

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective Investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document. Your attention is drawn to the section entitled “Risk Factors” in Part I of this document which should be considered in connection with an investment in Placing Shares. Notwithstanding this, Shareholders and prospective Investors should read the whole text of this document.

This document does not constitute a prospectus for the purposes of the Prospectus Rules nor does it comprise an admission document prepared in accordance with the AIM Rules. This document has not been approved by or filed with the Financial Services Authority or the London Stock Exchange.

Dawnay, Day Treveria PLC

*(incorporated under the Companies Acts 1931-2004 (as amended)
of the Isle of Man and registered in the Isle of Man under number 114610C)*

Placing of 241,045,726 Placing Shares of €0.01 each at €1.12 per share

consisting of

186,908,836 Initial Placing Shares at €1.12 per share

and

54,136,890 Additional Placing Shares at €1.12 per share

by

Citigroup Deutsche Bank JPMorgan Cazenove

as Joint Global Co-ordinators, Joint Financial Advisers and Joint Bookrunners

Citigroup

as Nominated Adviser

This document is confidential and is being supplied to you for your information and may not be reproduced, further distribution to any other person or published in whole or in part, for any purpose.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the Offer and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Company, Citigroup, Deutsche Bank or JPMorgan Cazenove or their respective directors.

The Initial Placing Shares will, upon Admission of the Initial Placing Shares, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid after Admission on the Ordinary Shares.

The Additional Placing Shares will, upon Admission of the Additional Placing Shares, rank *pari passu* in all respects with the Initial Placing Shares and the Existing Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid after Admission on the Ordinary Shares and the Initial Placing Shares.

The Placing Shares have not been and will not be registered under the US Securities Act of 1933 (the “Securities Act”), any state securities laws in the United States or under the applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Placing Shares may not be offered or sold within the United States, Australia, Canada or Japan or to any national, resident or citizen of Australia, Canada or Japan or to or for the account of US Persons (as defined in the Securities Act). The Underwriters may arrange for the offer and sale of the Placing Shares in the United States only to persons reasonably believed to be qualified institutional buyers as defined in Rule 144A under the Securities Act (“Rule 144A”) in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A, or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Placing Shares being offered and sold outside the United States are being offered in reliance on Regulation S under the Securities Act.

Prospective Investors are hereby notified that sellers of the Placing Shares may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A or another exemption under the Securities Act. The Placing Shares are not transferable except in compliance with the restrictions described in paragraph 11.3 of Part X of this document. In addition, prospective Investors should note that the Placing Shares may not be acquired by Investors using assets of any retirement plan or pension plan that is subject to Title I of ERISA or Section 4975 of the Internal Revenue Code. Prospective Investors should also note that the Company believes that it is, and it will continue to be treated as, a passive foreign investment company (a “PFIC”) for United States federal income tax purposes.

The offer of Initial Placing Shares is conditional, inter alia, on Admission of the Initial Placing Shares taking place on 22 November 2006 (or such later date as the Company and the Joint Global Co-ordinators may agree). The offer of Additional Placing Shares is conditional, inter alia, on the passing of the Resolution and Admission of the Additional Placing Shares taking place on 30 November 2006 (or such later date as the Company and the Joint Global Co-ordinators may agree).

Citigroup, Deutsche Bank and JPMorgan Cazenove, which are all authorised and regulated in the United Kingdom by the Financial Services Authority, are advising the Company and no one else in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to the respective customers of Citigroup, Deutsche Bank or JPMorgan Cazenove nor for providing any advice in relation to the Offer, the contents of this document or any transaction or arrangement referred to herein.

Prospective Investors must not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Prospective Investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Placing Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Placing Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of Placing Shares. Prospective Investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Apart from the responsibilities and liabilities, if any, which may be imposed on Citigroup, Deutsche Bank and JPMorgan Cazenove by FSMA or the regulatory regime established thereunder, each of Citigroup, Deutsche Bank and JPMorgan Cazenove accepts no responsibility whatsoever for the contents of this document nor for any other statement made or purported to be made by it or any of them or on its or their behalf in connection with the Company or the Placing Shares. Each of Citigroup, Deutsche Bank and JPMorgan Cazenove accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

This document is being furnished by the Company in connection with an offering exempt from registration under the Securities Act solely for the purposes of enabling a prospective Investor to consider the purchase of Placing Shares. Any reproduction or distribution of this document, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Placing Shares offered hereby is prohibited. Each offeree of the Placing Shares, by accepting delivery of this document, agrees to the foregoing.

In connection with the Offer, Citigroup, as stabilising manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot and effect other transactions with a view to supporting the market price of the Placing Shares at a level higher than that which might otherwise prevail in the open market. Citigroup is not required to enter into such transactions and such transactions may be effected on any stock market, over-the-counter market or otherwise. Such stabilising measures, if commenced, may be discontinued at any time and may only be taken during the period from 17 November 2006 up to and including 17 December 2006. Save as required by law or regulation, neither Citigroup nor any of its agents intends to disclose the extent of any over-allotments and/or stabilisation transactions under the Offer.

The Company has granted to Citigroup an option pursuant to which Citigroup may require the Company to allot additional Initial Placing Shares up to a maximum of 10% of the total number of Initial Placing Shares at the Placing Price. This option is exercisable in whole or in part at any time up to and including the 30th calendar day after the date of allotment of the Initial Placing Shares. The Company has granted to Citigroup an option pursuant to which Citigroup may require the Company to allot additional Additional Placing Shares up to a maximum of 15% of the total number of Additional Placing Shares at the Placing Price. This option is exercisable in whole or in part at any time up to and including the 30th calendar day after the date of allotment of the Initial Placing Shares. Any Placing Shares issued by the Company pursuant to the exercise of these options will be issued on the same terms and conditions as the Placing Shares and will form a single class for all purposes with the Placing Shares.

Restrictions on Sales

This document does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any Placing Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. The distribution of this document and the offering of the Placing Shares in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom into whose possession this document comes are required by the Company, Citigroup, Deutsche Bank and JPMorgan Cazenove to inform themselves about and to observe any restrictions as to the offer or sale of Placing Shares and the distribution of this document under the laws and regulations of any territory in connection with any applications for Placing Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company, Citigroup, Deutsche Bank, JPMorgan Cazenove or the Administrator that would permit a public offering of the Placing Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document other than in any jurisdiction where actions for that purpose is required.

The Placing Shares are subject to restrictions on transfer, and may not be reoffered, resold, pledged or otherwise transferred except as permitted by the Articles and as provided in this document.

Notice in connection with the United States, Canada and Japan

This document does not constitute an offer to sell, or the solicitation in any jurisdiction of an offer to subscribe for or buy, Placing Shares to any person to whom or in which such offer or solicitation is unlawful and, in particular, is not, save in certain limited circumstances pursuant to applicable private placement exemptions, for distribution in or into the United States, Canada or Japan. The Placing Shares have not been and will not be registered or qualified for distribution under the applicable securities laws of Canada or Japan. Subject to certain exceptions, the Placing Shares may not be offered or sold in Canada or Japan or to, or for the account or benefit of, any national, resident or citizen of Canada or Japan. The Placing Shares have not been, and will not be registered under the Securities Act or under applicable state securities (“blue sky” laws) of the United States. Subject to certain exceptions, the Placing Shares may not be offered or sold, directly or indirectly, in the United States.

Each of Citigroup, Deutsche Bank and JPMorgan Cazenove may arrange through its selling agents for the offer and sale of Placing Shares in the United States only to persons reasonably believed to be Qualified Institutional Buyers, as defined in Rule 144A under the Securities Act, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The offer and sale of the Placing Shares and distribution of this document are subject to the restrictions set out in Part V and paragraph 11.3 of Part X of this document.

No purchase, sale or transfer of any Placing Shares may be made by any “Plan” (as defined below) or any person investing in “Plan assets” unless such purchase, sale or transfer will not result in assets of the Company constituting “Plan assets” within the meaning of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) that are subject to Title I of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”). Accordingly, investors using assets of retirement plans or benefit plans that are subject to ERISA or Section 4975 of the Code (including, as applicable, assets of an insurance company general account) will not be permitted to acquire the Placing Shares, and any such investor will be required to represent or will, by its acquisition or holding of a Placing Share be deemed to have represented, that it is not a “benefit plan investor” within the meaning of ERISA that is using assets of a Plan that is subject to ERISA or Section 4975 of the Code. Any purported purchase or transfer of a Placing Share that would cause the Company’s assets to be deemed to be “plan assets” under ERISA that are subject to Title I of ERISA or Section 4975 of the Code, or otherwise does not comply with the foregoing, is subject to restrictions as provided in the Articles and this document. See “ERISA Considerations” in paragraph 11.2 of Part X of this document.

Prospective Investors are also notified that the Company believes that it is and will continue to be classified as a Passive Foreign Investment Company or PFIC for United States federal income tax purposes. The Company intends to make available to holders of Placing Shares the annual statement currently required by the Internal Revenue Service to be used by United States Persons (as defined in the US Taxation section of paragraph 10.4 of Part X of this document) for purposes of complying with the reporting requirements

applicable to United States Persons making a “Qualified Electing Fund” or “QEF” election. See Part I of this document entitled “Risk Factors” and paragraph 10.4 of Part X of this document under the heading “Passive Foreign Investment Company Treatment”.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed on or endorsed the merits of the Offer or the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

The Placing Shares are being offered and sold outside the United States in “offshore transactions” in reliance on, and as such term is defined in, Regulation S under the Securities Act.

Notice to New Hampshire Residents

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Notice to Prospective Investors in the United Kingdom

This document is only being distributed to, and is only directed at, persons in the United Kingdom that are Qualified Investors within the meaning of Article 2(1)(e) of the Prospective Directive (“qualified investors”) that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) high net worth entities or other persons falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). This document and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Notice to Prospective Investors in Australia

This document is not a disclosure document under Chapter 6D of the Corporations Act 2001 (Cth) (the “Australian Corporations Act”), has not been lodged with the Australian Securities and Investments Commission and does not purport to include the information required of a disclosure document under the Australian Corporations Act.

The Offer pursuant to this document is only made to persons to whom it is lawful to offer Placing Shares without disclosure to investors under Chapter 6D of the Australian Corporations Act under one or more exemptions set out in Section 708 of the Australian Corporations Act.

By accepting the Offer:

- the Investor represents that it is such a person that is subject to exemptions set out in Section 708 of the Australian Corporations Act; and
- the Investor provides a bona fide warranty that it had no intention at the time of purchase from the Company pursuant to this document to dispose of the Placing Shares in Australia for at least 12 months.

Notice to Prospective Investors in France

Neither this offering document nor any other offering material relating to the Placing Shares described in this offering document has been prepared in the context of a public offer of securities in the Republic of

France within the meaning of article L.411-1 of the French Code *monétaire et financier* and articles 211-1 & *seq.* of the General Regulations of the *Autorité des Marchés Financiers* and has been and will be submitted to the clearance procedures of the *Autorité des Marchés Financiers* or the competent authority of another member state of the European Economic Area and notified to the *Autorité des Marchés Financiers*. The Placing Shares have not been and will not be offered or sold or otherwise transferred, directly or indirectly, to the public in the Republic of France and any offer, sale or other transfer of the Shares in the Republic of France will be made in accordance with article L.411-2 of the French Code *monétaire et financier* only to:

- (i) qualified investors (*investisseurs qualifiés*) acting for their own account except as otherwise stated under French laws and regulations, all as defined in and in accordance with articles 411-2, D.411-1, D.411-2-4, D.734-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*; and/or
- (ii) persons providing portfolio management services on a discretionary basis (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*); and/or
- (iii) in a transaction that, in accordance with article L.411-2-II-1^o, -2^o or 3^o of the French *Code monétaire et financier* and article 211-2 of the General Regulations of the *Autorité des marchés financiers*, does not constitute a public offer.

The Placing Shares may be resold, directly or indirectly, only in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 and L.341-1 to L.341-17 of the French *Code monétaire et financier*.

The Company has represented and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France this offer document or any other offering material relating to the Placing Shares described in this offering document, other than to investors to whom offers, sales or other transfers of the Placing Shares in the Republic of France may be made as described above.

This offer document and any other offering material relating to the Placing Shares described in this offering document, are not to be further distributed or reproduced (in whole or in part) by the addressee and have been distributed on the basis the addressee invests for its own account, as necessary, and does not resell or otherwise retransfer, directly or indirectly, the Placing Shares to the public in the Republic of France, other than in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier*.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), an offer of Placing Shares may not be made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Placing Shares that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, an offer of the Placing Shares may be offered to the public in that Relevant Member State at any time:

- to any legal entity that is authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; or
- to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an “offer of Shares to the public” in relation to any Placing Shares in any Relevant Member State means the communication to persons in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the Placing Shares, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression “Prospectus Directive” means the Prospectus Directive and includes any relevant implementing measure in each Relevant Member State.

The Company has not authorised and does not authorise the making of any offer of Placing Shares through any financial intermediary on its behalf, other than offers made by the Joint Global Co-ordinators with a view to the final placement of the Placing Shares as contemplated in this offering document. Accordingly, no purchaser of the Placing Shares, other than the Joint Global Co-ordinators, is authorised to make any further offer of the Placing Shares on behalf of the Company or the Joint Global Co-ordinators.

Each purchaser of Placing Shares described in this offering document located within a Relevant Member State will be deemed to have represented, acknowledged and agreed that:

- it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive, or
- in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Placing Shares acquired by it in the Offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or (ii) where Placing Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the Prospectus Directive as having been made to such persons.

Germany

The Placing Shares are neither registered for public distribution with the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht—“BaFin”) according to the German Investment Act nor listed on a German exchange. No sales prospectus pursuant to the German Sales Prospectus Act has been filed with the BaFin. Consequently, the Placing Shares may not be offered to the public.

This document is not for offering Placing Shares in Germany. It is not meant as a description of, and does not express any view on, the consequences that an investment in Placing Shares can have for German tax purposes and for the German tax status of investors. Investors in Germany are urged to consult their own tax advisers as to the tax consequences that would arise from an investment in the Placing Shares. The Company, HIAX, STAX and any additional special purpose vehicles or entities which the Company may use in the future for direct or indirect investments do not intend to report and do not intend to publish any German tax figures within the meaning of Sec. 5 of the German *Investmentsteuergesetz* (German Investment Tax Act). This may be the case also for issuers of instruments in which they invest.

The Placing Shares are not destined for Investors who are taxable (or who will become taxable) in Germany as it can be typically expected that their investment in the Placing Shares would have adverse German tax consequences. In addition to other taxes, taxable events and taxable proceeds, this includes the German income taxation of investors on (i) distributions and on a dissolution of the Company, (ii) on fictitious annual income which, pursuant to Sec. 6 of the German Investment Tax Act, is deemed to be received by Shareholders as at the end of each calendar year, (iii) on potential attributions (under the German *AuBensteuergesetz* or other German tax principles) of actual and fictitious earnings and gains of the Company, HIAX, STAX and of any other special purpose vehicles or entities in which any of them may invest, (iv) on so-called “interim income” of up to 6 per cent. of the proceeds from a disposal or redemption of Placing Shares and (v), subject to certain potential exceptions for private investors, on any higher gains derived from a disposal or redemption of Placing Shares. The fictitious annual income referred to in the previous sentence under (ii) which is deemed to be received pursuant to Sec. 6 of the German Investment Tax Act as at the end of each calendar year amounts per Placing Share to the higher of (x) the difference by which 6 per cent. of the last market value of a Placing Share in the respective calendar year may exceed the distributions per Placing Share made in the respective calendar year and of (y) 70 per cent. of the positive excess amount by which the last market value of a Placing Share in the respective calendar year may exceed the first market value in such calendar year.

In case a disbursement or credit of a distribution of the Company, of liquidation proceeds or of proceeds from a disposal or redemption of Placing Shares is carried out through a credit institution acting within Germany (or an equivalent institution) which keeps in custody or administers Placing Shares or dividend rights or which pays out or credits the distribution or proceeds against surrender of dividend coupons or share certificates to a person other than an institution which, within the meaning of the relevant withholding tax provisions, qualifies as a foreign credit institution or foreign financial services institution, the institution acting within Germany (or an equivalent institution) which makes the disbursement or credit, in general, has to retain German withholding tax from distributions, liquidation proceeds and, with

respect to interim income and in certain cases also with respect to the sum of fictitious income which until then is deemed to be received by Shareholders, from proceeds from a disposal or redemption of Placing Shares. The German withholding tax can also apply in certain other cases of a sale of Placing Shares to the aforementioned institutions or to other persons who are obliged to retain withholding tax in Germany.

Available Information

The Company has agreed that, for so long as any Placing Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, it will, during any period in which it is neither subject to Section 13 or 15(d) under the Securities Exchange Act of 1934 (the “Exchange Act”), nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such Placing Shares or to any prospective purchaser of such Placing Shares designated by such holder or beneficial owner, on the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

Forward-Looking Statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Company and the Asset Manager concerning, amongst other things, the investment objective and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects, and dividend policy of the Company and the markets in which it, directly and indirectly, invests. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company’s actual investment performance, results of operations, financial condition, liquidity, dividend policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the investment performance, results of operations, financial condition, liquidity and dividend policy of the Company, and the development of its financing strategies are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions generally and in the German commercial real estate market specifically, legislative/regulatory changes, changes in taxation regimes, the Company’s ability to invest the cash on its balance sheet and the proceeds of this Offer in suitable investments on a timely basis, the availability and cost of capital for future investments, the availability of suitable financing, the continued provision of services by the Asset Manager and the Asset Manager’s ability to attract and retain suitably qualified personnel.

Potential Investors are advised to read this document in its entirety, and, in particular, Part I of this document entitled Risk Factors for a further discussion of the factors that could affect the Company’s future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

These forward-looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations (including under the AIM Rules), the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Presentation of financial information

Unless otherwise indicated, the financial information in this document has been prepared in accordance with IFRS, a body of accounting principles that may differ materially from US GAAP. The Company has not quantified the impact of these differences. The financial information consists of unaudited financial statements for the period from 20 October 2005 to 30 June 2006. In making an investment decision, prospective Investors must rely on their own examination of the Group, the terms of the Offer and the financial information in this document. Prospective Investors should consult their own professional

advisers for an understanding of the difference between IFRS and US GAAP. For a discussion of the most significant differences, see Part IX of this document.

Service of Process and Enforcement of Civil Liabilities

The Company is incorporated under the IoM Companies Act. Service of process upon Directors and officers of the Company, all of whom reside outside the United States, may be difficult to effect within the United States. Furthermore, since the directly owned assets of the Company are outside the United States, any judgment obtained in the United States against the Company may not be enforceable in practice within the United States. There is doubt as to the enforceability in the United Kingdom and the Isle of Man, in original actions or in actions for enforcement of judgments of US courts, of civil liabilities predicated upon US federal securities laws. In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in the United Kingdom and the Isle of Man.

References to Defined Terms

Certain terms used in this document, including capitalised terms and certain technical and other terms are explained in the section entitled “Definitions”.

All references to “€” or “Euro” are to the lawful single currency of member states of the European Communities that adopt or have adopted the Euro as their currency in accordance with the legislation of the European Union relating to European Monetary Union.

All references to “£”, “GBP” or “pound sterling” are to the lawful currency of the United Kingdom.

All references to “\$”, “US\$” or “US dollars” are to the lawful currency of the United States.

CONTENTS

	<u>Page</u>
DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS	10
PLACING STATISTICS	12
EXPECTED TIMETABLE OF KEY EVENTS	12
KEY INFORMATION	13
PART I RISK FACTORS	17
PART II INFORMATION ON THE GROUP	27
PART III CORPORATE STRUCTURE AND MANAGEMENT	33
PART IV THE PROPERTY PORTFOLIO	39
PART V DETAILS OF THE OFFER	42
PART VI OPERATING AND FINANCIAL REVIEW AND PROSPECTS	48
PART VII UNAUDITED FINANCIAL INFORMATION ON THE GROUP FOR THE PERIOD ENDED 30 JUNE 2006	51
PART VIII MATERIAL ACCOUNTING POLICIES	58
PART IX US GAAP/IFRS COMPARISON	60
PART X ADDITIONAL INFORMATION	62
PART XI VALUATION REPORT	123
DEFINITIONS	132

DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors:	Ian James Henderson (<i>Non-executive Chairman</i>) Martin Johannes Bruehl (<i>Non-executive Director</i>) Peter Richard Klimt (<i>Non-executive Director</i>) Christopher Henry Lovell (<i>Non-executive Director</i>) David John Parnell (<i>Non-executive Director</i>)
all of whose business address is	Dawnay, Day Treveria PLC St James's Chambers Athol Street Douglas Isle of Man IM1 1JE
Company Secretary:	David John Parnell
Registered Office:	St James's Chambers Athol Street Douglas Isle of Man IM1 1JE
Joint Global Co-ordinators, Joint Financial Advisers and Joint Bookrunners:	Citigroup Global Markets Limited Citigroup Centre Canada Square Canary Wharf London E14 5LB Deutsche Bank AG, London Branch 1 Great Winchester Street London EC2N 2DB JPMorgan Cazenove Limited 20 Moorgate London EC2R 6DA
Nominated Adviser:	Citigroup Global Markets U.K. Equity Limited Citigroup Centre Canada Square Canary Wharf London E14 5LB
Administrator and Registrar:	Northern Trust International Fund Administration Services (Isle of Man) Limited PO Box 174 St James's Chambers Athol Street Douglas Isle of Man IM99 1PP
Property Valuer:	DTZ Debenham Tie Leung Limited European Valuations 1 Curzon Street London W1A 5PZ
Auditors:	Ernst & Young Rose House 51-59 Circular Road Douglas Isle of Man IM1 1AZ
Solicitors to the Company as to English Law:	Olswang 90 High Holborn London WC1V 6XX

Isle of Man Advocates to the Company:

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Legal Advisers to the Company as to US Law:

Greenberg Traurig LLP
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USA

Legal Advisers to the Nominated Adviser and Joint Global Co-ordinators as to English and US Law:

Freshfields Bruckhaus Deringer
65 Fleet Street
London EC4Y 1HS

PLACING STATISTICS

Placing Price	€1.12
Total number of Initial Placing Shares being issued pursuant to the Offer*	186,908,836
Total number of Additional Placing Shares being issued pursuant to the Offer*	54,136,890
Total number of Placing Shares being issued pursuant to the Offer*	241,045,726
Number of Ordinary Shares in issue following the Offer*	685,446,006
Estimated gross proceeds from the issue of Initial Placing Shares	€209 million
Estimated gross proceeds from the issue of Additional Placing Shares*	€61 million
Estimated gross proceeds of the Offer*	€270 million
Estimated net cash proceeds of the Offer to be received by the Company*	€260 million

Note: Assuming no exercise of the Over-allotment Option

EXPECTED TIMETABLE OF KEY EVENTS

Dealings to commence in the Initial Placing Shares	8.00 a.m. 22 November
Initial Placing Shares in uncertificated form to be credited to CREST accounts (CREST shareholders only)	8.00 a.m. 22 November
Definitive certificates for Initial Placing Shares in certificated form to be dispatched (non-CREST shareholders only)	by 29 November
Latest time and date for receipt of form of proxy for the Extraordinary General Meeting	10.00 a.m. 27 November
Extraordinary General Meeting	10.00 a.m. 29 November
Dealings to commence in the Additional Placing Shares*	8.00 a.m. 30 November
Additional Placing Shares in uncertificated form to be credited to CREST accounts (CREST shareholders only)*	30 November
Definitive certificates for Additional Placing Shares in certificated form to be dispatched (non-CREST shareholders only)*	by 7 December

* Assuming the Resolution is passed.

KEY INFORMATION

The information below is only a summary of more detailed information included in other sections of this document. The summary is not complete and does not contain all the information that Investors should consider before buying the Placing Shares. Investors should pay particular attention to Part I of this document (Risk Factors). Investors should read the whole of this document and not just rely upon this key information section.

1. OVERVIEW

1.1 The Company

The Company is an Isle of Man incorporated property investment company which invests in German commercial real estate, with a primary focus on retail assets. The Company was formed with the intention to provide institutional investors with access to this asset class by way of a publicly listed vehicle. The Asset Manager provides real estate asset management and portfolio management services to the Company and the Group. The Company has an experienced board of five non-executive directors, which is chaired by Ian Henderson, four of whom are independent of the Dawney, Day Group.

The Group, of which the Company is the parent, invests primarily in German commercial retail properties that provide sustainable occupancy rates and income flows, and opportunities for enhancement through expansion, re-positioning and improved marketing and management. No single asset will account for more than 10% of the Group's property portfolio value and the Group does not intend to acquire properties for speculative development.

The Company was admitted to AIM in December 2005 when it raised gross proceeds of €444 million. This included a €35.5 million subscription by Dawney, Day Deutschland Limited and Kynnersley Asset Management Limited as part consideration for the acquisition of an initial portfolio of properties. In addition to the €616 million secured bank facilities entered into in December 2005, the Group has entered into further financing facilities, bringing the Group's total borrowings to €1,140 million as at 31 October 2006, all of which are secured on the Group's properties.

Following the Company's admission to AIM, the Group purchased an initial portfolio of properties assembled by affiliates of the Asset Manager valued by DTZ (as at 9 December 2005) at €640 million (the "**Initial Portfolio**"). The Group completed the acquisition of the Initial Portfolio on 21 January 2006 and has completed a further €460 million (€490 million including acquisition costs) of acquisitions during the period up to 30 June 2006. As at 30 June 2006, the Group's property portfolio was valued by DTZ at €1,162 million. Since 30 June 2006, the Group has completed the purchase of a further €288 million of properties, bringing the total portfolio to €1,451 million as at 31 October 2006 (the "**Current Portfolio**"). The Current Portfolio now consists of 269 properties which generate an aggregate annual net rental income of approximately €93 million. In addition to the Current Portfolio, as at 31 October 2006 the Group has notarised €278 million of acquisitions which are awaiting completion (i.e. acquisitions subject to legally binding purchase agreements that have not completed) and has a further €228 million of potential acquisitions in solicitors' hands (i.e. acquisitions agreed in principle but not yet subject to legally binding purchase agreements) which would mean, if all these acquisitions complete, that the Current Portfolio would increase to €1,957 million in value and will consist of 357 properties and lettable space of approximately 1.4 million m² (the "**Total Portfolio**").

Using the proceeds of the Offer, the Group expects to make additional acquisitions over approximately the next 12 months and the Asset Manager has identified a pipeline of transactions which, excluding those properties currently notarised or in solicitors' hands, is in excess of €1.2 billion. The Group intends to seek additional loan facilities to finance these acquisitions and is currently in the process of negotiating a new €500 million facility agreement.

1.2 The Asset Manager

The Asset Manager provides real estate asset management and portfolio management services to the Company and the Group.

The Asset Manager is a member of the Dawney, Day Group. The Dawney, Day Group has significant expertise in property investment, having been active in the UK for over 20 years and in Germany for almost 3 years.

The Company and its principal subsidiaries entered into the Portfolio Management Agreement with the Asset Manager on 9 December 2005 pursuant to which the Asset Manager provides property advisory and certain other services to the Group. The Portfolio Management Agreement is for an initial term of eight years and continues thereafter for successive three year periods unless terminated by not less than 12 months notice expiring at the end of the initial term or any three year extension.

The Asset Manager is paid an annual management fee of 0.4% of the gross property asset value of the Group. In addition, the Dawnay, Day Group have the Carried Interest, which has been designed to align the interests of the Dawnay, Day Group with those of the Shareholders.

2. GERMAN MARKET OPPORTUNITY

The Directors believe that a combination of factors in Germany has created an attractive window of opportunity to acquire retail property assets. These include:

- Improving macro economic conditions and outlook;
- Constrained retail property supply;
- Positive yield spread with comparatively high property rental yields against a lower cost of financing; and
- Significant acquisition opportunities created by changing trends in German property ownership.

3. COMPETITIVE STRENGTHS

Local market knowledge

The Asset Manager and the Dawnay, Day Group have local and regional knowledge as a result of their activities in property markets throughout Germany over the last three years and the Asset Manager has a dedicated team of over 50 people working on the ground in Düsseldorf. The Company believes that this gives the Group a competitive edge.

Established relationships

The Dawnay, Day Group's established relationships in Germany, and its demonstrable track record of successful acquisitions, should facilitate the identification of further acquisition opportunities and provide scope for active portfolio management.

Experience of the Dawnay, Day Group in property investment

The Dawnay, Day Group has over 20 years of property investment experience and currently has more than €3 billion of assets under management.

Alignment of interests of Shareholders and Asset Manager

Since the Company's admission to trading on AIM, Dawnay, Day Deutschland Limited and Kynnersley Asset Management Limited have owned Ordinary Shares that they received by way of part consideration for the sale of part of the Initial Portfolio to the Group representing an investment of approximately 8% of the issued share capital as at 14 December 2005. In addition, members of the Dawnay, Day Group also hold minority interests in certain of the Propcos. By virtue of these holdings and the Carried Interest, there is a strong alignment of economic interests between the Dawnay, Day Group and the Shareholders.

Since the Company's admission to trading on AIM, various members of the Dawnay, Day Group have acquired CFDs over Ordinary Shares. As a result of these acquisitions, members of the Dawnay, Day Group now hold 33,897,000 Ordinary Shares representing 7.6% of the issued share capital of the Company and 17,714,038 CFDs over Ordinary Shares representing 4% of the issued share capital of the Company.

4. COMPANY STRATEGY

Generate increasing total returns for shareholders

The Company's principal objective is to generate total returns for Shareholders through the payment of semi-annual dividends and net asset value growth, primarily through capital appreciation in the Group's portfolio. It seeks to achieve this by investing in a sufficiently large portfolio of commercial real estate

assets in Germany, with a primary focus on retail assets, covering a large variety of tenants and a wide geographical area.

The Company's target dividend payout ratio has been raised from 85% to 90% of the Distributable Profit Pool, to be distributed to Shareholders through semi-annual dividends. There can be no guarantee as to the amount of any dividends payable by the Company.

From time to time, the Directors, upon the realisation of assets, will give appropriate consideration to the return of capital to Shareholders.

Grow real estate portfolio focusing on retail assets

It is the intention of the Company to increase the Current Portfolio's size from €1,451 million (as at 31 October 2006) up to around €3.8 billion over approximately the next 12 months. The expansion will be funded in part with the net proceeds from the Offer and will be augmented by funds that are expected to be available for draw down by the Group under further debt facilities that are to be negotiated.

The Asset Manager is currently in various stages of negotiations with potential vendors to acquire over €1.7 billion of further assets in Germany, €506 million of which has been notarised awaiting completion or is in solicitors' hands.

The Company does not intend to acquire properties for speculative development and no single asset greater than 10% of the Group's property portfolio value will be acquired.

Enhance rental and capital growth through active portfolio management

The Company intends that the property assets acquired by the Group should be actively managed pursuant to the Portfolio Management Agreement with the aim of enhancing rental and capital growth. The Group seeks to generate enhanced value through active portfolio management and leveraging existing tenant relationships when new contracts are negotiated.

The Asset Manager seeks to generate value through:

- Development of individual asset-level management strategies in order to identify value enhancement potential;
- Increasing occupancy levels of existing properties through its contact with potential tenants (e.g. larger retailers that may not have a presence in a particular location) and on-the-ground presence;
- Re-configuration of certain properties (e.g. relocating certain tenants in order to maximise footfall through shopping centres or enhancing tenant mix);
- Identification of redevelopment/refurbishment opportunities (e.g. re-zoning former industrial units to permit conversion to retail park space which has the potential to provide rental income and capital value increases);
- Negotiation of lease expiries/renewals/rent reviews/lease extensions in order to enhance the rental income profile/income quality for particular properties; and
- At an asset-level, the Asset Manager, in conjunction with DDPI and the team responsible for the day-to-day property management, undertakes performance analysis of the various assets (e.g. timeliness of rent collection and rapid resolution of tenant issues).

5. USE OF PROCEEDS AND FINANCING

The Company intends to use the net proceeds of the Offer, together with debt facilities that the Group expects to negotiate after Admission of the Placing Shares, to make additional acquisitions over approximately the next 12 months and the Asset Manager has identified a pipeline of transactions which is in excess of €1.2 billion.

6. TAX EFFICIENCY

The Company believes that the Group's structure offers investors an opportunity to invest indirectly in the German real estate market in a tax efficient manner, as taxable earnings are reduced by interest deductions provided from gearing and tax depreciation. The Company anticipates that the Group's cash tax rate will be approximately 10%. This excludes any deferred tax on capital gains that may in the case of certain

property disposals become payable. However, the Group's structure is designed to provide the potential for tax efficient disposals. Property acquisitions may be subject to RETT, payable at 3.5%.

