurisdiction other than the UK should consult an appropriate professional adviser concerning their liabilities to tax on dividends received.

1.4. Capital Gains Tax

(a) *Ireland*

The Ordinary Shares constitute chargeable assets for Irish capital gains tax purposes and, accordingly, Shareholders who are resident or ordinarily resident in Ireland, depending on their circumstances, may be liable to Irish tax on capital gains on a disposal of Ordinary Shares.

Under normal circumstances, individuals who are neither resident nor ordinarily resident in Ireland are only subject to Irish tax on capital gains arising on the disposal of certain specified

assets in Irish tax law including shares where at the time of disposal the shares derive the greater part of their value from Irish real estate.

However shares which are quoted on a stock exchange are not included in the specified assets and on this basis, non-Irish resident shareholders of the Company would not be liable to Irish Capital Gains Tax on a disposal of Ordinary Shares in the Company.

Individuals who leave Ireland for less than five complete tax years and while abroad realise gains on certain shares in a company which they held at the point of departure from Ireland may be taxed in the year of their return to Ireland on the gain arising. This provision only applies where the market value of the shares owned by the individual on the last day of the year of departure was more than or equal to 5 per cent. of the value of the issued share capital of the company, or exceeded €500,000.

(b) *United Kingdom – current tax position*

The Ordinary Shares constitute chargeable assets for UK capital gains tax purposes and, accordingly, Shareholders who are resident or ordinarily resident in the UK, depending on their circumstances, may be liable to UK tax on capital gains on a disposal of Ordinary Shares. Shareholders of the Company who are neither resident nor ordinarily resident in the UK and who do not hold the Ordinary Shares as part of the assets of a trade carried on in the UK by them through a branch or agency may not be subject to UK tax on capital gains arising on the disposal of these Ordinary Shares. In most circumstances a disposal of Ordinary Shares by a Shareholder who is resident or ordinarily resident in the United Kingdom will constitute a disposal for the purposes of United Kingdom capital gains tax and, accordingly, may give rise to a tax liability at the marginal rate of tax. In the event an Irish capital gains tax liability arises on the disposal of Ordinary Shares this liability may be offset against the UK tax liability on the same disposal. Gains arising to individuals who leave the UK for less than five complete tax years may also be taxed in the year of disposal. Gains arising to individuals who intend to leave the UK for five complete tax years but fail to meet the conditions will be subject to capital gains tax on gains in the year they return to the UK. Gains arising to individuals in the year they leave the UK or return to the country may also be taxed. Gains arising to holders of Ordinary Shares taxed as dealers in securities may be treated as income and taxed as such.

Where shares are listed on AIM the shares would normally qualify for full Business Assets Taper Relief (BATR) in the case of individuals and certain trusts where they have been held for at least two years and where the company meets all of the conditions as a trading company.

Under new UK tax legislation gains on assets transferred into a UK trust can be held over.

BATR is not available to Shareholders who are companies but indexation allowance is available as a deduction in arriving at the gains chargeable to Corporation Tax.

(c) *United Kingdom – proposed changes from 6 April 2008*

A number of proposed changes to United Kingdom tax legislation were announced in the 2007 Pre-Budget Report published by the UK Treasury on 9 October 2007. Amongst other measures, the report proposed significant changes relating to Capital Gains Tax which, if enacted, would change the capital gains tax position on the disposal of shares after 6 April 2008. Companies liable to corporation tax are not affected by the proposed changes.

For individuals within the charge to capital gains tax in the United Kingdom the proposed changes would see a flat rate of capital gains tax of 18 per cent. on all gains. This rate would apply to disposals by all individuals, trustees and personal representatives. The proposals also include the withdrawal of indexation relief and the abolition of the taper relief with effect from 6 April 2008. In addition, share identification rules that generally must be used when calculating gains on share disposals are to change. Under the current system individuals are required to match share disposals with acquisitions on a 'last in, first out' basis for the purposes

of establishing which shares are sold when an individual has a shareholding acquired over time. It is proposed that these rules will be abolished in favour of a pooling system.

This document can only highlight the proposed changes, there can be no assurance that the changes will be enacted as announced. Accordingly, all shareholders are advised to consult their professional advisers regarding their own tax position.

1.5. Stamp Duty

(a) *Irish Stamp Duty*

Irish stamp duty, which is a tax on certain documents, is payable on all transfers of shares of an Irish incorporated company (other than those that occur, in certain circumstances, between associated companies or spouses) wherever a document of transfer is executed.

Irish stamp duty will be charged at the rate of 1 per cent. of the amount or value of the consideration on any conveyance or transfer on sale of Ordinary Shares.

In relation to a conveyance or transfer on sale of Ordinary Shares under the CREST System, Irish stamp duty at the rate of 1 per cent. will be payable on the amount or value of the consideration. Voluntary dispositions (including voluntary dispositions under the CREST System) are liable at the same rate of duty as conveyances or transfers on sale with the market value of the property being substituted for the consideration, if any, on sale.

(b) *UK Stamp Duty*

Other than in respect of arrangements for depositary receipts and clearance services (to which special rules apply):

- (i) a charge to stamp duty will arise only on the transfer of the Ordinary Shares where there is a matter or thing to be done in the UK or where the document of transfer is executed in the UK. Where the transfer is within the charge to stamp duty the rate of tax is 0.5 per cent. of the actual consideration paid (rounded up to the nearest multiple of £5). Where a stamp duty liability arises, this is payable by 30 days after the date on which the stampable transfer is executed. Interest and penalties are normally charged if stamp duty is paid after the due date;
- (ii) there is normally no additional stamp duty where Ordinary Shares are taken out of CREST (otherwise than pursuant to a transfer on sale) or where Ordinary Shares are deposited in CREST for conversion into uncertificated form (otherwise than pursuant to a transfer on sale or in contemplation of such sale).

(c) *UK Stamp Duty Reserve Tax*

- (i) agreements to transfer Ordinary Shares within CREST will be subject to Stamp Duty Reserve Tax (UK tax), (“SDRT”) normally at the rate of 0.5 per cent. of the amount or value of the consideration. The charge to SDRT arises, in the case of an unconditional agreement to transfer such shares within CREST, on the date of the agreement and, in the case of a conditional agreement, on the date the agreement becomes unconditional. The SDRT will normally be collected from the transferee by the CREST member through whom the transaction is effected and paid to HM Revenue & Customs on the date agreed between HM Revenue & Customs and the operator of the CREST system. SDRT is payable on the seventh day of the month in which the charge arises. However, where an instrument of transfer is executed and duly stamped and any applicable stamp duty paid before the expiry of a period of six years beginning with the date of that agreement (or the date on which the agreement becomes unconditional, as the case may be), the SDRT charge is cancelled to the extent that the SDRT has not been paid and, if any of the SDRT has been paid, a claim may be made for it to be repaid;

- (ii) there is normally no additional SDRT liability where Ordinary Shares are taken out of CREST (otherwise than pursuant to a transfer on sale) or where Ordinary Shares are deposited in CREST for conversion into uncertificated form otherwise than pursuant to a transfer on sale or in contemplation of such sale). A transfer of Ordinary Shares on a CREST transfer form pursuant to a transfer on sale for conversion into uncertificated form will attract an SDRT liability normally at the rate of 0.5 per cent. of the amount or value of the consideration;

1.6. Irish Capital Acquisitions Tax

Capital acquisitions tax (CAT) covers both gift tax and inheritance tax. A CAT liability arises where the disponent or beneficiary is resident or ordinarily resident (unless not domiciled, in which case must be resident for 5 consecutive years immediately preceding the year of assessment and resident/ordinarily resident in that year) in Ireland or where the subject matter of the gift or inheritance is Irish property. Registered shares are located in the country of the register. Accordingly the Ordinary Shares are located in Ireland and a CAT liability may arise on a gift or inheritance of Ordinary Shares, irrespective of the place of residence or domicile of the disponent or beneficiary.

1.7. UK Inheritance Tax

The Ordinary Shares may be assets situated in the UK for the purposes of UK inheritance tax, depending upon how much of the Company's trade is carried out in the UK. Where this is the case, a gift of such assets by, or on the death of, an individual holder of such assets may (subject to certain exemptions and reliefs, in particular Business Property Relief) give rise to a liability to UK inheritance tax at 40 per cent. (2007/2008). This is regardless of whether or not the individual holder is domiciled or deemed to be domiciled in the UK and whether or not the holder is resident and/or ordinarily resident in the UK for tax purposes. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply where the donor reserves or retains some interest or benefit in the property being transferred. A gift of assets will be treated for UK Inheritance Tax purposes as a "potentially exempt transfer" and falls out of an individual's estate provided the donor lives for 7 years. However if the donee disposes of the assets and the donor's estate becomes chargeable to UK Inheritance Tax within the 7 year period no Business Property Relief would be available and the value of the gift when made will fall into a charge to tax at an effective rate of up to 40 per cent.

Transfers to trusts are chargeable transfers for UK Inheritance Tax (subject to certain reliefs, in particular Business Property Relief) and an immediate UK inheritance tax charge at 20 per cent. would arise in respect of any chargeable value (after the deduction for Business Property Relief) of the transfer over the Inheritance Tax nil rate band (£300,000 from 2007/2008). Special rules also apply to close companies and to trustees of settlements who hold Ordinary Shares bringing them within the charge to UK inheritance tax.

Where the shares are treated as Irish assets they may be liable to Irish Capital Acquisitions Tax as well as UK Inheritance Tax. If the individual is domiciled in the UK, Inheritance Tax is chargeable on all assets held worldwide but tax credit relief should be given on any Irish tax suffered where the relevant claim is submitted to the UK tax authorities.

The above is a summary of certain aspects of current law and practice in the UK and Ireland. A shareholder who is in any doubt as to his tax position, or who is subject to tax in a jurisdiction other than the UK and Ireland, should consult his or her professional adviser.

PART VI

SUMMARY OF ACQUISITION AGREEMENT

Share Purchase Agreement dated 23 November 2007 between the Company of the First Part, Grillon Holdings Limited, Kevin Moore, Sean O'Neill, Julian Moore, Cathal Fay, Eoin Dowling and Kevin Burkitt of the Second Part, Gerard Dowling of the Third Part, Red Circle Technologies Limited of the Fourth Part and Red Circle Inc. of the Fifth Part pursuant to which the Company has agreed to purchase the entire issued share capital of Red Circle subject to certain conditions.

Conditions to Completion

The Acquisition is conditional on *inter alia* (a) the approval of the Company's shareholders in a general meeting, (b) Red Circle completing the Reorganisation, (c) the warranties in the Acquisition Agreement being true in all material respects as at Completion, (d) the exercise of all outstanding options to subscribe for shares in Red Circle; and (e) funding for the Acquisition. (For this purpose, "material" means material in the context of the transaction as a whole and excludes any adverse change affecting the industry in which Red Circle operates and any change in laws, regulations, rate of tax or accounting practices occurring after the date of the Agreement.) The parties are to use their best endeavours to ensure that the respective conditions are satisfied on or before 31 January 2007. If they have been fully satisfied or waived by 31 January 2008, the rights and obligations of the parties under the Acquisition Agreement automatically terminate.

Interval between signing and Completion

During the interval between signing and Completion, the Vendors have agreed not to do or allow anything to be done which would result in a breach of the warranties, not to do anything or allow anything to be done which would prejudice the continuance of contracts and business connections and to allow the Company access to its books and records. The Vendors are obliged to notify the Company of any breach of warranty and must provide the Company with updated management accounts and trading updates. There is also a restriction on the Vendors attempting to dispose of their shares in Red Circle during this period and the Vendors must ensure that Red Circle does not carry out certain actions e.g. issuing shares, giving guarantees, mortgaging its property, borrowing or incurring capital expenditure over certain defined limits.