7. DIVIDENDS AND DIVIDEND POLICY

The Directors expect the Company to pay dividends twice yearly on an interim and final basis. The Company's target dividend payout ratio has been raised from 85% to 90% of the Distributable Profit Pool. There can be no guarantee as to the amount of any dividend payable by the Company. For the half year interim period to 30 June 2006, a dividend of 2.0c per share was declared on 20 September 2006 and was paid on 24 October 2006.

To the extent that opportunities exist that fit the Group's investment criteria, the Group may reinvest disposal proceeds.

It is intended that following the Company's next AGM, an application will be made to the Isle of Man court to cancel 20% of the share premium account arising on the issue of the Placing Shares so as to increase the current distributable reserve, subject to shareholder approval and Isle of Man court confirmation. This increased reserve will be available for distribution to Shareholders, should the Directors consider this to be appropriate.

8. RISK FACTORS

Potential Investors should consider carefully the risk factors set out in Part I of this document, together with all the other information set out in this document and their own circumstances, before deciding to invest in the Company.

9. DESCRIPTION OF THE OFFER

Under the Offer, the Company will issue approximately 241 million new Ordinary Shares, raising proceeds of approximately €260 million, net of underwriting commissions and other estimated fees and expenses assuming the Resolution is passed. Irrespective of whether that the Resolution is passed, the Company will issue approximately 187 million new Ordinary Shares, raising proceeds of approximately €202 million, net of underwriting commissions and other estimated fees and expenses. The Initial Placing Shares will represent approximately 29.6% of issued ordinary share capital of the Company immediately following Admission of the Initial Placing Shares and the Additional Placing Shares will represent approximately 7.9% of issued ordinary shares capital of the Company immediately following Admission of the Additional Placing Shares. An additional 10% of the Initial Placing Shares will be subject to the Over-allotment Option which may be exercisable in whole or in part, upon notice by Citigroup, as stabilising manager, at any time on or before the 30th calendar day after the date of allotment of the Initial Placing Shares and an additional 15% of the Additional Placing Shares will be subject to the Over-allotment Option which may be exercisable in whole or in part, upon notice by Citigroup, as stabilising manager, at any time after the passing of the Resolution and on or before the 30th calendar day after the date of allotment of the Initial Placing Shares. The Over-allotment Option is described in paragraph 5 of Part V of this document.

Under the Offer, Placing Shares will be offered to certain institutional investors in the UK and elsewhere, including to QIBs in the United States in transactions meeting the requirements of Rule 144A, or another exemption from, or transactions not subject to, the registration requirements of the Securities Act.

PART I
RISK FACTORS

An investment in the Company continues to be subject to a number of risks, and shareholders and prospective investors should consider these carefully when evaluating an existing or potential investment in the Company.

The paragraphs below set out what the Company believes to be some of the principal risks involved in an investment in the Company but are not the only risks relating to the Company or an investment in the Company and are not intended to be presented in any order of priority. There may be additional risks that the Company does not currently consider to be material or of which it is not aware which may also have an adverse effect upon the Company.

Risks Relating to Investing in Real Estate

Property valuation is inherently subjective and uncertain

The valuation of property and property-related assets is inherently subjective. As a result, valuations are subject to uncertainty. Moreover, all property valuations, including the DTZ valuation report in Part XI of this document, are made on the basis of assumptions which may not prove to reflect the true position. There is no assurance that the valuations of the properties and property-related assets will reflect actual sale prices even where any such sales occur shortly after the relevant valuation date.

Real estate investments are relatively illiquid

Properties such as those in which the Group invests are relatively illiquid. Such illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions or the exercise by tenants of their contractual rights such as those which enable them to vacate properties occupied by them prior to, or at, the expiry of the originally agreed term. This could have an adverse effect on the Group's financial condition and results of operations, with a consequential adverse effect on the market value of the Ordinary Shares or on the Company's ability to make expected distributions to its shareholders.

The value of any property portfolio may fluctuate as a result of factors outside the owner's control

Property investments are subject to varying degrees of risks. Rents and values are affected (among other things) by changing demand for commercial real estate, changes in general economic conditions, changing supply with a particular area of competing space and attractiveness of real estate relative to other investment choices. The value of any property portfolio may also fluctuate as a result of other factors outside the owner's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation and planning), political conditions, the condition of financial markets, the financial condition of lessees, potentially adverse tax consequences, interest and inflation rate fluctuations and higher accounting and control expenses. The Group's operating performance would be likely to be adversely affected by a downturn in the property market in terms of capital and/or rental values.

The Group may incur environmental liabilities

The Group may be liable for the costs of removal, investigation or remediation of hazardous or toxic substances located on or in a property owned or leased by it. The costs of any required removal, investigation or remediation of such substances may be substantial. The presence of such substances, or the failure to remediate such substances properly, may also adversely affect the Group's ability to sell or lease the real estate or to borrow using the real estate as security. Laws and regulations, as these may be amended over time, may also impose liability for the release of certain materials into the air or water from a real estate investment, including asbestos, and such release can form the basis for liability to third persons for personal injury or other damages. Other laws and regulations can limit the development of, and impose liability for, the disturbance of wetlands or the habitats of threatened or endangered species.

Risks Relating to the Group's Business

The Company was recently formed and there can be no assurance that it will achieve its investment objective

The Company was incorporated on 20 October 2005 and has been operating for less than 12 months. Therefore, it is difficult to evaluate the Company's future prospects and an investment in the Placing Shares. There can be no guarantee that the Company's investment objectives will be achieved.

The results of the Company's operations will depend on many factors, including, but not limited to, the availability of opportunities for the acquisition of assets, the level and volatility of interest rates, readily accessible funding alternatives, conditions in the financial markets, general economic conditions and the performance of the Asset Manager.

Additionally, the past performance of the Dawnay, Day Group with respect to other companies and funds should not be construed as an indication of the performance or future performance of the Company. There can be no guarantee that the Company will have the same opportunities to invest in assets that generate similar returns to the other companies and funds. Further, differences between the structure, term and investment objectives and policies of the Company and the other companies and funds, including different performance-related fee arrangements, may affect their respective returns.

Certain acquisitions are referred to in this document as being notarised or as being in solicitors' hands. While the Company expects these acquisitions to be completed in the future there can be no guarantee that completion will occur.

The Group is subject to location risk in its investment portfolio

The Group's investment portfolio consists only of real estate assets in Germany, the majority of which are in the commercial real estate sector. Accordingly, the Company's performance may be significantly affected by events beyond its control affecting Germany, such as a general downturn in the German economy, changes in German regulatory requirements and applicable laws (including in relation to taxation and planning), the condition of the German financial markets and German interest and inflation rate fluctuations. Such events could reduce the amount of payments the Group receives on its properties and/or on the capital value of the Group's properties and, consequently, could have an adverse impact on the Company's ability to pay dividends and on the Company's share price.

The Group's ability to generate its desired returns will depend on its ability to identify and acquire suitable properties and to overcome potentially significant competition in doing so

The Group's ability to implement its strategy and achieve its desired returns may be limited by its ability to identify and acquire suitable properties at satisfactory yields. In addition, the Group may face significant competition in identifying and acquiring suitable properties from other investors, including competitors who may have greater resources. Competition in the property market may lead to prices for properties identified by the Group as suitable being driven up through competing bids by potential purchasers and the reduction in the positive yield spread available in the German retail property market.

Accordingly, the existence and extent of such competition may have a material adverse effect on the Group's ability to acquire properties at satisfactory prices and otherwise on satisfactory terms. Additionally, if increasing competition for properties from public or private buyers (including G-REITS when they are introduced, which is expected to be in 2007) causes the Group's volumes to slow or leads to a reduction in the number or quality of investment opportunities available to the Group or leads to a reduction in yield expectations, it is likely to have negative implications for the Company's earnings and dividend growth rates.

The success of the Group's investment strategy is dependent on the German retail sector

The Group invests predominantly in German retail real estate. Accordingly, the success of the Group's investment strategy will be closely linked with the performance of the German retail sector, which is widely considered to be underperforming. While the current underperformance of the German retail sector may allow the Group to acquire assets at attractive prices, continued or worsening underperformance, which may result from the impact of the 3% increase in VAT commencing on 1 January 2007, may negatively impact the performance of the Group.

The performance of many of the Company's investments may depend to a significant extent upon the performance of the property management service providers

The Group does not manage or control the portfolios of assets itself and relies on property management service providers (currently the Asset Manager and other third party service providers, to the extent permitted by the Portfolio Management Agreement) to perform the day-to-day management of its property portfolio. Relationships with the Group's tenants may be significantly influenced by the performance of these property managers. The Company's return on its investments may depend on the quality of service and performance of such service providers. In addition, concentration of a significant number of the Company's investments with one service provider could affect the Group adversely in the event that the service provider fails to fulfil its function effectively or at all.

The Group's financial results may be affected by the extent to which it is able to integrate further portfolio acquisitions into its existing portfolio successfully

Part of the Group's strategy is the acquisition by the Group of further property portfolios. The extent to which it is able successfully to integrate such portfolios within its business and thereby achieve resulting economies of scale may have an impact on its future financial performance.

The Company's financial information is unaudited and may therefore change

The unaudited financial information provided in Part VII of this document has not been audited or reviewed by the Company's auditors. Financial information which is audited or reviewed is subject to certain tests and procedures by auditors, including with respect to the Company's internal controls and procedures, which have not taken place in relation to the Group. Therefore, such information may change, including negatively, when it is audited in relation to the Company's annual report. Potential Investors should note in making their investment decision that the financial information in Part VII of this document has not been audited and may be subject to change as a result of the audit process.

The Group may take on mismatched lease liabilities and obligations

The Group may in future acquire lease liabilities and obligations in connection with portfolio acquisitions. The Group's earnings may be adversely affected to the extent that the Group is not able to manage mismatches between its liabilities and obligations and the corresponding liabilities and obligations of the Group's tenants.

The Group's ability to generate its desired returns will also depend on its ability to lease its properties to appropriate tenants on appropriate terms and to dispose of properties on appropriate terms

The Group's ability to implement its strategy and achieve its desired returns may be limited by its ability to lease its properties to, and manage them for (together with providing related services to) appropriate tenants on satisfactory terms, and to dispose of them on appropriate terms. Revenue earned from, and the value of, properties held by the Group may be adversely affected by a number of factors, including:

- (a) vacancies that lead to reduced occupancy rates which would reduce the Group's revenue and its ability to recover certain operating costs such as local taxes and service charges and would result in it incurring additional expenses until the property is re-let, including legal and surveying fees and marketing costs;
- (b) the Group's ability to obtain adequate management, maintenance or insurance services on commercial terms or at all;
- (c) the Group's ability to collect rent and service charge payments from tenants and other contractual payments under real estate outsourcing contracts, on a timely basis or at all;
- (d) tenants seeking the protection of bankruptcy laws which could result in delays in receipt of rental and other contractual payments, inability to collect such payments at all or the termination of a tenant's lease, all of which could hinder or delay the sale of a property;
- (e) the amount of rent and the terms on which lease renewals and new leases are agreed being less favourable than current leases;
- (f) the amount of rents may not be agreed at ERVs;

- (g) a competitive rental market which may affect rental levels or occupancy levels at the Group's properties; and
- (h) changes in laws and governmental regulations in relation to real estate, including those governing permitted and planning usage, taxes and government charges. Such changes may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to particular properties may also be restricted by legislative actions, such as revisions to existing laws or the enactment of new laws.

The Group may be subject to increases in operating and other expenses

The Group's operating and other expenses could increase without a corresponding increase in turnover or tenant reimbursements of operating and other costs. Factors which could increase operating and other expenses include:

- (a) increases in the rate of inflation and currency fluctuation;
- (b) increases in payroll expenses and energy costs;
- (c) increases in property taxes and other statutory charges;
- (d) changes in laws, regulations or government policies (including those relating to health and environmental compliance safety) which increase the costs of compliance with such laws, regulations or policies;
- (e) increases in insurance premiums;
- (f) unforeseen increases in the costs of maintaining properties;
- (g) unforeseen capital expenditure may arise as a result of defects affecting the properties which need to be rectified, failure to perform by sub-contractors or increases in operating costs; and
- (h) any increase in tax due to a change in legislation.

Such increases could have a material adverse effect on the Company's financial position and its ability to make distributions to its Shareholders.

The Group may suffer material losses in excess of insurance proceeds or from uninsurable events

The Group's properties could suffer physical damage caused by fire or other causes, resulting in losses (including loss of rent) which may not be fully compensated by insurance. In addition, there are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war, that may be uninsurable or are not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations, and other factors, including terrorism or acts of war, also might result in insurance proceeds being insufficient to repair or replace a property if it is damaged or destroyed. Under such circumstances, the insurance proceeds may be inadequate to restore the Group's economic position with respect to the affected real estate. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose capital invested in the affected property as well as anticipated future revenue from that property. In addition, the Group could be liable to repair damage caused by uninsured risks. The Group would also remain liable for any debt or other financial obligation related to that property. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future.

Tenant concentration risk may adversely affect the Group

Ten tenants account for approximately 30.8% of the total net rental income of the Total Portfolio (assuming that it is acquired in full). In particular C&A, the retailer, accounts for approximately 8% of the total net rental income of the Total Portfolio (assuming that it is acquired in full), a relatively large exposure to a single tenant. Should C&A or any of the other nine largest tenants encounter financial difficulties in Germany or elsewhere (either due to the general economy or to company specific issues) or otherwise decide to scale back their operations, the Group could lose, or face a reduction in, a significant amount of rental income, which could have a material adverse effect on the Group's financial position. The Group could also obtain significant exposures to other tenants as the result of future acquisitions.

The Group may be subject to liability following the disposal of investments

The Group may dispose of investments in certain circumstances and may be required to give representations and warranties about those investments and to pay damages to the extent that any such representations or warranties turn out to be inaccurate. The Group may become involved in disputes or litigation concerning such representations and warranties and may be required to make payments to third parties as a result of such disputes or litigation. If the Group does not have cash available to conduct such litigation or make such payments it may be required to borrow funds. Any such payments and borrowings to finance those payments could have an adverse impact on the Group's ability to pay dividends. In addition, if the Group is unable to borrow funds to make such payments, it may be forced to sell investments to obtain funds. There can be no assurance that any such sales could be effected on satisfactory terms.

Changes in tax laws or their interpretation could affect the intended tax treatment for investments using special purpose vehicles

The Company holds a substantial amount of its investments through SPVs. Tax laws may change or be subject to differing interpretations, possibly with retroactive effect, so that the tax consequences of a particular investment or SPV structure may change after the investment has been made or the SPV has been established with the result that investments held by SPVs may be required to withhold tax or the SPVs themselves may become liable to tax, in each case resulting in the Company's returns being reduced. The Company and the SPVs will be subject to such risk both in the jurisdiction of their respective incorporation and in each jurisdiction of their respective operations. There is a German proposal, which has not yet been enacted, to impose withholding tax on dividends paid from Germany to Luxembourg which could affect the tax efficiency of the Group's tax structuring. In addition, the German coalition parties have recently agreed on a cornerstone paper which would reduce the effective income tax rate of German companies but also limit the tax deduction of expense items such as interest and rent payments. This cornerstone paper, if enacted, may adversely affect the Company's tax position and financial condition.

Risks Relating to the Dawnay, Day Group and DDTREAM

The Group's performance is dependent on the Asset Manager

The Group currently has no employees and is reliant on the Asset Manager, which has significant discretion as to the implementation of the Group's investment objectives and policies. In particular, the Group's performance will be dependent on the success of the Asset Manager's investment process.

The Asset Manager has the right to resign its appointment and terminate the Portfolio Management Agreement in accordance with the notice provisions contained therein. If the Asset Manager resigns its appointment, the Group is subject to the risk that no suitable replacement will be found. In addition, the Company believes that the Group's success depends to a significant extent upon the experience of the members of the Asset Manager's team. The continued service of these individuals is not guaranteed. The departure of one or several members of the Asset Manager's team may have an adverse effect on the performance of the Group.

Additionally, the fact that the Asset Manager's team and its officers and employees may engage in other business activities for the Dawnay, Day Group may reduce the time that the Asset Manager's team spends managing the Group's investments. The Asset Manager's team's decision to spend time on other activities besides the management of the Group's investments could be influenced by a variety of factors, including the compensation structures of other members of the Dawnay, Day Group as compared to that of the Group and the performance of the various vehicles.

There may be differences between the current management style of the Dawnay, Day Group and the management style required by the public status of the Company

The Dawnay, Day Group (including DDTREAM) has achieved success on the basis of the close involvement of its principals and on informal communication to reach prompt investment decisions and the Dawnay, Day Group's managerial and financial processes reflect this approach. As a public company admitted to trading on AIM, the Company's governance procedures are more substantial than those which currently exist in the Dawnay, Day Group. Such differences of style and speed of execution may influence and impact on the ability of the Asset Manager to attract and execute transactions for the Group.

The Asset Manager's personnel's other client relationships may give rise to conflicts of interest

The Asset Manager's personnel may manage investment vehicles of other clients, which may lead to conflicts of interest. For example, the Asset Manager's personnel may from time to time allocate more of their attention to other investment vehicles than to the Group, possibly to the detriment of the Group. In addition, certain investments appropriate for the Company may also be appropriate for one or more other investment vehicles managed by the Asset Manager and the Asset Manager may (in the limited circumstances in which it is permitted to do so under the terms of the Portfolio Management Agreement) decide to allocate a particular investment to another investment vehicle rather than to the Company.

The Asset Manager's compensation structure may encourage the Asset Manager to invest in high risk investments

In addition to the management fee payable to DDTREAM under the Portfolio Management Agreement, the Dawnay, Day Group is entitled to receive the Carried Interest as summarised in paragraph 8 of Part X of this document. In evaluating investments and other management strategies, the opportunity to earn Carried Interest based in part on disposal proceeds may lead the Asset Manager to place undue emphasis on recommending potential disposals in order to achieve its Carried Interest.

The Asset Manager's investment strategies may not achieve the Group's investment objective policy

No assurance can be given that the strategies used, or to be used, by the Asset Manager to achieve the Group's investment objective policy will be successful under all or any market conditions. The strategies employed by the Asset Manager may be modified and altered from time to time, so it is possible that the strategies used by the Asset Manager to achieve the Group's investment objective policy in the future may be different from those presently expected to be used.

The Portfolio Management Agreement is subject to a fixed initial term and a long notice period

The Asset Manager's appointment pursuant to the Portfolio Management Agreement is intended to be long term and has an initial fixed term of eight years, continuing thereafter for fixed periods of three years unless terminated by the Group or the Asset Manager. No member of the Group will of its own initiative be able to terminate the Portfolio Management Agreement before the end of that initial term, as it may be extended, unless it is entitled to terminate immediately on the grounds of the insolvency of, or unremedied material breach by, the Asset Manager or unless in the initial three year period, the Group does not achieve a hurdle rate of return (calculated after deducting any sum otherwise payable by way of Carried Interest) of 8% per annum on equity capital, as described in more detail in paragraph 8.2 of Part III of this document.

Uninvested cash may reduce the Company's returns

The Company holds cash on deposit pending its investment in properties. Such cash earns a lower return than it will once invested. Therefore, if the Company does not invest the cash deposits within the timescale envisaged, the Company's returns may be lower than expected.

Risks Relating to the Group's Borrowings

The Group will borrow to fund its growth and has a relatively high level of gearing

The Group borrows to fund the acquisition of investments, generally through the use of bank credit facilities, and utilises leverage in order to enhance returns to Shareholders. It has a relatively high level of gearing in the region of 80% LTV. This may increase in the future. Under the Articles, the Group's borrowings shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed 20 times the aggregate of (1) the amount paid up on the issued share capital for the time being of the Company; and (2) the total of capital and revenue reserves (including any share premium account, capital redemption reserve, all as shown in the latest balance sheet of the Company). The extent of the borrowings and the terms thereof will depend on the Group's ability to obtain credit facilities and the lenders' estimate of the stability of the portfolio's cash flow. Any delay in obtaining or failure to obtain suitable or adequate financing from time to time may impair the Group's ability to invest in suitable properties and achieve its intended portfolio size within the projected timeframe or at all, which may impact negatively on the Company's investment performance and the return on the Ordinary Shares. In addition, funds are only available under the Third Investment Facility (as defined in paragraph 8.5 of Part X of this document) subject to satisfaction of a variety of conditions precedent, and there can be no guarantee that these conditions will be satisfied.

The Group is subject to interest rate risk

To the extent that the Group incurs floating rate indebtedness, changes in interest rates may increase its cost of borrowing, impacting on its profitability, reducing the positive yield spread that currently exists in the German retail property market and having an adverse effect on the Company's ability to pay dividends to Shareholders.

While the Group may enter into hedging transactions for the purposes of efficient portfolio management to protect its portfolio from interest rate fluctuations, the Group may bear a level of interest rate risk that could otherwise be hedged when the Asset Manager believes, based on all relevant facts, that bearing such risks is advisable. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political conditions, and other factors beyond the Group's control. Interest rate increases could result in the Group's interest expense exceeding the income from its property portfolio, which may result in operating losses for the Group. In the extreme, a high level of gearing may lead to a complete loss of the value of Shareholders' investment in the Company.

Borrowings could adversely affect the Group's net asset value

The Group's borrowings are generally secured against some or all of the Group's assets. Whilst the use of borrowings should enhance the net asset value of the Ordinary Shares where the value of the Group's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling.

Borrowings could adversely affect the level of the Company's dividends

The Company's cash available for distribution to holders of the Ordinary Shares may be reduced to the extent that changes in market conditions, increases in interest rates and/or levels of amortisation imposed by its lenders cause the Group's cost of borrowing to increase relative to the income that can be derived from its portfolio of properties.

The structure and specific provisions of any financing arrangements could give rise to additional risk

The use of borrowings also presents the risk that the Group may be unable to service interest payments and principal repayments or comply with other requirements of its loans, rendering borrowings immediately repayable in whole or in part, together with any attendant cost, and the Group might be forced to sell some of its assets to meet such obligations, with the risk that borrowings will not be able to be refinanced or that the terms of such refinancing may be less favourable than the existing terms of borrowing. For example, a decline in the property market or tenant default may result in a breach of the loan to value and/or the debt service cover ratios specified in the Group's banking arrangements, thereby causing an event of default with the result that the lenders could enforce their security and take possession of the underlying properties. Any cross-default provisions could magnify the effect of an individual default and if such a provision were exercised, this could result in a substantial loss for the Group. Adverse changes to the market values of the property portfolios of the Group could cause the amount of refinancing proceeds to be insufficient to fully repay its existing debt upon maturity and the Group may be unable to fund payment of such shortfall.

The Company will be required to re-finance its borrowings from time to time. A number of factors (including changes in interest rates, conditions in the banking market and general economic conditions which are beyond the Company's control) may make it difficult for the Company to obtain such new finance on attractive terms or even at all. If the Company's borrowings become more expensive, relative to the income it receives from its investments, then the Company's profits will be adversely affected. Adverse changes to the market values of the property portfolios of the Group could also cause the amount of refinancing proceeds to be insufficient to fully repay its existing debt upon maturity and the Group may be unable to fund payment of such shortfall. If the Company is not able to obtain new finance at all then it may suffer a substantial loss as a result of having to dispose of the investments which cannot be re-financed.

Termination of the Portfolio Management Agreement may have adverse consequences under the Group's borrowing arrangements

Some of the Group's borrowing facilities from time to time may contain covenants that allow for termination of the relevant facility should the Asset Manager cease to be the asset manager of the Group. In that case, the Group's ability to remove the Asset Manager may effectively be impeded if to do so would cause the Group to lose all or some of its debt financing.

The Company may be unable to meet its dividend payment objectives

All dividends or other distributions will be made at the discretion of the Directors. The payment of any dividend and the achievement of any future dividend increases will depend upon a number of factors, including the Group's operating results and financial conditions, the successful management of the Group's existing properties, the yields on properties, interest costs, performance on contracts and profits on sale of properties, legal and regulatory restrictions and such other factors as the Directors may deem relevant from time to time. If the Isle of Man court does not sanction the Company's proposal to cancel 20% of its share premium account, as is the intention promptly after the Company's next AGM, this may result in a delay or other impediment to the Company's ability to pay dividends. In addition, the payment of dividends may also be blocked by the Group's lenders, unless certain financial ratios are met. The Company's ability to pay dividends may be restricted as a matter of applicable law or regulation, including to the extent that proposed dividends are not covered by income in the relevant period from underlying investments. There is no guarantee that any expected dividends will be paid or dividend growth will be achieved.

The Group may require further capital funding in the future that may dilute the Company's shareholders' equity and negatively impact the Group's operating activities

The Group's capital requirements depend on a number of factors. If its capital requirements vary materially from its current plans, the Group may require further financing. There are no provisions of Isle of Man law which confer pre-emption rights upon existing shareholders and any additional equity financing may be dilutive to its shareholders. Further, any debt financing, if available, may involve additional restrictions on financing and operating activities and distributions to shareholders. In addition, there can be no assurance that the Group will be able to raise additional funds when needed or that such funds will be available on terms favourable to the Group. If the Group is unable to obtain additional financing as needed, the Group may be required to alter its strategic plans and reduce the scope of any expansion.

Risks Relating to the Placing Shares

Investment in securities traded on AIM

Investment in shares traded on AIM is perceived to involve a higher degree of risk and can be less liquid than investment in companies whose shares are listed on the Official List. AIM has been in existence since June 1995 but its future success and liquidity in the market for the Company's securities cannot be guaranteed. Investors may therefore realise less than, or lose all of, their investments.

The market price of the Placing Shares may fluctuate widely in response to different factors

The market price of the Placing Shares may not wholly or mainly reflect the value of the underlying investments of the Company, but may also be subject to wide fluctuations in response to many factors (some of which are beyond the Company's control), including variations in the operating results of the Group, divergence in financial results from stock market expectations, changes in earnings estimates by analysts, a perception that other market sectors may have higher growth prospects, general economic conditions, legislative changes in the Company's sector and other events and factors outside the Company's control. The market value of a Placing Share may vary considerably from its underlying net asset value.

In addition, stock markets have from time to time experienced extreme price and volume volatility which, in addition to general economic and political conditions, could adversely affect the market price for the Placing Shares. To optimise returns, Investors may need to hold the Placing Shares on a long-term basis and they may not be suitable for short-term investment. The value of Placing Shares may go down as well as up and the market price of the Placing Shares may not reflect the underlying value of the Group's investments.

There are restrictions on the payment of dividends by the Company

Shareholders should note that payment of any dividends by the Company will be at the discretion of the Board after taking into account many factors, including the Company's and the Group's ability to buy and sell properties, operating results, financial condition and current and anticipated cash needs.

The Placing Shares are subject to restrictions on transfers

The Placing Shares have not been registered in the United States under the Securities Act or under other applicable securities law and are subject to restrictions on transfer contained in such law. They may not be resold in the United States, except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities law.

Under the Australian Corporations Act, when securities are issued by a company without an Australian disclosure document (as is the case with the Placing Shares), the resale of such securities within 12 months will require the preparation of a disclosure document (such as a prospectus) unless:

- the shares were not issued with the purpose of resale; or
- the resale itself falls within one of the specific exemptions regarding the need for disclosure (such as “sophisticated” or “professional” investors in Australia).

Investors must provide a bona fide warranty that they have no intention at the time of purchase from the Company to dispose of the Placing Shares in Australia for at least 12 months.

Prospective Investors should refer to paragraph 11 of Part X of this document entitled “Securities Laws”.

The Company does not intend to create a public market in the United States for resales of the Placing Shares

The Placing Shares constitute “restricted securities”, as defined in Rule 144 under the Securities Act, and, accordingly, are not freely tradable in the United States. The Company does not intend to list the Placing Shares on an established securities exchange or otherwise create a public market in the United States for resales of the Placing Shares. Prospective Investors should refer to paragraph 11 of Part X of this document entitled “Securities Laws”.

The issue of the Additional Placing Shares is subject to the approval of Shareholders

The issue of the Additional Placing Shares, comprising 22.5% of the Placing Shares, is subject to the Shareholders passing an ordinary resolution at the Extraordinary General Meeting scheduled for Wednesday 29 November 2006 to increase the Company’s authorised share capital and to authorise the directors to issue shares up to the increased level of authorised share capital. In the event that this ordinary resolution is not passed by the Shareholders for whatever reason, the Offer in respect of Additional Placing Shares will lapse. The Initial Placing Shares will, however, remain unaffected.

The Company may issue new Ordinary Shares in consideration for future acquisitions

The Company may issue new Ordinary Shares as consideration, or part consideration, to fund future acquisitions. There can be no guarantee that the acquisition agreements entered into in respect of such acquisitions will not value the new Ordinary Shares to be issued at less than their then prevailing market value.

Risks Relating to the Group’s Structure

Changes in tax laws or their interpretation could affect the Company’s financial condition or prospects and the level of dividends that the Company is able to pay

Relief from taxation available to the Company may not be in accordance with the assumptions made by the Company and/or may change. Changes to the tax laws or practice in the Isle of Man, Germany, Luxembourg and/or the Netherlands or any other tax jurisdiction affecting the Company could be relevant in addition to changes in the United Kingdom. Such changes could affect the value of the investments held by the Company or affect the Company’s ability to achieve its investment objective or alter the post-tax returns to Shareholders, for example, if the laws were to change in Germany such that interest payments on borrowings cease to be deductible from taxable profits. The level of dividends the Company is able to pay may also be adversely affected. Any taxation relief referred to in this document as being available or potentially available to Shareholders is that currently available, or potentially available, and its value depends on the individual circumstances of Shareholders.

Changes to the tax residency of the Company and other members of the Group or changes to the treatment of intra-group arrangements could adversely affect the Company's financial and operating results

In order to maintain its non-UK tax resident status, the Company is required to be controlled and managed outside the United Kingdom. The composition of the Company's board of directors, the place of residence of the board's individual members and the location(s) in which the board makes decisions will be important in determining and maintaining the non-UK tax residence status of the Company. While the Company is organised in the Isle of Man and a majority of the Directors live outside the United Kingdom, continued attention must be addressed to ensure that major decisions are not made in the United Kingdom or the Company may lose its non-UK tax resident status. As such, management errors could potentially lead to the Company being considered a UK tax resident, which would negatively affect its financial and operating results.

In addition, if the Company were treated as having a permanent establishment, or as otherwise being engaged in a trade or business, in any country in which it invests or in which its investments are managed, income attributable to or effectively connected with such permanent establishment or trade or business may be subject to tax.

There is a risk that amounts paid or received under intra group arrangements in the past and/or the future could be deemed for tax purposes to be lower or higher, as the case may be, which may increase the Group's taxable income or decrease the amount of losses available to the Group with a consequential negative effect on its financial and operating results.

The holding company structure for the Group's real estate interests means that the tax basis cost of certain of the Group's properties will be lower than their acquisition cost, which may have an adverse effect on the value realised upon disposal of those properties

Most of the Group's real estate is held through property holding companies acquired from the sellers of the properties. If the Group were to dispose of the direct real estate interests held by those companies, rather than the companies themselves, the tax basis cost for calculation of the capital gains generated on disposal of the real estate may well be lower than the price paid by the Group for the property holding company, therefore increasing the capital gains tax liability for the Group on the disposal. There may be situations where, in order to dispose of a property, the Group is required to sell the underlying real estate rather than the holding company, thereby increasing its capital gains tax exposure.

The Company believes that it is and will continue to be a passive foreign investment company

The Company believes that it is, and that it will continue to be treated as, a passive foreign investment company (a "PFIC") for US federal income tax purposes. If a United States Person (as defined in the US Taxation section in paragraph 10.4 of Part X of this document) holding Ordinary Shares is treated as owning stock of a PFIC, any gain recognised by such person upon a sale or other disposition of Ordinary Shares generally will be ordinary (rather than capital), and any resulting United States federal income tax may be increased by an interest charge. Rules similar to those applicable to dispositions generally will apply to certain excess distributions in respect of an Ordinary Share. A United States Person generally may take steps to avoid certain of these unfavourable United States federal income tax consequences. In addition, distributions will not be qualified dividend income and therefore will not be eligible for favourable long-term capital gains rates when received by beneficial owners who are non-corporate United States persons. Prospective investors should refer to "US Taxation" in paragraph 10.4 of Part X of this document and should consult with their legal advisers before investing in Ordinary Shares.