Warranties and Indemnities

The Acquisition Agreement contains warranties from the Vendors and Mr. Dowling customary in a transaction of this type. They relate to, *inter alia*, information supplied, accounts, financial position, business since last audited accounts, trading and contracts, employees, pensions, compliance, intellectual property. On Completion, the Vendors and Mr. Dowling will be required to enter into a deed of tax covenant in favour of the Company pursuant to which they will indemnify the Company, subject to certain limitations, in respect of taxation incurred by Red Circle in respect of the period prior to Completion. The overall liability of the Vendors and Mr. Dowling pursuant to the warranties and the tax covenant is capped at the amount of the Consideration. Claims pursuant to the warranties must be notified within a period of 2 years from Completion and claims relating to tax must be notified within a period of 4 years after the date of filing of the tax return in respect of the period current at Completion. The Acquisition Agreement contains limitations on the Vendors' and Mr. Dowling's liability pursuant to the warranties and the tax deed. It also contains indemnities from the Vendors and Mr. Dowling in favour of the Company in respect of *inter alia* the Reorganisation and intellectual property and regulatory infringements.

Restrictive Covenants

The Vendors and Mr. Dowling will be restricted for a period of two years from Completion from competing with the "business to consumer" business of Red Circle and from soliciting its employees.

Consideration

The consideration for the acquisition of the shares in Red Circle up to €24,400,000 subject to adjustment and is payable in 2 tranches. The first of these is the aggregate of the sum of €12,900,000 (a) plus or minus, as the case may be, the estimated net cash of Red Circle 5 business days prior to Completion, (b) less an amount equal to 1 per cent. of such estimated net cash. This amount will be payable in cash on Completion to the Vendors. In addition, on Completion, the Company will be obliged to issue to the Vendors Ordinary Shares which, based on the Consideration Share Issue Price, will have an aggregate value equal to €4,300,000.

Following 31 December 2007 and in any event before 31 January 2008, the Vendors must prepare a calculation of the EBITDA for Red Circle in respect of the 3 months to 31 December 2007 (“Completion EBITDA”) together with a tax computation for Red Circle’s outstanding corporation tax at 31 December 2007 (“December Tax”) and completion accounts which show the actual net cash and working capital of Red Circle at Completion. The Agreement contains a mechanism pursuant to which these accounts and calculations are to be agreed between the Vendors and the Company and, in the event of dispute, referred to an independent party for determination. The second tranche of consideration is 6.3 times the Completion EBITDA up to a maximum of €7.2 million adjusted by (a) the amount by which Red Circle’s working capital at Completion was less than €1 million, (b) the December Tax, (c) the amount by which the actual net cash of Red Circle at Completion was less than or greater than the estimated net cash which was used to calculate the initial consideration, and (d) other specified costs of up to €100,000. The Company is obliged to issue Ordinary Shares in respect of 25 per cent. of 6.3 times Completion EBITDA and to discharge the balance in cash.

Escrow and Lock in arrangements

Of the Additional Consideration, €2,011,000 will be paid by the Company into escrow to satisfy warranty and indemnity claims for up to 2 years following Completion. Certain amounts may be released from escrow upon discharge of the related liabilities to the Company’s satisfaction. On Completion an escrow agreement in this regard will be entered into between the Vendors and the Company and their respective solicitors. In addition, on Completion, the Vendors will enter into undertakings with Seymour Pierce and NCB pursuant to which they will agree not to dispose of any of the Consideration Shares for a period of 12 months from Admission and for a further period of 6 months thereafter to only dispose of such shares through the Company’s brokers. This undertaking will not apply in the event of a takeover, scheme of arrangement, a court order or if the relevant Vendor dies.

PART VII

ADDITIONAL INFORMATION

1. The Company

- 1.1. The Company was incorporated in Ireland under the Companies Acts, 1963 to 1999 on 27 June 2000 with number 329336 as a private limited company with the name Clonea Castle Holidays Limited. On 25 July 2000 the Company changed its name to Blakenall Properties Limited and on 8 November 2000 the Company changed its name to zamano Holdings Limited. On 25 September 2006, the Company changed its name to zamano Limited and on 27 September 2006, the Company was reregistered as a public limited company under the Companies Acts 1963 to 2005.
- 1.2. The Company trades under the name zamano.
- 1.3. The liability of the members of the Company is limited.
- 1.4. The principal legislation under which the Company operates is the Acts and the regulations made thereunder.
- 1.5. The Company's registered office and principal place of business is at 4 St Catherine's Lane West, Digital Hub, Dublin 8, Ireland. Its telephone number is +353 (0) 1 488 5820.
- 1.6. The accounting reference date of the Company is 31 December.

2. The Group

- 2.1. The Company has 7 subsidiaries, all of which are 100 per cent. owned. The details of the subsidiaries are as follows:

<i>Company</i>	<i>Activity</i>	<i>Country of Incorporation</i>
Eirborne Corporation	Dormant	US (Delaware)
Eirborne Text Promotions Limited	Mobile Data Services	Ireland
Enabletel Limited	Media purchase	Ireland
M-isphere Telecommunications Limited	Dormant	Ireland
Megastar.Co.UK Limited	Dormant	UK
zamano Limited	Mobile Data Services	UK
zamano Solutions Limited	Mobile Data Services	Ireland

Red Circle has 1 subsidiary named Red Circle Inc. which is incorporated in the US (Delaware), is 100 per cent. owned and is dormant.

- 2.2. The Company's principal investment made during the period from 1 January 2004 to 31 December 2006 was the acquisition of Enabletel Limited.
- 2.3. The Company is the holding company of the Group.

3. Share capital

- 3.1. At the date of incorporation, the authorised share capital of the Company was IR£1,000,000 divided into 1,000,000 shares of IR£1.00 each.
- 3.2. The Company's authorised share capital on 1 January 2003 was €1,255,000 divided into 112,500,000 A Ordinary Shares of €0.01 each, 12,500,000 B Ordinary Shares of €0.01 each and 500,000 Series A Cumulative Convertible Redeemable Preferred Shares of €0.01 each.

- 3.3. On 12 February 2003, the Company issued 750 series A Convertible Redeemable Preferred Shares of €0.01 each to Powerscourt Nominees Limited, credited as fully paid.
- 3.4. On 21 November 2003:
- (i) 1,885,375 A Ordinary Shares of €0.01 each in the capital of the Company were redesignated as 1,885,375 Ordinary Shares of €0.01 each;
 - (ii) 500,000 Series A Cumulative Convertible Redeemable Preferred Shares of €0.01 each in the capital of the Company were converted into 500,000 Series A Convertible Redeemable Preferred Shares of €0.01 each;
 - (iii) and the authorised capital of the Company was increased by the creation of 119,500,000 new Series A Convertible Redeemable Preferred Shares of €0.01 each, 12,500,000 new B Ordinary Shares of €0.01 each, 4,385,375 new A Ordinary Shares of €0.01 each and 98,114,625 Ordinary Shares of €0.001 each;
- such that the authorised capital of the Company was then €3,600,000 divided into 100,000,000 Ordinary Shares of €0.01 each, 115,000,000 A Ordinary Shares of €0.01 each, 25,000,000 B Ordinary Shares of €0.01 each and 120,000,000 Series A Convertible Redeemable Preferred Shares of €0.01 each.
- 3.5. On 21 November 2003, the Company issued 397,733 Series A Convertible Redeemable Preferred Shares of €0.01 each in the capital of the Company to Powerscourt Nominees Limited and 174,499 Series A Convertible Redeemable Preferred Shares of €0.01 each in the capital of the Company to Enterprise Ireland, for an aggregate subscription price of €225,000, all credited as fully paid.
- 3.6. On 23 March 2004, the Company issued 54,856 Series A Convertible Redeemable Preferred Shares of €0.01 each in the capital of the Company to Powerscourt Nominees Limited at a subscription price of €51,500, credited as fully paid.
- 3.7. On 7 December 2004, 107,805 A Ordinary Shares of €0.01 each registered in the name of Powerscourt Nominees Limited were re-designated as 107,805 Ordinary Shares of €0.01 each.
- 3.8. On 2 September 2005, the Company issued 69,729 Ordinary Shares of €0.01 each to MMZ Limited, credited as fully paid, pursuant to the agreement described at paragraph 11.1 below.
- 3.9. On 27 September 2006, the Company issued 98,928 Ordinary Shares of €0.01 each to Rod Matthews, credited as fully paid, pursuant to exercise of an option at a price of €0.01 per share.
- 3.10. On 27 September 2006:
- (i) the 925,962 issued Series A Convertible Redeemable Preferred Shares of €0.01 each were converted into 925,962 Ordinary Shares of €0.01 each;
 - (ii) the issued 377,445 A Ordinary Shares of €0.01 were redesignated as 377,445 Ordinary Shares of €0.01 each;
 - (iii) the issued 189,875 B Ordinary Shares of €0.01 were redesignated as 189,875 Ordinary Shares of €0.01 each;
 - (iv) the authorised share capital of €3,600,000 divided into 100,000,000 Ordinary Shares of €0.01 each, 115,000,000 A Ordinary Shares of €0.01 each, 25,000,000 B Ordinary Shares of €0.01 each, and 120,000,000 Series A Convertible Redeemable Preferred Shares of €0.01 was redesignated as €3,600,000 divided into 360,000,000 Ordinary Shares of €0.01 each.
- 3.11. On 27 September 2006, the Company issued a total of 14,620,476 Ordinary Shares of €0.01 each to its shareholders on that date by way of capitalisation of the sum of €14,620.48 which was standing to the credit of the Company's share premium account.

- 3.12. On 27 September 2006 the authorised share capital of €3,600,000 divided into 360,000,000 Ordinary Shares of €0.01 each (whether issued or unissued) were sub-divided into 3,600,000,000 Ordinary Shares of €0.001 each.
- 3.13. Between 27 October 2006 and 31 October 2006 the Company issued a total of 16,666,666 Ordinary Shares of €0.001 all credited as fully paid each to the following persons at a price of €0.24 per share for an aggregate subscription price paid of €5,920,997:

<i>Name</i>	<i>No. of Shares Allotted</i>
Pershing Keen Nominees Ltd	10,280,076
Electra Kingsway VCT2 plc	3,124,999
Electra Kingsway VCT3 plc	3,125,000
Colin Tucker	83,333
Paul McKeagney	28,125
Rod Morris	2,800
John Michael Watson	8,333
Aoife Warren	14,000

- 3.14. On 18 April 2007 the Company issued 219,333 Ordinary Shares of €0.001 each to Séan Mac Réamoinn (a former executive director of the Company) and 114,333 Ordinary Shares of €0.001 to Darren Ó Rodaigh (a former employee of the Company). Both allottees had exercised share options and the aggregate subscription price paid for the shares was €417.66.
- 3.15. On 20 April 2007 the Company issued 681,818 Ordinary Shares of €0.001 each to Gerard O’Keeffe and 454,546 Ordinary Shares of €0.001 each to Paul Coyle as part consideration for the transfer by Mr. O’Keeffe and Mr. Coyle to the Company of the entire issued share capital of Eirborne. The shares had a market value of €500,000 based on the average closing value of the Shares on IEX over the twenty days prior to Completion and accordingly, they were treated as having €0.44 paid on each share.
- 3.16. On 1 August 2007, the Company issued 91,000 Ordinary Shares of €0.001 each to Éamonn McMullin (a former employee of the Company) and 91,000 Ordinary Shares of €0.001 each to Manoja Suryadevara (a former employee of the Company). Both allottees had exercised share options and the aggregate subscription price paid for the shares was €182.00.
- 3.17. At the EGM, resolutions of the Company are being proposed that:
- 3.17.1. the Acquisition be approved;
- 3.17.2. the directors of the Company be generally and unconditionally authorised pursuant to section 20 of the Companies (Amendment) Act 1983 of the Act to exercise all and any powers of the Company to allot the Consideration Shares; and
- 3.17.3. the New Schemes be approved.
- 3.18. The Acquisition will result in the issue of up to 16,944,444 new Ordinary Shares. The Company’s authorised and issued fully paid share capital, at the date of this document is, and immediately following Admission will be as follows:

	<i>At the date of this document</i>		<i>On Admission*</i>	
	<i>Amount</i>	<i>Number of Ordinary Shares of €0.001 each</i>	<i>Amount</i>	<i>Number of Ordinary Shares of €0.001 each</i>
Authorised	€3,600,000	3,600,000,000	€3,600,000	3,600,000,000
Issued and fully paid	€69,490.36	69,490,362	€81,435	81,434,806

* This figure assumes issue of the maximum number of Initial Consideration Shares on Completion and excludes the Additional Consideration Shares.