The assets of the Company could be deemed "Plan assets" that are subject to the requirements of ERISA or Section 4975 of the Code

Unless an exception applies, if 25% or more of the Ordinary Shares (calculated in accordance with ERISA) or any other class or equity interest in the Company are owned, directly or indirectly, by pension plans or other "benefit plan investors" (within the meaning of ERISA), and any of such benefit plan investors are subject to ERISA or Section 4975 of the Code, assets of the Company could be deemed to be "Plan assets" subject to the constraints of ERISA. Accordingly, no benefit plan investor that is subject to Title I of ERISA or Section 4975 of the Code will be permitted to acquire the Ordinary Shares. Prospective investors should refer to "ERISA considerations" in paragraph 11.2 in Part X of this document and should consult with their legal advisers before investing in Placing Shares.

PART II
INFORMATION ON THE GROUP

1. BUSINESS DESCRIPTION

The Company is an Isle of Man incorporated property investment company which invests in German commercial real estate, with a primary focus on retail assets. The Company was formed with the intention to provide institutional investors with access to this asset class by way of a publicly listed vehicle. The Asset Manager provides real estate asset management and portfolio management services to the Company and the Group. The Company has an experienced board of five non-executive directors, which is chaired by Ian Henderson, four of whom are independent of the Dawnay, Day Group.

The Group, of which the Company is the parent, invests primarily in German commercial retail properties that provide sustainable occupancy rates and income flows, and opportunities for enhancement through expansion, re-positioning and improved marketing and management. No single asset will account for more than 10% of the Group's property portfolio and the Group does not intend to acquire properties for speculative development.

The Company was admitted to AIM in December 2005 when it raised gross proceeds of €444 million. This included a €35.5 million subscription by Dawnay, Day Deutschland Limited and Kynnersley Asset Management Limited as part consideration for the acquisition of an initial portfolio of properties. In addition to the €616 million secured bank facilities entered into at the time of the Company's admission to AIM, the Group entered into a €232.87 million secured bank facility on 19 May 2006 and a €538.04 million secured bank facility on 29 June 2006, bringing the Group's total borrowings to €1,140 million as at 31 October 2006, all of which are secured on the Group's properties.

As at 30 June 2006, the Group's LTV was 77.6% which is in line with the target LTV for the Group of 80%.

Following the Company's admission to AIM, the Group purchased an initial portfolio of properties assembled by affiliates of the Asset Manager valued by DTZ (as at 9 December 2005) at €640 million (the "**Initial Portfolio**"). The Group completed the acquisition of the Initial Portfolio on 21 January 2006 and has completed a further €460 million (€490 million including acquisition costs) of acquisitions during the period up to 30 June 2006. As at 30 June 2006, the Group's property portfolio was valued by DTZ at €1,162 million. Since 30 June 2006, the Group has completed the purchase of a further €288 million of properties, bringing the total portfolio to €1,451 million as at 31 October 2006 (the "**Current Portfolio**"). The Current Portfolio now consists of 269 properties which generate an aggregate annual net rental income of approximately €93 million. In addition to the Current Portfolio, as at 31 October 2006 the Group has notarised €278 million of acquisitions which are awaiting completion (i.e. acquisitions subject to legally binding purchase agreements that have not completed) and has a further €228 million of potential acquisitions in solicitors' hands (i.e. acquisitions agreed in principle but not yet subject to legally binding purchase agreements) which would mean, if all these acquisitions complete, that the Current Portfolio will increase to €1,957 million in value and would consist of 357 properties and lettable space of approximately 1.4 million m⁽²⁾ (the "**Total Portfolio**").

Using the proceeds of the Offer, the Group expects to make additional acquisitions over approximately the next 12 months and the Asset Manager has identified a pipeline of transactions which is in excess of €1.2 billion. The pipeline of transactions consists of eight portfolios comprised, in aggregate, of 234 properties with an estimated purchase price of €1,231 million. The Group intends to seek additional loan facilities to finance these acquisitions and is currently in the process of negotiating a new €500 million facility agreement.

2. THE GERMAN MARKET OPPORTUNITY

The Group invests in the German real estate market, primarily focusing on commercial retail assets.

2.1 Economic Conditions in Germany

Germany is the world's third largest economy as measured by GDP. However, the German economy has experienced a period of limited GDP growth following reunification. This has improved in recent years and it is forecasted that GDP growth in 2006 will reach 2.3%, the second highest level in 10 years. It is forecasted to drop to 1.4% in 2007 due to uncertainty around the impact of the 3% increase in VAT commencing on 1 January 2007. German consumer saving has been steadily rising since mid 2001 and the

German unemployment rate has been falling since early 2005. The Directors believe that increased consumer confidence coupled with falling unemployment could lead to the release of the monies so saved and higher German consumer spending in the near future.

Source: Deutsche Bank, Federal Ministry of Economics.

2.2 German retail real estate market

The German retail property market is the second largest in Europe in terms of physical area, second only to France. It is estimated that the total retail space is around 118 million square metres valued at a total of €160 to €200 billion. In common with other countries, the retail property asset stock consists of high street, shopping centre and retail park/warehouse assets although high street property constitutes around 90%. In terms of shopping centres, no new out of town centres have been constructed on greenfield sites since 2003.

In the first half of 2006, €9.9 billion of retail investment transactions were carried out and this already surpassed the 2005 total of €6.5 billion. The total value for 2006 is expected to be up to €20 billion.

The German retail property market is highly fragmented and this provides an opportunity for the Group to consolidate and use the benefit of economies of scale. Within the German retail property market, the lease structure in Germany is relatively standardised. A typical lease has a 10 year term, with options to renew every five years. Break options are unusual and there is usually no security of tenure unless an option to renew has been agreed. Service charges are commonly borne by the tenants while structural repairs are borne by the landlord. Leases of 10 years or more include an indexation clause by which automatic adjustments to rents are made. The index is typically the consumer price index on a specified date or when the cost of living index exceeds an agreed hurdle rate.

Source: EHI, Atisreal, Jones Lang Lasalle, DTZ, Bulwien AG.

2.3 Positive yield spread

The Asset Manager expects that short term returns from income will arise from the positive yield spread that currently exists in the German marketplace between the rental yields that property provides and the cost of finance that can typically be obtained on such assets. The Asset Manager believes that investment yields may tighten in the future, which may reduce this positive yield spread but also generate enhanced capital returns on the Group's assets.

2.4 Acquisition opportunities

According to DTZ, Germany's corporate owner-occupier ratio is above the European average with 55% of commercial property being held by companies rather than being held in the investment market. In contrast, the UK's owner-occupier ratio is 39% and Switzerland, which has the lowest owner-occupier ratio in Europe, stands at 25%. DTZ estimates that there is the potential in Germany for approximately €300 billion of non-core commercial investment properties to be transferred into investors' hands.

Recent buoyancy in the German real estate investment market has led, so the Asset Manager believes, to an increased supply of investment opportunities, which over time may present the Company with an opportunity to establish a substantial portfolio by acquiring retail assets from corporations, closed-ended funds, other open-ended funds and other types of entities capable of holding real estate assets.

Further, the Asset Manager believes that there continues to be a window of opportunity for real estate investors who believe in the long term prospects of the German economy.

In contrast to several other European real estate markets, such as the UK and France, the German real estate market is fragmented and localised. The Company believes that there are further acquisition opportunities available to the Group if it capitalises on the Asset Manager's established local presence and contacts in the commercial real estate market.

2.5 Competition

The investment market is still dominated by foreign investors. The Asset Manager believes that short supply of retail stock has resulted in many of these investor groups acquiring schemes at an early stage through forward-funding and even taking the role of property developer themselves. The introduction of

G-REITS, which is expected in 2007, will have a competitive impact on the Group. However, the Company believes that their introduction will also bring increased liquidity to the German real estate market.

3. COMPETITIVE STRENGTHS

3.1 Local market knowledge

The Asset Manager and the Dawnay, Day Group have local and regional knowledge as a result of their activities in property markets throughout Germany over the last three years and the Asset Manager (through the Dawnay, Day Group's German-based property management company, DDPI) has a dedicated team of over 50 people working in Düsseldorf. The Company believes that this gives the Group a competitive edge.

3.2 Established relationships

The Dawnay, Day Group's established relationships in Germany, and its demonstrable track record of successful acquisitions, should facilitate the Asset Manager's identification of further acquisition opportunities and provide scope for active portfolio management.

3.3 Experience of the Dawnay, Day Group in property investment

The Dawnay, Day Group has over 20 years of property investment experience and currently has more than €3 billion of assets under management. Investment vehicles created for third party investors and managed by the Dawnay, Day Group (other than the Company) include The Puma Property (DD) Fund L.P., which was launched by the Dawnay, Day Group in 2002 and focuses on UK commercial property, and Dawnay, Day Carpathian PLC, which was floated on AIM in July 2005 with an initial market capitalisation of £140 million and which is focused on commercial real estate investments in Central and Eastern Europe.

Working with the Asset Manager, and in particular with the Dawnay, Day Group's German-based property management company, DDPI, to which the Asset Manager subcontracts certain of the management services to be provided by it to the Group, the Group has access to local market knowledge.

3.4 Alignment of interests of Shareholders and Asset Manager

Dawnay, Day Deutschland Limited and Kynnersley Asset Management Limited received as part consideration for the sale of part of the Initial Portfolio, Ordinary Shares having a value at €1.00 per share of approximately €35.5 million, representing an investment of approximately 8% of the issued share capital of the Company.

Members of the Dawnay, Day Group and Kynnersley Asset Management Limited also hold minority interests in certain of the Propcos. Where the Group decides to sell those Propcos, the Group has the right to commit the Dawnay, Day Group and Kynnersley Asset Management Limited to the sale of the minority interests.

Since the Company's admission to trading on AIM, various members of the Dawnay, Day Group have acquired CFDs over Ordinary Shares. As a result of these acquisitions, members of the Dawnay, Day Group now hold 33,897,000 Ordinary Shares representing 7.6% of the issued share capital of the Company and 17,714,038 CFDs over Ordinary Shares representing 4% of the issued share capital of the Company.

By virtue of these holdings and the Carried Interest, which the Dawnay, Day Group receives as described in paragraph 8.28 of Part X of this document, the Company believes that there is a strong alignment of economic interests between the Dawnay, Day Group and the Shareholders.

4. COMPANY STRATEGY

4.1 Generate increasing total returns for Shareholders

The Company's principal objective is to generate total returns for Shareholders through the payment of semi-annual dividends and net asset value growth, primarily through capital appreciation in the Group's portfolio. It seeks to achieve this by investing in a sufficiently large portfolio of commercial real estate assets in Germany, with a primary focus on retail assets, covering a large variety of tenants and a wide geographical area.

The Company's target payout ratio has been raised from 85% to 90% of the Distributable Profit Pool, to be distributed to Shareholders through semi-annual dividends. There can be no guarantee as to the amount of any dividends payable by the Company.

From time to time, the Directors, upon the realisation of assets, will give appropriate consideration to the return of capital to Shareholders. The Directors will also consult with Shareholders regarding proposals for an orderly realisation of the assets of the Group if at any time the Directors consider that such proposals would be in the best interests of Shareholders.

4.2 Grow real estate portfolio focusing on retail assets

As at 30 June 2006, the Group's property portfolio was valued by DTZ at €1,162 million. Since the half-year ended 30 June 2006, the Group has completed the purchase of a further €288 million of properties, bringing the total portfolio to €1,451 million as at 31 October 2006. The Current Portfolio now consists of 269 properties which generate an aggregate annual net rental income of approximately €93 million. In addition to the Current Portfolio, as at 31 October 2006 the Group has notarised €278 million of acquisitions which are awaiting completion and has a further €228 million of potential acquisitions in solicitors' hands (i.e. acquisitions subject to uncompleted purchase agreements) which will mean, if all these acquisitions complete, that the Current Portfolio will increase to €1,957 million in value and will consist of 357 properties and lettable space of approximately 1.4 million m².

The Company continues to believe that the German retail property market currently provides an attractive opportunity to acquire retail assets at yields that are higher than those found in certain other Western European countries. The Company intends to increase the Current Portfolio size from €1,451 million (as at 31 October 2006) up to around €3.8 billion over approximately the next 12 months. The expansion will be funded in part with the net proceeds from the Offer and will be augmented by funds that are expected to be available for draw down by the Group under further debt facilities that are to be negotiated. The Asset Manager is currently in various stages of negotiations with potential vendors to acquire over €1.7 billion of further assets in Germany, €506 million of which has been notarised awaiting completion or is in solicitors' hands.

The Company does not intend to acquire properties for speculative development, and no single asset greater than 10% of the Group's property portfolio value will be acquired.

4.3 Enhance rental and capital growth through active portfolio management

The Company intends that the property assets acquired by the Group should be actively managed pursuant to the Portfolio Management Agreement with the aim of enhancing rental and capital growth. The Group seeks to generate enhanced value through active portfolio management and leveraging existing tenant relationships when new contracts are negotiated.

The Asset Manager seeks to generate value through:

- Development of individual asset-level management strategies in order to identify value enhancement potential;
- Increasing occupancy levels of properties through its contact with potential tenants (e.g. larger retailers that may not have a presence in a particular location) and on-the-ground presence;
- Re-configuration of certain properties (e.g. relocating certain tenants in order to maximise footfall through shopping centres or enhancing tenant mix);
- Identification of redevelopment/refurbishment opportunities (e.g. re-zoning former industrial units to permit conversion to retail park space which has the potential to provide rental income and capital value increases);
- Negotiation of lease expiries/renewals/rent reviews/lease extensions in order to enhance the rental income profile/income quality for particular properties; and
- At an asset-level, the Asset Manager, in conjunction with DDPI and the team responsible for the day-to-day property management, undertakes performance analysis of the various assets (e.g. timeliness of rent collection and rapid resolution of tenant issues).

The Company believes that the Asset Manager's access to the Dawnay, Day Group's experience in actively managing retail assets enables the Asset Manager to increase returns by actively managing the Group's portfolio.

5. USE OF PROCEEDS AND FINANCING

The Company intends to use the net proceeds of the Offer, together with the amounts remaining to be drawn down under its existing debt facilities (approximately €207 million) and debt facilities that the Group expects to negotiate after Admission of the Placing Shares, to make additional property acquisitions over approximately the next 12 months.

Even after entering into subsequent debt facilities, the Group's total borrowings will be restricted so as not to exceed 20 times the aggregate of (a) the amount paid up on the issued share capital for the time being of the Company; and (b) the total of capital and revenue reserves (including any share premium account, capital redemption reserve, or as shown in the latest balance sheet of the Company).

As investment opportunities are identified in the future, the Directors believe that, through the existing banking relationships of the Dawnay, Day Group, the Group should be capable of obtaining the requisite debt finance to fund further investment opportunities.

6. TAX EFFICIENCY

The Company believes that the Group's structure offers investors an opportunity to invest indirectly in the German real estate market in a tax efficient manner, as taxable earnings are reduced by interest deductions provided from gearing and tax depreciation. The Company anticipates that the Group's cash tax rate will be approximately 10%. This excludes any deferred tax on capital gains that may in the case of certain property disposals become payable. However, the Group's structure is designed to provide the potential for tax efficient disposals. Property acquisitions may be subject to RETT, payable at 3.5%.

7. DIVIDENDS & DIVIDEND POLICY

The Directors expect the Company to pay dividends twice yearly on an interim and final basis. The Company's target dividend payout ratio has been raised from 85% to 90% of the Distributable Profit Pool. There can be no guarantee as to the amount of any dividend payable by the Company. For the half year interim period to 30 June 2006, a dividend of 2.0c per share was declared on 20 September 2006 which was paid on 24 October 2006.

To the extent that opportunities exist that fit the Group's investment criteria, the Group may reinvest disposal proceeds.

It is intended that following the Company's next AGM, an application will be made to the Isle of Man court to cancel 20% of the share premium account arising on the issue of the Placing Shares so as to increase the current distributable reserve, subject to shareholder approval and Isle of Man court confirmation. This increased reserve will be available for distribution to Shareholders, should the Directors consider this to be appropriate.

8. ACCOUNTING AND VALUATION POLICY

The Group's financial statements are prepared in accordance with IFRS and reported in Euros.

The Directors have adopted the option that exists within IFRS to carry investment property at its fair value.

The Group's property assets are revalued each time the Group prepares financial statements and at least biannually.

A summary of the material accounting policies adopted by the Company is set out in Part VIII of this document.

9. REGULATORY STATUS

The Company is not regulated by the Isle of Man Financial Supervision Commission. The Asset Manager is not regulated by the FSA.

10. PROFILE OF TYPICAL INVESTOR

The typical investor for whom the Placing Shares are designed is an institutional investor who wishes to invest in an income-producing investment with the potential for capital appreciation and who is capable of evaluating the merits and risks of the investment and who has sufficient resources both to invest in potentially illiquid securities and to be able to bear any losses (which may equal the whole amount invested) that may result from the investment.

11. RISK FACTORS

Your attention is drawn to the “Risk Factors” set out in Part I of this document.

12. FURTHER INFORMATION

Your attention is drawn to the additional information set out in Parts III to XI of this document.

PART III
CORPORATE STRUCTURE AND MANAGEMENT

1. CORPORATE STRUCTURE

The Group invests primarily in German commercial retail properties which meet its investment objectives and policies through subsidiaries of the Company, which is the parent company of the Group.

The current subsidiaries of the Company are incorporated in Luxembourg and are wholly-owned or controlled by the Company. Treveria Holdings S.à.r.l. (which holds 89% of the issued share capital of Treveria Properties, with the other 11% being held by Arba Investment S.à.r.l., conferring the right to receive the Carried Interest and the right to receive the nominal value on any return of capital but no other economic entitlement and which, accordingly, is not accounted for as a minority interest in the Group's consolidated financial statements) acts as an intermediate holding company. Treveria Properties in turn holds the entire issued share capital of Treveria C S.à.r.l., Treveria D S.à.r.l., Treveria E S.à.r.l., Treveria F S.à.r.l., Treveria G S.à.r.l. and Treveria H S.à.r.l. It is intended that Treveria Properties would also hold the entire issued share capital of other Luxembourg entities that may be established in the future to hold shares in companies that will hold underlying German real estate assets. Each subsidiary owns certain of the Propcos which are all incorporated in Germany as GmbH's or in the Netherlands as B.V.'s. As far as possible, each property is held in a Propco.

The Company funds the Luxembourg, German and Dutch subsidiaries by way of loan and share capital in amounts to be determined from time to time in order to meet the capital requirements of the subsidiaries.

2. DIRECTORS

The Directors are responsible for the determination of the Group's investment objectives and policies and have overall responsibility for the Group's activities, including the review of investment activity and performance.

Brief biographical details of the Directors are as follows:

Ian Henderson, Non-Executive Chairman (aged 63)

Ian Henderson trained as a chartered surveyor working initially at Hillier Parker May & Rowden before transferring to Land Securities, from where he retired as Group Chief Executive in 2004. Currently a Non-Executive Director of Liberty International and a consultant to Quintain Estates & Development PLC, Mr. Henderson retains an interest in the British Property Federation, where he was President in 2002. Other responsibilities include Chairman of the New West End Company Ltd. and Vice Chairman of the Board of Management of Central & Cecil Housing Trust. He has recently been appointed a Trustee of the Natural History Museum and a Council Member of the Royal Albert Hall.

Martin Bruehl, Non-Executive Director (aged 38)

Martin Bruehl is a German national and a Partner of Cushman & Wakefield, London, and Managing Partner of the firm's German operation. Mr. Bruehl holds a banking diploma and a property degree from City University Business School, London. He is a "sworn valuer" accredited by the Stuttgart Chamber of Industry & Commerce, and a Fellow of the Royal Institution of Chartered Surveyors, London. Mr. Bruehl has 15 years of experience in cross-border investments into Germany and has acted as valuer and advisor in this field in his previous positions at DTZ and Arthur Andersen. Mr. Bruehl is also Chairman of Cushman & Wakefield's Capital Markets Group in Germany.

Peter Klimt, Non-Executive Director (aged 60)

Peter Klimt is the Chief Executive of Dawnay, Day International Limited, Chairman of Dawnay, Day Property Investment Limited and of Dawnay, Day Structured Finance Limited, and one of the two principals of the Dawnay, Day Group. Mr. Klimt qualified as a solicitor in 1971. After undertaking a number of joint ventures in property investment with Dawnay, Day and Guy Naggar, Mr. Klimt joined the board of Dawnay, Day International Limited in 1992 and has developed the Dawnay, Day Group's property investment division. He serves on the investment committee of Dawnay Shore Hotels plc.

Christopher Lovell, Non-Executive Director (aged 54)

Christopher Lovell qualified as a solicitor of the Supreme Court of England and Wales in 1979. He was a Partner with Theodore Goddard until 1993 when he set up his own legal firm. In 2000 he became a partner in Channel House Trustees Limited which was acquired by Capita Group plc in 2005. He is currently a director of Capita Fiduciary Group Limited and its associated companies and sits on the board of Canlife Jersey Property Unit Trust and a number of other funds including EMAC Illyrium Land Fund Limited and Liberty International Opportunities Fund Limited.

David Parnell, Non-Executive Director (aged 37)

David Parnell is a Fellow of the Chartered Institute of Management Accountants and a Member of the Securities Institute. He worked at Baring Brothers from 1994 to 2006 and has 11 years experience in corporate and mutual fund administration. Mr. Parnell works and resides in the Isle of Man.

3. CORPORATE GOVERNANCE

The Directors take measures to ensure that the Company complies with the Combined Code to the extent they consider appropriate, taking into account the size of the Company and nature of its business.

The Company does not consider it necessary to establish an audit committee given the nature of the Company. The Board undertakes all functions that would normally be delegated to the audit committee including reviewing annual and interim results, receiving reports from the auditors, agreeing auditors remuneration and assessing the effectiveness of the audit and internal control environment. Where necessary, the Board obtains specialist external advice from either its auditors or other advisers.

The Company also has not established remuneration and nomination committees as the Directors believe that such committees are not appropriate given the nature of the Company's operations. The Board reviews annually the remuneration of the Directors and agrees the level of non-executive fees. Foyle Associates has been granted an option in respect of the services to be provided by Ian Henderson, the Non-Executive Chairman, to acquire 450,000 Ordinary Shares at €1.00. Consideration is given by the Board to future succession plans for Board members as well as consideration as to whether the Board has the skills required to effectively manage the Company. The Company has taken and will continue to take all reasonable steps to ensure compliance by the Directors and any employees with the provisions of the AIM Rules relating to dealings in securities of the Company and has adopted a share dealing code for this purpose.

4. ASSET MANAGER

DDTREAM is the Asset Manager. The principal objective of DDTREAM is to identify acquisition targets and manage transactions and portfolios within Germany on behalf of the Group.

DDTREAM was incorporated on 25 October 2005 in England under the English Companies Act as a private company limited by shares with registered number 05602875.

The principal legislation under which DDTREAM was formed and now operates is the English Companies Act and the regulations made thereunder. DDTREAM is domiciled in England.

The address of the registered office of DDTREAM is 15/17 Grosvenor Gardens, London SW1W 0BD, with telephone number +44(0) 20 7834 8060.

The Company and other members of the Group have entered into the Portfolio Management Agreement with DDTREAM under which DDTREAM agrees to provide property advisory and certain other services to the Group on behalf of the Dawnay, Day Group.

These property advisory services include:

- Identification of suitable retail properties in Germany which are consistent with the Group's investment objectives and policies;
- Preparation of an evaluation of each acquisition opportunity as to the level and nature of investment and the anticipated returns;
- Instructions to appropriate valuers, lawyers, surveyors, accountants, tax advisers and other consultants for the purpose of conducting appropriate due diligence on each proposed acquisition and of advising on the structuring of the acquisition;

- Identification of suitable providers of debt funding and assisting in negotiating the terms of such financing, and providing information needed for facilities management and/or periodic reporting to providers of debt funding, including cash flow projections and information necessary for treasury management, gearing management, interest rate management, hedging policy and petty cash and operational expenditures; and
- Providing the Company with suitable content for inclusion in a business plan in respect of each property which it proposes to acquire or is considering acquiring (whether directly or through an SPV).

DDTREAM also provides property holding services to the Group which are summarised as follows:

Pre-acquisition

Prior to the acquisition of properties, DDTREAM performs services that include the following:

- Identification of suitable potential properties to be acquired; provision of a preliminary analysis of the properties, including market analysis, site inspection report (followed up by an environmental survey, if needed), cash-flow projections (including tenant quality assessments), preliminary assessment of environmental risks, local economy and local commercial property market, views on the expected financial returns, and the appropriate equity and debt structure or other financing opportunities (relative to the potential property's risk profile);
- On instruction, DDTREAM will negotiate with the seller, advise on the appointment of and co-ordinate with relevant professionals to carry out all necessary due diligence services, liaise with the lawyers appointed by the Company in the negotiation of the legal terms of the purchase contract in relation to any potential property, and assist in negotiating the non-legal terms of the purchase contract; and
- On completion of such due diligence, DDTREAM will provide a report to the Group which shall include DDTREAM's recommendations as to the acceptability of the potential property as an appropriate investment having regard to the Group's investment objectives and policies.

Post-acquisition

Following the acquisition of the properties, DDTREAM performs services that include the following:

- Prepare and advise on proposals relating to marketing, letting and management of each property, organise the granting of leases and licences/permits in relation to each property, and advise on (and/or recommend and instruct suitable advisers with regard to) problems and disputes in relation to each property;
- Prepare budgeting and capital expenditure information for the Group, including supporting financial or market analysis;
- Advise on disposal strategies with regard to the properties; and
- On request, prepare a hold/sell analysis with regard to a particular property in which it has an interest.

DDTREAM has access to the full resources of the Dawnay, Day Group. DDTREAM is able to draw on existing senior management and personnel of the Dawnay, Day Group. Those individuals manage the running of the Group's properties, measure the financial performance of the Group's properties, identify potential investments and develop investment strategies. Senior management within the Dawnay, Day Group, on behalf of the Asset Manager, identify properties, negotiate the purchase of properties, prepare management strategies and make recommendations to the Board.

In addition, DDTREAM provides finance, treasury and accounting services for the Group.

DDTREAM, through its sub-contractor, DDPI (a member of the Dawnay, Day Group), now has over 50 people, as compared to 12 people at the time of the Company's admission to AIM, working in Germany and based in DDPI's Düsseldorf office. This growth in personnel reflects the growth in the Group's portfolio.

Key Individuals

The senior management at the Asset Manager, who have over 60 years in aggregate of real estate experience, and who are responsible for managing the Initial Portfolio and subsequent acquisitions and advising the Directors are:

Peter Klimt, age 60. Peter Klimt is the Chief Executive of Dawnay, Day International Limited, Chairman of Dawnay, Day Property Investment Limited and of Dawnay, Day Structured Finance Limited, and one of the two principals of the Dawnay, Day Group. Mr. Klimt qualified as a solicitor in 1971. After undertaking a number of joint ventures in property investment with Dawnay, Day and Guy Naggar, Mr. Klimt joined the board of Dawnay, Day International Limited in 1992 and has developed the Dawnay, Day Group's property investment division. He serves on the investment committee of Dawnay Shore Hotels plc and is a non-executive Director of Dawnay, Day Carpathian PLC. Mr. Klimt has overall responsibility for the Asset Manager and is also a member of the Board.

Chris Hancock, age 41. Chris Hancock joined the Dawnay, Day Group in 2001 from Bourne End Properties plc where he was employed from 1994 and later appointed as Property Director. Mr. Hancock is responsible for sourcing new acquisitions for the Group and identifying asset management opportunities within the existing portfolio. Mr. Hancock is a director of Starlight Investments Limited, Dawnay, Day Property Investment Limited and DDTREAM.

KC Wong, age 50. KC Wong joined the Dawnay, Day Group in 2004 and before that, he was Managing Director (Finance) of Benchmark Group PLC, a public listed property investment and development company. He is a director of dd2Group, Dawnay, Day Insurance Services Limited, Fortress (GB) Ltd, CHE Hotel Group PLC, DDTREAM and Ultimate Leisure Group PLC. Mr. Wong is responsible for corporate development, banking and tax planning.

Francesco Mazza, age 38. Francesco Mazza is a German national and has over 16 years of real estate experience, having previously been Head of Lettings for CB Richard Ellis, Munich. Mr. Mazza is responsible for the day-to-day management of the portfolio.

5. INVESTMENT COMMITTEE

The board of the Company's subsidiary, Treveria Properties, also acts in an investment committee capacity for the Group. It operates independently of the Asset Manager, and advises the Board on potential acquisitions for the Group's portfolio, together with proposed disposals and refinancings, as recommended by the Asset Manager. David Hunter and John Cassin are members of the Treveria Properties' board. Mr. Hunter stepped down from his position as Managing Director of Arlington Property Investors in 2005, although he remains with the business as a consultant. Mr. Hunter was President of the British Property Federation in 2003/2004 and is a property adviser to the National Association of Pension Funds. Mr. Hunter is 53 years old and became an Elected Fellow of the Royal Institution of Chartered Surveyors in 1988.

6. INVESTMENT APPRAISAL PROCESS

The Group's investment strategy concentrates on acquiring German properties with a predominantly retail focus. In evaluating new investment opportunities, the criteria that are considered includes:

- Sustainable occupancy rates and income flows;
- Durable locations; and
- Opportunities for enhancement through expansion, re-positioning and improved management.

It is intended that no single asset will account for more than 10% of the Group's property portfolio value and the intention is not to acquire properties for speculative development.

The Asset Manager has responsibility for finding new investment opportunities for the Group that fall within the investment strategy set out in this document. The Asset Manager presents the Board, on a quarterly basis, with a pipeline of potential investments. Any acquisitions or capital expenditure above €15 million, and all disposals, need prior approval of the Board and decisions on acquisitions or capital expenditure below that level are delegated by the Board to Treveria Properties.

The Company has a right of first refusal over all German retail assets complying with the investment criteria identified in this document which the Dawnay, Day Group has an opportunity to buy, except where

any such assets create a synergy with any properties held by the Dawnay, Day Group at that time. A property shall be deemed to create a synergy if such property is located adjacent to any property held by the Dawnay, Day Group.

7. PROPERTY MANAGER

In accordance with the terms of the Portfolio Management Agreement, the Asset Manager has subcontracted the provision of day-to-day portfolio management services to DDPI (a member of the Dawnay, Day Group), a property management company based in Düsseldorf. All property management services are provided to the Group in accordance with the Portfolio Management Agreement, although the Group is entitled to retain the services of third party companies for the management of properties, if those companies are managing the relevant properties at the time of acquisition. It is DDPI's intention that the property management arrangements for the Group's property portfolio are brought in house in the near future and to facilitate that, DDPI now has more than 50 people working in its Düsseldorf office.

The property management services that DDPI renders to the Group include:

- Rent collection and service charge administration;
- Tenant liaison;
- Negotiating rent reviews and lettings with tenants;
- Lease renewals; and
- Preparation of investment, performance and financial reports for the Company.

The team responsible for the day-to-day portfolio management in DDPI is led by Francesco Mazza.

8. MANAGEMENT FEE AND INCENTIVISATION

8.1 Management fee

In consideration of the Asset Manager performing asset and portfolio management services, whether itself or through subcontractors, DDTREAM is paid an annual management fee of 0.4% of the gross property asset value, payable quarterly in arrears. The gross property asset value is assessed by reference to an external valuation of properties held by the Group at 30 June and 31 December each year. No fee is payable to the Asset Manager in relation to acquisitions, disposals or un-invested cash. The Asset Manager also has the right to reimbursement of its expenses incurred in connection with acquisitions and disposals.

8.2 Carried Interest

The Dawnay, Day Group has an incentive to maximise the performance of the Group's properties, which aligns the interests of the Dawnay, Day Group with those of the Shareholders.

The Dawnay, Day Group receives no entitlement under the terms of the Carried Interest in any financial period in which the Group's property assets in aggregate show a cash on equity return of less than 8% per annum. A shortfall in any year (i.e. returns below 8%) is to be made up in subsequent years before an entitlement to the Carried Interest resumes.

Payment of the Carried Interest may be deferred in respect of financial years when the Company is unable to meet its dividend distribution targets.

If the Group exceeds this rate of return on its assets then the Dawnay, Day Group will be entitled annually to receive 25% of the cumulative return in excess of 8% achieved on assets sold (or, in certain circumstances, refinanced) by the Group during that financial period. The Carried Interest will also be payable on the occurrence of certain other events, such as a take-over or liquidation of the Group.

Provisions relating to the Carried Interest are summarised in more detail in paragraph 8.28 of Part X of this document.

9. TERMINATION OF PORTFOLIO MANAGEMENT AGREEMENT

The Portfolio Management Agreement is for an initial fixed term of eight years beginning on 9 December 2005 and continues thereafter for successive three year periods unless terminated by not less than 12 months notice expiring at the end of the initial term or any three year extension. The Company is entitled to terminate the agreement if DDTREAM becomes insolvent or commits a material unremedied

breach of agreement. The Company may also terminate the agreement if the Group fails to achieve a hurdle rate of 8% per annum on equity capital (before payment of any Carried Interest as referred to in paragraph 8.2 above) in the first three financial years after the Company's admission to AIM.

The terms of the Portfolio Management Agreement are set out in more detail in paragraph 8.21 of Part X of this document.

10. CONFLICTS OF INTEREST

Members of the Dawnay, Day Group have a number of other business interests involving property investment. To avoid potential conflicts between the Company or the Group and the Dawnay, Day Group's other activities, the Company has a right of first refusal over all German retail assets complying with the investment criteria identified in this document which the Dawnay, Day Group has an opportunity to buy, except where any such assets create a synergy with any properties held by the Dawnay, Day Group at that time. A property is deemed to create a synergy if such property is located adjacent to any property held by the Dawnay, Day Group.

PART IV
THE PROPERTY PORTFOLIO

1. ACQUISITION OF TOTAL PORTFOLIO

Following the Company's admission to AIM, the Group purchased the Initial Portfolio. The Group completed the acquisition of the Initial Portfolio on 21 January 2006 and has completed a further €460 million of acquisitions during the period up to 30 June 2006. As at 30 June 2006, the Group's property portfolio was valued by DTZ at €1,162 million. Since 30 June 2006, the Group has completed the purchase of a further €288 million of properties, bringing the Current Portfolio to €1,451 million as at 31 October 2006. In addition, the Group has notarised €278 million of acquisitions which are awaiting completion and has a further €228 million of potential acquisitions in solicitors' hands (as at 31 October 2006) which, if completed, will increase the Current Portfolio to €1,957 million in value. Details of the largest acquisitions (where the purchase price exceeded €35 million) made since the acquisition of the Initial Portfolio are outlined below.

On 1 February 2006, the Group completed the acquisition of four predominantly retail properties. The portfolios are located in Passau, Augsburg, Monchengladbach and Huckeswagen. The purchase price was €57 million.

On 20 February 2006, the Group agreed to acquire a multi-let retail warehouse on the outskirts of the City of Chemnitz. Roller and Praktiker are the principal tenants accounting for approximately 80% of the total scheme income. The purchase price is €37 million. This purchase is expected to complete in early 2007.

On 6 March 2006, the Group completed the acquisition of eight C&A department stores, located in various towns across Germany. The purchase price for the portfolio was €42 million.

On 19 May 2006, the Group completed the acquisition of three Kaufhof department stores in Neunkirchen, Worms and Solingen. The purchase price was €41 million.

On 30 June 2006, the Group completed the acquisition of 32 properties comprising 23 retail warehouses, eight car showrooms and one shopping centre. The majority of the retail warehouses are located in the former West Germany and are predominantly located around Frankfurt. The total consideration was €142 million.

On 30 June 2006, the Group completed the acquisition of a large property in Berlin. The property comprises a prime city centre retail parade and is, let to Bennetton, Gortz, Halhuber and Hotel Boulevard. The property was purchased for €85 million.

On 10 August 2006, the Group completed the acquisition of a portfolio comprising 114 high street properties located in 79 different cities throughout Germany. The purchase price was €183 million.

On 7 September 2006, the Group agreed to acquire four properties located in Solingen, Wilhelmshaven, Osnabruck and Bochum. Two of the properties are large shopping centres and account for just over 90% of the rental income and the two remaining properties are retail properties with ancillary uses in the upper floors. The purchase price is €106 million.

On 28 September 2006, the Group agreed to acquire a portfolio comprised of 43 predominantly retail properties located throughout Germany. The properties are made up of high street stores, supermarkets, hypermarkets and retail warehouses. The purchase price is €108 million. This transaction is scheduled to complete by 31 December 2006.

On 29 September 2006 the Group completed the acquisition of 24 high street properties located throughout Germany. The purchase price was €35 million.

The top 10 properties by value (on the basis of a valuation by DTZ set out in Part XI of this document) represent 31.9% of the Current Portfolio.

The Current Portfolio generates a rental income of approximately €93 million per annum, reflecting a net rental yield of approximately 6.4%. Including properties notarised and in solicitors' hands, the net rental income of the Total Portfolio would be €128 million per annum (gross rental income being €137 million per

annum), reflecting a net rental yield of approximately 6.4%. The lease maturity for the Total Portfolio, assuming that it is acquired in full, as at 31 October 2006, can be summarised as follows:

<u>Period within which Lease expires</u>	<u>Total Rent % of Total Portfolio</u>
Vacant	2.9
1 year	6.9
2 years	11.3
3 years	8.3
4 years	15.4
5 years	8.6
6 years	8.7
7 years	7.0
8 years	3.6
9 years	8.7
10 years	6.5
11 years	1.4
12 years	2.0
13 years	1.8
14 years	1.6
15 years	2.6
15+ years	2.7
	<u>100%</u>

The weighted average unexpired lease term is 5.74 years.

2. TENANT BASE

The Group's property portfolio, including properties notarised and in solicitors' hands, has over 357 properties in 225 towns and cities with a lettable area of approximately 1.4 million m². As at the date of this document, C&A is the single largest tenant, representing approximately 8.3% of the total rental income of the Total Portfolio (assuming that it is acquired in full), down from 17% for the Initial Portfolio. The table below shows the top 10 tenants by share of total rental income, as at 31 October 2006. The top 10 tenants represent 30.8% of total rental income from the Total Portfolio (assuming that it is acquired in full).

<u>Tenant</u>	<u>Total Rent % of Total Portfolio Rent</u>
C&A	8.3
Kaufhof*	5.9
Real*	2.8
Roller	2.6
Rewe	2.5
Sinn Leffers	2.3
Walmart	1.7
Toom	1.6
MGL Metro Group*	1.6
Kaisers	1.4

* members of the MGL Metro Group.

3. GEOGRAPHIC SPREAD

As at 31 October 2006, the regional weightings of the Total Portfolio (assuming that it is acquired in full) can be summarised as follows:

<u>Region</u>	<u>% of Total Portfolio by Value</u>
Former West Germany	82.1
Former East Germany	9.2
Berlin	8.7
Total	<u><u>100%</u></u>

4. PROPERTY CONDITION

Independent environmental and structural surveys have been undertaken for each property in the Group's property portfolio where the Group was advised that these were appropriate. These have been reviewed by the Asset Manager, which considers that the condition of the Current Portfolio is acceptable having regard to the properties' respective value, age, use, type and lease terms.

PART V
DETAILS OF THE OFFER

1. DESCRIPTION OF THE OFFER

Under the Offer, the Company will issue approximately 241 million new Ordinary Shares, raising proceeds of approximately €260 million, net of underwriting commissions and other estimated fees and expenses of approximately €9.6 million. The Company intends to use the net proceeds from the issue of the new Ordinary Shares to make additional acquisitions over approximately the next 12 months.

Up to 205,599,720 Ordinary Shares may be issued without the approval of Shareholders, comprising the existing authorised but unissued share capital of the Company. Of these Ordinary Shares 186,908,836 Ordinary Shares will be the Initial Placing Shares and 18,690,884 will be available under the Over-allotment Option. The Initial Placing Shares are expected to be issued on 22 November 2006. The Company requires the approval of its Shareholders to increase the authorised share capital of the Company and to authorise the Directors to allot the balance of the Placing Shares (such balance being the Additional Placing Shares). Subject to the passing of the Resolution, the Additional Placing Shares are expected to be issued on 30 November 2006. Should the Resolution not be passed the Additional Placing Shares will not be issued. There will be no conditional trading in the Additional Placing Shares.

All Investors who subscribe for Placing Shares will receive the same pro-rata proportion of Initial Placing Shares and, assuming the Resolution is passed, Additional Placing Shares. Assuming that the Resolution is passed, the Initial Placing Shares will make up 77.5% of the Placing Shares to be acquired by Investors and the Additional Placing Shares will make up 22.5% of such Placing Shares.

The Placing Shares represent approximately 35.1% of the issued ordinary share capital of the Company immediately following Admission of the Placing Shares (assuming no exercise of the Over-allotment Option).

The Company has granted to Citigroup an option pursuant to which Citigroup may require the Company to allot additional Initial Placing Shares up to a maximum of 10% of the total number of Initial Placing Shares at the Placing Price. This option is exercisable in whole or in part at any time up to and including the 30th calendar day after the date of allotment of the Initial Placing Shares. The Company has also granted to Citigroup an option pursuant to which Citigroup may require the Company to allot additional Additional Placing Shares up to a maximum of 15% of the total number of Additional Placing Shares at the Placing Price. This option is exercisable in whole or in part at any time up to and including the 30th calendar day after the date of allotment of the Initial Placing Shares. Any Placing Shares issued by the Company pursuant to the exercise of these options will be issued on the same terms and conditions as the Placing Shares and will form a single class for all purposes with the Placing Shares.

Under the Placing, the Placing Shares will be offered (i) outside the United States to certain institutional investors in the United Kingdom and elsewhere, and (ii) in the United States to Qualified Institutional Buyers pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Certain restrictions that apply to the distribution of this document and the Placing Shares being issued under the Offer in certain jurisdictions are described in paragraph 11 of Part X of this document.

The Placing Shares (like the Existing Ordinary Shares) will be registered with ISIN GB00B0RFL14 and SEDOL number BORFL71.

Immediately following Admission of the Initial Placing Shares, it is expected that in excess of 91.8% of the Company's issued ordinary share capital will be held in public hands assuming that the Over-allotment Option is not exercised in relation to the Initial Placing Shares (increasing to 92.1% if the maximum number of additional Initial Placing Shares are issued pursuant to the Over-allotment Option). Immediately following Admission of the Additional Placing Shares, it is expected that in excess of 92.5% of the Company's issued ordinary share capital will be held in public hands assuming Admission of the Initial Placing Shares (and no exercise of the Over-allotment Option in relation to the Initial Placing Shares) and that the Over-allotment Option is not exercised (increasing to 92.8% if the maximum number of additional Additional Placing Shares are issued pursuant to the Over-allotment Option). The share capital in public hands for the purposes of this paragraph does not include the Ordinary Shares or the CFDs over Ordinary Shares held by members of the Dawnay, Day Group.

2. TERMS AND CONDITIONS OF THE OFFER

2.1 Introduction

These terms and conditions apply to persons making an offer to purchase Placing Shares under the Offer.

Each person to whom these conditions apply, as described above, who confirms his agreement to each Underwriter, the Registrar and the Company to purchase Placing Shares under the Offer (an “Investor”) hereby agrees with each of the Underwriters, the Registrar and the Company to be bound by these terms and conditions as being the terms and conditions upon which Placing Shares will be sold under the Offer. An Investor shall, without limitation, become so bound if the Joint Global Co-ordinators (a) confirm to such Investor: (i) the Placing Price; and (ii) its allocation of Placing Shares; and (b) notify, on behalf of the Company, the name of the Investor to the Registrar.

2.2 Agreement to Acquire Initial Placing Shares

Conditional on (i) Admission of the Initial Placing Shares occurring and becoming effective by 8.00 a.m. on 22 November 2006 (or such later date as the Company and the Joint Global Co-ordinators may agree (not being later than 31 December 2006)); and (ii) the confirmation mentioned under paragraph 2.1 above, an Investor agrees to become a member of the Company and agrees to acquire Initial Placing Shares at the Placing Price. The number of Initial Placing Shares issued to such Investor under the Offer shall be in accordance with the arrangements described above. To the fullest extent permitted by law, each Investor acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time.

2.3 Agreement to Acquire Additional Placing Shares

Conditional on (i) Admission of the Additional Placing Shares occurring and becoming effective by 8.00 a.m. on or prior to 30 November 2006 (or such later date as the Company and the Joint Global Co-ordinators may agree (not being later than 31 December 2006)); and (ii) the confirmation mentioned under paragraph 2.1 above, an Investor agrees to become a member of the Company and agrees to acquire Additional Placing Shares at the Placing Price. The number of Additional Placing Shares issued to such Investor under the Offer shall be in accordance with the arrangements described above. To the fullest extent permitted by law, each Investor acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time.

2.4 Payment for Placing Shares

Each Investor undertakes to pay the Placing Price for the Initial Placing Shares issued to such Investor in such manner as shall be directed by the Underwriters. Settlement of the Initial Placing Shares is expected to take place on 22 November 2006.

Each Investor undertakes to pay the Placing Price for the Additional Placing Shares issued to such Investor in such manner as shall be directed by the Underwriters. Settlement of the Additional Placing Shares is expected to take place on 30 November 2006.

In the event of any failure by an Investor to pay as so directed by an Underwriter, the relevant Investor shall be deemed hereby to have appointed each Underwriter or any nominee of an Underwriter to sell (in one or more transactions) any or all of the Placing Shares in respect of which payment shall not have been made as so directed and to have agreed to indemnify on demand each Underwriter in respect of any liability for UK stamp duty and/or stamp duty reserve tax arising in respect of any such sale or sales.

2.5 Representations and Warranties

By receiving this document, each Investor and, in the case of paragraphs 2.5.3, 2.5.4 and 2.5.5 below, any person confirming his agreement to purchase Placing Shares on behalf of an Investor or authorising the Joint Global Co-ordinators to notify an Investor’s name to the Registrar, is deemed to represent and warrant to each of the Underwriters, the Registrar and the Company that:

2.5.1 in agreeing to subscribe for Placing Shares under the Offer, the Investor is relying on this document or any supplementary offer document (as the case may be) or any regulatory announcement issued by the Company, and not on any other information or representation concerning the Company or the Offer. Such Investor agrees that none of the Company, the Registrar nor any Underwriter nor any of their respective officers or directors will have any liability for any such other information or

representation and irrevocably and unconditionally waives any rights it may have in respect of any such other information or representation;

- 2.5.2 if the laws of any place outside the United Kingdom are applicable to the Investor's agreement to purchase Placing Shares and/or acceptance thereof, such Investor has complied with all such laws and none of the Joint Global Co-ordinators, the Company and the Registrar will infringe any laws outside the United Kingdom as a result of such Investor's agreement to purchase Placing Shares and/or acceptance thereof or any actions arising from such Investor's rights and obligations under the Investor's agreement to purchase Placing Shares and/or acceptance thereof or under the Articles;
- 2.5.3 in the case of a person who confirms to an Underwriter on behalf of an Investor an agreement to purchase Placing Shares and/or who authorises the Joint Global Co-ordinators to notify the Investor's name to the Registrar as mentioned under paragraph 2.1 above, that person represents and warrants that he has authority to do so on behalf of the Investor as provided under paragraph 2.1 above;
- 2.5.4 the Investor is not, and is not applying as nominee or agent for, a person which is, or may be, mentioned in any of sections 67, 70, 93 and 96 of the UK Finance Act 1986 (depository receipts and clearance services);
- 2.5.5 in the case of a person who confirms to an Underwriter on behalf of an Investor, which is an entity other than a natural person, an agreement to purchase Placing Shares and/or who authorises the notification of such Investor's name to the Registrar, that person warrants that he has authority to do so on behalf of the Investor; and
- 2.5.6 the Investor understands that the Resolution may not be passed at the EGM and the Additional Placing Shares may not be issued, and agrees that its obligations in relation to each of the Initial Placing Shares and the Placing Shares is not conditional upon the Admission or any other event in relation to the Placing Shares or the Initial Placing Shares, respectively.

2.6 Supply and Disclosure of Information

If any of the Underwriters, the Registrar or the Company or any of their agents request any information about an Investor's agreement to purchase Placing Shares, such Investor must promptly disclose it to them.

2.7 Miscellaneous

The rights and remedies of each Underwriter, the Registrar and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, each Investor may be asked to disclose, in writing or orally to any Underwriter:

- (a) if he is an individual, his nationality; or
- (b) if he is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.

All documents will be sent at the Investor's risk. They may be sent by post to such Investor at an address notified to the Joint Global Co-ordinators.

Each Investor agrees to be bound by the Articles (as amended from time to time) once the Placing Shares, which such Investor has agreed to purchase, have been transferred to such Investor.

The contract to purchase the Initial Placing Shares and the Additional Placing Shares and the appointments and authorities mentioned herein will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Joint Global Co-ordinators, the Company and the Registrar, each Investor irrevocably submits to the exclusive jurisdiction of the English courts in respect of these matters. This does not prevent an action being taken against an Investor in any other jurisdiction.

In the case of a joint agreement to purchase Placing Shares, references to an "Investor" in these terms and conditions are to each of such Investors and such Investors' liability is joint and several.

Each of the Underwriters and the Company expressly reserve the right to modify the Offer (including, without limitation, its timetable and settlement) at any time before allocations are determined.

Potential Investors who are US persons or in the United States will be required to complete a letter of representation substantially in the form of Annex A to this document. Persons who are non-US persons

and are not located with the United States will be required to complete a letter of representation substantially in the form of Annex B to this document.

3. ALLOCATION

The rights attaching to the Placing Shares and the Existing Ordinary Shares will be uniform in all respects and they will form a single class for all purposes. The Placing Shares allocated under the Offer have been underwritten, subject to certain conditions, by the Underwriters as described in the paragraph headed "Underwriting Arrangements" below and in paragraph 9 of Part X of this document. Allocations under the Offer will be determined at the discretion of the Underwriters following consultation with the Company. All Placing Shares issued pursuant to the Offer will be issued, payable in full, at the Placing Price. General information about liability for UK stamp duty and stamp duty reserve tax is described in paragraph 10 of Part X of this document.

4. DEALING ARRANGEMENTS

The Offer is subject to the satisfaction of certain conditions contained in the Underwriting Agreement, which are typical for an agreement of this nature. Certain conditions are related to events which are outside the control of the Company, the Directors and the Underwriters. Further details of the Underwriting Agreement are described in paragraph 9 of Part X of this document.

It is expected that Admission of the Initial Placing Shares will take place and unconditional dealings in the Initial Placing Shares will commence on AIM at 8.00 a.m. (London time) on 22 November 2006. Settlement of dealings from that date will be on a three day rolling basis. These dates and times may be changed.

Assuming the Resolution is passed at the EGM, it is expected that Admission of the Additional Placing Shares will take place and unconditional dealings in the Additional Placing Shares will commence on AIM at 8.00 a.m. (London time) on 30 November 2006. Settlement of dealings from that date will be on a three day rolling basis. There will be no conditional dealings in the Initial Placing Shares or the Additional Placing Shares.

Each Investor will be required to undertake to pay the Placing Price for the Placing Shares sold or issued to such Investor in such manner as shall be directed by the Underwriters.

It is expected that Placing Shares allocated to Investors in the Offer will be delivered in uncertificated form and settlement will take place through CREST on Admission of the Placing Shares. No temporary documents of title will be issued. Dealings in advance of crediting of the relevant CREST stock account shall be at the risk of the person concerned.

5. OVER-ALLOTMENT AND STABILISATION

In connection with the Offer, Citigroup, as stabilising manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot and effect other transactions with a view to supporting the market price of the Placing Shares (and the Existing Ordinary Shares) at a level higher than that which might otherwise prevail in the open market. Citigroup is not required to enter into such transactions and such transactions may be effected on any stock market, over-the-counter market or otherwise. Such stabilising measures, if commenced, may be discontinued at any time and may only be taken during the period from 17 November 2006 up to and including 17 December 2006. Save as required by law or regulation, neither Citigroup nor any of its agents intends to disclose the extent of any over-allotments and/or stabilisation transactions under the Offer.

In connection with the Offer, Citigroup, as stabilising manager, or any of its agents may, for stabilisation purposes, over-allot Ordinary Shares up to a maximum of 10% of the total number of Initial Placing Shares comprised in the Offer and up to a maximum of 15% of the total number of Additional Placing Shares comprised in the Offer. For the purposes of allowing it to cover short positions resulting from any such over-allotments and/or from sales of Initial Placing Shares by it during the stabilising period, the Company has granted to Citigroup the Over-allotment Option, pursuant to which Citigroup may, on behalf of the Underwriters, require the Company to issue additional Ordinary Shares up to a maximum of 10% of the total number of Initial Placing Shares comprised in the Offer at the Placing Price. The Over-allotment Option is exercisable in whole or in part, upon notice by Citigroup, at any time on or before the 30th calendar day after the date of allotment of the Initial Placing Shares. Any Ordinary Shares made available pursuant to the Over-allotment Option will be issued on the same terms and conditions as the Placing

Shares being issued in the Offer and will form a single class for all purposes with the other Ordinary Shares. In connection with the Offer, Citigroup, as stabilising manager, or any of its agents, may, for stabilisation purposes, over-allot Ordinary Shares up to a maximum of 15% of the total number of Additional Placing Shares comprised in the Offer. For the purposes of allowing it to cover short position resulting from any such offer-allotment and/or from sales of Additional Placing Shares by it during the stabilisation period, the Company has granted to Citigroup the Over-allotment Option, pursuant to which Citigroup may, on behalf of the Underwriters, require the Company to issue additional Ordinary Shares up to a maximum of 15% of the total number of Additional Placing Shares comprised in the Offer at the Placing Price. The Over-allotment Option is exercisable in whole or in part, upon notice by Citigroup, at any time on or before the 30th calendar day after the date of allotment of the Initial Placing Shares. Any Ordinary Shares made available pursuant to the Over-allotment Option will be issued on the same terms and conditions as the Placing Shares being issued in the Offer and will form a single class for all purposes with the other Ordinary Shares.

6. CREST

CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer.

The Articles permit the holding of Ordinary Shares under the CREST system.

Application has been made for the Placing Shares to be admitted to CREST with effect from Admission of the Placing Shares. Accordingly, settlement of transactions in the Placing Shares following Admission of the Placing Shares may take place within the CREST system if any shareholder so wishes. CREST is a voluntary system and holders of Placing Shares who wish to receive and retain share certificates will be able to do so. An Investor applying for Placing Shares in the Offer may, however, elect to receive Placing Shares in uncertificated form if such Investor is a system member (as defined in the CREST Regulations) in relation to CREST.

7. CERTIFICATED PLACING SHARES

Any certificate for Placing Shares shall bear the legend set forth in paragraph 11.3 of Part X of this document.

8. UNDERWRITING ARRANGEMENTS

The Underwriters have entered into commitments under the Underwriting Agreement pursuant to which they have agreed, subject to certain conditions, to purchase and resell or to procure subscribers for the Placing Shares to be issued by the Company under the Offer or, failing which, themselves to subscribe for such Placing Shares, at the Placing Price. In the case of Additional Placing Shares, the obligations of the Underwriters are also conditional on the passing of the Resolution. The Underwriting Agreement contains provisions entitling the Underwriters to terminate the Offer (and the arrangements associated with it) at any time prior to Admission of the Initial Placing Shares in relation to the Initial Placing Shares in certain circumstances and at any time prior to Admission of the Additional Placing Shares in relation to the Additional Placing Shares in certain circumstances. If this right is exercised, the Offer and these arrangements will lapse and any moneys received in respect of the Offer will be returned to applicants without interest.

The Underwriting Agreement provides for the Underwriters to be paid commissions of (i) 2.25% of an amount equal to the Placing Price multiplied by the number of Initial Placing Shares issued pursuant to the Offer, (ii) 2.25% of an amount equal to the Placing Price multiplied by the number of Additional Placing Shares issued pursuant to the Offer, and (iii) 2.25% of the amount equal to the Placing Price multiplied by the number of Over-allotment Shares (if any) subscribed for pursuant to the Over-allotment Option. In addition, the Underwriters may also be paid, at the sole discretion of the Company, commissions of (i) up to 1.0% of the amount equal to the Placing Price multiplied by the aggregate number of Placing Shares issued pursuant to the Offer and (ii) up to 1.0% of the amount equal to the Placing Price multiplied by the number of Over-allotment Shares (if any) subscribed for pursuant to the Over-allotment Option. Any commissions received by the Underwriters may be retained, and any Ordinary Shares acquired by them may be retained or dealt in by them, for their own benefit.

From time to time, the Underwriters and their respective affiliates may engage in other transactions with the Company, and the Asset Manager and other members of the Dawnay, Day Group in the ordinary

course of their businesses, including, without limitation, transactions involving the purchase and sale of securities, loans and other investments, derivative transactions including hedging transactions, valuation services and other transactions (for example, leverage against investments). Citigroup and Deutsche Bank are lenders under the First Investment Facility and Second Investment Facility described in paragraph 8 of Part X of this document.

Further details of the terms of the Underwriting Agreement are set out in paragraph 9 of Part X of this document. Certain selling and transfer restrictions are set out in paragraph 11 of Part X of this document.

9. LOCK-UP ARRANGEMENTS

Pursuant to the Underwriting Agreement, the Company has agreed that, subject to certain exceptions, during the period of 180 days from the date of Admission of the Additional Placing Shares (or the date of the Admission of the Initial Placing Shares in the event that the Admission of the Additional Placing Shares does not take place for whatever reason), it will not, without the prior written consent of the Joint Global Co-ordinators, issue, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offer of, any Ordinary Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

Pursuant to the Underwriting Agreement, Dawnay, Day Deutschland Limited has agreed that, subject to certain exceptions, during the period of 90 days from the date of Admission of the Initial Placing Shares, it will not offer, issue, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offer of, any Ordinary Shares (or any interest therein or in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

PART VI
OPERATING AND FINANCIAL REVIEW AND PROSPECTS

1. Overview

The Company is a closed-ended property investment company with limited liability formed under the IoM Companies Act. The Company's investment objective is to generate total returns for Shareholders through the payment of semi-annual dividends and growth in net asset value, derived primarily through capital appreciation of the Group's property portfolio. It seeks to achieve this by investing in a diversified portfolio of commercial real estate assets in Germany, with a primary focus on retail assets, which cover a large variety of tenants and a wide geographical area. The Group utilises leverage in order to enhance returns to Shareholders. The Group maintains diversified sources of funding from a number of major banks. It reduces its exposure to interest rate fluctuations through the use of hedging arrangements. The management of the Group's assets and liabilities is carried out by the Asset Manager.

The Company was admitted to AIM in December 2005 when it raised gross proceeds of €444 million.

The financial information contained in this Part VI is unaudited.

2. Outlook and Operating Environment

The Group continues to believe that certain attractive characteristics of the German retail property market that existed in December 2005, when the Company was admitted to AIM, remain valid today, namely improving macro economic conditions, constrained retail property supply, a positive yield spread and opportunities created by the changing trends in German property ownership. The Group believes that there has been some compression in rental yields in the German real estate market as a whole since the Company's admission to AIM and believes that this trend should continue into 2007.

The Group has made significant progress in its aim to acquire a substantial and diverse retail real estate portfolio in Germany. There are a number of value enhancing asset management opportunities within the existing portfolio and there is a strong pipeline of potential investments.

The Group has also engaged in an increasing amount of additional property purchases with companies and other entities selling real estate from whom the Group has previously purchased properties.

3. Total Portfolio Composition (as at 31 October 2006 including notarisations and properties in solicitors' hands)

<u>Category</u>	<u>No. of Properties</u>	<u>Valuation or Purchase Price</u>	<u>% of Portfolio</u>	<u>Net Yield</u>	<u>Fully Let Yield</u>
		<u>€'000</u>		<u>%</u>	<u>%</u>
High Street	219	813,624	41.6	6.3	6.5
Shopping Centres	29	498,280	25.5	6.2	6.5
In-town Retail	248	1,311,904	67.1	6.3	6.5
Retail Warehouse/Supermarkets . . .	98	499,525	25.5	6.7	6.8
Total Retail	346	1,811,429	92.6	6.4	6.6
Mixed Commercial	11	145,488	7.4	6.4	6.6
Total Portfolio	357	1,956,917	100.0	6.4	6.6

4. Results of Operations

The revenue for the period to 30 June 2006, being entirely rental income, was €26.7 million, and the adjusted operating profit before tax, which excludes any revaluation surplus, was €20.8 million which was after €0.8 million of non recurring set up costs for the admission to AIM. The adjusted profit after tax, which excludes revaluation surplus and deferred tax, was €10.7 million.

The corresponding adjusted earnings per share were 2.41c. Adjusted earnings per share exclude revaluation surplus and deferred tax, and are based on the weighted average number of shares commencing from the date of the Company's admission to AIM.

In accordance with IFRS, deferred tax liabilities of €57.5 million have been recognised relating to the potential tax on capital gains that may in the case of certain property disposals become payable.

Adjusted net asset value (excluding deferred tax) per share increased from 96.6c as at the date of the Company's admission to AIM to 106.5c as at 30 June 2006, an increase of 10.2%. This increase was generated principally from an increase in the valuation of the property portfolio of €31.6 million (or €61.4 million excluding acquisition costs). The Board regards the increase in net asset value as very satisfactory considering the short period since the acquisitions were completed.

5. Funding and Liquidity

5.1 As at 30 June 2006, the Group's borrowings totalled €902.1 million, all of which were secured on the properties owned by the Group. The bank borrowings are on 5-year terms maturing in 2011. The loans are on a fixed interest rate basis, with an average weighted rate of 4.66%. Based on the revaluation, the loan to value ratio as at 30 June 2006 was 77.6%.

After taking into account its cash position, the net debt of the Group as at 30 June 2006 was €683.2 million.

5.2 A consolidated cash flows table is set out below:

	<u>Notes</u>	<u>Period ended 30 June 2006</u>
		<u>€'000</u>
Operating profit		52,423
Revaluation surplus		(31,577)
Cash Flows from operations before changes in working capital		<u>20,846</u>
Change in trade and other receivables		(26,087)
Change in trade and other payables		23,438
Movement on working capital		<u>(2,649)</u>
Finance costs		(7,047)
Finance income		3,456
Tax paid		(385)
		<u>(3,976)</u>
Cash Flows from operating activities		<u>14,221</u>
Cash Flows from investing activities		
Purchase of investment properties		(1,090,393)
		<u>(1,090,393)</u>
Cash Flows from financing activities		
Issue of share capital		393,682
Net loans drawn down		896,188
		<u>1,289,870</u>
Net increase in cash and cash equivalents		213,698
Cash and cash equivalents at beginning of period		<u>213,698</u>
Cash and cash equivalents at 30 June 2006		<u>213,698</u>

6. Off-Balance Sheet Arrangements

The Group has no off balance sheet arrangements.

7. Contractual Obligations

As at 31 October 2006, the Group had committed to capital expenditure of €930,074 excluding, for the avoidance of doubt, obligations to pay the purchase price for properties which have been notarised and are awaiting completion or are in solicitors' hands.

8. Significant Accounting Policies

Rentals payable under operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease, even if payments are not made on that basis.

Investment property

Freehold property held to earn rental income or for capital appreciation or both is classified as investment property in accordance with IAS 40, *Investment Property*. Property held under finance leases for similar purposes is also classified as investment property.

Investment property is revalued to market value. The surplus or deficit on revaluation is reported in the Income Statement. No depreciation is provided in respect of investment property.

Sales of investment property are recognised when contracts have been unconditionally exchanged during the period and the significant risks and rewards of ownership have been transferred.

9. Qualitative and Quantitative Disclosure about Market Risk and other Risks

- 9.1 Market Risk**—Property investments are subject to varying degrees of market risk. Rents and values are affected (among other things) by changing demand for commercial real estate, changes in general economic conditions, changing supply with a particular area of competing space and attractiveness of real estate relative to other investment choices. The Group's operating performance would be likely to be adversely affected by a downturn in the property market in terms of capital and/or rental values.
- 9.2 Interest Rate Risk**—Most interest rates on debt facilities are fixed for the duration of the loans in order to substantially eliminate interest rate risk.
- 9.3 Credit Risk**—The Group has a diversified tenant base with the top ten tenants constituting 30.8% of the total rent roll as at 31 October 2006 attributable to the Total Portfolio. Out of these, 10.3% is exposed to companies within the Metro Group.

10. Current Trading and Prospects

The Group has made good progress towards its target of building a €2.3 billion portfolio of German retail properties. The properties acquired are in locations with a good mix of well-known tenants. As at 31 October 2006, the Group had completed the purchase of €1,451 million of properties with an annualised net rent roll of €93 million, after deducting ground rents and non-recoverable costs. The Group has a number of value enhancing asset management opportunities within its existing portfolio and a strong pipeline of potential investments. As at 31 October 2006, the Group had concluded 79 new lettings and lease extensions with an annualised rent roll of approximately €3 million.