- 3.19. Save for the Options and as otherwise set out in this document, the Company does not have in issue any securities not representing share capital.
- 3.20. The provisions of section 23(1) of the Companies (Amendment) Act 1983 (“the 1983 Act”) (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employees’ share scheme as defined in section 2 of the 1983 Act) will apply to the authorised but unissued share capital of the Company to the extent not disappplied by the Articles or by resolution of the Company (as set out below).
- 3.21. The Company had 2,062,909 Ordinary Shares of €0.01 each, 377,445 A Ordinary Shares of €0.01 each and 189,875 B Ordinary Shares of €0.01 each and 925,962 Convertible Redeemable Preferred Shares of €0.01 each in issue on 1 January 2006 and 67,838,332 Ordinary Shares of €0.001 each in issue on 31 December 2006. The Company has not used more than 10 per cent. of the issued share capital for the purchase of assets other than cash during the period from 1 January 2004 to 31 December 2006.
- 3.22. There are no shares in the Company which are held by, or on behalf of, the Company and none of the Company’s subsidiaries holds any shares in the Company.
- 3.23. Other than set out in paragraph 4 of this Part VII and pursuant to the Acquisition Agreement, no person has any rights to purchase the authorised but unissued capital of the Company and no person has been given an undertaking by the Company to increase its authorised capital.
- 3.24. The International Security Identification Number for the Ordinary Shares is IE00B1G17W46.
- 3.25. No person has any rights over the capital of any of the subsidiaries of the Company and the Company has not agreed conditionally or unconditionally to grant any option over the capital of any of its subsidiaries.
- 3.26. The Ordinary Shares may be held in certificated form or under the CREST system, which is a paperless settlement procedure enabling securities to be evidenced and transferred otherwise than by a written instrument in accordance with the CREST Regulations. The Company’s registrars, Capita Registrars, Unit 5, Manor Street Business Park, Manor Street, Dublin 7, Ireland, are responsible for keeping the Company’s register of members.

4. Convertible securities

As at the date of this document, the Company has a total of 4,013,800 Options outstanding under the 2004 Share Option Plan. The Company does not intend to grant further Options under the 2004 Share Option Plan. As at the date of this document, the Company has a total of 2,760,000 Options outstanding under the 2006 Share Option Plan.

5. Memorandum and Articles of Association

- 5.1. The objects of the Company are set out in full in clause 2 of its Memorandum of Association and include the carrying on of business as a holding, management and investment company.
- 5.2. The Articles of Association of the Company (the “Articles”) which were adopted pursuant to a written resolution of the Company passed on 27 September 2006 contain provisions, *inter alia*, to the following effect:

(i) Issue of Shares

Under Section 23 of the Companies (Amendment) Act 1983, where a company proposes to issue equity securities (e.g. Ordinary Shares) for cash, the existing shareholders in that company have a pre-emptive right to subscribe for those securities on the same terms in proportion to their existing holdings. This right can be disappplied by a company’s articles of association or by a special resolution of the shareholders. In the case of the Company, the Directors are generally and unconditionally authorised by virtue of resolutions passed at the annual general meeting of the Company held on 18

June 2007 to exercise all powers of the Company to allot relevant securities (within the meaning of section 20 of the Companies (Amendment) Act 1983) up to a maximum aggregate nominal value equal to one third of the nominal value of the issued Ordinary Shares on 18 June 2007 up to the earlier of the next Annual General Meeting of the Company or 18 September 2008 and to allot equity securities (as defined by Section 23 of the 1983 Act) for cash up to the earlier of the next Annual General Meeting of the Company or 18 September 2008 pursuant to such power provided that such allotment is (i) in connection with any offer of securities, open for a period fixed by the Directors, by way of rights, open offer or otherwise in favour of Shareholders and/or any persons having a right to subscribe for or convert securities into Ordinary Shares in the capital of the Company and subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to legal or practical problems; or (ii) up to a maximum aggregate nominal value equal to 10 per cent. of the nominal value of the issued Ordinary Shares of the Company on 18 June 2007. The Directors may issue warrants to subscribe (by whatever name they are called) to any person to whom the Company has granted the right to subscribe for shares in the Company.

(ii) *Rights attaching to Ordinary Shares*

The Shareholders shall have the right to receive notices of and to attend and vote at any general meeting of the Company. On a return of capital on liquidation or otherwise the assets of the Company available for distribution amongst the members shall belong to the Shareholders, *pari passu*, according to the number of Ordinary Shares held by them. Subject to any special rights or restrictions as to voting for the time being attached to any class or classes of shares, on a show of hands every member present in person and every proxy shall have one vote so however that no individual shall on a show of hands have more than one vote and on a poll every member who is present in person or by proxy shall have one vote for each share of which he is the holder.

(iii) *Restriction of voting rights*

If at any time the Directors shall determine a holder(s) has failed to pay any call or installment at the time appointed for payment thereof or, if the holder(s) has failed to comply with the requirements relating to Disclosure of Beneficial Ownership contained in the Articles or in section 81 of the Companies Act 1990 to the satisfaction of the Directors, the Directors may serve a notice (a "Restriction Notice") to such effect on the holder(s). Upon the service of a Restriction Notice no holder(s) of the share(s) specified therein shall be entitled to attend, speak or vote, either personally, by representative or by proxy, at any general meeting, for so long as the Restriction Notice remains in force.

(iv) *Variation of rights and Share Capital*

Subject to the Acts, if at any time the share capital is divided into different classes of shares, the rights attached to any class, may be varied or abrogated, either while the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders of three quarters of the issued shares in that class or with the sanction of a special resolution passed at a separate General Meeting of the holders of the shares in that class.

(v) *Transfers of Shares*

The Board may, in their absolute discretion and without giving any reason, refuse to register a transfer of any share which is not fully paid up, subject to a lien, relates to more than one class of shares, is in favour of more than 4 joint holders as transferees or which is subject to disenfranchisement in accordance with the Articles of Association. Where a Restriction Notice has been served and the shares to which it relates represent not less than 0.25 per cent. of the class of shares concerned, the Directors shall be entitled in certain circumstances to refuse to register a transfer of any of the shares in question or a renunciation of any allotment of new shares or debentures made in respect thereof.

Shares may be transferred by instrument in writing in any usual common form or any other form which the Directors may approve. Subject to the Companies Act 1990 (Uncertificated Securities) Regulations 1996, the Board may permit the holding of shares in any class in uncertificated form and the transfer of title to shares in that class by means of a relevant system (as defined in such Regulations).

(vi) *Disclosure of beneficial ownership*

Any two members of the Board (acting together) may at any time and from time to time, in their absolute discretion, if they consider it to be in the interests of the Company give a notice to the holder(s) of any share requiring the holder(s) to notify the Company in writing within such period as may be specified in such notice (being not less than 14 days from the date of service of such notice) of full and accurate particulars of the holder(s) interest in such share, if it does not constitute the entire beneficial interest, the interests of any person having any beneficial interest in the share, and any arrangements entered into regarding the transfer of such share or any interest therein or to act in any particular way at any meeting of the Company.

(vii) *Directors*

(1) *Rotation of Directors*

At every annual general meeting of the Company one third of the Directors or, if their number is not three or a multiple of three, then the number nearest one third shall retire from office. A Director retiring at a annual general meeting shall retain office until the conclusion of the meeting or adjourned meeting at which he is due to retire.

The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons of equal seniority, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

(2) *Remuneration of Directors*

The emoluments of any executive Director shall be determined by the Board, and may be of any description, and (without limiting the generality of the foregoing) may include admission to or continuance of membership of any scheme (including any share acquisition scheme) or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependants, or the payment of a pension or other benefits to him or his dependants on or after retirement or death, apart from membership of any such scheme or fund.

Any non-executive Director who at the request of the board goes or resides abroad for any purpose of the Company or otherwise performs special services which in the opinion of the directors are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, commission or otherwise as the board may determine.

The Directors (or their appointed alternate) shall be entitled to be paid all expenses properly incurred by them in attending General Meetings or Meetings of the holders of any class of shares or meetings of the Board or Committees of the Board or otherwise in or with a view to the performance of their duties.

(3) *Executive Directors*

The Board may from time to time appoint one or more of their number to be the holder of any executive office (including that of executive Chairman or Deputy Chairman) on such terms and for such period as they think fit and, subject to the terms of any contract between him and the Company, may at any time revoke any such appointment.

(4) *Qualifying Shares*

There is no share qualification for a Director.

(5) *Proceedings of Directors*

The Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they may think fit. Until otherwise determined, the quorum necessary for the transaction of the business of the Directors shall be three. Questions arising at any meeting shall be decided by a majority vote. In the case of an equality of votes, the Chairman of the Meeting shall have a casting vote.

(6) *Borrowing powers*

The Board may exercise all the powers of the Company to borrow money or to guarantee and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(7) *Dividends*

The Company may by ordinary resolution declare dividends to be paid but no dividends shall exceed the amount recommended by the Board. The Board also have the power to pay interim dividends and scrip dividends. Where a Restriction Notice has been served and the shares to which it relates represent not less than 0.25 per cent. of the class of shares concerned, the Directors shall be entitled to withhold payment of any dividend or other amount payable in respect thereof.

(8) *Disclosure of interests and voting rights*

A Director who is any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with the Acts. Save as set out below, a Director shall not vote in respect of any transaction in which he has any material interest (otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company). A Director shall not be counted in the quorum at a meeting in relation to any resolution from which he is debarred from voting.

A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely: (a) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him for the benefit of the Company or any of its subsidiaries (b) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security; (c) any contract by him to underwrite shares or debentures or other obligations of the Company or any other company which the Company may promote or be interested in; (d) any transaction concerning any other corporation in which he is interested, directly or indirectly and whether as a officer or shareholder or otherwise howsoever, provided that he (together with persons connected with him within the meaning of Section 26 of the Companies Act, 1990) is not beneficially interested in 1 per cent, or more of the issued shares of any class of such a corporation (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant corporation (any such interest being deemed for this purpose to be a material interest in all circumstances); (e) any act or thing done or to be done in respect of any scheme or arrangement to provide retirement or death benefits which has been approved by or is subject to and conditional upon approval by the Revenue Commissioners for taxation purposes; (f) any matter connected with an employees' share scheme or any share incentive or share option scheme, other than the allocation to him of any share or the grant to him of any option over any share or any other matter concerning his individual participation in any such scheme; or (g) any matter connected with the purchase or maintenance for any Director of insurance against any liability.