Trading since 30 June 2006 has been in line with the Company's expectations and DTZ has confirmed that there has been no material adverse change to the market value of any of the properties since 30 June 2006.

PART VII
UNAUDITED FINANCIAL INFORMATION ON THE GROUP FOR THE PERIOD
ENDED 30 JUNE 2006

Unaudited consolidated income statement

For the period ended 30 June 2006

	Notes	Period ended 30 June 2006
		€'000
Revenue		26,739
Direct costs	4	(3,538)
Gross profit		23,201
Administrative expenses	5	(2,007)
Other expenses		(348)
Revaluation surplus	6	31,577
Operating profit		52,423
Finance income		3,456
Finance costs		(12,828)
Profit before tax		43,051
Income tax expense		
Current		(385)
Deferred	7	(55,569)
(Loss) for the period		(12,903)
Attributable to:		
Equity holders of the parent		(13,710)
Minority interests		807
		(12,903)
Loss per share		(3.96)c

An interim dividend of 2.0c per share was declared on 20 September 2006.

Unaudited consolidated balance sheet

As at 30 June 2006

	<u>Notes</u>	<u>30 June 2006</u> €'000
Non-current assets		
Investment properties	6	1,162,486
Total non-current assets		<u>1,162,486</u>
Current assets		
Trade and other receivables		19,419
Prepayments		9,140
Cash and short-term deposits		213,698
Total current assets		<u>242,257</u>
Total assets		<u>1,404,743</u>
Current liabilities		
Trade and other payables		26,519
Interest bearing loans	8	1,209
Income tax payable		57
Total current liabilities		<u>27,785</u>
Non-current liabilities		
Interest bearing loans	8	895,707
Deferred tax liability	7	57,559
Other liabilities		1,424
Total non-current liabilities		<u>954,690</u>
Total liabilities		<u>982,475</u>
Net assets		<u>422,268</u>
Equity attributable to equity shareholders of the parent		
Issued capital		4,444
Share premium		336,776
Reserves		87,991
Retained earnings		(13,710)
		<u>415,501</u>
Minority interests		<u>6,767</u>
Total equity		<u>422,268</u>
Net asset value per share		<u>93.50c</u>

Unaudited consolidated cash flow statement

For the period ended 30 June 2006

	Period ended 30 June 2006
	<u>€'000</u>
Operating profit	52,423
Revaluation surplus	(31,577)
Cash Flows from operations before changes in working capital	<u>20,846</u>
Change in trade and other receivables	(26,087)
Change in trade and other payables	23,438
Movement on working capital	<u>(2,649)</u>
Finance costs	(7,047)
Finance income	3,456
Tax paid	(385)
	<u>(3,976)</u>
Cash Flows from operating activities	<u>14,221</u>
Cash Flows from investing activities	
Purchase of investment properties	(1,090,393)
	<u>(1,090,393)</u>
Cash Flows from financing activities	
Issue of share capital	393,682
Net loans drawn down	896,188
	<u>1,289,870</u>
Net increase in cash and cash equivalents	213,698
Cash and cash equivalents at beginning of period	—
Cash and cash equivalents at 30 June 2006	<u>213,698</u>

Unaudited statement of changes in equity

For the period ended 30 June 2006

	Issued Capital	Share Premium	Reserves	Retained Earnings	Total	Minority Interests	Total Equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Issue of share capital	4,444	439,956	—	—	444,400	—	444,400
Transaction costs relating to Admission to AIM	—	(15,189)	—	—	(15,189)	—	(15,189)
Reduction in share premium account	—	(87,991)	87,991	—	0	—	0
Minority interests in companies acquired	—	—	—	—	—	5,960	5,960
Loss for the period	—	—	—	(13,710)	(13,710)	807	(12,903)
At 30 June 2006	<u>4,444</u>	<u>336,776</u>	<u>87,991</u>	<u>(13,710)</u>	<u>415,501</u>	<u>6,767</u>	<u>422,268</u>

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For period from incorporation on 20 October 2005 to 30 June 2006

1. GENERAL INFORMATION

Dawnay, Day Treveria PLC (the “**Company**”) is a limited company incorporated in the Isle of Man on 20 October 2005. It was admitted to AIM on 14 December 2005.

The Consolidated Financial Statements for the Company and its subsidiaries (the “**Group**”) have been prepared for the period from incorporation on 20 October 2005 to 30 June 2006. The Consolidated Financial Statements are unaudited.

The financial statements are presented in Euro.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of preparation*

The Income Statement and Balance Sheet have been prepared on the basis of recognition and measurement requirements of International Financial Reporting Standards (IFRS) issued by the International Standards Board that are expected to be adopted in the consolidated financial statements for the period ending 31 December 2006.

The period from 20 October 2005 to 30 June 2006 is the first period of the Group’s operation, and therefore no comparatives are presented.

(b) *Basis of consolidation*

The Consolidated Financial Statements incorporate the results of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group’s equity therein. Minority interests consist of the amount of those interests at the date of the original acquisition and the minority’s share of changes in equity since the date of the acquisition.

The results of subsidiaries acquired during the period are included in the consolidated income statement from the effective date of acquisition.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

Intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed for the purpose of consolidation where necessary to ensure consistency with the policies adopted by the Group.

(c) *Revenue recognition*

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

3. SEGMENTAL ANALYSIS

The Group has only one business segment, being the rental of commercial properties in Germany.

4. DIRECT COSTS

	<u>€000</u>
Non-recoverable property costs	1,403
Property management fee	736
Asset management fee	1,399
	<u>3,538</u>

5. ADMINISTRATIVE EXPENSES

	<u>€000</u>
Transaction costs relating to AIM admission	801
Others	265
Legal & professional fees and other administration costs	747
Directors' fees and expenses	194
	<u>2,007</u>

The Group has one full-time employee.

6. INVESTMENT PROPERTY

	<u>€000</u>
At incorporation	—
Additions	1,130,909
Net revaluation surplus	31,577
Value of investment properties at 30 June 2006	<u>1,162,486</u>

The investment properties have been valued by DTZ Debenham Tie Leung Limited at 30 June 2006. A comparison with the purchase prices, excluding acquisition costs, as at the respective dates of acquisition, gives rise to a gross revaluation surplus of €61 million, based on the valuation as at 30 June 2006.

7. DEFERRED TAX

At 30 June 2006, in accordance with IFRS, deferred tax liabilities of €57.5 million have been recognised relating to the potential tax on capital gains that may in the case of certain property disposals become payable. This comprises:

	<u>€000</u>
At incorporation	—
Deferred tax arising upon the acquisition of subsidiaries	41,134
Deferred tax arising on increase in value of properties since date of acquisition	14,435
	55,569
Deferred tax liability of companies acquired	1,990
At 30 June 2006	<u>57,559</u>

8. INTEREST-BEARING LOANS

	<u>€000</u>
The borrowings are repayable as follows: On demand or within one year	1,209
In the second year	2,331
In the third to fifth years inclusive	585,302
After five years	<u>308,074</u>
	896,916
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(1,209)</u>
Amount due for settlement after 12 months	<u>895,707</u>
Amounts due to bank	902,079
Finance costs to be amortized over the remaining period of the loans	<u>(5,163)</u>
	<u>896,916</u>

The Group has pledged properties to secure related interest bearing debt facilities granted to the Group for the purchase of such properties.

9. DIVIDEND

The interim dividend will be payable to shareholders on the register on 29 September 2006 (ex-dividend date 27 September 2006) and will be paid on 24 October 2006.

PART VIII
MATERIAL ACCOUNTING POLICIES

Basis of consolidation

The financial statements incorporate the net assets and liabilities of the Company and its subsidiaries at the balance sheet date and their results for the period then ended.

Revenue

Revenue represents amounts receivable in respect of property rental income earned in the normal course of business, net of sales-related taxes.

Incentives for lessees to enter into lease arrangements are spread evenly over the non-cancellable period of the lease, even if payments are not made on that basis.

Rentals payable under operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease, even if payments are not made on that basis.

Investment property

Freehold property held to earn rental income or for capital appreciation or both is classified as investment property in accordance with IAS40, *Investment Property*. Property held under finance leases for similar purposes is also classified as investment property.

Investment property is revalued to Market Value. The surplus or deficit on revaluation is reported in the Income Statement. No depreciation is provided in respect of investment property.

Sales of investment property are recognised when contracts have been unconditionally exchanged during the period and the significant risks and rewards of ownership have been transferred.

Financial instruments

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Borrowing costs are recognised in the Income Statement using the effective interest rate method.

Gains and losses are recognised in the Income Statement when the liabilities are derecognised or impaired, as well as through the amortisation process.

Derivative financial instruments

The Group uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are stated at fair value.

Fair value for a swap is market value, estimated from a break cost quote from an experienced, independent broker, which is estimated by applying current yield to anticipated future cash flows.

For the purpose of hedge accounting, interest rate swaps are designated as cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecast transaction.

For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to the Income Statement.

Taxation

The Company was incorporated as an exempt company under Isle of Man law and is not subject to any taxes. Certain subsidiary undertakings are subject to foreign taxes in respect of foreign source income.

Deferred taxation

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Segmental analysis

The Group has a single geographical and business segment, being investment in predominantly commercial property in Germany.

Acquisition of corporate interests in property

Acquisitions of corporate interests in property are accounted for on consolidation as if the Group had acquired the underlying property asset directly. Accordingly no goodwill arises on such acquisitions as any difference between the fair values of the assets acquired and the acquisition consideration are allocated to the investment property asset, which is subject to subsequent revaluation under IAS40, *Investment Property* to its Market Value.

Carried Interest

The Carried Interest may become payable to Arba Investment S.à.r.l., upon the disposal of a property or in certain other circumstances (as disclosed in paragraph 8.28 of Part X of this document) if the total cash return on that property since acquisition has exceeded a target level. Payment is due upon approval of the Group's financial statements for the financial year in which the disposal occurred. The cost to the Group of the Carried Interest is accrued in the Income Statement based on the financial performance of each property in the period from acquisition to the earlier of its date of disposal and the balance sheet date.

PART IX
US GAAP/IFRS COMPARISON

Summary of differences between IFRS and US GAAP

The Unaudited Financial Information on the Group in Part VII is prepared and presented in accordance with IFRS. Certain differences exist between IFRS and US GAAP which might be material to the financial information included in this document.

The principal relevant differences between US GAAP and IFRS that the Directors believe would be material in the preparation of the Company's first consolidated financial statements are described below. The Company has not prepared its financial information in accordance with US GAAP and, accordingly, cannot offer any assurance that the differences described below are complete or would in fact be the accounting principles creating the greatest differences between financial information of the Group prepared under IFRS and US GAAP. The following summary does not include all differences that exist between IFRS and US GAAP and is not intended to provide a comprehensive listing of all such differences specifically related to the Company or the industry in which it operates.

The differences described below reflect only those differences in accounting policies in force at the time of the preparation of the Historical Financial Information on the Group. There has been no attempt to identify future differences between IFRS and US GAAP as the result of proscribed changes in accounting standards, transactions or events that may occur in the future. The organisations that promulgate IFRS and US GAAP have significant ongoing projects that could have a significant impact on future comparisons such as this one between IFRS and US GAAP. Future developments or changes in either IFRS or US GAAP may give rise to additional differences between IFRS and US GAAP which could have a significant impact on the Group.

In making an investment decision, Investors must rely on their own examination of the Company, the terms of the Offer and the financial information. Potential Investors should consult their own professional advisers for an understanding of the differences between IFRS and US GAAP and how these differences might affect the financial information included in this document.

Revaluation of investment property

The Group has taken advantage of the option available under IFRS to carry investment properties at fair value. Investment properties are not depreciated and revaluation surpluses or deficits on investment properties are credited/charged in the income statement. Profit recognised on the sale of revalued property is based on the revalued amount.

Under US GAAP no such revaluations are permitted and depreciation is calculated on the original cost. Similarly, profit on the sale of property is based on depreciated historical cost.

Revenue Recognition

IFRS contain general principles for revenue recognition. In contrast to this, US GAAP is far more prescriptive and there are many individual pronouncements that cover particular categories of transactions or particular industries. Under US GAAP, meeting a list of detailed criteria will often decide whether revenue may be recognised or not. Consequently, where differences do arise between IFRS and US GAAP, they will occur more as a result of rigid application of detailed US GAAP rules than as a result of fundamental differences as to when revenues should be recognised. Under US GAAP, in some cases, sales recorded as revenue under IFRS would be deferred and not recognised as revenue under US GAAP until a future accounting period. For example, IFRS permits sales of investment property to be recognised when contracts for the sale of property are exchanged or legally completed. Under US GAAP, sales of property would not qualify for revenue recognition until the sales have been legally completed.

Provisions

Under IFRS, provision is made when the company (1) has a present obligation (legal or constructive) as a result of past events, (2) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and (3) a reliable estimate can be made. Full provision is made based on the net present value of the estimated cost. Increases in provisions relating to changes in the net present value of the provision are shown separately in the income statement.

The recognition criteria for provisions under US GAAP is similar to IFRS. US GAAP requires a provision to be recognised in the period in which it is incurred when it is probable that a liability has been incurred and the fair value can be reasonably estimated. Differences between IFRS and US GAAP are likely to occur, for example, in instances when liabilities do not arise from a legal obligation such as in respect of vacant leasehold property. US GAAP would require a provision to be calculated for rental payments over the remaining life of the lease less income that would be expected to be received over that period. IFRS would estimate the liability as all net costs expected to be incurred for the period that the property is expected to be vacant or when costs exceed income. Additionally, whilst IFRS require the time value of money to be taken into account when making a provision, US GAAP only permits provisions to be discounted where the timing and amounts of payments are fixed or reliably determinable or where the obligation is a fair value obligation. Since the very nature of provisions is such that the timing of payments is uncertain, this means that it can be difficult to account for a provision on a discounted basis.

Deferred Tax

The broad principle of both IFRS and US GAAP is that a deferred tax liability or asset should be recognised for all temporary differences, with some exceptions. Both IFRS and US GAAP use a balance sheet concept of temporary differences—differences between the carrying amount of an asset or liability and its tax base.

Under IFRS, deferred tax liabilities (assets) are measured based on tax laws and tax rates that are expected to apply in the period they are settled (realised), which are enacted or substantively enacted by the balance sheet date. Deferred tax is provided on revaluation gains and losses on investment property and charged to the income statement.

Under US GAAP, deferred taxation is provided on all temporary differences between the tax and book bases of assets and liabilities using enacted tax rate at the reporting date; the effects of future changes in tax laws or rates are not anticipated. As under US GAAP, investment property is carried in the balance sheet at depreciated cost, there is no revaluation gain or loss on which to provide deferred tax.

PART X
ADDITIONAL INFORMATION

1. INTRODUCTION

- 1.1 This document does not constitute a prospectus for the purposes of the Prospectus Rules nor does it comprise an admission document prepared in accordance with the AIM Rules. Accordingly, this document has not been approved by or filed with the Financial Services Authority or the London Stock Exchange.
- 1.2 The following information on the Company in this section updates certain of the information included in the “Additional Information” section of the admission document dated 9 December 2005 issued by the Company in connection with its admission to trading on AIM which was prepared in accordance with the AIM Rules in place at that time. The following information in this section is included for reference and does not comply with the level of information which would be required to be included were this document to constitute a prospectus for the purposes of the Prospectus Rules or an admission document for the purposes of the AIM Rules.

2. THE COMPANY

- 2.1 The Company was incorporated on 20 October 2005 in the Isle of Man and registered under the IoM Companies Act as a public company limited by shares with registered number 114610C and with the name Dawnay, Day Treveria PLC.
- 2.2 The principal legislation under which the Company was formed and now operates is the IoM Companies Act and regulations made thereunder. The Company is domiciled in the Isle of Man.
- 2.3 The address of the registered office of the Company is St James’s Chambers, Athol Street, Douglas, Isle of Man IM1 2JE, with telephone number +44 (0) 1624 661020.
- 2.4 The Company trades under the name Dawnay, Day Treveria PLC.
- 2.5 The Company’s principal activity is that of a holding company. It is the ultimate parent company of the Group comprising the Company and the subsidiary undertakings set out in paragraph 3 below.

3. SUBSIDIARIES

- 3.1 The Company has the following subsidiary undertakings within the meaning of section 736 of the English Companies Act other than the Propcos:

<u>Name</u>	<u>Country of incorporation or residence</u>	<u>Field of activity</u>	<u>Proportion of capital held by the Company and (if different) proportion of voting power held</u>
Treveria Holdings S.à.r.l	Luxembourg	Intermediate holding company	100%
Treveria Properties S.à.r.l	Luxembourg	Intermediate holding company	89% (held by Treveria Holdings S.à.r.l.)
Treveria C S.à.r.l	Luxembourg	Holding company	100% (held by Treveria Properties S.à.r.l.)
Treveria D S.à.r.l	Luxembourg	Holding company	100% (held by Treveria Properties S.à.r.l.)
Treveria E S.à.r.l	Luxembourg	Holding company	100% (held by Treveria Properties S.à.r.l.)
Treveria F S.à.r.l	Luxembourg	Holding company	100% (held by Treveria Properties S.à.r.l.)
Treveria G S.à.r.l	Luxembourg	Holding company	100% (held by Treveria Properties S.à.r.l.)
Treveria H S.à.r.l	Luxembourg	Holding company	100% (held by Treveria Properties S.à.r.l.)

Note: Arba Investment S.à.r.l. holds the remaining 11% interest in Treveria Properties, the holding company of Treveria C S.à.r.l. This holding confers the right to receive the Carried Interest referred to in paragraph 8 of Part X of this document and the right to receive nominal value on a return of capital. Other than this, this holding carries no economic entitlement and which, accordingly, is not accounted for as a minority interest in the Group’s consolidated financial statements.

4. SHARE CAPITAL

- 4.1 The Company was incorporated with an authorised share capital of €10,000 divided into 10,000 shares of €1.00 each of which two subscriber shares were in issue fully paid.
- 4.2 The following changes in the authorised and issued share capital of the Company have occurred between its incorporation on 20 October 2005 and 16 November 2006 (being the most recent practicable date before publication of this document):
- 4.2.1 on incorporation, 2 ordinary shares of €1.00 each were allotted and issued at a price of €1.00 each;
- 4.2.2 on 25 November 2005, all 10,000 of the issued and unissued ordinary shares of €1.00 each in the capital of the Company were sub-divided into 1,000,000 ordinary shares of €0.01 each and the authorised share capital of the Company was increased from €10,000 to €6,500,000 by the creation of 649,000,000 ordinary shares of €0.01 each;
- 4.2.3 410,529,000 new Ordinary Shares were allotted and issued on the Company's admission to AIM (including 35,529,000 new Ordinary Shares which were issued and allotted to Dawnay Day Deutschland Limited and Kynnersley Asset Management Limited);
- 4.2.4 a further 33,871,280 new Ordinary Shares were allotted and issued shortly after the Company's admission to AIM on exercise of an over-allotment option.
- 4.3 The Directors are currently authorised to exercise all powers of the Company to allot Ordinary Shares up to a nominal amount equal to the authorised but unissued share capital of the Company following the passing of an ordinary resolution dated 25 November 2005.
- 4.4 The following resolution is to be proposed at the Extraordinary General Meeting of the Company to be held on Wednesday 29 November 2006:

That:

- (A) the authorised share capital of the Company be increased from €6,500,000 to €15,000,000 by the creation of 850,000,000 new ordinary shares to rank *pari passu* with the existing ordinary share capital of the Company;
- (B) the memorandum of association be altered by the deletion of the existing clause numbered 4 and the substitution therefor of the following clause to be numbered 4:
- “The share capital of the Company is €15,000,000 divided into 1,500,000,000 ordinary shares of €0.01 each.”
- (C) in revocation of any existing general authority granted to the Directors for the purposes of article 10 of the Articles, the Directors be generally and unconditionally authorised in accordance with article 10 of the Articles to exercise all the powers of the Company to allot ordinary shares up to an aggregate nominal value equal to the authorised but unissued share capital of the Company, such authority to expire (unless and to the extent previously revoked, varied or renewed by the Company in general meeting) at the conclusion of the next annual general meeting of the Company provided that the authority shall allow the Company to make an offer or enter into an agreement which would or might require ordinary shares to be allotted after this authority expires.
- (D) the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 13 of the Companies Act 1992) of ordinary shares in the capital of the Company provided that:
- (i) the maximum number of ordinary shares authorised to be acquired is 150,000,000 (representing 10 per cent. of the nominal share capital of the Company immediately following the increase in share capital set out in Resolution A above);
- (ii) the minimum price that may be paid for each Ordinary Shares is €0.01 (nominal value);
- (iii) the maximum price that may be paid for each Ordinary Share is an amount equal to 105 per cent. of the average of the mid-market quotation for an Ordinary Share as derived from the London Stock Exchange AIM Supplement to the Daily Official List

for the five business days immediately preceding the day on which the ordinary shares are contracted to be purchased;

- (iv) the authority conferred shall expire at the conclusion of the next annual general meeting of the Company, unless such authority is renewed prior to such time; and
- (v) the Company may make a contract to acquire its Ordinary Shares under the authority conferred prior to the expiry of such authority, which will or may be executed wholly or partly after such authority, and may purchase its ordinary shares in pursuance of any such contract.

4.5 As at the date of this document, the authorised and issued (all of which is fully paid) share capital of the Company is:

	Authorised		Issued	
	€	no.	€	no.
ordinary shares of €0.01	6,500,000	650,000,000	4,444,002.80	444,400,280

4.6 Immediately following Admission of the Initial Placing Shares, the authorised and issued (all of which is expected to be fully paid) share capital of the Company will be (assuming no exercise of the Over-allotment Option):

	Authorised		Issued	
	€	no.	€	no.
ordinary shares of €0.01	6,500,000	650,000,000	63,130,911.60	631,309,116

4.7 Immediately following Admission of the Additional Placing Shares, the authorised and issued (all of which is expected to be fully paid) share capital of the Company will be (assuming no exercise of the Over-allotment Option):

	Authorised		Issued	
	€	no.	€	no.
ordinary shares of €0.01	15,000,000	1,500,000,000	68,544,600.6	685,446,006

4.8 Save in respect of the Placing, none of the Placing Shares have been marketed or are available in whole or in part to the public in conjunction with the application for the Placing Shares to be admitted to AIM. The Placing Shares are in registered form and are capable of being held in uncertificated form and will be admitted to CREST with effect from Admission of the Placing Shares. In connection with the Placing, temporary documents of title will not be issued, however, it is expected that share certificates, for those who wish to hold Placing Shares in certificated form, will be posted on 6 December 2006 or as soon as thereafter practical. None of the Company's share capital is in bearer form.

5. MEMORANDUM AND ARTICLES OF ASSOCIATION

5.1 Memorandum of Association

The Memorandum of Association of the Company contains no restriction on the objects of the Company and the Company has, by and subject to the IoM Companies Act, the same rights, powers and privileges as an individual, unless restricted by special resolution and no such restrictions have been imposed or are resolved to be imposed.

5.2 Articles of Association

The Articles contain, inter alia, provisions to the following effect:

5.2.1 Board of Directors

Number of directors

The number of directors (other than any alternate directors) shall be not less than two nor more than ten (unless otherwise determined by the Company by ordinary resolution). A majority of the directors must be resident at all times outside the United Kingdom and at least one of the directors shall be resident in the Isle of Man. No more than one director,

partner, employee of, or professional adviser to, any portfolio, asset or investment manager of the Company or any other company in the same group as, or affiliated with, any such portfolio, asset or investment manager may be a director (such director, a “Non-Independent Director”) (save that any director of the Company appointed prior to the date of adoption of the Articles who is a professional adviser to any portfolio, asset or investment manager of the Company or any other company in the same group as, or which is otherwise affiliated with, any such portfolio, asset or investment manager shall not be counted for these purposes). The Articles also contain restrictions preventing a majority of the Board and/or the Chairman being directors or employees of, or professional advisers to, (i) any portfolio, asset or investment manager of the Company; or (ii) any company in the same group as, or affiliated with, a company referred to in (i) above; or (iii) any other investment company managed by a company referred to in (i) or (ii) above.

Power of Company to appoint directors

The Company may appoint a person who is willing to act to be a director by ordinary resolution, but the total number of directors shall not exceed ten.

Power of Board to appoint directors

The Board shall have the power at any time to appoint any person who is willing to act as a director but the total number of directors shall not exceed ten.

Appointment of executive directors

Subject to the provisions of the IoM Companies Act, the Board may from time to time appoint one or more of its members to hold any employment or executive office for such term and subject to such other conditions as the Board thinks fit provided that no person who is resident in the United Kingdom may be so appointed.

Eligibility of new directors

No person, other than a director retiring, shall be appointed or reappointed a director at any general meeting unless:

- (a) he is recommended by the Board; or
- (b) notice has been given to the Company in advance of the date appointed for the meeting by a member who is qualified to vote at the meeting stating the intention to propose that person for appointment or reappointment, stating in particular the information required to be included in the Company’s register of directors together with written confirmation that that person is willing to be appointed or reappointed; and in either case, his appointment would not result in the majority of the Board being resident in the United Kingdom.

Share qualification

A director shall not be required to hold any shares in the Company.

Retirement by rotation

At each annual general meeting one third of the directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one third) shall retire from office by rotation. The retiring directors shall be eligible for re-election.

Removal by ordinary resolution

In addition to any power of removal conferred by the IoM Companies Act, the Company may remove any director before the expiration of his period of office (without prejudice to any claim for damages which he may have), and may appoint another person who is willing to act to be a director in his place by ordinary resolution.

Vacation of office by director

Without prejudice to the provisions for retirement contained in the Articles of Association, the office of the director shall be vacated if:

- (a) he resigns by notice in writing to the company secretary at the registered office or tendered at a Board meeting in accordance with the notice provision contained in any service agreement or letter of appointment; or
- (b) he ceases to be a director by any virtue of any provision of the IoM Companies Act, is removed from office pursuant to the Articles or the IoM Companies Act or becomes prohibited by law (including for the avoidance of doubt, the English Companies Act) from being a director; or
- (c) he becomes bankrupt, has an interim receiving order made against him, makes any arrangements or compounds to his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with any voluntary arrangement under that act or any analogous provisions in any other jurisdiction; or
- (d) an order is made by any court of competent jurisdiction on the ground of mental disorder for his detention or for the appointment of a guardian or receiver or other person to exercise powers with respect to his affairs or he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1998 or any legislation analogous thereto in any jurisdiction and the Board resolves that his office be vacated; or
- (e) both he and his alternate director are absent, without the permission of the Board, for three consecutive Board meetings and the Board resolves that his office be vacated; or
- (f) all the directors, other than the director in question, determine in writing that he should vacate the office of director; or
- (g) subsequent to his appointment, he becomes resident in the United Kingdom and this would result in the majority of the directors being resident in the United Kingdom; or
- (h) he is convicted of an indictable offence and the directors shall resolve that it is undesirable in the interests of the Company that he remains a director of the Company; or
- (i) in the case of a director who holds an executive office, he ceases to hold such office and the majority of his co-directors so resolve; or
- (j) in the case of a Non-Independent Director, the agreement or relationship between the Company and such other person(s) giving rise to the status of that director as a Non-Independent Director is terminated.

Appointments of alternate directors

Each director (other than an alternate director) may, by notice in writing delivered to the company secretary at the registered office or in any other manner approved by the Board, appoint any other director or any person approved for that purpose by the Board and willing to act, as his alternate save that: (i) any director resident in the Isle of Man may only appoint as his alternate any other director or any person approved for that purpose by the Board and willing to act who is also resident in the Isle of Man; and (ii) a director who is resident outside of the United Kingdom cannot appoint as his alternate any director or person resident in the United Kingdom.

Participation in Board meetings of alternate directors

Every alternate director shall be entitled to receive notice of all meetings at the Board and all committees of the Board of which his appointor is a member. If his appointor is absent from such meetings he shall be entitled to attend and vote at those meetings and to exercise all the powers, rights, duties and authorities of his appointor.

Interests of alternate directors

An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be paid expenses and to be indemnified to the same extent as if he were a director. An alternate director shall not be entitled to receive from the Company any fees for his services as alternate, except only such part (if any) of the fee payable to his appointor as his appointor may dictate by giving notice in writing to the Company.

Revocation of appointment

The alternate director shall cease to be an alternate director (a) if his appointor revokes his appointment; or (b) if his appointor ceases to be a director; or (c) if any events happen in relation to him which, if he were a director, would cause him to vacate office.

Directors' fees

The directors (other than alternate directors) shall be entitled to receive by way of fees for their services as directors such sum as the Board may from time to time determine provided that such sum shall not exceed in the aggregate €600,000 (or such other sum as the Company in general meeting shall from time to time determine) in any financial year. Such sum shall be divided among the directors in such proportions and in such manner as the Board may determine. Any fees shall be distinct from any salary, remuneration or other amounts payable to a director.

For the avoidance of doubt, directors will not be entitled to additional remuneration in respect of their service on any committees of the Board except that the chairman of any audit committee from time to time may receive an additional sum at the discretion of the Board.

Expenses

Each director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in or about the performance of his duties as director.

Remuneration of executive directors

The salary or remuneration of any director appointed to hold any employment or executive office may be a fixed sum of money or may be governed by business done or profits made or otherwise determined by the Board. The executive remuneration may be in addition to or in lieu of any fee payable to him for his services as director.

Pensions and other benefits

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for, or to institute and maintain any institution, association, society, club, trust, other establishment or profit sharing, share incentive, share purchase or employees share scheme calculated to advance the interest of the Company or to benefit, any person who is or has at any time been a director of the Company or any company which is a holding company or a subsidiary undertaking of or allied to or associated with the Company or any such holding company or subsidiary undertaking or any predecessor in business of the Company or of any such holding company or subsidiary undertaking, and for any member of his family and any person who is or was dependent on him.

Any director or former director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under the above paragraph and shall not be obliged to account for it to the Company.

Powers of the Board

Subject to the provisions of the IoM Companies Act, the memorandum of association of the Company and the Articles and to any directions given by special resolution of the Company, the business of the Company shall be managed by the Board which may exercise all the powers of the Company, whether relating to management of the business or not. The powers

of the Board shall be exercised so as to ensure that at all times management and control of the Company takes place outside the United Kingdom.

Powers of executive directors

The Board may from time to time delegate or entrust to and confer on any director holding executive office and who is not resident in the United Kingdom such of its powers, authorities and discretions for such time, on such terms and subject to such conditions that it thinks fit and the Board may revoke, withdraw, alter or vary the order of any such powers.

Delegation to committees

The Board may delegate any of its powers, authorities and discretions for such time or on such terms and subject to such conditions that it thinks fit to any committee (which, for the avoidance of doubt, need not include a director as one of its members) provided that the majority of the members of the committee shall be non-residents of the United Kingdom; no resolution of the committee shall be effective unless passed outside the United Kingdom and the majority of those present when it is passed are non-residents of the United Kingdom; and no more than one director, partner, employee, or professional adviser to any portfolio, asset or investment manager of the Company or any other company in the same group as, or which is otherwise affiliated with, any such portfolio, asset or investment manager, may be a member of such committee (save that any member of the committee appointed as either a director of the Company or as a member of the committee prior to the date of adoption of the Articles who is a professional adviser to any portfolio, asset or investment manager of the Company or any other company in the same group as, or which is otherwise affiliated with, any such portfolio, asset or investment manager shall not be counted for these purposes).

Local management

The Board may establish any local or divisional Boards or agencies for managing any of the affairs of the Company in any specified locality, either in the British Isles or elsewhere (but in any event outside the United Kingdom), and may appoint any persons to be members of such local or divisional Board, or any managers or agents, may fix their remuneration. The Board may delegate to any local or divisional Board, manager or agent so appointed any of its powers, authorities and discretions and may authorise the members for the time of any such local or divisional Board or any of them, to fill any vacancies and to act notwithstanding vacancies.

Exercise of voting power

The Board may exercise or cause to be exercised the voting power conferred by the shares in any other company held or owned by the Company, or any power of appointment to be exercised by the Company, in such manner or in all respects as it thinks fit.

Borrowing powers

The Board may exercise all the powers of the Company to borrow money, to give guarantees, to mortgage, hypothecate, pledge or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the provisions of the IoM Companies Act and the Articles, to create and issue debenture and other loan stock.

Borrowings by the Company owing to any persons outside the Group shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed 20 times the aggregate of:

- (a) the amount paid up on the issued share capital for the time being of the Company;
- (b) the total of capital and revenue reserves (including any share premium account, capital redemption reserve, all shown in the latest balance sheet of the Company).