(viii) *General meetings*

The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year, and shall specify the meeting as such in the notices calling it. Pursuant to the Acts, at least twenty-one clear days prior to each annual general meeting, a printed copy of the Directors' and auditors' reports, accompanied by the balance sheet (including every document required by law to be annexed thereto) of the Company, shall be sent to every member of the Company. All general meetings other than annual general meetings shall be called extraordinary general meetings. The Directors may convene general meetings. General meetings may also be

convened on such requisition, or in default may be convened by such requisitionists and in such manner as may be provided by the Acts. Subject to the provisions of the Acts allowing a general meeting to be called by shorter notice, an annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice and all other extraordinary general meetings shall be called by at least fourteen clear days' notice.

The holders of Ordinary Shares shall have the right to receive notices of and to attend and vote at any general meeting of the Company. A Director shall, notwithstanding that he is not a Shareholder, be entitled to receive notice of and to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company. The auditors of the Company shall be entitled to attend any general meeting and to be heard on any part of the business of the meeting which concerns them as the auditors.

6. Directors' and other interests

- 6.1. As at 23 November 2007 (the latest practicable date prior to the publication of this document), the interests of the Directors (including any connected person of a Director within the meaning of Section 26 of the Companies Act 1990) in the Existing Issued Share Capital, the Enlarged Share Capital and the Further Enlarged Share Capital, the existence of which is known to, or could with reasonable diligence be ascertained by, the Directors whether or not held through another party which is notifiable, as required to be disclosed pursuant to sections 53 or 64 of the Companies Act 1990 or which are required pursuant to section 59 of that Act to be entered in the register referred to therein, or are interests of a connected person of a Director which would, if the connected person were a Director, be required to be disclosed and the existence of which is known to or could with reasonable diligence be ascertained by that Director were and will be as follows:

	<i>As at the date of this document</i>		<i>On Admission</i>		
	<i>Number</i>	<i>Ordinary Shares % of Existing Issued Share Capital</i>	<i>Number</i>	<i>Ordinary Shares % of Enlarged Share Capital</i>	<i>Ordinary Shares % of Further Enlarged Share Capital</i>
John O'Shea	1,540,000	2.22%	1,540,000	1.89	1.78
Rod Matthews	2,436,742	3.51%	2,436,742	2.99	2.82
Colin Tucker	83,333	0.12%	83,333	0.10	0.10
Brendan Mullin	1,357,653	1.95%	1,357,653	1.67	1.57
John Michael Watson	8,333	0.01%	8,333	0.01	0.01

- 6.2. The Directors are also interested in Options held by them as follows:

<i>Director</i>	<i>Date of Grant</i>	<i>Exercise Price</i>	<i>Number of Ordinary Shares subject to option</i>	<i>Exercise Period</i>
John O'Shea	3 February 2004	€0.001	560,000	31 October 2006 – 3 February 2011
	16 November 2004	€0.001	322,000	31 October 2006 – 16 November 2011
	31 August 2006	€0.134	420,000	31 August 2007 – 31 August 2013
Rod Matthews	26 March 2007	£0.285	300,000	26 March 2010 – 26 March 2014
	31 August 2006	€0.134	630,000	31 August 2007 – 31 August 2013
Colin Tucker	29 September 2006	£0.24	350,000	31 October 2009 – 31 October 2013

<i>Director</i>	<i>Date of Grant</i>	<i>Exercise Price</i>	<i>Number of Ordinary Shares subject to option</i>	<i>Exercise Period</i>
Brendan Mullin	29 September 2006	£0.24	350,000	31 October 2009 – 31 October 2013
John Michael Watson	29 September 2006	£0.24	350,000	31 October 2009 – 31 October 2013
Colm Saunders	5 October 2007	€0.35	500,000	5 October 2010 – 5 October 2014

- 6.3. None of the Directors or any members of their families hold any related financial product referenced to the Ordinary Shares.

7. Substantial Shareholders

- 7.1. The Company is aware that the following persons have at the date of this document an interest in, or will be following Admission interested in, 3 per cent. or more of the issued Ordinary Share capital of the Company:

<i>Name</i>	<i>Number of Ordinary Shares as at the date of this document</i>	<i>Percentage of Existing Issued Share Capital</i>	<i>Number of Ordinary Shares on Admission**</i>	<i>Percentage of Enlarged Share Capital**</i>
Aurum Nominees Limited*	21,813,533	31.39	21,813,533	26.79
Grillon Holdings Limited***	–	–	9,591,388	11.78
Electra Quoted Management Ltd	6,249,999	8.99	6,249,999	7.67
Seán Mac Réamoinn	4,500,000	6.48	4,500,000	5.53
Enterprise Ireland	4,177,495	6.01	4,177,495	5.13
BNY (OCS) Nominees Ltd	3,130,600	4.51	3,130,600	3.84
Nortrust Nominees Ltd	3,097,084	4.46	3,097,084	3.80
Chase Nominees Ltd	2,763,333	3.98	2,763,333	3.39
Dresdner Kleinwort Securities Ltd	2,584,668	3.72	2,584,668	3.17
Pershing Keen Nominees Ltd	2,447,799	3.52	2,447,799	3.01
Rod Matthews	2,436,742	3.51	2,436,742	2.99

* Aurum Nominees Limited holds 21,813,533 Ordinary Shares, of which 1,357,653 are held for the benefit of Brendan Mullin, a Director of the Company.

** This figure assumes issue of the maximum number of Initial Consideration Shares on Completion and excludes the Additional Consideration Shares.

*** Gerard Dowling is the beneficial owner of Grillon Holdings Limited.

- 7.2. Save as disclosed in this paragraph 7 and in paragraph 6, and in so far as the Company has the information, the Company is not aware of any person or persons who either alone or, if connected, jointly, will (directly or indirectly) exercise or could exercise control over the Company.
- 7.3. The Company's shareholders listed in paragraphs 6 and 7, do not have different voting rights to other holders of Ordinary Shares.
- 7.4. The Directors are not aware of any arrangements in place or under negotiation which may, at a subsequent date, result in a change of control of the Company.

8. Additional information on the Directors

8.1. Other than directorships of Group companies, the Directors have held the following directorships or been partners in the following partnerships within the five years prior to the date of this document:

John Michael Watson:

Current

NWP Spectrum Holdings Limited
Oxfordshire Rural Broadband Limited
Spectrum Interactive plc

Previous

AEA Technology plc
BR Research Limited
NWP Communications Limited
Scapa Technologies Limited
Tertio Holdings Limited
Tertio Limited
Xitec Software plc

Brendan Mullin:

Current

BJM Capital Limited
BJM Nominees Limited
Quantum Investment Capital Limited
Vordel Limited

Previous

Bantry Technologies Limited
Lauderton Limited
London Irish Holdings Limited
London Irish Rugby Football Ground Ltd
London Irish Scottish Richmond Limited
Powerscourt Investment Nominees Limited
Powerscourt Investments Limited
Powerscourt Nominees Limited
Quinlan Private Capital Limited
Ribor Limited
Sunclear Limited

John O'Shea:

Current

None

Previous

Irish Internet Association Limited

Colin Tucker:

Current

Oxhill Aviation Limited
Monetise plc

Previous

H3G Holdings AB
Hutchison 3G Austria Holdings GmbH
Hutchison 3G Australia Holdings Pty Limited
Hutchison 3G Ireland Limited
Hutchison 3G UK Holdings Limited
Hutchison 3G UK Limited
Hutchison Europe Telecommunications S.a.r.l.
Morse Group plc
NETCO 3G GmbH
Orange plc
Partner Israel Limited
TTP Com plc

Rod Matthews:

<i>Current</i>	<i>Previous</i>
Commodore International Corporation	21 Access UK Limited
Keycom plc	Global Crossing Europe HE Limited
	Hearing Enhancement plc
	MMZ Limited
	RAM Telecom Limited
	Transcomm plc

Colm Saunders:

<i>Current</i>	<i>Previous</i>
None	None

- 8.2. Save as disclosed in this document, none of the Directors has:
- 8.2.1 any unspent convictions in relation to indictable offences;
 - 8.2.2 had any bankruptcy order made against him or entered into any voluntary arrangements;
 - 8.2.3 been a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors, whilst he was a director of that company or within the 12 months after he had ceased to be a director of that company;
 - 8.2.4 been a partner in any partnership with has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement, whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - 8.2.5 been the owner of any asset which has been placed in receivership or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - 8.2.6 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
 - 8.2.7 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.
- 8.3. Rod Matthews was a director of Hearing Enhancement plc, a company incorporated in England and Wales which was dissolved on 15 March 2006 pursuant to Paragraph 84(b) of Schedule B1 of the Insolvency Act.
- 8.4. John Michael Watson was a director of NWP Communication Limited, which was placed into administration in April 2002 with a deficiency of £34,618,821. This was as a result of its subsidiary, New World Payphones Limited, being put into administration following the failure of its operations. The assets of NWP Communications Limited were subsequently bought by NWP Spectrum Ltd in June 2002.
- 8.5. Save as disclosed in this document, no Director has or has had any interest in any transaction which is or was significant in relation to the business of the Enlarged Group and which was effected during the current or immediately preceding financial period or which was effected during an earlier financial period and remains outstanding or unperformed.

9. Directors' service contracts and remuneration

- 9.1. Colin Tucker holds his office as a non executive director of the Company pursuant to a letter of appointment dated 29 September 2006. The appointment may be terminated by either party with three

months' written notice. A time commitment of 1 day per month is anticipated from Mr. Tucker to include attendance at directors' meetings every two months. Mr. Tucker's initial annual director's fees shall be €30,000 per annum and in addition he has been awarded Options to subscribe for a total of 350,000 Ordinary Shares pursuant to the 2006 Share Option Plan. Mr. Tucker will also be entitled to reimbursement for all reasonable out of pocket expenses duly and properly incurred. The letter of appointment does not provide for any benefits on termination of appointment.

- 9.2. John Michael Watson holds his office as a non executive director of the Company pursuant to a letter of appointment dated 29 September 2006. The appointment may be terminated by either party with three months' written notice. A time commitment of 1 day per month is anticipated from Mr. Watson to include attendance at directors' meetings every two months. Mr. Watson's initial annual director's fees shall be €30,000 per annum and in addition he has been awarded Options to subscribe for a total of 350,000 Ordinary Shares pursuant to the 2006 Share Option Plan. Mr. Watson will also be entitled to reimbursement for all reasonable out of pocket expenses duly and properly incurred. The letter of appointment does not provide for any benefits on termination of appointment.
- 9.3. Brendan Mullin holds his office as a non executive director of the Company pursuant to a letter of appointment dated 29 September 2006. The appointment may be terminated by either party with three months' written notice. A time commitment of 1 day per month is anticipated from Mr. Mullin to include attendance at directors' meetings every two months. Mr. Mullin's initial annual director's fees shall be €30,000 per annum and in addition he has been awarded Options to subscribe for a total of 350,000 Ordinary Shares pursuant to the 2006 Share Option Plan. Mr. Mullin will also be entitled to reimbursement for all reasonable out of pocket expenses duly and properly incurred. The letter of appointment does not provide for any benefits on termination of appointment.
- 9.4. Rod Matthews holds his office as a non executive director of the Company pursuant to a letter of appointment dated 29 September 2006. The appointment may be terminated by either party with three months' written notice. A time commitment of 4 days per month is anticipated from Mr. Matthews to include attendance at directors' meetings every two months. Mr. Matthews initial annual director's fees shall be €50,000 per annum and he will also be entitled to reimbursement for all reasonable out of pocket expenses duly and properly incurred. The letter of appointment does not provide for any benefits on termination of appointment.
- 9.5. John O'Shea is employed by zamano Solutions Limited and holds his office as a director of the Company and any other company which is a member of the Group pursuant to a letter of employment dated 29 September 2006. Under the terms of the letter, Mr. O'Shea's employment continues until terminated by him or the Company giving to the other party not less than 3 months notice. The salary payable to Mr. O'Shea is €180,000 per annum (with effect from 1 January 2007) payable monthly in arrears and subject to annual review (but not necessarily an increase). Mr. O'Shea will carry out such duties in his position as director as may be required of him by the Company or any other member of the Group from time to time but in particular will be responsible for the matters set out in the letter e.g. overall Group operations, development of strategic initiatives. Mr. O'Shea will be entitled to reimbursement for agreed expenses reasonably and properly incurred. He is also entitled to health insurance which extends to his spouse and children under eighteen years of age and membership of the Company's defined pension scheme to which the Company will contribute up to 5 per cent. of Mr. O'Shea's gross salary per annum. Mr. O'Shea will also be entitled to participate in the Share Option Plans in accordance with the rules thereof. If not previously terminated, the Employment Contract will be terminated when Mr. O'Shea reaches the age of 65. In the event of absence due to illness or injury, Mr. O'Shea will continue to receive his full basic salary for a maximum period of 130 days to include any social welfare or other benefits to which he is entitled by law. The agreement restricts Mr. O'Shea from competing with the Company for a period of 12 months after termination of his employment and from soliciting any employees or customers or suppliers of the Company. Mr. O'Shea must at all times comply with the AIM Rules and IEX Rules and any codes and dealings and securities. The contract of employment may be terminated by the Company with or without notice in certain circumstances including a material breach of the Contract, dishonesty or mis-conduct or wilful neglect. At any time after notice to terminate the agreement has been served or received by the Company, the Company

may suspend Mr. O'Shea from performance of his duties on "garden leave". The contract does not provide for any benefits on termination of Mr. O'Shea's engagement.

- 9.6. Colm Saunders holds his office as executive director of the Company pursuant to a letter of employment dated 31 August 2007. The term of the contract commenced on 15 October 2007 and will continue until terminated by either party giving three months' notice in writing to the other party. Mr. Saunders' current annual salary is €155,000 per annum and he is entitled to a bonus of up to 30 per cent. of his annual salary paid in accordance with his achievement of targets set by the remuneration committee of the Company. Mr. Saunders will carry out such duties in his position as finance director as may be required by the Company or such other duties as may be required from time to time but in particular will be responsible for the matters set out in the letter e.g. strategic and operational financial management, company financing operations and banking relationships. Mr. Saunders is entitled to be reimbursed for agreed expenses properly, wholly and necessarily incurred in the course of the performance of his duties. He is entitled to private health insurance which extends to his spouse and children under the age of eighteen and membership of the Company's defined contribution pension scheme to which the Company will contribute up to 5 per cent. of his gross monthly salary each month. Mr. Saunders is also entitled to participate in the Company's share option scheme in accordance with the rules thereof with an initial allocation of 500,000 shares vesting on 5 October 2010. The Company also pays for his membership of professional bodies and provides him with a mobile phone and laptop computer for business use. If not previously terminated, Mr Saunders' employment will be terminated when he reaches the age of 65. He is entitled to 25 days' annual leave (in addition to statutory public holidays) each year. In the event of absence due to illness or serious injury, Mr. Saunders will continue to receive his full basic salary for a maximum period of 130 days to include any social welfare or other benefits to which he is entitled by law. The agreement prohibits Mr. Saunders, during his employment or at any time thereafter, disclosing the Company's confidential information unless authorised to do so. Any intellectual property rights accruing to Mr. Saunders in the course of his work automatically vest in the Company. The agreement restricts Mr. Saunders from competing with the Company for a period of 12 months after termination of his employment and from soliciting any employees or customers or suppliers of the Company. Mr. Saunders must at all times comply with the AIM Rules and IEX Rules and any codes and dealings and securities. The contract of employment may be terminated by the Company with or without notice in certain circumstances including a material breach of Contract, dishonesty or misconduct or wilful neglect. At any time after notice to terminate the agreement has been served or received by the Company, the Company may suspend Mr Saunders from performance of his duties on "garden leave". The contract does not provide for any benefits on termination of Mr. Saunder's engagement.

10. Material contracts

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

- 10.1. An Introduction Agreement dated 26 November 2007 Agreement pursuant to which and conditional upon, *inter alia*, admission to trading on AIM taking place on or before 8.00 a.m. on 13 December 2007 Seymour Pierce agreed to assist the Company in its application for Admission to AIM. The Introduction Agreement contains indemnities and warranties from the Company and warranties from the Directors in favour of Seymour Pierce together with provisions which enable Seymour Pierce to terminate the Introduction Agreement in certain circumstances prior to Admission including circumstances where any warranties are not found to be true or accurate in any material respect. The liability of the Directors for breach of warranty is limited. The liability of the Company under the agreement is unlimited. Under the Introduction Agreement, the Company has agreed to pay to Seymour Pierce a corporate finance fee of £100,000.
- 10.2. An Introduction Agreement dated 26 November 2007 Agreement pursuant to which and conditional upon, *inter alia*, admission to trading on IEX taking place on or before 8.00 a.m. on 13 December 2007 NCB agreed to assist the Company in its application for Admission to IEX. The Introduction

Agreement contains indemnities and warranties from the Company and warranties from the Directors in favour of NCB together with provisions which enable NCB to terminate the Introduction Agreement in certain circumstances prior to Admission including circumstances where any warranties are not found to be true or accurate in any material respect. The liability of the Directors for breach of warranty is limited.

- 10.3. Acquisition Agreement, the principal terms and conditions of which are summarised at Part VI of this document.
- 10.4. Bank of Scotland (Ireland) Limited (as lender) (the “Bank”) issued a facility letter to the Company (as borrower) dated 23 November 2007, pursuant to which the Bank agreed to lend a principal amount of up to €20,300,000 to the Company. The purpose of the loan is to finance, in part, the Acquisition and it may be drawdown in two amounts. The loan will bear interest at a rate per annum equal to EURIBOR, any applicable mandatory costs and a margin of 2 per cent. per annum, which is subject to downward/upward adjustment depending on certain financial ratios. Interest is initially payable quarterly. The loan is to be repaid in 24 quarterly instalments, with the final repayment date being 6 years following the first drawdown date, but it may be prepaid at any time. If it is refinanced within 2 years, a prepayment fee of 1 per cent. of the amount prepaid applies. The proceeds of insurance claims, disposals and claims under the Acquisition Agreement, as well as 50 per cent. of excess cashflow from time to time are required to be applied as loan prepayments. The Company will have to repay the loan in the case of the sale of substantially all the Company’s business and assets or within 30 days of the occurrence of an acquisition of more than 50 per cent. of the Company’s issued voting shares (unless the Bank otherwise consents).

Drawdown is subject to various conditions precedent being satisfied as well as the representations being made in the facility letter being correct. The conditions precedent require that the Bank is satisfied with, amongst other things, the constitutional documents of each relevant company, board resolutions, guarantees/security, hedging arrangements, certain financial information, due diligence reports, the acquisition documents and various other matters.

The facility letter contains representations and warranties, some of which are repeated on each drawdown date and the interest payment dates. The representations cover areas such as due incorporation, corporate power and authority, non breach of law/agreements, ownership of assets, possession of necessary licences, tax, borrowings/security, accuracy of information and accounts and environmental matters.

The facility letter contains certain positive and negative covenants which must be adhered to throughout its duration. The covenants cover areas such as compliance with laws, payment of taxes, notification/information obligations, provision of insurance, maintenance of licences, prohibitions on borrowings, security, disposals and making loans and limits on capital expenditure, pension arrangements and distributions when in default. Certain financial ratios have to be maintained throughout the loan period pursuant to the financial covenants contained in the facility letter.

Events of default are contained in the facility letter. Upon the occurrence an event of default, the Bank may demand repayment of the loan. The Events of default include non-payment, breach of covenant, breach of financial covenant, breach of representation, insolvency events, unenforceability of Bank documentation, failure to comply with licences, substantial changes to key management personnel, accounts being qualified and a material adverse effect default. Many of the defaults are subject to negotiated caveats and, in certain cases, benefit from cure periods.

The obligations of the Company in connection with this facility will be guaranteed by the material subsidiaries of the Company (i.e. those accounting for 5 per cent. or more of group assets, earnings or revenues) and, following completion, Red Circle. These companies will also enter into a mortgage debenture granting fixed and floating charges over all of their assets to secure their obligations to the Bank in connection with the loan facility.

- 10.5. IEX Adviser and Broker Agreement dated 26 January 2007 between the Company and NCB pursuant to which the Company appointed NCB as its broker and IEX adviser for the purpose of the IEX Rules. This appointment is for an initial period of 12 months from the date of the Agreement and will continue thereafter until terminated with not less than 3 months' notice by either party. Under the terms of the Agreement, the Company paid NCB a fee of €25,000 for acting as IEX advisor on execution of the Agreement and agreed to pay NCB a fee of €25,000 per annum for acting as broker. The Company is entitled to terminate NCB's appointment in certain circumstances, for example if NCB is in material breach of its obligations under the Agreement, a receiver or examiner is appointed over or an encumbrancer takes possession of its assets or NCB ceases to be registered with the Irish Stock Exchange as IEX adviser or broker. NCB is entitled to terminate its appointment in certain circumstances, for example if it becomes aware that any of the warranties in the Agreement become inaccurate or misleading, if the Company or the directors are in breach of the IEX Rules, a receiver, examiner or similar official is appointed over or an encumbrancer takes possession of or sells an asset of any member of the Group or the Ordinary Shares cease to be admitted to trading on AIM or IEX. The Agreement contains provisions regarding the continuing obligations of the Company to provide access and information to NCB, comply with the IEX Rules and consult with NCB in relation to various actions. The Agreement also contains warranties from the Company regarding the previous AIM admission document, financial information, the directors, and AIM Rules compliance. There is no limit on the Company's liability under these warranties. The Agreement also contains an indemnity from the Company in favour of NCB save where there is gross negligence, wilful default or fraud or a material breach on the part of NCB.
- 10.6. A share purchase agreement dated 20 April 2007 between the Company of the first part, Gerard O'Keefe and Paul Coyle (the "Eirborne Vendors") of the second part, Eirborne Text Promotions Limited ("Eirborne") of the third part and Eirborne Corporation of the fourth part, pursuant to which the Company agreed to acquire the entire issued share capital of Eirborne from the Eirborne Vendors for an initial consideration of up to €2,100,000 and deferred consideration of up to €6,400,000. The first tranche of the initial consideration was paid on completion and was made up of €1,200,000 in cash and €500,000 worth of shares in the Company (based on the average closing value of the shares on IEX over the twenty days immediately prior to completion). The second tranche of the initial consideration was based on a net asset value test and on 31 July 2007 a cash payment of €149,819 was made in this respect. The deferred consideration is to be paid in three tranches and is capped at €6,400,000. The first tranche of €500,000 was paid on 16 November 2007. The second tranche deferred consideration is to be calculated as five times the EBITDA for the 12 month period beginning 1 May 2007 less the total of €1,200,000 and the first tranche deferred consideration. The third tranche deferred consideration is to be calculated as three times the EBITDA for the 3 month period beginning 1 May 2008. The agreement contained warranties from the Eirborne Vendors regarding Eirborne's accounts and records, employees, pensions, intellectual property and tax status. The agreement also contained indemnities regarding Eirborne's failure to take out insurance, the failure to stamp stock transfers and the execution of trusts and management and administration of the company's pension scheme. The maximum liability of the Eirborne Vendors under such warranties and indemnities is the amount of consideration which has been received by the vendors at the time the claim is made, subject to increase when further consideration is paid.
- 10.7. A placing agreement ("Placing Agreement") pursuant to which and conditional upon, *inter alia*, admission to trading on AIM taking place on or before 8 a.m. on 10 November 2006 Seymour Pierce agreed to use reasonable endeavours to procure subscribers for 16,666,666 Ordinary Shares proposed to be issued by the Company at £0.24 per share.