Board meetings

The Board may meet, adjourn and otherwise regulate its proceedings as it thinks fit. No Board meeting shall be held in the United Kingdom.

Notice of Board meetings

One director may, and the company secretary at the request of a director shall, summon a Board meeting at any time on reasonable notice. Notice of a Board meeting shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for that purpose.

Quorum

The quorum necessary for the transaction of business may be determined by the Board and until otherwise determined shall be two persons, each being a director or an alternate director, provided that, if the majority of the directors present are resident in the United Kingdom, the directors present (irrespective at their number) shall not constitute a quorum.

Chairman of the Board

The Board may appoint one or more of its body chairman or joint chairman and one or more of its body (who is or are not so resident in the United Kingdom) deputy chairman of its meetings and may determine the period for which he is or they are to hold office and may at any time remove him or them from office. If no such chairman or deputy chairman is elected, or if at any meeting neither a chairman nor a deputy chairman is present within fifteen minutes of the time appointed for holding the same, the directors present shall choose one of their number to be chairman at such meeting.

Voting

The questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of that meeting shall not have a second or casting vote.

Participation by telephone

Any director or member of the committee of the directors (provided such director or member is not resident in the United Kingdom at the time of such participation) may participate in a meeting of the directors or such committee by means of telephonic or similar communications equipment whereby all persons participating in the meeting can hear and speak to each other and participating in a meeting in this manner by such persons shall be deemed to constitute presence in person at such meeting and any such persons shall be counted in the quorum. A meeting of the directors or committee of the directors at which a person or persons participate by means of telephonic or similar communications shall only be validly held if such communications are initiated in the Isle of Man and in such circumstances the location of the meeting shall be in the Isle of Man.

A resolution passed at any meeting held in the above manner, and signed by the chairman of the meeting, shall be as valid and effective as if it had been passed at a meeting of the Board (or committee, as the case may be) duly convened and held.

Proceedings of committees

All committees of the Board shall conform with any mode of proceedings and regulations which the Board may prescribe and subject thereto shall be governed by the Articles that regulate the proceedings of the Board that are capable of applying.

Minutes of proceedings

The Board shall cause minutes to be made in books kept for that purpose recording evidence of the matters discussed and resolved upon at meetings.

Validity of proceedings

All acts done by a meeting of the Board, or of a committee of the Board, or by any person acting as a director, alternate director or member of a committee shall be valid.

Director may have interests

Subject to the provisions of the IoM Companies Act and provided that such interests are disclosed to the Board in accordance with the Articles, a director, notwithstanding his office:

- (a) may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested;
- (b) may hold any other office or place of profit under the Company (except that of auditor or of auditor of a subsidiary of the Company) in conjunction with the office of director or may act by himself or through his firm in a professional capacity for the Company;
- (c) may be a director or other officer of, or employed by, or party to any transaction or arrangement with or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
- (d) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any such office, employment, contract, arrangement, transactional proposal,

and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.

Disclosure of interests to the Board

A director who, to his knowledge, is interested in any contract, arrangement, transaction or proposal with the Company shall declare the nature of his interests at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first considered, if he knows his interest then exists or, in any other case, at the first meeting of the Board after he knows that he is or has become so interested.

Interested director not to vote or count for quorum

Save as set out below, a director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any contract, arrangement, transaction or any other proposal whatsoever to which the Company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him within the meaning of section 346 of the English Companies Act) is to his knowledge a material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company, unless the resolution concerns any of the following matters:

- (a) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (b) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any subsidiary undertakings which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or any underwriting or sub-underwriting of which he is to participate;
- (d) any proposal concerning any other body corporate in which he (together with persons connected to him within the meaning of section 346 of the English Companies Act) does not to his knowledge have an interest in 1% or more of the issued equity share capital of any class of such body corporate or of the voting rights available to members of such body corporate;
- (e) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any

privilege or benefit not generally awarded to the employees to whom such arrangement relates; or

- (f) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of directors or for the benefit of the persons who include directors.

Director's interest in his own appointment

A director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment as the holder of any office with the Company or any company in which the Company is interested.

Chairman's ruling conclusive on directors' interest

If any question arises at any meeting as to the materiality of a director's interest (other than the chairman's interests) or as to the entitlement of any director (other than the chairman) to vote or be counted in the quorum, and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall be referred to the chairman of the meeting. The chairman's ruling in relation to the director concerned shall be final and conclusive. In the event that a question arises concerning the chairman's interest and his ability to vote or be counted in the quorum, which is not resolved by his agreeing to abstain from voting or being counted in the quorum, such question shall be decided by the resolution of the directors or committee members present at the meeting.

Connected persons

An interest of any person who is for the purposes of section 346 of the English Companies Act connected with a director shall be treated as an interest of that director.

Right to indemnity

Subject to the provisions of the IoM Companies Act, every director, alternate director, company secretary or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him in the discharge of his duties or exercise of his powers or otherwise in relation thereto. The indemnity shall include any liability incurred in defending any proceedings (whether civil or criminal) which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company, and in which judgment is given in his favour.

Power to insure

Subject to provisions of the IoM Companies Act, the Board may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time a director or other officer or employee of the Company or of any other company which is a subsidiary or subsidiary undertaking of the Company or in which the Company has an interest whether direct or indirect or who is or was at any time a trustee of any pension fund or employee benefits trust in which any employee of the Company or of any such other company or subsidiary undertaking is or has been interested indemnifying such person against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been or omitted to be done as a director, officer, employee or trustee.

5.2.2 **Rights attaching to the Ordinary Shares**

5.2.2.1 *As to Income*

Declaration of Dividends

The Company may, subject to the IoM Companies Act, by ordinary resolution, declare dividends to be paid in accordance with the respective rights and interests in the profits of the Company of members, and may fix the time for payment of such dividends but no dividend shall exceed the amount recommended by the Board. Any dividend declared shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to

the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid.

The Board may, if they think fit from time to time, declare and pay to the members such interim dividends (including any dividend payable at a fixed rate) as appear to the Directors to be justified by the profits of the Company available for distribution and are permitted by the IoM Companies Act. If at any time the share capital of the Company is divided into different classes, the directors may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividend as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears.

Calls or debts may be deducted from dividends

The Board may deduct from any dividend or any other money payable to any person on or in respect of a share all such sums as may be due from him to the Company in relation to the shares of the Company.

Distributions in specie

The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets.

Dividends not to bear interest

Unless otherwise provided by the rights attached to the share, no dividend or other monies payable by the Company shall bear interest as against the Company.

Method of payment

The Company may pay any dividend, interest or other sum payable in respect of a share in cash or by any other method (including by electronic media and including, in respect of shares in uncertificated form, where the Company is properly authorised to do so, by means of a relevant system (subject always to the facilities and requirements of that relevant system)) as the Board may consider appropriate.

Every form of payment is sent at the risk of the person entitled to the money represented by it and shall be made payable to the person or persons entitled, or to such other person as the person or persons entitled may direct in writing.

Payment by means of a relevant system may include the sending by the Company or by any person on its behalf of an instruction to the operator of the relevant system to credit the cash memorandum account of the member or joint holders or, if permitted by the Company, of such person as the member or joint holders may direct in writing. Cash memorandum account means an account so designated by the operator of the relevant system.

The Board may, at its discretion, make provisions to enable any member as the Board shall from time to time determine to receive duly declared dividends in a currency or currencies other than sterling.

Uncashed dividends

If sums payable in respect of a share sent by the Company to the person entitled thereto are returned to the Company or left uncashed on three consecutive occasions or, following one occasion, reasonable enquires have failed to establish any new address to be used for the purpose, the Company shall not be obliged to send any dividends or other monies payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose.

Unclaimed dividends

All dividends, interest or other sum payable and unclaimed for twelve months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends unclaimed for a period of

twelve years after having been declared or become due for payment shall, if the Board so resolves, be forfeited and so shall cease to remain owing by the Company.

5.2.2.2 *As to Capital*

On a winding up the liquidator may, with the authority of an extraordinary resolution and any other sanction required by Law: (i) divide among the members in specie the whole or any part of the assets of the Company and may for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members, but if any division is resolved otherwise than in accordance with such rights, the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to section 222 of the IoM Companies Act 1931; and the liquidator may (ii) vest the whole or any part of the assets in trustees on such trusts for the benefit of members as the liquidator, with the like authority, shall think fit but so that no member shall be compelled to accept any assets in respect of which there is any liability.

The surplus assets available for members shall be paid to the holders of Ordinary Shares in proportion to the number of Ordinary Shares held.

5.2.2.3 *As to Voting*

Subject to the Articles and to any special rights or restrictions as to voting for the time being attached to any class of shares in the Company, on a show of hands every member present in person shall have one vote and on a poll every member present in person (or, being a corporation, by representative) or by proxy shall have one vote for every share held by him. A member present by proxy shall not be deemed to be present in person.

Unless the Board otherwise determines, no member shall be entitled to receive any dividend or to be present and vote at any general meeting either personally or (save as proxy for another member) by proxy or (if the member is a corporation) by authorised representative, or be reckoned in a quorum, in respect of any share held by him if any call or other sum (including interest and expenses (if any)) presently payable by him to the Company in respect of that share remains unpaid.

Power to attach rights

Subject to the provisions of the IoM Companies Act and to any special rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time to time by special resolution determine or, if no such resolution has been passed or so far as the resolution does not make a specific provision, as the Board may determine.

5.2.2.4 *Variation of Rights*

Sanction to variation

If at any time the share capital of the Company is divided into shares in different classes, any of the rights for the time being attached to any share or class of shares in the Company may be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holder of not less than three quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class duly convened and held.

Class meetings

All the provisions in the Articles as to general meetings shall apply mutatis mutandis to every meeting of the holders of any class of shares. The Board may convene a meeting of the holders of any class of shares whenever it thinks fit and whether or not

the business to be transacted involves a variation or abrogation of class rights. The quorum at every such meeting shall be not less than 2 persons holding or representing by proxy at least one third of the nominal amount paid up on the issued shares of that class. Every holder of shares in the class, present in person or by proxy, may demand a poll. Each such holder shall on a poll be entitled to one vote for every share of the class held by him. If at any adjourned meeting of such quorum as aforesaid is not present, not less than 1 person holding shares of the class who is present in person or by proxy shall be a quorum.

Deemed variation

Subject to the terms of issue, the rights or privileges attached to any class of shares shall be deemed not to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects with or subsequent to those already issued or by the exercise of any power by the Company under the Articles or by the reduction of the capital paid up on such shares or by the purchase or redemption by the Company of its own shares in accordance with the provisions of the IoM Companies Act and the Articles.

5.2.2.5 Pre-emption Rights

The Articles do not contain any pre-emption rights for shareholders on the allotment of shares and there is no statutory equivalent in the IoM Companies Act to the shareholder pre-emption rights contained in the English Companies Act.

5.2.2.6 Transfer of Shares

Form of transfer

Subject to the applicable restrictions in the Articles of Association, each member may transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by the Board, or without a written instrument (subject to the class of shares becoming a participating security for the purpose of the Transfer of Securities Regulations 1996) through an uncertificated system in accordance with the regulations. Such instruments shall be executed by and on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register in respect of it.

Right to refuse registration

The Board may, in its absolute discretion and without giving any reason, refuse to register any transfer of any certificated share (or renunciation of a renounceable letter of allotment) unless:

- (a) it is in respect of a share which is fully paid up;
- (b) it is in respect of a share upon which the Company has no lien;
- (c) it is in respect of only one class of share;
- (d) it is in favour of not more than four joint transferees;
- (e) it is duly stamped (if so required); and
- (f) it is delivered for registration to the registered office or such other place that the Board may from time to time determine, accompanied (except in the case of a transfer by a recognised person where a certificate has not been issued or in the case of a renunciation) by a certificate for the shares to which it relates and such other elements as the Board may reasonably require to prove the title of the transferor.

The Board shall not refuse to register any transfer or renunciation of shares which are traded on AIM in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.

The Board may also refuse to register a transfer if in their opinion (and with the concurrence of the London Stock Exchange or such other competent authority) exceptional circumstances so warrant.

The Board is required to register a transfer of an uncertificated share in accordance with the Transfer of Securities Regulations 1996 and may refuse to register the transfer of any uncertificated share in accordance with those regulations.

The Board may also refuse to register a transfer of shares in favour of a person believed by them to be a prohibited person. A prohibited person for these purposes is any person, as determined by the Board, to whom a transfer of shares:

- (a) would be in breach of the laws or requirements of any jurisdiction or governmental authority; or
- (b) may cause the Company to be classified as an “investment company” under the United States Investment Company Act of 1940; or
- (c) in circumstances which, in the opinion of the Board, might result in the Company and/or the members as a whole incurring any liability to taxation or suffering any other regulatory, pecuniary, legal or material administrative disadvantage that the Company might not otherwise have suffered or incurred; or
- (d) would cause the assets of the Company to be deemed assets of an employee benefit plan as defined in and subject to ERISA and/or a plan subject to section 4975 of the Code.

Prohibited persons include Isle of Man residents without the consent of the Board. The Board may require a potential transferee to supply such information as the directors reasonably require in order to determine whether a potential transferee qualifies as a prohibited person.

If a member who appears to be interested in shares or is interested in shares and has received a direction notice in accordance with the Articles from the Company and has not responded, purports to transfer the shares, such transfer will not be registered.

If the transferee is a prohibited person or the Board otherwise determines that the holding of shares by such transferee would be in breach of any relevant legal or regulatory requirement or would subject the Company to any adverse legal, regulatory or taxation consequences or the Board otherwise determines (in its sole discretion and without being obliged to provide its reasons therefor) that such holding is not in the Company’s interests, the Company may direct such transferee to sell his shares to a person who is not a prohibited person within thirty days of the notice of refusal. If the holder fails to transfer his shares in accordance with the directions of the Company within the period prescribed, the forfeiture provisions described below shall apply *mutatis mutandis*.

Notice of refusal

If the Board refused to register a transfer of a share, it shall, within two months after the date on which the transfer was lodged with the Company, send notice of refusal to the transferee.

Closing of register

The registration of transfers of shares or of any class of shares may be suspended (to the extent where same is consistent with the IoM Companies Act) at such times and for such periods (not exceeding 30 days in any year) as the Board may from time to time determine. Notice of closure of the register shall be given in accordance with the requirements of the IoM Companies Act.

5.2.3 Annual and Extraordinary General Meetings

Annual General Meetings

Subject to the provisions of the IoM Companies Act, annual general meetings shall be held at such time and place as the Board may determine.

Extraordinary General Meetings

All general meetings, other than annual general meetings, shall be called extraordinary general meetings.

Convening Extraordinary General Meetings

The Board may convene an extraordinary general meeting whenever it thinks fit. An extraordinary general meeting shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by section 113 of the IoM Companies Act 1931. At any meeting convened on such requisition or by such requisitionists no business shall be transacted except that stated by the requisition proposed by the Board. If there are not within the Isle of Man sufficient members of the Board to convene a general meeting, any director may call a general meeting.

Notice of General Meetings

An annual general meeting and an extraordinary general meeting convened for the passing of a special resolution shall be convened by not less than 21 clear days notice in writing. All other extraordinary general meetings shall be convened by not less than 14 clear days notice in writing. Subject to the provisions of the IoM Companies Act, and notwithstanding that it is convened by shorter notice than that specified previously in this paragraph, a general meeting shall be deemed to have been duly convened if it is so agreed:

- (a) in the case of an annual general meeting or a meeting called for the passing of a special resolution, by all the members entitled to attend and vote at the meeting; and
- (b) in the case of any other meeting by the majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

The notice shall specify:

- (a) whether the meeting is an annual general meeting or an extraordinary general meeting;
- (b) the place, the day and the time of the meeting;
- (c) in the case of special business, the general nature of that business;
- (d) the meeting is convened to consider a special or extraordinary resolution, the intention to propose the resolution of such; and
- (e) with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or more proxies to attend, and, on a poll, vote instead of him and that a proxy need not also be a member.

Notice shall be given to the members who are entitled to receive notice from the Company, to the directors and to the auditors.

Omission to send notice

The accidental omission to send a notice of meeting or, in the cases where it is intended that it be sent out with the notice, an instrument of proxy to, or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings of that meeting.

Special business

All business that is transacted at the general meeting shall be deemed special, except the following transactions at an annual general meeting:

- (a) the declaration of dividends;

- (b) the receipt and consideration of the annual accounts and reports of the directors and the auditors and any other document required to be annexed in the annual accounts;
- (c) the election or re-election of directors; and
- (d) the reappointment of the auditors retiring and the fixing of the remuneration of the auditors or the determination of the manner in which such remuneration is to be fixed.

Quorum at General Meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Two persons entitled to attend and vote on the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.

If quorum not present

If within 15 minutes (or such longer interval as the chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a meeting such quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned for the same day in the next week at the same time and place, or to be later on the same day or to such other day and at such time and place as the chairman may determine. If at such a general meeting a quorum is not present within 15 minutes from the time appointed for the holding of the meeting, one person entitled to vote on the business to be transacted shall be a quorum.

Chairman

The chairman of the Board shall preside at every general meeting of the Company. If there be no such chairman or if at any meeting he shall not be present, the deputy chairman (if any) of the Board shall preside at such meeting. If no chairman or deputy chairman shall be so present and willing to act, the directors present shall choose one of their number to act as a chairman of the meeting. If there be no director present and willing to act, the members present who are entitled to vote shall choose one of their number to be chairman of the meeting.

Directors and other persons may attend and speak

A director (and any other person invited by the chairman to do so) shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and any separate meeting of the holders of any class of shares of the Company.

Power to adjourn

A chairman may with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time (or indefinitely) and from place to place as the meeting shall determine. The chairman may also, without the need for the consent of the meeting, interrupt or adjourn any meeting from time to time and from place to place or for an indefinite period if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of attending, speaking and voting at the meeting or to ensure that the business of the meeting is properly disposed of.

Accommodation of members and security arrangements

The Board may, for the purpose of controlling the level of attendance and ensuring the safety of those attending at any place specified for the holding of the general meeting, from time to time make such arrangements as the Board shall in its absolute discretion consider to be appropriate and may from time to time vary any such arrangements or make new arrangements in place therefore.

In the case of any meeting to which such arrangements apply the Board may, when specifying the place of the meeting, direct that the meeting shall be held at the place specified in the notice and also make arrangement for simultaneous attendance and

participation at other places by members otherwise entitled to attend the general meeting provided that the persons attending the place of the meeting presided over by the chairman and at any other places shall be able to see, hear and be seen and heard by, each other.

The Board may direct that any person wishing to attend any meeting should provide such evidence or identity and submit to such searches or other security arrangements or restrictions as the Board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to refuse entry to any meeting to any person who fails to provide such evidence or identity or submit to such searches or to otherwise comply with such security arrangements or restrictions.

Method of voting

At any general meeting a resolution put to a vote at the meeting shall be decided on a show of hands, unless (before or on the declaration of the result of the show of hands) a poll is duly demanded. Subject to the provisions of the IoM Companies Act, a poll may be demanded by:

- (a) the chairman of the meeting;
- (b) at least 5 members present in person or by proxy and entitled to vote at a meeting;
- (c) a member or members present in person or by proxy representing not less than 1/10th of the total voting rights of the members having a right to vote at the meeting; or
- (d) a member or members present in person or by proxy holding shares conferring a right to vote at the meeting, being shares in which an aggregate sum has been paid up equal to not less than 1/10th of the total sum paid up on all the shares conferring that right.

Chairman's declaration conclusive on show of hands

Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman of the meeting as to the outcome of a resolution on a show of hands, and an entry to that effect in the book containing the minutes and proceedings of the Company, shall be conclusive evidence of the outcome of such a vote.

Objection to error in voting

No objection shall be raised to the qualification of any voter or to the counting of, or failure to count, any vote, except at a meeting or adjourned meeting at which the vote objected to is given or tendered or at which the error occurs.

Procedure on a poll

Any poll duly demanded on the election of a chairman of a meeting or on any question of adjournment shall be taken forthwith. A poll duly demanded on any other matters shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded, as the chairman shall direct. No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In other cases at least 7 clear days notice shall be given specifying the time and place at which the poll is to be taken.

The demand for a poll (other than on the election of a chairman or any question of adjournment) shall not prevent the continuance of the meeting for the transaction of any business other than the question on which a poll has been demanded.

On a poll votes may be given in person or by proxy.

Casting vote

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll was demanded shall be entitled to a second or casting vote in addition to any other vote he may have.

Restriction on voting rights for unpaid calls etc

No member shall, unless the Board otherwise determines, be entitled to vote at a general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, or to exercise any other right or privilege as a member in respect of a share held by him unless and until all calls or other summons presently due and payable by him in respect of that share whether alone or joint with any other person together with interest and expenses (in any) have been paid to the Company.

Voting by proxy

Any person (whether a member of the Company or not) may be appointed to act as a proxy. A deposit of an instrument of proxy shall not preclude a member from attending and voting in person at a meeting in respect of which the proxy is appointed or at any adjournment thereof.

Form of proxy

An instrument appointing a proxy shall:

- (a) be in writing in any common form or in such other form as the Board may approve duly executed by the appointor;
- (b) be deemed (subject to any contrary direction contained in the same) to confer authority to demand or join in demanding a poll and to vote on any resolution or amendment of the resolution put to the meeting for which it is given as the proxy thinks fit;
- (c) unless the contrary is stated therein, be valid as well for any adjournment of the meeting and for the meeting to which it relates; and
- (d) where it is stated to apply to more than one meeting be valid for all such meetings as well as for any adjournment of any such meeting.

Deposit of proxy

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority certified notarially or in some other way approved by the Board shall:

- (a) be deposited at the Company's registered office or at such other place or places within the Isle of Man or elsewhere as is specified in the notice convening the meeting not less than 48 hours before the time of the holding of the meeting for which the person named in the instrument proposed to vote; or
- (b) in a case of a poll taken more than 48 hours after it is demanded, be deposited after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman of the meeting or to any director; and

an instrument of proxy not deposited or delivered in a manner so permitted shall be invalid. No instrument appointing a proxy shall be valid after the expiry of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within 12 months from such date.

The Board may from time to time permit appointments of the proxy to be made by means of an electronic communication in the form of an uncertificated proxy instruction.

Notwithstanding any other provision in the Articles of Association, the Board may treat any such uncertificated proxy instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of the holder.

Uncertificated proxy instruction means a properly authenticated dematerialised instruction and/or other instruction or notification, which is sent by means of the relevant system concerned and received by such participant in that system acting on behalf of the Company as the Board may prescribe, in such form and subject to such terms and conditions as from time to time be prescribed by the Board (subject always to the facilities and requirements of the relevant system concerned).

More than one proxy may be appointed

A member may appoint more than one proxy to attend on the same occasion.

Revocation of proxy

A revocation of proxy for whatever reason must have been received by the Company at the registered office, or at such other place as has been appointed for the deposit of instruments of proxy, at least 48 hours before the commencement of the meeting or the taking of the poll at which the instrument of proxy is to be used in order to be effective.

Corporate representative

A corporation which is a member may, by resolution of its directors, or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any separate meeting of the holders of any class of shares. A director, the company secretary or some other person authorised for the purpose by the company secretary may require the representative to produce a certified copy of the resolution so authorising him or such evidence of his authority reasonably satisfactory to them before permitting to exercise his power.

5.2.4 Changes in Share Capital

Increase, consolidation, cancellation and sub-division

The Company in general meeting may from time to time by ordinary resolution:

- (a) increase its authorised share capital by such sum to be divided into shares of such amount as the resolution prescribes;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled; and
- (d) subject to the provisions of the IoM Companies Act, sub-divide shares or any of them into shares of a smaller amount, and may by such resolution determine that, as between the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares.

Reduction of Capital

Subject to provisions of the IoM Companies Act and to any rights for the time being attached to any shares, the Company may by special resolution reduce its share capital or any capital redemption reserve or share premium account in any way.

Purchase of own shares

Subject to the provisions of the IoM Companies Act and to any rights for the time being attached to any shares, the Company may purchase any of its own shares of any class, including any redeemable shares. Any shares to be so purchased may be selected in any manner whatsoever.

5.2.5 Disclosure of Shareholder Ownership

Individual and Group acquisitions

Where a member either:

- (a) to his knowledge acquires a Notifiable Interest in shares in the Company, or ceases to be so interested in shares (whether or not retaining an interest in other shares); or
- (b) becomes aware that he has acquired a Notifiable Interest in shares in the Company or that he has ceased to be so interested in shares in the Company in which he was previously interested;

then the member is obliged to notify the Company of the interests which he has or had in shares.

A member has a “Notifiable Interest” at any time when he is interested in shares and is either resident for tax purposes in the Isle of Man or is the legal holder of shares of an aggregate nominal value equal to or is more than 3% of the Company’s issued share capital.

Where the obligation of notification arises, the member must notify the Company within the period of 5 days next following the day on which the obligation arises. The notification must:

- (a) specify the number of shares held by the member at the time the obligation of disclosure arose, or
- (b) if the member no longer has a Notifiable Interest in shares, state that the member no longer has that interest.

The member’s notification shall include the following details:

- (a) the identity of the member to which the notification relates; and
- (b) the number of those shares held by the member;

so far as known to the member at the date when the notification is made.

5.2.6 Disenfranchisement and Forfeiture

Disenfranchisement

If the holder of or any other person appearing to be interested in any shares in the Company has been duly served with a notice requiring inter alia, details of their shareholding in the Company during the 3 years immediately preceding the date of the notice (including whether persons interested in the same shares are or were parties to any agreement to which section 204 of the English Companies Act applies or to any agreement or arrangement relating to the exercise of any rights conferred by the holding of the shares) and is in default in supplying to the Company information thereby required within such reasonable time as may be specified in the notice, the following restrictions shall apply in respect of the shares in relation to which the default occurred (“default shares”).

Where the default shares represent at least 0.25% in nominal value of the shares of their class in issue, any dividend or other money which would otherwise be payable on such shares shall be retained by the Company without liability to pay interest and no transfer of any of the shares held by the member shall be registered unless the holder is not himself in default in supplying the information required and provides evidence to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer or the transfer is an “approved transfer”, or registration of the transfer is required by the Uncertificated Securities Regulations 2001.

For the above purposes, an “approved transfer” is:

- (a) a transfer pursuant to acceptance of a takeover offer for the Company;
- (b) a transfer in consequence of a sale made through a recognised investment exchange or any stock exchange or market outside the UK on which the shares of that class are normally traded; or

- (c) a transfer which is shown to the satisfaction of the Board to be made in consequence of a bona fide sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appeared to be interested in the shares.

Forfeiture

If any member fails to pay the whole of any call or any instalment of any call on or before the day appointed for payment, the Board may at any time serve a notice in writing on such member requiring payment, on a date not less than 14 clear days from the date of the notice, of the amount unpaid and any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment. The notice shall, inter alia, state that, if the notice is not complied with, the shares in respect of which such call was made will be liable to be forfeited. If the notice is not complied with, any share in respect of which it was given may, at any time before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

When any share has been forfeited, notice of the forfeiture shall be served on the person who was before forfeiture the holder of the share or the person entitled to such share by transmission (as the case may be). The Board may, at any time before any share so forfeited has been cancelled or sold, reallocated or otherwise disposed of, annul the forfeiture, on the terms that payment shall be made of all calls and interest due thereon and all expenses incurred in respect of the share and on such further terms (if any) as the Board shall see fit.

Every share which shall be forfeited shall become the property of the Company. Subject to the provisions of the IoM Companies Act, any such share may be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder thereof or entitled thereto or to any other person, on such terms and in such manner as the Board shall determine. The Company may receive the consideration (if any) given for the share on its disposal.

A shareholder whose shares have been forfeited shall cease to be a member in respect of the shares forfeited and shall surrender to the Company for cancellation of the certificate for such shares. He shall nevertheless be liable to pay to the Company all calls made and not paid on such shares at the time of forfeiture, and interest thereon from the date of the forfeiture to the date of payment, in the same manner in all respects as if the shares had not been forfeited, and to satisfy all (if any) claims, demands and liabilities which the Company might have enforced in respect of the shares at the time of forfeiture, without any reduction or allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

5.3 Mandatory Takeover Bids

The conduct of takeovers and mergers of UK companies is regulated principally by the City Code on Takeovers and Mergers (the “**City Code**”). The Code comprises six General Principles and 38 Rules designed to ensure fair and equal treatment of all Shareholders in a takeover. The Code is issued and enforced by the Panel on Takeovers and Mergers (the “**Panel**”) which is the supervisory authority carrying out various regulatory functions in relation to takeovers pursuant to the Takeovers Directive (Interim Implementation) Regulations 2006. The Regulations only apply to takeovers of companies admitted to a regulated market, which include the main market of the London Stock Exchange but not AIM. For AIM companies, therefore, the City Code has not, and does not seek to have, the force of law. It has, however, been acknowledged by both the UK government and other UK regulatory authorities that those who seek to take advantage of the securities markets in the UK should conduct themselves in matters relating to takeovers in accordance with best business standards and so according to the City Code.

In addition to applying to all offers for companies with registered offices in the UK, the Channel Islands and the Isle of Man whose securities are admitted to trading on a regulated market in any of those places, the City Code also applies to all takeover and merger transactions, however effected, where the offeree company is a public company (including a public company with shares traded on AIM) with a registered office, and considered by the Panel to have its place of central management

and control, in the UK, the Isle of Man or the Channel Islands. The City Code also applies in certain other situations and to certain categories of private limited companies.

The City Code is based upon a number of general principles which are essentially statements of good standards of commercial behaviour. One such principle states that where control of a company is acquired by a person, or persons acting in concert, a general offer to all other shareholders is normally required. A similar obligation may arise if control is consolidated. "Control" for these purposes means a holding, or aggregate holdings, of shares carrying 30% or more of the voting rights of a company, irrespective of whether the holding or holdings gives de facto control. "Voting rights" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting. A general offer will also be required where a person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights, acquires additional shares which increase his percentage of the voting rights. Unless the Panel consents, the offer must be made to all other shareholders, be in cash (or have a cash alternative) and cannot be conditional on anything other than the securing of acceptances which will result in the offeror and persons acting in concert with him holding shares carrying more than 50% of the voting rights.

6. INTERESTS OF THE DIRECTORS AND RELATED PARTY TRANSACTIONS

6.1 Director's interests

As at 16 November 2006 (being the latest practicable date prior to the date of this document) the following options over Ordinary Shares have been granted to the following persons in respect of services provided to the Company by certain directors for nil consideration:

<u>Director</u>	<u>No. of Ordinary Shares under option</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Foyle Associates (in respect of Ian Henderson)	450,000	On or after 14 December 2008	€1.00 per Ordinary Share

Further details are set out in paragraph 7.3 of this Part X.

6.2 Director's letters of appointment

6.2.1 The Company has entered into a letter of appointment with each of the Directors or Foyle Associates in the case of the services of the Chairman, Ian Henderson. Each letter provides for the Director to act as a non-executive Director of the Company. Each Director took office on 25 November 2005 and, accordingly, has served in that office for 11 months and 22 days as at 16 November 2006 (being the latest practicable date prior to the publication of this document). Each appointment has an initial fixed term of one year and is terminable by six months notice in writing by either party, such notice not to expire (where given by the Company) before expiry of the fixed term. Each Director has given a confidentiality undertaking that is without limit in time.

6.2.2 Foyle Associates, in respect of the services of the Chairman, Ian Henderson, is entitled to an annual fee of €150,000.

6.2.3 Peter Klimt is not entitled to any annual fee.

6.2.4 Martin Bruehl, Christopher Lovell and David Parnell as Directors are entitled to annual fees of €60,000, €30,000 and £30,000 respectively.

6.2.5 Save as set out above, there have not been since incorporation and there are no existing or proposed service contracts between any of the Directors and the Company or any member of the Group providing for benefits upon termination of employment.

6.3 Investment committee terms of appointment

David Hunter, a manager of Treveria Properties and a member of the Group's investment committee, is entitled to an annual fee of €150,000.