The Placing Agreement contained indemnities and warranties from the Company and certain of the Directors in favour of Seymour Pierce together with provisions which enabled Seymour Pierce to terminate the Placing Agreement in certain circumstances prior to Admission including circumstances where any warranties are not found to be true or accurate in any material respect. The liability of the Directors for breach of warranty was limited. Under the Placing Agreement (and engagement letter from Seymour Pierce to the Company) the Company agreed to pay to Seymour Pierce a corporate finance fee of £155,000 and a commission of four per cent. of the value of the Ordinary Shares placed.

Under the Placing Agreement, each of the Directors agreed with Seymour Pierce not to dispose of any Ordinary Shares held by him for a period of 12 months from the date of admission except in certain limited circumstances permitted by the AIM Rules for Companies and to dispose of Ordinary Shares only through Seymour Pierce for a further 6 months thereafter.

- 10.8. A nominated adviser agreement dated 24 October 2006 made between (1) the Company, (2) the Directors and (3) Seymour Pierce pursuant to which the Company has appointed Seymour Pierce to act as nominated adviser to the Company for the purposes of the AIM Rules (“Nominated Advisor Agreement”). The Company has agreed to pay Seymour Pierce an annual fee of £25,000 plus VAT for its services as nominated adviser. The Nominated Advisor Agreement contains certain undertakings and indemnities given by the Company and in respect of, *inter alia*, compliance with applicable laws and regulations. The Nominated Advisor Agreement is for an initial term of 12 months and shall continue subsequently until terminated by either party with three months’ notice in writing.
- 10.9. A broker agreement dated 24 October 2006 made between (1) the Company and (2) Seymour Pierce pursuant to which the Company has appointed Seymour Pierce to act as broker to the Company for the purposes of the AIM Rules (“Broker Agreement”). The Company has agreed to pay Seymour Pierce an annual fee of £20,000 plus VAT for its services as broker. The Broker Agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with applicable laws and regulations. The Broker Agreement is for an initial term of 12 months and shall continue subsequently until terminated with 3 months’ notice in writing.
- 10.10. Lock-in agreements dated 24 October 2006 between Seymour Pierce, the Company and certain shareholders of the Company pursuant to which such persons have agreed with Seymour Pierce and the Company not to dispose of any Ordinary Shares held by them for a period of twelve months from initial AIM admission except in certain limited circumstances permitted by the AIM Rules (“Lock-in Agreements”). The Lock-in Agreements also contain certain orderly market provisions which apply for a further 6 months after expiry of the lock-in period.

11. Related party transactions

- 11.1. On 14 April 2004, the Company appointed MMZ Limited (“MMZ”) (a company in which Rod Matthews, a Director of the Company, is a shareholder and which itself is now a shareholder in the Company) to identify and develop a number of acquisition targets for the Company and to develop a business plan for the Group. The remuneration payable to MMZ was to be 2 per cent. of the enterprise value of the Company at the date of the agreement. Such fee was to be paid in cash provided it would be immediately reinvested in shares in the Company. In addition, on completion of acquisitions, MMZ was entitled to receive a success fee of 1 per cent. of the post-transaction enterprise value of the Company. A further fee was payable in the event that the contract was terminated by the Company depending on whether the Company had completed a successful capital raising. MMZ had the right to sell its Ordinary Shares in a listing of more than 20 per cent. of the Company’s issued share capital. The contract was for an initial term of six months subject to automatic renewals for three month periods thereafter and could be terminated by the Company at the expiration of each such period with one month’s written notice. However certain fee arrangements survived for fifteen months after termination. This contract was terminated by the Company on 10 August 2005 and €65,462 of the fees paid thereunder was invested in Ordinary Shares. MMZ also received a payment of £10,000 in respect of services rendered.
- 11.2. Termination Agreement dated 27 September 2006 between Powerscourt, Enterprise Ireland and the shareholders in the Company at that date pursuant to which the Shareholders Agreement dated 21 November 2003 and all previous shareholders’ agreement and warrant instruments in favour of Powerscourt and Enterprise Ireland and all rights thereunder were terminated.
- 11.3. As a condition precedent to the Acquisition, the shareholding of Red Circle in each of Fullthor Media Services Limited, Carapoca Limited and Red Circle Technologies Philippines Inc. is to be sold to Gerard Dowling, a director of Red Circle, for a total sum of €43,493.68 (based on independent valuation).

Red Circle has advanced loans to Bang Media (London) Limited, an English registered company of which Gerard Dowling owns the majority of the share capital through an investment vehicle. These loans, which were advanced on an interest free basis, totalled €97,807 at 31 May 2007 and are required, under the terms of the Acquisition Agreement, to be repaid to Red Circle on or before Completion. In addition certain of the media content traffic generated by Bang Media (London) Limited has been routed through Red Circle's servers in the past in order for both companies to avail of volume related discounts. No formal agreement was entered into in this regard. This arrangement will cease on Completion.

12. Summary of principal features of Share Option Plans

12.1. 2004 Share Option Plan

Under the 2004 Share Option Plan, of the Options granted, 4,013,800 Options are outstanding as at the date of this document and are held by certain employees, Directors and consultants at various subscription prices.

The 2004 Share Option Plan was established by an ordinary resolution of the Company passed on 3 February 2004. It is not a scheme approved by the Irish Revenue Commissioners. The following is a summary of its rules:

(i) *Eligibility of Participants*

Participation in the 2004 Share Option Plan is available to all executives or employees of the Company or any subsidiary who has completed three months of continuous service with the Company or any subsidiary. The board of the Company will determine at its absolute discretion whether or not a person is an executive or an employee.

(ii) *Limitation on Participation*

No option may be granted to any person within the three years preceding the normal retirement age. The Board may review from time to time the range and extent of participation in the plan in the light of changes in personnel, remuneration, performance and other factors.

(iii) *Limitation on Issue*

The aggregate number of Ordinary Shares issued under or pursuant to options granted under the 2004 Share Option Plan or any other share option scheme or incentive plan adopted after 3 February 2004 shall not exceed 10 per cent. of the issued Ordinary Shares of the Company as at 3 February 2004 (subsequently extended to 10 per cent. of the issued Ordinary Shares of the Company as at 7 December 2004).

The Company may cancel any Option which is vested provided it makes a payment to the Option holder equal to the market value of the shares concerned less the exercise price which would have been paid on exercise of the option, such payment to be made net of any taxes or required deductions. The Company may require any participant in the 2004 Share Option Plan to notify it if he wishes to sell any shares issued to him on exercise of an option and may require him to sell such shares to the company or its nominee at their market value.

Where a participant's office or employment with the Company or a subsidiary has been terminated, the Company may:

- (1) cancel any options which have not yet vested;
- (2) allow an option which has vested to remain exercisable;
- (3) require the participant to exercise the option at the date of cessation of employment;

- (4) require the participant to exercise options at the date of cessation of employment and to sell to the Company or its nominee any shares issued to him at a price equal to their market value at that time; or
- (5) require the participant to sell to the Company or its nominee, at the date of cessation of employment, any shares issued to him on exercise of any options received at their market value.

If the Company requires a participant to do any of the things set out at (3), (4) or (5) above and the participant fails to comply with such requirements, all options will lapse with immediate effect.

(iv) *Grant of Options*

The Board may offer to grant Options to such executives or employees as it may nominate to subscribe at the Option price (which shall be a price not less than their market value at that time) as such number of shares as the board may determine. Such offer must be accepted by way of completion of an acceptance form in the prescribed form. Each Option is personal to the participant and not assignable subject as set out below.

(v) *Periods for Exercise of Options*

No Option may be exercised more than seven years after the date of its grant. In addition, subject to the rules of the 2004 Share Option Plan, an option may not be exercised earlier than one year after the date of its grant. All options are subject to a vesting period of three years with one third vesting each year following the first anniversary of the date of grant of the option. No Option may be exercised after a participant ceases to be employed by the Group.

(vi) *Plan Shares*

The Company is obliged to keep sufficient unissued shares to satisfy all outstanding Options. Shares issued pursuant to the Options will rank, *pari passu*, with the existing Ordinary Shares in issue.

(vii) *Death*

If a participant dies, his legal personal representative may exercise any option which has vested within twelve months of the date of his death or such longer period as the board may determine. If such an Option is exercised in part, the unexercised balance shall expire.

(viii) *Retirement*

If a participant ceases to be employed by the Group:

- (1) at any time when an Option is capable of being exercised by him, because he has retired on or after reaching the normal retirement age;
- (2) at any time, because of health reasons (as defined);
- (3) at any time when an Option is capable of being exercised by him, because he has retired in circumstances which constitute early retirement under the rules of the company's pension plan;
- (4) at any time when an Option is capable of being exercised by him, because he is made redundant; or
- (5) in any other case at the discretion of the board,

then any Option which is capable of being exercised then held by him may be exercised within the period of 12 months thereafter or such longer period (subject to the seven year limitation set out above) as the board may determine.

(ix) *Cessation of Employment*

On cessation of employment save in the case of death or retirement as set out above, all Options granted to a participant which are not capable of being exercised at that time shall expire. All exercisable options are subject to the provisions set out at (iii) above. In no circumstances is a participant ceasing to hold employment entitled to any compensation for loss of any options.

(x) *Offers for Share Capital*

In the event that not less than 50 per cent. of the equity capital of the Company is offered for purchase to the public, the Board may at its absolute discretion allow all outstanding Options to immediately vest. In that case all Options will become immediately exercisable. If such Options are not then or subsequently exercised, they will lapse within one month of the date on which the equity capital of the company is listed on a recognised stock exchange.

(xi) *Merger or a Trade Sale*

In the event of a merger of the Company with or into another corporation or a sale of substantially all of its assets, the Board may, at its absolute discretion, allow all outstanding Options to vest immediately. In that case, participants will have a period of one month or such shorter period as the Board may decide to exercise Options failing which the options will terminate.

(xii) *Adjustment*

If an allotment of Ordinary Shares is made by way of capitalisation of profits or reserves or a subdivision, consolidation or reduction of the capital of the Company is carried out, existing options will be replaced with new Options and identical terms and for the same total option price but for such number of Ordinary Shares as will bear the same ratio between the total number of issued Ordinary Shares as the ratio between the number of Ordinary Shares to which the existing Option related bore to the number of issued Ordinary Shares immediately prior to such allotment or adjustment of share capital. In addition, if the holders of Ordinary Shares are granted rights to subscribe for further shares, the Board shall decide in its absolute discretion whether this will result in any depletion of the value of each Ordinary Share. In such case, existing Options will be replaced by new options in an amount certified by the auditors of the company.

(xiii) *Liquidation*

If the Company goes into liquidation, all Options shall cease to be exercisable unless the liquidation is for amalgamation, reconstruction, reorganisation or any other purpose not as a result of insolvency in which case participants may, in certain circumstances, be entitled to exercise options.

(xiv) *Amendments to the Option Scheme*

At any time, the Company by resolution in general meeting or by resolution of the board (or a committee thereof) may alter or revoke any of the provisions of the 2004 Share Option Plan in such manner as it may think fit. The amendment of specific rules however requires the prior sanction of or resolution of the company in general meeting. No alteration or revocation may increase the amount payable by any participant or otherwise impose more onerous obligations of any participant in respect of the exercise of an option which has already been granted or the transfer of planned shares.

(xv) *Termination*

The 2004 Share Option Plan may be terminated at any time by ordinary resolution of the company or by resolution of the board. This will not affect or modify any existing rights or obligations of the participants in respect of any options.

The letters to scheme participants notifying them of the grant of Options also stated that options could only be exercised once the Company's shares became tradeable on a recognised stock exchange or as otherwise provided in the 2004 Share Option Plan rules.

12.2. *The 2006 Share Option Plan*

Under the 2006 Share Option Plan, of the Options granted, 2,760,000 Options are outstanding as at the date of this document.

The 2006 Share Option Plan was established by a written resolution of the shareholders of the Company passed on 26 September 2006 ("Adoption Date") for the purpose of incentivising directors, employees, consultants and contractors of the Company and its associated companies. It is not a scheme approved by the Irish Revenue Commissioners. The following are the principal terms of the 2006 Share Option Plan.

(i) *Plan Limits*

The maximum aggregate number of Ordinary Shares in respect of which options may be granted must not exceed 10 per cent. of the number of issued Ordinary Shares from time to time. The Board may grant options at any time within 10 years of the Adoption Date.

(ii) *Eligibility*

Employees and Directors (including non-executive Directors) together with consultants and contractors of the Group and any associated companies are eligible to participate in the 2006 Share Option Plan. Participants are nominated by the Directors at their discretion.

(iii) *Consideration*

The grant of an Option shall be conditional on the participant paying to the Company a consideration of €1.00 in respect thereof.

(iv) *Exercise Condition*

The exercise of Options may be made subject to an exercise condition determined by the Board at the date of grant of the Option.

(v) *Option Price*

The option price will not be less than the higher of (a) the nominal value of the Ordinary Shares which are the subject of the Option; and (b) market price of the Ordinary Shares, or in the case of options granted prior to admission in 2006, £0.24.

(vi) *Individual Limits*

The maximum number of Ordinary Shares which may be subject to unexercised Options held by any individual participant shall not exceed in aggregate 5 per cent. of the number of issued Ordinary Shares from time to time.

(vii) *Exercise of Options*

An Option shall be capable of being exercised at any time during the seven years after the date of grant of the Option provided that three years have passed since the Option was granted and that any exercise condition has first been satisfied.

If a participant ceases to be an employee or Director of the Company or any of its associated companies, the participant shall be entitled during the ninety days from the date of such cessation, to exercise all unexercised Options held by him (provided that any exercise conditions attaching thereto have first been satisfied) and all other Options shall expire. In the event of the death or mental incapacity of a participant, the personal representative or

committee, as the case may be, of such participant shall be entitled for a period of twelve months to exercise all rights in respect of exercisable Options and all other Options shall expire.

If a liquidator is appointed to the Company (save in the case of a members' voluntary winding up), the Options shall cease to be exercisable and participants shall not be entitled to damages or other compensation of any kind.

(viii) *Change of Control, Merger or Other Reorganisations*

On a take-over, scheme of arrangement or certain other corporate reorganisations the Directors may request options to be exercised on such terms as the Directors may determine. Alternatively, participants may be allowed or required to exchange their options for options over shares in the acquiring company or the acquirer may convert existing Options into options over its own share capital.

(ix) *Amendments to and termination of the 2006 Share Option Plan*

The Directors may amend the 2006 Share Option Plan as they consider appropriate. However the amount payable by any participant may not be increased and his/her obligations may not be made more onerous as a result of such amendments. In addition, certain provisions may not be amended without shareholder approval. These provisions relate to the time limit for exercise of Options, individual and plan limits and the option price. The 2006 Share Option Plan may be terminated at any time by an ordinary resolution of the Company.

(x) *General*

- Any Ordinary Shares issued under the 2006 Share Option Plan will rank equally with Ordinary Shares already in issue on the date of allotment except in respect of rights arising by reference to a prior complete financial period;
- Options may be adjusted following any variation in the share capital of the Company;
- Options are non-transferable; and
- Benefits under the 2006 Share Option Plan are not pensionable.

12.3 *Proposed Adoption of new Share Participation Plan*

It is proposed under Resolution number two to be proposed at the EGM to introduce an all employee share participation plan which is capable of approval by the Irish Revenue Commissioners under the legislation in respect of approved profit sharing schemes (the "Share Participation Plan"). The terms of the proposed Share Participation Plan are set out in the draft Trust Deed and Plan Rules which are available for inspection. The principal features of the proposed Share Participation Plan are as follows:

(i) *Employee Eligibility*

Participation in the Share Participation Plan will be open to all Irish based employees (including executive directors) who meet a minimum service requirement with the Company or a subsidiary company. The purpose of the Share Participation Plan is to encourage employee share participation linked to performance related targets in a tax efficient manner.

(ii) *Limits on Participation*

The Directors shall in their absolute discretion allocate a total profit share amount to the Share Participation Plan each year in which it is proposed to operate the plan. The profit share entitlement of each eligible employee shall be allocated on similar terms as determined by agreement with the Irish Revenue Commissioners.

Each eligible employee will be notified of his profit share entitlement, and invited to participate in the Share Participation Plan to the extent of that entitlement. Participants may also have the

optional facility to forego an amount from basic salary to acquire additional shares under the Share Participation Plan within the limits approved by the Irish Revenue Commissioners.

No participating employee will be entitled to be appropriated shares in any tax year the market value of which at the date of appropriation exceeds an amount specified in legislation, currently €12,700.

(iii) *Source of Shares*

Shares to be appropriated to participating employees under the Share Participation Plan shall be Ordinary Shares, which may be purchased by the trustees in the market or subscribed for by the trustees. The shares so acquired will be held by the trustees on behalf of the participants.

The number of shares which may be used for the purposes of the Share Participation Plan will be within institutional investor guidelines, having due regard to the broad based nature of the proposed plan.

(iv) *Other features of the Share Participation Plan*

The terms of the Share Participation Plan as to the holding of shares by the trustees and the release of shares to participating employees are determined by the legislative provisions governing approved profit sharing schemes. The shares must be retained by the trustees for at least two years after appropriation, except where the participating employee leaves service for certain reasons including by reason of redundancy, injury or disability.

In order to maintain the favourable income tax treatment provided by the legislation participants will be required to retain their shares in trust for a further period of one year, making a total holding period of three years (under current legislation).

The Share Participation Plan contains special provisions to deal with take-overs, reconstructions and other corporate events affecting the plan shares.

The benefits under the Share Participation Plan will not be regarded as pensionable remuneration for pension purposes.

Further details of the Share Participation Plan which are in common with the Share Save Plan are set out in paragraph 12.5 below.

12.4 ***Proposed Adoption of the Share Save Plan***

It is proposed under Resolution number three to be proposed at the EGM to introduce an all employee share save plan (the “Share Save Plan”). The draft Share Save Plan, which is available for inspection, will be constituted by rules which will be submitted to the Irish Revenue Commissioners for approval in accordance with the provisions of Irish tax legislation in respect of Savings Related Share Option Schemes. The Share Save Plan incorporates a UK Sub Plan which will be submitted to HM Revenue & Customs for approval under corresponding United Kingdom provisions (the “UK Sub Plan”). The principal features of the proposed Share Save Plan are as follows:

(i) *Employee Eligibility*

Participation in the Share Save Plan will be open initially to all employees and executive directors of Company and its subsidiaries who are based in Ireland and who fulfil minimum service requirements to be determined by the Directors. The UK Sub Plan will similarly be open to employees who are based in the United Kingdom. The purpose of the Share Save Plan is to encourage employee retention and employee share participation and to facilitate this in a tax efficient manner for those employees to save money for the purposes of acquiring shares in the company.

(ii) *Limits on Participation*

To participate, an employee must agree to save a fixed amount of between €12 and €320 (or such other limit as the Directors shall provide, subject to the respective legislative limits in Ireland and the UK) each month for either a three or five year period in a Revenue approved Save-As-You-Earn (SAYE) contract (and, if determined by the Directors, the contract may continue for a further two years beyond that).

(iii) *Source of Shares*

It is proposed that the Share Save Plan shares will be Ordinary Shares, which may be granted at an option price set by the Directors being not less than 75 per cent. of the full market value of the shares immediately prior to the date on which an employee is invited to participate in the Share Save Plan. (Options under the UK Sub Plan may be granted at an option price of not less than 80 per cent. of the full market value.)

Options may be granted during a period of up to ten years from the date of approval of the Share Save Plan in general meeting. Options will be granted by the Directors, or a duly authorised committee thereof.

The number of shares which may be used for the purposes of the Share Save Plan will be within institutional investor guidelines, having due regard to the broad based nature of the proposed plan.

Options may be satisfied on exercise either by the issue of new shares or the transfer of existing shares.

(iv) *Other features of the Share Save Plan*

Each option granted under the Share Save Plan shall be deemed to be for the largest whole number of shares which can be acquired at the option price stated in the invitation to participate with the expected repayment, including any bonus payable, under the participating employee's savings contract. The terms of the option may be further reduced to comply with the various general limits and restrictions as referred to within and in the draft rules of the Share Save Plan.

The Share Save Plan contains special provisions to deal with takeovers, reconstructions and other corporate events affecting the Plan shares.

Options may only be exercised within a six month period commencing on the ending of the savings period and payment of the bonus under the related savings contract, and may only be exercised by an option holder who is a director or employee of a participating employer at the time of exercise. There are special provisions to deal with early exercise of options in certain cases, including redundancy, disability or death.

If the participating employee ceases to make contributions under the savings contract or applies for repayment of the savings contract, his or her option will immediately lapse. An option may not be exercised with monies exceeding the amount actually repaid under the related savings contract.

The benefits under the Share Save Plan will not be regarded as pensionable remuneration for pension purposes.

Further details of the Share Save Plan which are in common with the Share Participation Plan are set out in paragraph 12.5 below.

12.5 *Principal features common to the Share Participation Plan and the Share Save Plan*

(i) *Plan Limits*

The proposed plans contain various limits and restrictions which are intended to reflect the guidelines published by the institutional investor associations. These include:

- (a) in any five year period, not more than 5 per cent. of the issued Ordinary Shares may in aggregate be issued under the plans and any other employee share plan operated by the company;
- (b) in any ten year period, not more than 10 per cent. of the issued Ordinary Shares may in aggregate be issued under the plans and any other employee share plan operated by the company.

To the extent permitted by the institutional investor guidelines, in calculating the above limits no account shall be taken of shares which have been or remain to be issued under any broad based employee share plan such as the proposed Share Participation Plan or this Share Save Plan.

(ii) *Rights attaching to shares*

Shares allotted under the plans will rank equally with all other Ordinary Shares in issue at that time (except for rights arising by reference to a record date prior to their allotment). Prior to appropriation of shares under the Share Participation Plan or the exercise of options under the Share Save Plan participants will not have any entitlement to dividends or voting rights in relation to any shares subject to an award.

(iii) *Alterations to the plans*

The provisions relating to:

- (a) the persons to whom or for whom, securities, cash or other benefits are provided under each plan (the “participants”);
- (b) limitations on the number or amount of the securities, cash or other benefits subject to each plan;
- (c) the maximum entitlement for any one participant;
- (d) the basis for determining a participant’s entitlement to, and the terms of, securities, cash or other benefit to be provided and for the adjustment thereof (if any) in the event of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital or any other variation of capital,

cannot be altered to the advantage of participants without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the plans, to take account of a change in legislation or to obtain or maintain favourable tax or regulatory treatment for participants in the plans or for the company operating the plans or for members of its group).

The Company may establish separate plans to operate in overseas territories or in respect of overseas employees which are on substantially the same terms as the plans but which make such modifications to the terms as are necessary or expedient to take account of local tax, exchange control or securities laws in any one or more overseas territories (a “Sub Plan”). Any awards granted under a Sub Plan will be included in the dilution limits described above on the number of shares which may be made available for the purposes of employee share schemes.

13. Working capital

The Directors are of the opinion having made due and careful enquiry that, taking into account the existing facilities available to the Enlarged Group, the Enlarged Group has sufficient working capital for its present requirements, that is at least twelve months from the date of Admission.