6.4 Major shareholders

6.4.1 Save as set out below, the Company and the Directors are not aware of any person, who is as at 16 November 2006 (being the most recent practicable date before publication of this document) interested (within the meaning of the English Companies Act), directly or indirectly, in 3% or more of the issued share capital of the Company:

<u>Shareholder</u>	<u>Pre-Admission of the Placing Shares</u>	
	<u>No. of Ordinary Shares in which interested</u>	<u>% of issued share capital of the Company</u>
State Street Nominees Limited	65,520,079	14.7
Vidacos Nominees Limited	45,490,991	10.2
Hsbc Global Custody Nominee (UK) Limited	41,771,692	9.4
Chase Nominees Limited	40,489,444	9.1
Nutraco Nominees Limited	39,428,638	8.9
The Bank Of New York (Nominees) Limited	26,886,444	6.1
Pershing Keen Nominees Limited	25,354,059	5.7
Harewood Nominees Limited	20,250,000	4.6

6.4.2 Since the Company's admission to trading on AIM, various members of the Dawnay, Day Group have acquired CFDs over Ordinary Shares. As a result of these acquisitions, members of the Dawnay, Day Group now hold 33,897,000 Ordinary Shares representing 7.6% of the issued share capital of the Company and 17,714,038 CFDs over Ordinary Shares representing 4% of the issued share capital of the Company.

6.4.3 The Company and the Directors are not aware of any person who directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

6.4.4 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

6.4.5 The persons referred to in paragraph 6.4.1 of this Part X, do not have voting rights in respect of the share capital of the Company (issued or to be issued) which differ from any other shareholder of the Company.

6.5 Over the five years preceding the date of this document, the Directors have been directors or partners of the following companies and partnerships:

<u>Director</u>	<u>Current Directorships/Partnerships</u>	
<i>Ian Henderson</i>	British Property Federation	National History Museum
	Central & Cecil Housing Trust	Quintain Estates to Development Plc
	Commonwealth War Graves Commission	Royal Albert Hall
	Evans Property Holdings Plc	Royal Sun Alliance West End Board
	Dolphin Square Charitable Trustee	The New West End Company
	St Martins-in-the Fields Development Trust Limited	West End Commission
	Liberty International PLC	
	London First President's Committee	
	<u>Past Directorships/Partnerships</u>	
	73 New George Street Limited	LS Leisure Limited
	British Council for Offices	Murrayfield (Tollcross) Limited
	Central Commercial Properties Limited	Murrayfield Real Estate (Second Dundee) Limited
	City & Central Shops Limited	
	Dutchview Limited	Ravenseft Investments Limited
	Eron Investments Limited	Ravenseft Properties Limited
	George Street (Aberdeen) Limited	Ravensfield Investment Trust Limited
	Interim Holdings Limited	Ravenside Investments Limited
	Juniper Developments Limited	Shelfco (PIF)
	L & P Estates Limited	Sevington Properties Limited
	L.S.I.T. (Management) Limited	Slough Industrial Estates Limited
	Land Securities (Finance) Limited	The City of London Real Property Company Limited
	Land Securities (Management) Limited	
	Land Securities Group PLC	The Murrayfield & Ravenseft Real Estate Company Limited
	Land Securities Investment Trust Limited	
	Land Securities PLC	The Westminster Trust Limited
	Land Securities Properties Limited	Trillium Management Limited
	Landsec Properties Limited	Victoria Street Properties Limited
	London First	
	LS Centre Properties Limited	

Director	Current Directorships/Partnerships	
<i>Martin Bruehl</i>	Metzler North America Corporation	Cushman & Wakefield Healey & Baker
	Past Directorships/Partnerships	
	BBN Brett Bruehl Nann AG	
Director	Current Directorships/Partnerships	
<i>Peter Klimt</i>	7 Grosvenor Gardens Limited	Pearlpower Limited
	Alco Investments Limited	Pearlrotor Limited
	Alexmatic Limited	Penfield Corporation Limited
	Aloftropic Limited	Penwood Investments Limited
	Alofturban Limited	Perriniana Limited
	Antana 1 Limited	Piececycle Limited
	Antana 2 Limited	Piecedeep Limited
	Archrelay Limited	Piecedegree Limited
	Archrotor Limited	Piecedraft Limited
	Arenabroad Limited	Pieceelite Limited
	Armstrong Properties PLC	Piecefresh Limited
	Armstrong Properties Subsidiary No.1 Limited	Pieceinput Limited
	Atlas Land Limited	Piececline Limited
	Boardaction Limited	Plantridge Limited
	Boarddamber Limited	Pointstage Limited
	Boostscene Limited	Prizeother Limited
	Booststage Limited	Puma Property (Blackburn No.1) Nominee Limited
	Bournemouth Metropolis Limited	Puma Property (Blackburn No.2) Nominee Limited
	Boxselect Limited	Puma Property (Eversholt Street No.1) Nominee Limited
	Boxvisor Limited	Puma Property (Eversholt Street No.2) Nominee Limited
	Bridgecoin Limited	Puma Property (Eversholt Street No.3) Nominee Limited
	Bridgedrive Limited	Puma Property (Eversholt Street No.4) Nominee Limited
	Buckingham House Development Limited	Puma Property (Eversholt Street No.5) Nominee Limited
	Candale Limited	Puma Property (Eversholt Street No.6) Nominee Limited
	Cardenrich Limited	Puma Property (Liverpool No.1) Nominee Limited
	Catermatter Limited	Puma Property (Liverpool No.2) Nominee Limited
	Chartmicro Limited	Puma Property (Maidstone No.1) Nominee Limited
	Checkunique Limited	Puma Property (Maidstone No.2) Nominee Limited
	Chenwood Properties Limited	Puma Property (Rochdale No.1) Nominee Limited
	CKL Restaurants Limited	Puma Property (Rochdale No.2) Nominee Limited
	Commwise Limited	Puma Property (Rochdale No.3) Nominee Limited
	Craftfocal Limited	Puma Property (Rochdale No.4) Nominee Limited
	Craftfresh Limited	Puma Property (Wrexham) Nominee Limited
	Craftimage Limited	Quotewell Limited
	Createdegree Limited	Radiostyle Limited
	Createdraft Limited	Radiotitan Limited
	Createextra Limited	Radioupper Limited
	Createloop Limited	Radiowater Limited
	Crushpeople Limited	Raiseflight Limited
	D&A 01 Limited	Raiseinput Limited
	D&A 02 Limited	Raisepeople Limited
	D'Aragon	Rapidholder Limited
	Dalestream Investments Limited	Rayhelm Limited
	Dalestream Limited	Regent One Limited
	Darius Capital Limited	Regent Starlight Limited
	Dawn Hill Partnership (GP) Limited	Regent Two Limited
	Dawnay Day Deutschland Limited	Relaybroad Limited
	Dawnay Shore G.P. Limited	
	Dawnay Shore Hotels PLC	
	Dawnay, Day Art Limited	
	Dawnay, Day Asset Finance Limited	
	Dawnay, Day Balaton Limited	
	Dawnay, Day Carpathian PLC	
	Dawnay, Day Corporate Finance Limited	
	Dawnay, Day Development Properties Limited	
	Dawnay, Day Europe Limited	
	Dawnay, Day Global Investment Limited	
	Dawnay, Day Holdings Limited	
	Dawnay, Day Hotels Limited	
	Dawnay, Day India Land Limited	
	Dawnay, Day International Limited	

Director**Current Directorships/Partnerships**

Dawnay, Day K2 Limited	Relaycraft Limited
Dawnay, Day K3 Limited	Relayfleet Limited
Dawnay, Day K5 Limited	Relaymicro Limited
Dawnay, Day Karlovy Vary Limited	Relaypearl Limited
Dawnay, Day Nominees Limited	Rex Restaurant Associates Limited
Dawnay, Day Pecs Limited	Rhys Blaydon Limited
Dawnay, Day Properties (Pontefract) Limited	Rhys Braintree Limited
Dawnay, Day Properties Limited	Rhys Holding Limited
Dawnay, Day Property Investments Limited	Rhys Newport Limited
Dawnay, Day Real Estate Management Limited	Rhys Northfield Limited
Dawnay, Day Repos Limited	Rhys Stretford Limited
Dawnay, Day Savaria Limited	Rhys Wallasey Limited
Dawnay, Day Sopron Limited	Ridgepage Limited
Dawnay, Day Split Investments Limited	Ridgephone Limited
Dawnay, Day Structured Finance Limited	Riverraise Limited
Dawnay, Day Structured Investments II Limited	Robco Investments Limited
Dawnay, Day Structured Investments Limited	Rocklamp Limited
Dawnay, Day Treveria Real Estate Asset Management Limited	Rotorbroad Limited
Dawnay, Day United Kingdom Property Trust Limited	Rotorchart Limited
Dawnay, Day Venture Capital Investments Limited	Saturn Facilities Limited
DD&CO Limited	Scalebroad Limited
DDDP (Dudley) Limited	Scalefocal Limited
DDPF Limited	Sceneglass Limited
DDSF Limited	Scenetower Limited
Deltashare Limited	Scorehouse Limited
Deterchaz Limited	Screentrace Limited
Draftpiece Limited	Shapesilver Limited
Draftscene Limited	Sologlade Limited
Drafttrack Limited	Springenergy Limited
Drafttrend Limited	Starfuture Limited
Drivebranch Limited	Starlight Art Limited
Duelrelate Limited	Starlight Investments Limited
Elanport Limited	Starlight Marine Moorings Limited
Erachange Limited	Starlight Recovery Limited
Estrofield Properties Limited	Startnorth Limited
Faircruise Limited	Statusflight Limited
Fancycle Limited	Stepbyte Limited
Fieldramp Limited	Stepclimb Limited
Finestar Investments Limited	Stingray Limited
Fleettrend Limited	Stockglobe Limited
Focalamber Limited	Stockhost Limited
Focalarena Limited	Stockinfo Limited
Focalartist Limited	Stocklinks Limited
Fraenerclasp Limited	Stockloop Limited
Freetask Limited	Stonegate Albion 1 Limited
Fusion (Worthing) Limited	Stonegate Albion 2 Limited
Galaxy Properties Limited	Streampeak Limited
Goalbreeze Limited	Stripescene Limited
Guardsafe Investments Limited	Stripestock Limited
Hoheria Limited	Supernova Bedford Limited
Holly House Luton Limited	Supernova Birmingham Limited
Homedouble Limited	Supernova Burton Limited
Horizon (Glasgow) Limited	Supernova Coventry Limited
Imagerotor Limited	Supernova Hastings Limited
Inputflight Limited	Supernova Haverhill Limited
Insureprofit Limited	Supernova Holdings Limited
Investreport Limited	Supernova Wolverhampton Limited
Isleworth Freehold Property Limited	Teesmartin (Glasgow) Limited
Isleworth Leasehold Property One Limited	Termevent Limited
Isleworth Leasehold Property Two Limited	Themetest Limited
Jetpath Limited	Tigerclock Limited
Kolonada Limited	Timemetric Limited
Lawnphone Limited	Tokenplain Limited
Learnjust Services Limited	Totalassist Company Limited
Leasenow Trading Limited	Totalassist Split Investments Limited
	Towerimage Limited
	Treeright Limited
	Trendpearl Limited
	Trendrotor Limited
	Tropiccrush Limited

Director	Current Directorships/Partnerships
	<p>Leasepine Limited Leasescene Limited Legendthrill Limited Linkgarden Limited London & Aberdare (Egham) Limited M C Squared Catering Limited Makesharp Limited Maplesilver Limited Marcel Investments Limited Marketfast Limited Meadowpanel Limited Meadowscore Limited Mixdean Limited Mixpaul Limited MNI (Church Street) Limited Narrowpack Limited Newincco 538 Limited Numberflat Limited Ordercareer Limited Pacific Shelf 1047 Limited Paneldata Limited Pathdeck Limited Pearlease Limited</p>
	<p>Twigbreeze Limited UK Realty Limited UK Retail Portfolio I Limited Versetake Limited Viewbroad Limited Virginia James 1 Limited Virginia James 2 Limited Virginia James 3 Limited Visionover Limited Warnbreak Limited Watchstatus Limited Waterclock Limited Waterocean Limited Wayresult Limited Weaveforge Limited Weavefresh Limited Weaveinput Limited Weavepack Limited Webbgilt Limited Widepack Limited Wilcourt Investments Limited Wordrapid Limited Yolande Limited</p>
Director	Past Directorships/Partnerships
	<p>Aloftpeople Limited Aloftrelate Limited Aloftriver Limited Aloftstatus Limited Aloftstyle Limited Aloftsystem Limited Art Warehouse Limited Berkeley Security Bureau (ECM) Limited Berkeley Security Bureau (Forensic) Limited Brentpark Properties Limited Brentpark Properties Limited Coinmend Limited Craftbutton Limited Createpearl limited Dawnay Day Property Equity Finance Ltd Dawnay, Day & Co. Limited Dawnay, Day Brokers Limited Dawnay, Day MC2 Capital Management Limited DDI.RU Limited Draftstripe Limited Duelpound Limited Duelpower Limited Duelradio Limited Duelraise Limited Dunedin (Braintree) UK I Limited Dunedin (Braintree) UK II Limited Dunedin (Northfield) UK I Limited Dunedin (Northfield) UK II Limited Dunedin (Stretford) UK I Limited Dunedin (Stretford) UK II Limited Dunedin (Wallasey) UK I Limited Dunedin (Wallasey) UK II Limited Exportbranch Limited Fancywork Limited Fieldfreeze limited Fieldguide Limited Fieldinput Limited Fieldpeople Limited Fineside Properties Limited Firmrepair Limited Fleetrelay Limited Garden Properties Limited Gardenscore Limited Houseball Limited</p>
	<p>Paintfirst Limited Peopleradio Limited Peoplewatch Limited Poundaloft Limited Poundcrush Limited Pounddrama Limited Poundduel Limited Poundfancy Limited Poundflight Limited Radioword Limited Raisecrush limited Raisedrama Limited Raiseduel Limited Raisefancy Limited Raisefreeze Limited Residents' Association 184 Gloucester Place Limited Riverfreeze Limited Riverpound Limited Scalelease Limited Scalemicro Limited Showmajor Limited Spring Gardens Buxton (Nominee No 1) Limited Spring Gardens Buxton (Nominee No 2) Limited Starlight Marine Limited Statusupper Limited Statuswatch Limited Streamchime Limited Streamearth Limited Streamgrand Limited Stripescore Limited Tigercondor Limited Titanwatch Limited Titanwater Limited Titanword Limited Trafalgar Place Brighton Limited Tropicallied Limited Underramp Limited Upperpound Limited Upperrelate Limited Upperriver Limited Upperstatus Limited Uppertitan Limited</p>

Director	Past Directorships/Partnerships	
	Inforeal Limited	USG Consulting Limited
	Jewelforth Limited	Watchramp Limited
	Kandahar (Droitwich) Nominee No.1 Limited	Watchrelate Limited
	Kandahar (Droitwich) Nominee No.2 Limited	Watchriver Limited
	Landafar Properties Limited	Watchtitan Limited
	Landfull Limited	Weaveline Limited
	LYS Properties Limited	Weavemount Limited
	Maritime Security Bureau Limited	Woodenbutton Limited
	Mendip Land Limited	
Director	Current Directorships/Partnerships	
<i>Christopher Lovell</i>	Channel House Trustees (London) Limited	Braltrust Limited
	Tyrolese Trust Company Limited	Channel House Financial Services
	Lovell Jackson Mathews Nominees Limited	Group Limited (now merged with
	Channel House Secretaries Limited	Capita Fiduciary Group Ltd)
	Biriatou Limited	Harmony House Limited
	Company One Limited	Channel House Investments Limited
	Moorcreek Limited	Lovell Jackson Mathews Trustees
	Remus Holdings Limited	Limited (merged into Forbrit
	G.F. Shui (B.V.I.) Ltd.	Trustees Limited)
	Moja Trading Limited	G.S.N. Limited (merged into Forbrit
	Siam Holdings Limited	Trustees Limited)
	Valkyrie 2000 Limited	Seafood Trading Limited
	Tullow Cote D'Ivoire Limited	Camelot Limited
	Tullow Romania Limited	Marais Property Company Limited
	Tullow Senegal Operations Limited	Steel Finance Limited
	Edison Properties Limited	Altamar Limited
	Ensemble Holdings Limited	Lisfinny Limited
	Hay Hill Norwich Limited	Ivoryheights Holdings Limited
	Kaiser Air (Jersey) Limited	Midia Limited
	Forbane Investments Limited	Senna Holdings Limited
	Ferotos Limited	Wyndham Ventures Limited
	Harrington Golf Limited	Excelsior Limited
	M.S. Corporation Limited	Sapphire Enterprises Limited
	Mikania Investments Limited	Tullow Powergen Limited
	Factum Holdings Limited	Tullow Egypt Operations Limited
	Horta II Limited	Tullow Syria Operations Limited
	Fidalux Trust Limited	Certum Limited
	Saltarello Limited	Tullow Oil International Limited
	MGA Holdings Limited	Aircraft Consulting Group (Jersey) Limited
	Thibaud A.R.L.	Anambus Holdings Limited
	Anchor Property Ltd	Checkerline Design Limited
	Beltane Limited	Czar Aviation Limited
	Camolix Limited	Royale Pigments (Jersey) Limited
	Clevedon Overseas Limited	E — Casing Limited
	Coriace Investments Limited	Interactio Limited
	Linstead Holdings Limited	CB Air Limited
	Moonfleet Limited	Impex Aircraft Consulting (Jersey) Limited
	Ram's Head Properties Limited	Group Flight Services (Jersey) Limited
	Rosewarne Properties Limited	PFG Management Limited
	Shapour Limited	Tuninvest Investments Limited
	Sunsprea Estates Inc.	Fexton Investments Inc.
	Tifton Investments Limited	Gulf Venture Capital Limited
	Trophy Management Limited	Alyssum Management Limited
	Calwell Limited	Beaunell Limited
	Paradise Aviation (Jersey) Limited	Benyamina Investments (Jersey) Limited
	Aviation Staffing Company Ltd	Brookdale Properties Limited
	Cape Sable Holdings Limited	CBA Enterprises Limited
	Ennis Grove Holdings Limited	Corbel Properties Limited
	Belair Investments Limited	Dubello Limited
	Stemtide Limited	Max Holdings Limited
	Almerina Limited	Orchard Property Ltd
	Investment Property Databank	Sandcroft Holdings Limited
	Employees (Trustees) Limited	Shine Investments Limited
	Okerbridge Estates Limited	Ticino Investments Limited
	Denwood Investments Limited	Torremill (Jersey) Limited
	Demel Limited	Carpe Momo Limited
	Koben Investments Limited	Bazooka Investments Limited
	Finlay Limited	Jameswood Limited
	Sterham Investments Limited	Normandy Holdings Limited

Director**Current Directorships/Partnerships**

Carmella Properties Limited	Tullow Algeria Limited
Dotbern Investments Limited	Siebel Systems (Jersey) Limited
Hugin Investments Limited	Outshine Limited
Foxwell Holdings Limited	Globe International Management Limited
Corporate Advisors (Jersey) Limited	Andante Investments Limited
Amareta Investments Limited	Maxine Holdings Limited
Cairngorm Investments	Virtual Corporate Solutions Limited
Forefront Consultants Limited	Stillwater Services Limited
Crystal Pearl International Limited	Loriner International Limited
Violetta Securities Limited	Zass Limited
SPT Funding 1 Limited	Bergen Corporation
Caley Properties Limited	Palfridge Holdings Limited
Skybourne Holdings Limited	Cambiller Investments Limited
Escorpion Holdings Limited	Midbay Investments Limited
Complete Holdings Limited	Corporate Advisors (UK) Limited
Deleville Global Limited	Breval Limited
Highgrove Securities Limited	Longlast Holdings Limited
ECP Ventures III Limited	Halton Investments Inc
ECP Ventures II Limited	Neat Investments Limited
Creative Property Limited	Sentara Ventures Limited
Creative Holdings Limited	Tabzi Investments Limited
Eklus (Mauritius) Limited	Compl-Ex Aircraft Limited
Ambrosius Limited	Haygate International Limited
Aldemar Limited	PE and T Limited
Marita Investments Limited	Macon Management Limited
Tullow Cote d'Ivoire Exploration Limited	Caravelle Enterprises Limited
Deloraine Services Limited	Quality Collections Limited
Pension Fund Assumption Limited	ECP Ventures I Limited
Codevintec Limited	Eurasia Capital Partners Europe Limited
Scylla Limited	Matara Holdings Limited (formerly Nani Investments Ltd)
Metonym Limited	Eklus (BVI) Limited
Purbeck Holdings Limited	Rivulet Limited
SPT Holdings Limited	Tudor Employees Nominees Limited
Buri Leasing Ltd	Ratatosk Limited
Golftee LP 2 Limited	Tullow Gabon Operations Limited
Novalis Investments Limited	Longfield Ventures Limited
Noserider Holdings Limited	PEIA Limited
TG Employee Investment Company II	Falco Limited
Chantelle Investments Limited	Laptey Holdings Limited
Cape TC (Jersey) Limited	Ravinella Limited
Auray Holdings Limited	Jermyn Investment Trust Limited
Anker Capital Investments Limited	Boyer Allan (Jersey) Limited
GEM Aviation Limited	Tavoy Holdings Limited
Cambier Limited	Coriolis Consulting Limited
Betony Investments Limited	Golftee LP 3 Limited
Bennelong Proprietary Fund Limited	Locarno Limited
Abella Properties Limited	TG Employee Investment Company I
Straightline Marketing Limited	Calibur Limited
Lyon Systems Limited	Limestone Investments Limited
Freshwater Services Limited	Bella TC (Jersey) Limited
Pegum Holdings Limited	Lordos Limited
BAM Distributor Limited	Golftee TC Limited
GLS (Jersey) Limited	SCBD Technology Limited
Ophir Gabon (Gnondo) Limited	Branthill Limited
Ophir Gabon (Mbeli) Limited	Bennelong Asset Management Limited
Sardis Limited	Boléat Consulting Services Limited
Brookdene Global Limited	Zarnita Limited
Autonomy Capital (Jersey) Limited	Santry Limited
Wapi Holdings Limited	Control Risks (Jersey) Limited
Ceramic Technology Engineering Consultancy Limited	NPT Holdings Limited
Carrousel Jersey Limited	Craig Millar Castle (Holdings) Limited
Eurasia Transportation Group Ltd	Stampflat Nom X Limited
Freight Investor Services Physicals Limited	Ophir Holdings Limited
Forbrit Trustees Limited	Ophir Gabon (Manga) Limited
Liberty International Opportunities Master Fund Limited	Ophir Gabon (Ntsina) Limited
SFI Holdings Limited	Anassa Limited
The Strategic Film Investors Fund Limited	

Director	Current Directorships/Partnerships	
	Hoplite Management Limited	Carrousel Capital (C.I.) Limited
	Hightonwood Investments Limited	Baker Steel Capital International Limited
	Sonwood Limited	AKO Capital (Jersey) Limited
	Kings Advisors Limited	Oakamoor Investments Limited
	International Marketing Services Inc	Ukraine Liberty Fund Limited
	Meekin Investment Company Limited (Gibraltar)	CT No 1 (Bermuda) Limited
	Fischer Investments Limited	Mountain Capital Management Ltd
	Meekin Investment Company Limited	EMAC Illyrian Land Fund G.P. Limited
	Regeneration (GP) Limited	Liberty International Opportunities Fund Limited
	Lee Valley Properties Limited	The Strategic Film Investors Master Fund Limited
	Coranto Films Limited	Templar Films (Jersey) Limited
	Ponthall International Limited	Adstock Limited
	Medusa Overseas Holdings Limited	Rianne Investments Limited
	Wheatlands Limited	Value Plain Limited
	Lakedale Enterprises Limited	Vallini Investments Limited
	Rostrum Aircraft Limited	Bishop Holdings Limited
	Octavia Consultancy Limited	HP Management Limited
	Moristan Limited	Pall Mall Management Limited
	Hartwell Ventures Limited	Pall Mall Associates Limited
	Beecham Holdings Ltd	Alton Holdings Limited
	Ammaljo Holdings Limited	46 Portland Place Limited
	Ardley Limited	Ammaljo Investments Limited
	Basil Street Investments Limited	Avalon Panama, S.A.
	Calypso Management Limited	Brinpan Holdings Inc
	Capita EP Limited	Century 23 Property Management Limited
	Capita Fiduciary Group Limited	Chappel Advisors Limited
	Capita Nominees Ltd	Chester Terrace Limited (no 18)
	Capita Secretaries Limited	Churchill Capital Limited
	Capita Trust Company (CI) Limited	Citrine (chg name to Hamble Properties Limited Nov 00)
	Capita Trustees Limited	City Litchfield ABS Fund Limited
	CL604 Limited	Easy Aviation Limited
	Dawnay Day Treveria Plc	Edgmond Holdings Limited
	Eaton Mascott Hall Limited	Excalibur (Panama) SA
	Ekeby Holdings Limited	FAB Marketing Limited
	EMAC NEO ExUS Limited	Fourth Enterprises Limited
	EMAC NEO SC GP Limited	Fulmer Properties Limited
	EMAC NEO USTE GP Limited	Global 5000 Limited
	EMAC NEO USTP GP Limited	Industrial Investors Group Limited
	EMAC NEO VCOC GP Limited	Jamexa Holdings Limited
	Ironman Investment Company Limited	Killaghy Limited
	Jessica Limited	Knighton Grasseuil Limited
	Klaus Properties Limited	Matsudaira Art Foundation Limited
	Krisaljer Limited	Medway Holdings Limited
	MCBS Licensing Limited	Morris Mirrors Limited
	Menard Investments Group Limited	Ophir Asia Limited
	Ophir AGC (Profond) Limited	Polar Capital Partners (America) Corporation
	Ophir Kazakhstan Limited	Resilient Strategies Limited
	Public Service Properties Investments Limited	Ruffer International Funds Limited
	Rochester Capital MAC Limited	Short Family Investments Limited
	Rochester Capital MAC+C588 Limited (formerly Rochester Futures Fund Limited)	Soleil Investments Limited
	Rochester Capital Master Fund Limited	Spirit Development Corporation Limited
	Rochester General Partner Limited	Villette Limited
	SPT Holdings Limited	Watson SA
	Watership Productions Limited	
	Yatra Capita Limited	
Director	Past Directorships/Partnerships	
	Onebuild Limited	Pollux Limited
	Cossey Investments	Tazio Investments
	Snuggledown of Norway (UK) Limited	Channel House Fund Administration Limited
	Jordan Trustees (C.I.) Limited	Channel House Films Limited
	jersey ecommerce.com Limited	Khankhana Limited
	Cheval Deux Mille Limited	Cox Town Limited
	Jaskeaton Limited	Jakhu Limited
	Roshan Limited	Braich Limited
	Jotangia Limited	Saini 2K Limited
	Chic Holdings Limited	A J Walter Holdings Limited

Director**Past Directorships/Partnerships**

Beachman Limited	Chase Aerospace Holdings Limited
High Flyer Limited	Warrior Holdings Limited
Starcrest Holdings Limited	Broons Limited
First Quantum (International) Limited	First Quantum Property Investments Limited
Stainsteel Agencies Limited	Hamble Limited
Pinto Holdings Limited	Palamino Holdings Limited
Hillthyme Co. Ltd	Kilnsey Limited
Lea Valley Properties Limited	Toros H B Limited
Salamanque Trading LDA	Equus Holdings Limited
Purple Seal Enterprises Limited	Courtyard Investments Limited
Ocean Investment Holdings Limited	E C S (CI) Limited
Historic Investments Limited	Herondale Limited
Garnet International Resources Limited	Leisure Investments Limited
Kulfi Limited	Placad Limited
Monderrain Limited	Lower House Investments Limited
Tarrogen Properties Limited	Tower Green Investments Limited
Garganey Investments Limited	Braybourne Holdings Limited
Starcrest Investments Limited	Tullow Tanzania Limited
Alter Ego Holdings Limited	Sarina Investments Limited
Rozarian Holdings Limited	Rockledge Limited
Marlow Ventures Limited	GilliAir Trading Limited
QMS Limited	Polyphemus Limited
Spartiate Limited	Cheledon Limited
Anodyne Investments Limited	Alphie Limited
Cortex (Jersey) Limited	Sayer Holdings Limited
Pigeon Cays Limited	Allthat Investments Limited
Inforetech Wireless Technology (Jersey) Limited	Alcina Limited
Berners Properties Limited	Westridge Properties Limited
M & M Traders Limited	Break Point Aircraft & Yachts Limited
Aceline Enterprises Limited	FLS Limited
Cancelli Investments Limited	Gammiste ARL
Trail Blazer Limited	Erinore Gold Limited
Trochee Limited	Penex Limited
Doras Limited	Southmoor Holdings Limited
The Spirit Development Corporation Limited	Alassio Holdings Limited
Adriatic Investments Limited	Babel Investments Limited
Artefact Holdings Limited	Bonorum Holdings Limited
Barbican Ventures Limited	Castle Construction (Oil & Gas) Limited
Caballo Limited	Divers Investments Limited
Consoil Services Limited	Greydonn Limited
Dalfour Properties Limited	Insular Holdings Limited
Epoch Limited	Intermezzo Holdings Limited
Industrial Technologies Corporation	J.S. Corporation Limited
Intact Investments Limited	Medusa Czech Operations Limited
Isadaran Limited	Moiety Investments Limited
LBC Services Limited	Molar Investments Limited
Molal Holdings Limited	Oceanart Limited
Newem Limited	Pastern Limited
Orinda Investments Limited	Plus Holdings Limited
Pictures & Entertainment Limited	The Spirit Management Corporation Limited
Regenta Limited	Symposia Holdings Limited
Sustainable Industries Limited	Toluene Limited
Tavaton Limited	Viabilite Et Etablissement A.R.L.
Istana Limited	Amenagement A.R.L.
Milieu A.R.L.	Bremridge Holdings Limited
Emergent Minieres A.R.L.	Colomberie Investments Limited
New Odessy Limited	Derville Holdings Limited
Amice Holdings Limited	Fin Comp Consulting Services Limited
Breval Trading Inc.	Georgia Resources Limited
Creux Investments Limited	Jerez Holdings Limited
Fernland Holdings Limited	Koppel Investments Limited
F.T.C. Holdings Limited	Nasa Holdings Inc.
Honeybourne Holdings Limited	Rumico Limited
Junedale Limited	Tanoan Limited
Minglewood Limited	Alvand Investments Limited
Northmoor Investments Limited	Bharani Holdings Limited
Pinewalk Limited	Lamda International Holdings Limited
Rocque Holdings Limited	Porter Holdings Limited
	Exiat Holdings Limited
	International Trading Consultants Limited

Director	Past Directorships/Partnerships	
	Strive Holdings Limited	KJ Consulting Limited
	Yenby International Limited	Cougar Air (Jersey) Limited
	Altra Trading And Investments Limited	Snipe Holdings Limited
	Ranatunga Holdings Limited	Nortique Limited (Closed)
	Lamond Land Limited	Moon Dog Limited
	Plymouth Holdings Limited	Portobelo Limited S.A.
	E.I.M. (Jersey) Limited	Helmcom (Jersey) Limited
	Insole Holdings Limited	Mersing Holdings Limited
	Kanhai Holdings Limited	Verger Investments Limited
	Products Of Far East Limited	Starcrest Investering ApS
	Servlaur Limited	Nani Investments Limited
	BFS Equity Income & Bond Trust Limited	Pacific Stone Group Limited
	Burnes Shipyard (Holdings) Limited	Bentley Properties Limited
	Newhall Properties Limited	Corries Technical Services (Jersey) Limited
	Space Dog Limited	Nasone Overseas Limited
	Keel Holdings Limited	K-Progolf Limited
	Rosevale Holdings Ltd	K-FJ Holdings Limited
	Anila Yachts Limited	I.D.I. Venture Limited
	Hana IT Limited	Springtide Finance Limited
	Zyghi Properties Limited	Allegro Limited
	Pacific Stone (Holdings) Limited	Oslo Limited
	Almanzar Limited	Saffron Rose Limited
	Korako Investments Limited	Practica Limited
	Kamchin Investments Limited	K-Business Limited
	K-OK Holdings Limited	Casa Manzana Limited
	K Holdings Limited	Cavney Holdings Limited
	Mapeso Holdings Limited	Ailema NewMedia Limited
	Whitebeam Investments Limited	Woodbine Properties Holdings Limited
	Excel Consultants Limited	Ancaster Holdings Limited
	Sherland Limited	Calla Investments Limited
	Melvaig Holdings Limited	Morina Investments Limited
	Liquid — The Wine Company Limited	SPT Collateral 1 Limited
	Monteba Investments Limited	Aquamarine Holdings Limited
	BFS Managed Properties Limited	Value Discovery Fund Limited
	Argentat Development Limited	SPT Funding 2
	White Crystal Properties Limited	Es Mirador de SA Pedrissa S.L.
	Galatina Ventures Limited	Punch Video Europe Limited
	Bridgehouse Holdings Limited	Bennelong Asia Pacific Multi
	Dariville Holdings Limited	Strategy Equity Master Fund Limited
	Selanga Investments Limited	Kilwaughter Holdings Limited
	Starcrest Properties 1 Limited	Northcross Capital Management Limited
	Tavari International Limited	Bevan Marketing Limited
	GLS International Advisors Limited	London Properties Management Limited
	MKY Financial Software Limited	DAM Trustees Limited
	Bennelong Asia Pacific Multi	European Pharmaceutical
	Strategy Equity Fund Limited	Consultants Limited
	Northcross Holdings Limited	Thameside International Limited
	SFI Management Limited	Boston Capital Limited
	Sienna International Group Limited	Goostrey Investments
	Broughton Marketing Limited	Ridge Cook Investment No. 1
	Stockley Services Limited	Beachman Limited
	Woods And Company Limited	Capita Trust Company (Jersey) Limited
	Longmeade Investments	Old Land International Limited
	Ridge Cook Investment No. 2	Special Opportunity Holdings Limited
	Ridge Cook Investment No. 3	
	Channel House Partnership	
	Capita Symonds (C I) Limited	
	Chadmath Holdings Limited	
	Hero Funds PCC	
	Polar Capital Partners (Jersey) Limited	
	Theodore Goddard (English Solicitors)	
Director	Current Directorships/Partnerships	
<i>David Parnell</i>	Buzzunki Limited	Maninvent.com Limited
	Close Property Management (Isle of Man) Limited	Merton House Consulting Limited
	Continuing Professional Development Limited	Thinking Cap Limited
	Dunsan Investments Limited	Trabilis Limited
		Furry Elephant Limited

Director	Current Directorships/Partnerships
	Buzzunki Limited Furry Elephant Limited
	Past Directorships/Partnerships
	Active Commercial Estates plc Berkshire UK Industrial Properties (Isle of Man) plc Brindleyplace (Cap) Nominees Limited Brindleyplace (Inc) Nominees Limited Business Centre Properties plc Clean Energy Asia Limited Closepip ISA and PEP plc Dawnay, Day Carpathian plc EPIC Finance Company Limited EPIC Securities Limited EPIC Structured Finance Limited Equest Balkan Properties plc Fixed Uplift Properties plc Haiser Limited Northern Trust International Fund Administration Services (Isle of Man) Limited Neville James Fund Managers Limited Pelorus Property plc Property Investment Portfolio plc Quartet Commercial Properties plc Tenanted Inn Estates plc The Capital Appreciation Trust (Isle of Man) plc VAM Limited VAM Funds plc VAM Managed Funds plc

6.6 Save as set out in paragraph 6.7 of this Part X, none of the Directors has:

- (a) any unspent convictions in relation to indictable offences;
- (b) at any time been adjudged bankrupt or been the subject of any form of individual voluntary arrangement;
- (c) been a director of a company at the time of, or within the 12 months preceding the date of, its receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or composition or arrangement with its creditors generally or any class of creditors;
- (d) been a partner in a partnership at the time of, or within the 12 months preceding the date of, its compulsory liquidation, administration or partnership voluntary arrangement;
- (e) owned any asset which has been placed in receivership or been a partner of any partnership at the time at which, or within the 12 months preceding the date on which, any asset of that partnership has been placed in receivership;
- (f) been subject to any public criticism by any statutory or regulatory authority (including a recognised professional body); or
- (g) been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

6.7 Peter Klimt was a director of a number of companies which, due to the fall in the UK property market in 1973, were placed into compulsory liquidation. Peter Klimt gave personal guarantees in relation to loans made to such companies for which he subsequently negotiated settlement.