14. Legal and arbitration

There are no governmental, legal or arbitration proceedings in which any Enlarged Group company is involved or of which any Enlarged Group company is aware, pending or threatened by or against any Enlarged Group company which may have or have had in the twelve months preceding the date of this document a significant effect on the Enlarged Group's financial position.

15. General

- 15.1. Other than as described in this document, there has been no significant change in the trading or financial position of the Company since 30 June 2007, the date to which the last unaudited interim accounts of the Company were prepared.
- 15.2. Other than as described in this document, there has been no significant change in the trading or financial position of Red Circle since 31 May 2007, the date to which the financial information in Part III of this document has been prepared.
- 15.3. It is estimated that the total expenses payable by the Company (including those fees referred to in paragraph 10.1 and 10.2 in this Part VII) relating to the Acquisition and Admission payable by the Company are estimated to amount to approximately €2.0 million (excluding VAT).
- 15.4. Seymour Pierce has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.
- 15.5. Seymour Pierce is registered in England and Wales under number 2104188 and its registered office is at 20 Old Bailey, London, EC4M 7EN.
- 15.6. NCB has given and not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which they appear.
- 15.7. NCB is registered in Ireland under number 222489 and its registered office is at 3 George's Dock, IFSC, Dublin 1, Ireland.
- 15.8. The financial information contained in Part III does not constitute statutory accounts within the meaning of section 4 of the Companies (Amendment) Act, 1986. Statutory financial statements for Red Circle have been delivered to the Registrar of Companies in Ireland for the two years ended 31 May 2006 prepared on an Irish GAAP basis. The statutory financial statements for the year ended 31 May 2007 have not yet been delivered to the Registrar of Companies in Ireland. The auditors to Red Circle, Mazars, have reported without qualification and without any reference to any matter of fundamental uncertainty in any of those years.
- 15.9. Ernst & Young, who are a member of the Institute of Chartered Accountants in Ireland, and whose registered office is Harcourt Centre, Harcourt Street, Dublin 2, Republic of Ireland have been the auditors of the Company for the period 1 January 2003 to 31 December 2006.
- 15.10. PricewaterhouseCoopers, who are a member of the Institute of Chartered Accountants in Ireland, and whose registered office is One Spencer Dock, North Wall Quay, Ireland, have given and not withdrawn their written consent to the inclusion in this document of their report and the references thereto in the form and context in which they appear.
- 15.11. Save as set out in this document, there are no patents or intellectual property rights, licences or particular contracts which are of material importance to the Enlarged Group's business or profitability.

- 15.12. Save as set out in this document as far as the Directors are aware there are no environmental issues that may affect the issuer's utilisation of its tangible fixed assets.
- 15.13. Save as disclosed in this document, the Enlarged Group has no principal investments for each financial year covered by the historical financial information and there are no principal investments in progress and there are no principal future investments on which the board has made a firm commitment.
- 15.14. The Company is not aware of the existence of any takeover bid pursuant to the Irish Takeover Rules, or any circumstances which may give rise to any takeover bid, and the Company is not aware of any public takeover bid by third parties for the Ordinary Shares.
- 15.15. Save as disclosed in this document no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:
- 15.15.1 received, directly or indirectly, from the Group within the twelve months preceding the date of this document; or
- 15.15.2 entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Enlarged Group on or after Admission any of the following:
- fees totalling £10,000 or €14,000 (whichever is lower) or more;
 - securities of the Company where these have a value of either £10,000 or €14,000 (whichever is lower) or more;
 - any other benefit with the value of either £10,000 or €14,000 (whichever is lower) more at the date of this document.
- 15.16. All information sourced from third parties in this admission document have been accurately reproduced and as far as the Company is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading.

16. Companies Acts and Irish Takeover Rules

16.1. Squeeze-out

Under the Companies Act 1963 of Ireland, if an offeror were to acquire 80 per cent. of the Ordinary Shares in issue within four months of making its offer, it could then compulsorily acquire the remaining 20 per cent. It would do so by sending a notice to outstanding shareholders telling them that it would compulsorily acquire their shares and then, unless the High Court of Ireland determined otherwise one month later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. Where the offeror already owns more than 20 per cent. of the Company at the time that the offeror makes an offer for the balance of the shares, then the compulsory acquisition rights only apply if the offeror acquires at least 80 per cent. of the remaining shares which also represent at least 75 per cent. in number of the holders of the accepting shareholders.

16.2. Buy-out

The Companies Act 1963 of Ireland also gives minority shareholders in the Company a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares in the Company and at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 80 per cent. of the Company's Ordinary Shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any such shareholder notice of his right to be bought out within one month of that right arising.

16.3. Disclosure of interests in Ordinary Shares

The Acts make provision regarding the disclosure of interests in shares. The Companies Act 1990 of Ireland requires, *inter alia*, that any person, which would include a person not resident in Ireland, who has an interest in shares of a public limited company which carry full voting rights is required to notify his interest to the company, if the total number of such shares in which he has an interest equals or exceeds a certain percentage (currently 5 per cent.) of all such shares. Where that person ceases to hold that percentage or there is a change in the percentage level of his shareholding, he is also obliged to notify the company. The obligation to notify must be performed within the period of five business days from the date upon which the obligation arises.

The notification to the relevant company must be in writing and must specify the share capital to which it relates; the number of shares comprised in that share capital in which the person making the notification knows he was interested immediately after the time when the obligation arose, or in a case where the person no longer has a modifiable interest in shares comprised in the share capital, state that he no longer has an interest; identify the notifier and give his address and except where the notice is stating that the notifier no longer has a modifiable interest in the shares, give details of the registered holder of the shares and the number of shares held by such holder.

16.4. The Irish Takeover Rules

The Irish Takeover Rules will apply to the Company. Under the Irish Takeover Rules, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquirer and its concert parties to Ordinary Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Irish Takeover Panel) to make an offer for the outstanding shares at a price not less than the highest price paid for Ordinary Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights by 0.05 per cent. The issue of the Consideration Shares to the Vendors will not, so far as the Directors are aware, trigger such a requirement.

17. Documents available for inspection

The following documents or copies thereof are available for inspection at the registered office of the Company and at the offices of O'Donnell Sweeney Eversheds, One Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland and Seymour Pierce, 20 Old Bailey, London, EC4M 7EN, in each case during normal business hours on any weekday (Saturday, Sundays and public holidays excepted) and shall remain so available for at least one month after Admission:

- 17.1 the audited consolidated accounts for zamano for the three years ended 31 December 2006 and the unaudited interim consolidated accounts for zamano for the six month period ended 30 June 2007;
- 17.2 the proposed Share Participation Plan;
- 17.3 the proposed Share Save Plan; and
- 17.4 a copy of this document.

A copy of the proposed Share Participation Plan and the proposed Share Save Plan will also be available for a period of 15 minutes before the EGM which is to be held at 11 a.m on 12 December 2007 at the Conrad Dublin Hotel, Earlsfort Terrace, Dublin 2, Ireland.

Dated 26 November 2007

NOTICE OF EXTRAORDINARY GENERAL MEETING

ZAMANO PLC

(A company incorporated in Ireland with company number 329336)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of zamano plc (the "Company") will be held at the Conrad Dublin Hotel, Earlsfort Terrace, Dublin 2, Ireland, at 11.00 a.m. on 12 December 2007, for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

"THAT

1. (a) the proposed Acquisition, as described in the Admission Document circulated to Shareholders dated 26 November 2007, a copy of which has been produced to this meeting and initialled by the Chairman for the purposes of identification only (the "Admission Document") on the terms and subject to the conditions of the Acquisition Agreement (as defined in the Admission Document), be and is hereby approved and the directors of the Company (the "Directors") (or a duly authorised committee thereof) be and they are hereby authorised to take all steps as may be necessary or appropriate in relation thereto and to carry the same into effect with such modifications, variations, revisions, waivers or amendments (providing such modifications, variations, revisions, waivers or amendments are not of a material nature) to the Acquisition (as defined in the Admission Document) or any documents relating thereto as they shall deem necessary, expedient or appropriate; and

(b) the Directors of the Company be and are hereby authorised to allot relevant securities (within the meaning of Section 20 of the Companies (Amendment) Act, 1983) comprising the Consideration Shares (as defined in the Admission Document), such authority to expire on 31 December 2008, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry date and the directors may allot relevant securities in pursuance of such offer or agreement as if the power conferred herein had not expired. This authority shall be in addition to and without prejudice to any existing authorities under Section 20 of the Companies (Amendment) Act, 1983."
2. "That the Share Participation Plan, substantially in the form described in the Admission Document circulated to Shareholders dated 26 November 2007, a copy of which has been produced to this meeting and initialled by the Chairman for the purposes of identification only (the "Admission Document"), be and is hereby approved, and that the Directors be and are hereby authorised to do all such acts and things necessary to establish and carry same into effect including the making of any amendments thereto necessary or desirable to obtain or maintain approval of the Revenue Commissioners pursuant to the provisions of the Taxes Consolidation Act, 1997, as amended from time to time."

3. “That the Share Save Plan, incorporating a UK Sub Plan, substantially in the form described in the Admission Document circulated to Shareholders dated 26 November 2007, a copy of which has been produced to this meeting and initialled by the Chairman for the purposes of identification only (the “Admission Document”), be and is hereby approved, and that the Directors be and are hereby authorised to do all such acts and things necessary to establish and carry same into effect including the making of any amendments thereto necessary or desirable to obtain or maintain approval of the Revenue Commissioners pursuant to the provisions of the Taxes Consolidation Act, 1997, as amended from time to time, or to obtain or maintain approval of HM Revenue & Customs under corresponding United Kingdom provisions.”

BY ORDER OF THE BOARD

Aoife Warren
Company Secretary

REGISTERED OFFICE:

4 St Catherine’s Lane West
Digital Hub
Dublin 8
Ireland

Dated 26 November 2007

Notes:

1. A member entitled to attend, speak and vote is entitled to appoint a proxy to attend, speak and vote on his behalf. A proxy need not be a member of the Company.
2. Forms of Proxy together with any Power of Attorney or other authority under which it is executed or a notarially certified copy thereof, must be completed and to be valid, must reach the Registrar of the Company at the address given on the Form of Proxy not less than 48 hours before the time appointed for the holding of the meeting.
3. The appointment of a proxy does not preclude a member from attending and voting at the meeting.
4. If the appointor is a corporation, this Form of Proxy must be under its common seal or under the hand of an officer or attorney duly authorised.
5. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote of the other registered holders(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
6. If you wish to appoint as proxy someone other than the Chairman of the Meeting, please delete the words “the Chairman of the Meeting” and insert the name and address of the person you wish to appoint in the space provided. A proxy need not be a member.
7. CREST members may appoint one or more proxies through the CREST electronic proxy appointment service in accordance with the procedures described in the CREST Manual. CREST Personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf. Further information on CREST procedures and requirements is contained in the CREST Manual. The message appointing a proxy(ies) must be received by the Registrar (Capita Registrars, Unit 5, Manor Street Business Park, Manor Street, Dublin 7, Ireland, by hand or Capita Registrars, PO Box 7117, Business Reply, Dublin 2, Ireland by post) not later than 11.00 am on 10 December 2007. For this purpose the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a proxy instruction in the circumstances set out in Regulation 35 (5) (a) of the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996.
8. Pursuant to Regulation 14 of the Companies Act, 1990 (Uncertificated Securities) Regulations 1996, only those shareholders on the Register of Shareholders at 6 p.m. on 10 December 2007 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. If the meeting is adjourned by more than 48 hours, then to be so entitled, shareholders must be entered on the Company’s Register of Shareholders at the time which is 48 hours before the time appointed for holding the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.