6.8 Related party transactions

6.8.1 The following related party transactions which, as a single transaction or in their entirety, are or may be material to the Company and have been entered into by the Company or any other member of the Group within the period commencing on 20 October 2005 and terminating immediately prior to the date of this document. Each of the transactions was concluded at arm's length:

6.8.1.1 the acquisition agreements referred to at paragraphs 8.7 to 8.9 below;

6.8.1.2 the Portfolio Management Agreement;

6.8.1.3 the procurement agreement referred to at paragraph 8.6 below; and

6.8.1.4 the trademark licence referred to at paragraph 8.26 below.

6.8.2 Peter Klimt has an indirect interest in each of the members of the Dawnay, Day Group that are parties to the agreements listed in paragraph 6.8.1.1 to 6.8.1.4 above.

7. SHARE OPTION ARRANGEMENTS

7.1 General

The Company has granted share options to three persons which came into effect on 14 December 2005, details of which are set out in paragraphs 7.2 and 7.3 below (“Options”).

7.2 Number of Ordinary Shares under Option

Options have been granted over a total of 862,500 Ordinary Shares with an option price per Ordinary Share equal to €1.00 to the following persons (“Option Holders”):

Foyle Associates (in respect of services provided to the Company by Ian Henderson): an Option over 450,000 Ordinary Shares;

David Hunter (a manager of Treveria Properties): an Option over 300,000 Ordinary Shares; and

Nicholas Moore, a consultant to the Company: an Option over 112,500 Ordinary Shares.

For the purposes of this paragraph 7, reference to an “Option Holder” shall, in the case of the Option granted to Foyle Associates, include a reference to Ian Henderson, where the context permits.

7.3 Summary of Option Terms

7.3.1 **General:** The Options are supervised by the Directors.

7.3.2 **Type of Options:** The Options are unapproved options to acquire Ordinary Shares in the Company upon payment of both the option price and the amount of any tax or social security liability which arises in connection with the exercise, cancellation or assignment of the Option (see paragraph 7.3.11 below).

7.3.3 **Exercise of Options:** The Options will generally become exercisable on the third anniversary of their date of grant (“Exercise Date”), and are not subject to the satisfaction of performance targets. However, the exercise of the Options may take place earlier than the Exercise Date within a limited time period if the Option Holder’s employment, office with, or service to, the Group ceases as a result of his retirement, injury, disability, ill-health, redundancy, the transfer out of the Group of the business in respect of which he is employed or provides services, or otherwise at the discretion of the Directors. In the event of the Option Holder’s death, an Option may be exercised in full (in the case of an Option Holder who is an individual by his personal representatives) during the 12 months following death.

7.3.4 In the event of the sale of substantially all of the assets of the Company, a take-over or change of control of the Company, a scheme of arrangement or a voluntary liquidation, the Options may be exercised earlier than the Exercise Date, within a limited time period. In the event that another company acquires control of the Company, the Options may, in certain circumstances, be exchanged for options over shares in the acquiring company (or an associated company).

7.3.5 The Options may not be exercised under any circumstances after 14 December 2015 (being the date falling ten years after the Company’s admission to AIM).

7.3.6 **Rights Attaching to Ordinary Shares:** Ordinary Shares allotted pursuant to the Options shall rank equally with all other Ordinary Shares then in issue. However, if under the terms of a resolution passed or an announcement made by the Company prior to the date of exercise of an Option a dividend is to be, or is proposed to be, paid to holders of Ordinary Shares on the register and dated after the date of exercise, the Ordinary Shares issued following such exercise will not rank for such dividend.

7.3.7 The Company shall apply for any Ordinary Shares issued on the exercise of the Options to be admitted to trading on AIM, or any recognised stock exchange upon which such Ordinary Shares are then traded (if not AIM).

7.3.8 **Adjustment to New Options:** In the event of any variation to the Company’s share capital, such as a rights or capitalisation issue or reduction of capital or other event affecting the Company, the Directors may make an appropriate adjustment to the number of Ordinary Shares over which an Option has been granted, and/or the option price.

- 7.3.9 **Amendments to Options:** The Directors may amend the terms of the Options as they consider necessary or desirable without the need for prior approval of the Company or the consent of Option Holders (unless the proposed amendment is to their detriment) provided that such amendments or additions do not affect the basic principles of the Options.
- 7.3.10 **Pensionability:** The benefits received pursuant to the Options will not be pensionable.
- 7.3.11 **Income Tax/Social Security:** The terms of the Options will make provision for Option Holders (to the extent permissible by law) to indemnify the Company in respect of any PAYE, employee's/employer's National Insurance contribution liabilities or any other taxes or levies whatsoever which arise in connection with the Options in any jurisdiction. It also allows the Company to sell Ordinary Shares on the Option Holder's behalf to meet these liabilities.
- 7.3.12 **Transferability:** The Options granted to David Hunter and Nicholas Moore are not transferable, except to their personal representatives in the case of their death. The Option granted to Foyle Associates is transferable to Ian Henderson, but only with the agreement of the Company, the Option Holder and Ian Henderson.
- 7.3.13 **Governing Law:** The Options are governed by Isle of Man law.

8. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, are contracts which (i) are or may be material and have been entered into by the Company or any of its subsidiaries within the two years immediately preceding the date of this document; or (ii) have been entered into by the Company or any of its subsidiaries at any time before the date of this document where those contracts contain provisions under which any member of the Group has an obligation or entitlement and which is or may be material to the Group as at the date of this document:

- 8.1 The Underwriting Agreement summarised at paragraph 9 of this Part X.
- 8.2 An underwriting agreement entered into on 9 December 2005 between the Company, the Asset Manager, the Directors, the Nominated Adviser, Citigroup and Deutsche Bank pursuant to which, subject to certain conditions, the Underwriters severally agreed to subscribe for or purchase Ordinary Shares at €1.00 each for resale to investors procured by Citigroup and Deutsche Bank. The key provisions which remain in force as at the date of this document are as follows:
- 8.2.1 the Company, the Asset Manager and the Directors gave certain representations and warranties to Citigroup and Deutsche Bank. The Company and the Asset Manager also gave indemnities to Citigroup and Deutsche Bank;
- 8.2.2 the Company and each of the Directors entered into lock-up arrangements with the Underwriters as follows:
- (a) each of the Directors agreed, save in limited specified circumstances including the acceptance of a general offer for the Ordinary Shares made in accordance with the City Code and the provision of an irrevocable undertaking to accept such an offer, for a period of one year from 14 December 2005 not to offer, pledge, sell, contract to sell or pledge, issue options, rights or warrants in respect of or otherwise dispose of, directly or indirectly any Ordinary Shares or any securities of the Company that are substantially similar to the Ordinary Shares, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, Shares or any such substantially similar securities, or do anything with the same economic effect as any of the foregoing, without the prior written consent of Citigroup and Deutsche Bank; and
 - (b) in addition, each member of the Dawnay, Day Group and Kynnersley Asset Management Limited agreed, save in limited specified circumstances including the acceptance of a general offer for the Ordinary Shares made in accordance with the City Code and the provision of an irrevocable undertaking to accept such an offer, for a period of one year from 14 December 2005 not to offer, pledge, sell, contract to sell or pledge, issue options, rights or warrants in respect of or otherwise dispose of, directly or indirectly any Shares or any securities of the Company that are substantially similar to the Ordinary Shares, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive,

Ordinary Shares or any such substantially similar securities, or do anything with the same economic effect as any of the foregoing, without the prior written consent of Citigroup and Deutsche Bank. With the consent of Citigroup, Deutsche Bank and with a specific derogation from AIM, Dawnay, Day Deutschland Limited has charged certain of its Ordinary Shares to two banks by way of security for certain loans entered into by its parent, Dawnay, Day Properties Limited prior to the expiry of the lock-up period and it intends to do the same in respect of one further bank loan. Such consent and the derogation by AIM was provided subject to the two banks referred to above agreeing to observe the lock-up obligation in respect of the secured Ordinary Shares until 14 December 2006.

- 8.3 An investment facility dated 25 November 2005 (as amended from time to time) made between Citigroup Global Markets Limited and Deutsche Bank AG (as arrangers and original lenders) (the “**First Investment Facility Banks**”), Treveria C S.à.r.l. (the “**First Investment Facility Parent**”) and certain subsidiary entities of the First Investment Facility Parent (the “**First Investment Facility Borrowers**”) (the “**First Investment Facility**”). The First Investment Facility is governed by English law and sets out the terms on which the First Investment Facility Banks have agreed to lend money to the First Investment Facility Borrowers. Subject to the terms of the First Investment Facility:
- 8.3.1 the First Investment Facility Banks made available to the First Investment Facility Borrowers up to €616 million in order to finance the acquisition of the properties making up the Initial Portfolio and other properties that were approved by the agent to the lenders (together the “**First Investment Facility Portfolio**”) and the acquisition of the limited partnership interest in a limited partnership which owns properties and to refinance then existing indebtedness incurred in acquiring properties making up the First Investment Facility Portfolio. To date €577.8 million has been drawn under the First Investment Facility and the facility is closed to further drawdowns;
 - 8.3.2 the obligations of the First Investment Facility Borrowers and other obligors under the First Investment Facility are joint and several;
 - 8.3.3 the funds are available at a margin of 1.10% above the aggregate of the applicable fixed rate (determined on a blended basis) and the usual mandatory regulatory costs. The applicable fixed rate is currently 3.48% per annum. Where a fixed rate is not determined the funds will be available at a margin of 1.10% plus EURIBOR plus the usual mandatory costs;
 - 8.3.4 the funds will be repayable by the First Investment Facility Borrowers on the final repayment date of 20 January 2011;
 - 8.3.5 interest is payable quarterly;
 - 8.3.6 the First Investment Facility Borrowers are required to pay certain fees pursuant to the First Investment Facility, including an agency fee of 0.0075% of the outstanding borrowings each quarter payable to Deutsche Bank in its capacity as agent, and prepayment fees of no more than 1.75% on certain prepayments or cancellations of amounts prepaid subject to certain threshold amounts under the First Investment Facility to Citigroup Global Markets Limited and Deutsche Bank in their capacity as original lenders;
 - 8.3.7 all funds drawn and outstanding and all other liabilities owed to the First Investment Facility Banks (the “**First Investment Facility Secured Liabilities**”) will be secured over assets and undertakings of each First Investment Facility Borrower including over real property, various contracts, insurance policies and bank accounts of each First Investment Facility Borrower, together with the shares in each First Investment Facility Borrower held by the First Investment Facility Parent;
 - 8.3.8 the obligations of the First Investment Facility Borrowers under the First Investment Facility have been securitised with Deutsche Bank AG acting as Servicer;
 - 8.3.9 the fixed rate period will end on the repayment date of 20 January 2011;
 - 8.3.10 the First Investment Facility Secured Liabilities will also be secured by a share pledge over the shares held by Treveria Properties in the First Investment Facility Parent;

- 8.3.11 the First Investment Facility Secured Liabilities will also be cross-guaranteed by each First Investment Facility Borrower and by the First Investment Facility Parent, but will not be cross-guaranteed by Treveria Properties;
 - 8.3.12 all funds owed by the First Investment Facility Borrowers to members of the Group excluding the First Investment Facility Banks will be fully subordinated to the First Investment Facility Secured Liabilities;
 - 8.3.13 the First Investment Facility contains various representations, warranties and covenants from the First Investment Facility Borrowers and the other obligors to the First Investment Facility Banks as well as various indemnities;
 - 8.3.14 the covenant package includes a covenant requiring certain mandatory prepayments or cash collateralisation in the event that the loan to market value is more than 85% but less than 95% on the basis of the most recent valuation of the First Investment Facility Portfolio (there are also various cash trap and cash sweep provisions in relation to monies in the rental income account in order to achieve an aggregate loan to market value of less than or equal to 80%). Other covenants contained in the First Investment Facility include, but are not limited to, restrictions on the payment of dividends, a negative pledge clause, a no financial indebtedness clause, an interest cover financial covenant, limitations on disposal of assets including properties, limitations on the entry into leases and agreeing to any rent review or adjustment (unless the aggregate rental income under the relevant lease is not greater than 5% of the aggregate rental income payable in respect of all properties financed by the First Investment Facility), an obligation to have all properties financed by the First Investment Facility revalued on the second and fourth anniversary of the first utilisation date at the cost of the relevant Borrower, an obligation to maintain insurance in the amount and in the form and substance satisfactory to the First Investment Facility Banks; obligations to keep the properties in good and substantial repair and obligations regarding the appointment and acceptability of the managing agents for the properties; and
 - 8.3.15 the events of default contained in the First Investment Facility include, but are not limited to, cross-default provisions; compulsory purchase of, or major damage to, a materially significant property or properties, other events or series of events that may have a material adverse effect on the ability of the obligors to perform and comply with its material obligations, any change of control to any of the Borrowers or the First Investment Facility Parent and breach of the interest cover ratio if on certain dates (including each quarterly interest payment date) the aggregate projected net rental income for the current month and next following eleven months is less than 125% of the projected finance costs for the following four interest periods and insolvency events relating to any obligors or the Company. Occurrence of an event of default entitles the lenders to terminate the First Investment Facility and to demand immediate repayment of all amounts outstanding under the First Investment Facility.
- 8.4 An investment facility dated 19 May 2006 (as amended from time to time) made between Citigroup Global Markets Limited and Deutsche Bank AG (as arrangers and original lenders) (the “**Second Investment Facility Banks**”), Treveria D S.à.r.l. (the “**Second Investment Facility Parent**”) and certain subsidiary entities of the Second Investment Facility Parent (the “**Second Investment Facility Borrowers**”) (the “**Second Investment Facility**”). The Second Investment Facility is governed by English law and sets out the terms on which the Second Investment Facility Banks have agreed to lend money to the Second Investment Facility Borrowers. Subject to the terms of the Second Investment Facility:
- 8.4.1 the Second Investment Facility Banks made available to the Second Investment Facility Borrowers up to €232.9 million in order to finance the acquisition of the properties owned by entities owned by the Second Investment Facility Parent (the “**Second Investment Facility Portfolio**”) and to refinance then existing indebtedness incurred in acquiring properties making up the Second Investment Facility Portfolio and an amount to deposit in the Capex Account. To date €232.9 million has been drawn under the Second Investment Facility;
 - 8.4.2 the obligations of the Second Investment Facility Borrowers and other obligors under the Second Investment Facility are joint and several;

- 8.4.3 the funds will be available at a margin of 0.90% above the aggregate of the applicable fixed rate and the usual mandatory regulatory costs. The applicable fixed rate is 3.89% per annum;
- 8.4.4 the funds will be repayable by the Second Investment Facility Borrowers on the final repayment date of 20 July 2011;
- 8.4.5 the Borrowers will repay quarterly in the following amounts:
- (a) for each interest payment date prior to the first anniversary of the first utilisation date 1.0% of the aggregate of loans utilized (as adjusted for prepayments);
 - (b) for each quarter from the fifth interest payment date 1.5% of the aggregate of loans utilized (as adjusted for prepayments).
- 8.4.6 interest is payable quarterly;
- 8.4.7 the Second Investment Facility Borrowers are required to pay certain fees pursuant to the Second Investment Facility, including an agency fee of 0.0075% of the outstanding borrowings each quarter payable to Deutsche Bank in its capacity as agent, and prepayment fees of no more than 1.50% on certain prepayments or cancellations of amounts prepaid (subject to certain threshold amounts) under the Second Investment Facility to Citigroup Global Markets Limited and Deutsche Bank in their capacity as original lenders;
- 8.4.8 all funds drawn and outstanding and all other liabilities owed to the Second Investment Facility Banks (the “**Second Investment Facility Secured Liabilities**”) will be secured over assets and undertakings of each Second Investment Facility Borrower including over real property, various contracts, insurance policies and bank accounts of each Second Investment Facility Borrower, together with the shares in each Second Investment Facility Borrower held by the Second Investment Facility Parent;
- 8.4.9 the obligations of the Second Investment Facility Borrowers under the Second Investment Facility may be securitized;
- 8.4.10 the fixed rate period will end on the repayment date of 20 July 2011;
- 8.4.11 the Second Investment Facility Secured Liabilities will also be secured by a share pledge over the shares held by Treveria Properties in the Second Investment Facility Parent;
- 8.4.12 the Second Investment Facility Secured Liabilities will also be cross-guaranteed by each Second Investment Facility Borrower and by the Second Investment Facility Parent, but will not be cross-guaranteed by Treveria Properties;
- 8.4.13 all funds owed by the Second Investment Facility Borrowers to members of the Group excluding the Second Investment Facility Banks will be fully subordinated to the Second Investment Facility Secured Liabilities;
- 8.4.14 the Second Investment Facility contains various representations, warranties and covenants from the Second Investment Facility Borrowers and the other obligors to the Second Investment Facility Banks as well as various indemnities;
- 8.4.15 the covenant package includes a covenant requiring certain mandatory prepayments or cash collateralization in the event that the loan to market value is more than 85% but less than 95% on the basis of the most recent valuation of the Second Investment Facility Portfolio (there are also various cash trap and cash sweep provisions in relation to monies in the rental income account in order to achieve an aggregate loan to market value of less than or equal to 80%). Other covenants contained in the Second Investment Facility include, but are not limited to, restrictions on the payment of dividends, a negative pledge clause, a no financial indebtedness clause, limitations on disposal of assets including properties, limitations on the entry into leases and agreeing to any rent review or adjustment (unless the aggregate rental income under the relevant lease is not greater than 2.5% of the aggregate rental income payable in respect of all properties financed by the Second Investment Facility), an obligation to have all properties financed by the Second Investment Facility revalued on the second and fourth anniversary of the first utilisation date at the cost of the relevant Borrower, an obligation to maintain insurance in the amount and in the form and substance satisfactory to the Second Investment Facility Banks; obligations to keep the properties in

good and substantial repair and obligations regarding the appointment and acceptability of the managing agents for the properties; and

- 8.4.16 the events of default contained in the Second Investment Facility include, but are not limited to, cross-default provisions; compulsory purchase of, or major damage to, a materially significant property or properties, other events or series of events that may have a material adverse effect on the ability of the obligors to perform and comply with its material obligations, any change of control to any of the Borrowers or the Second Investment Facility Parent, in the event that on certain dates (including each quarterly interest payment date), breach of the interest cover ratio if the aggregate projected net rental income for the current month and next following eleven months is less than 110% of the projected finance costs for the following four interest periods and insolvency events relating to any obligors or the Company. Occurrence of an event of default entitles the lenders to terminate the Second Investment Facility and to demand immediate repayment of all amounts outstanding under the Second Investment Facility.
- 8.5 An investment facility dated 29 June 2006 (as amended from time to time) made between ABN AMRO Bank N.V. (as arrangers and original lenders) (the “**Third Investment Facility Bank**”), Treveria E S.à.r.l. (the “**Third Investment Facility Parent**”) and certain subsidiary entities of the Third Investment Facility Parent (the “**Third Investment Facility Borrowers**”) (the “**Third Investment Facility**”). The Third Investment Facility is governed by English law and sets out the terms on which the Third Investment Facility Banks have agreed to lend money to the Third Investment Facility Borrowers. Subject to the terms of the Third Investment Facility:
- 8.5.1 the Third Investment Facility Banks made available to the Third Investment Facility Borrowers up to €538 million in order to finance the acquisition of the properties owned by entities owned by the Third Investment Facility Parent (the “**Third Investment Facility Portfolio**”) and to refinance then existing indebtedness incurred in acquiring properties making up the Third Investment Facility Portfolio. To date €330.7 million has been drawn under the Third Investment Facility;
- 8.5.2 subject to limited exceptions no more than one loan may be borrowed per property under the Third Investment Facility. There is no upper limit on the number of loans that may be made under the Third Investment Facility. The amount of each loan is subject to limitations, including that it must not exceed more than 87% of the purchase price or 80% of market value of the relevant property, whichever is the lower;
- 8.5.3 certain prepayment provisions (both voluntary and mandatory) operate in order to smooth the loan to value as between different Third Investment Facility Borrower Portfolios.
- 8.5.4 the obligations of the Third Investment Facility Borrowers and other obligors under the Third Investment Facility are joint and several;
- 8.5.5 advances under the Third Investment Facility are subject to the Third Investment Facility Borrowers and other obligors prior to each utilisation, satisfying a variety of conditions precedent including, but not limited to, the provision of constitutional documents and corporate approvals, execution of documents relating to the Third Investment Facility including security documents, the provision of financial information, the opening of required bank accounts, evidence of the suitability of the properties to be financed or acquired, the provision of insurance, the appointment of managing agents and the provision of legal opinions;
- 8.5.6 the funds will be available at a margin of 0.85% above the aggregate of the applicable fixed rate (including also a capped rate component) and the usual mandatory regulatory costs. The current applicable fixed rate is 3.92% per annum and the cap rate is 4.5% per annum;
- 8.5.7 subject to scheduled repayments as set out below the funds will be repayable by the Third Investment Facility Borrowers on the final repayment date of 15 July 2011;
- 8.5.8 the Borrowers will repay the loans:
- (a) on each of 15 July 2008, 15 October 2008, 15 January 2009, 15 April 2009, 15 Jul 2009 15 October 2009, 15 January 2010, by an aggregate amount equal to 0.125% per annum of the aggregate of loans utilized (as adjusted for prepayments);

- (b) on each of 15 July 2010, 15 October 2010, 15 January 2011 and 15 April 2011 by an aggregate amount equal to 0.25% per annum of the aggregate of loans utilized (as adjusted for prepayments).
- 8.5.9 interest is payable quarterly;
- 8.5.10 the Third Investment Facility Borrowers are required to pay certain fees pursuant to the Third Investment Facility, including an arrangement fee of 0.45% of the amount of each utilisation on the date of such utilisation payable to ABN AMRO Bank N.V. in their capacity as arranger and prepayment fees of no more than 1.50% on certain prepayments on amounts prepaid (subject to certain prepayment carve-out amounts) under the Third Investment Facility to ABN AMRO Bank N.V. in its capacity as lender;
- 8.5.11 all funds drawn and outstanding and all other liabilities owed to the Third Investment Facility Banks (the “**Third Investment Facility Secured Liabilities**”) will be secured over assets and undertakings of each Third Investment Facility Borrower including over real property, various contracts, insurance policies and bank accounts of each Third Investment Facility Borrower, together with the shares in each Third Investment Facility Borrower held by the Third Investment Facility Parent;
- 8.5.12 the obligations of the Third Investment Facility Borrowers under the Third Investment Facility may be securitized;
- 8.5.13 the fixed rate period will end on the repayment date of 15 July 2011;
- 8.5.14 the Third Investment Facility Secured Liabilities will also be secured by a share pledge over the shares held by Treveria Properties in the Third Investment Facility Parent;
- 8.5.15 the Third Investment Facility Secured Liabilities will also be cross-guaranteed by each Third Investment Facility Borrower and by the Third Investment Facility Parent, but will not be cross-guaranteed by Treveria Properties;
- 8.5.16 all funds owed by the Third Investment Facility Borrowers to members of the Group excluding the Third Investment Facility Banks will be fully subordinated to the Third Investment Facility Secured Liabilities;
- 8.5.17 the Third Investment Facility contains various representations, warranties and covenants from the Third Investment Facility Borrowers and the other obligors to the Third Investment Facility Banks as well as various indemnities;
- 8.5.18 the covenant package includes a covenant requiring certain mandatory prepayments or cash collateralization in the event that the loan to market value is more than 90% but less than 95% on the basis of the most recent valuation of the Third Investment Facility Portfolio to ensure that loans outstanding are not more than 85% of aggregate market value (there are also various cash trap and cash sweep provisions in relation to monies in the rental income account in order to achieve an aggregate loan to market value of less than or equal to 80%) and that on certain dates (including each utilization date; date of repayment and interest payment date) that aggregate projected net rental income for the current rental month and the next eleven rental months to projected finance costs for the current interest period and the next three interest periods following is not less than 120% subject to rectification provisions. Other covenants contained in the Third Investment Facility include, but are not limited to, restrictions on the payment of dividends, a negative pledge clause, a no financial indebtedness clause, an interest cover financial covenant, limitations on disposal of assets including properties, limitations on the entry into leases and agreeing to any rent review or adjustment (unless the aggregate rental income under the relevant lease is not greater than 5% of the aggregate rental income payable in respect of all properties financed by the Third Investment Facility), an obligation to have all properties financed by the Third Investment Facility revalued on the second and fourth anniversary of the first utilisation date at the cost of the relevant Borrower, an obligation to maintain insurance in the amount and in the form and substance satisfactory to the Third Investment Facility Banks; obligations to keep the properties in good and substantial repair and obligations regarding the appointment and acceptability of the managing agents for the properties; and
- 8.5.19 the events of default contained in the Third Investment Facility include, but are not limited to, cross-default provisions; compulsory purchase of, or major damage to, a materially

significant property or properties, other events or series of events that may have a material adverse effect on the ability of the obligors to perform and comply with its material obligations, any change of control to any of the Borrowers or the Third Investment Facility Parent and insolvency events relating to any obligors or the Company. Occurrence of an event of default entitles the lenders to terminate the Third Investment Facility and to demand immediate repayment of all amounts outstanding under the Third Investment Facility

8.6 A procurement agreement dated 9 December 2005 made between Peter Klimt, Guy Naggar, Chris Hancock, Dawnay, Day Properties Limited, the Company and Treveria C S.à.r.l. (the “**Procurement Agreement**”), pursuant to which Peter Klimt, Guy Naggar, Chris Hancock and Dawnay, Day Properties Limited (the “**Procurers**”) agreed to procure that the Dutch Acquisition Agreement (as defined below) was executed by Kynnersley Asset Management Limited and a member of the Dawnay, Day Group before 12 January 2006. Pursuant to the Procurement Agreement:

8.6.1 the Company allotted 35,529,000 Ordinary Shares (the “**Consideration Shares**”) to Kynnersley Asset Management Limited and a member of the Dawnay, Day Group (together the “**Sellers**”) as consideration for the disposal of the Initial Portfolio pursuant to the agreements referred to in paragraphs 8.7 to 8.9 below; and

8.6.2 Dawnay, Day Properties Limited agreed to procure, inter alia, that certain covenants (as specified in the Dutch Acquisition Agreement) would be observed by the Sellers in respect of the operations of the business of the Dutch Companies (as defined below).

8.7 An acquisition agreement made between the Sellers and the Company and Treveria C S.à.r.l. (together the “**Purchasers**”) pursuant to which the Purchasers acquired 94.9% of the share capital of certain companies incorporated in the Netherlands (the “**Dutch Companies**”) (the “**Dutch Acquisition Agreement**”). The Dutch Acquisition Agreement is governed by Dutch law. Under the terms of the Dutch Acquisition Agreement;

8.7.1 the Sellers granted certain covenants to the Purchasers in respect of the operation of the Dutch Companies’ business;

8.7.2 the Sellers transferred 94.9% of the share capital of the Dutch Companies to the Purchasers, the remaining 5.1% was retained by members of the Dawnay, Day Group and Kynnersley Asset Management Limited subject to the terms of the shareholders’ agreements summarised in paragraph 8.10 and Treveria C S.à.r.l. paid in cash to the Sellers an amount equal to 94.9% of the aggregate net asset value of the Dutch Companies as at completion, less the value of the Consideration Shares;

8.7.3 the obligations of the Company and Treveria C S.à.r.l. are joint and several and the obligations of the Sellers are guaranteed by Dawnay, Day Properties Limited; and

8.7.4 the Sellers gave certain warranties and indemnities to the Purchasers upon execution of the Dutch Acquisition Agreement and at completion. These warranties and indemnities are substantially similar in scope and limitation to the warranties and indemnities obtained by the Dawnay, Day Group from the persons who sold the Dutch Companies to the relevant members of the Dawnay, Day Group.

The parties entered into the Procurement Agreement because the debt facility granted to the Dutch Companies (the “**Facility**”) prevented the Sellers from entering into any agreement to sell the Dutch Companies.

8.8 An acquisition agreement dated 9 December 2005 made between Mercatoria Acquisition BV (the “**Seller**”), the Company (as the Purchaser’s guarantor), Treveria C S.à.r.l. (the “**Purchaser**”) and HIDD Rheine BV and HIDD Garbsen BV (together, the “**Karstadt Companies**”) pursuant to which the Purchaser acquired the entire issued share capital of the Karstadt Companies. The Karstadt Acquisition Agreement is governed by Dutch law. Under the terms of the Karstadt Acquisition Agreement:

8.8.1 the Seller granted certain covenants to the Purchaser in respect of the operation of the Karstadt Companies’ business;

- 8.8.2 the Seller transferred 100% of the share capital of the Karstadt Companies to the Purchaser and Treveria C S.à.r.l. paid in cash to the Seller an estimated amount equal to the aggregate net asset value of the Karstadt Companies;
 - 8.8.3 the Company guaranteed the obligations of the Purchaser; and
 - 8.8.4 the Seller gave certain warranties and indemnities to the Purchaser upon execution of the agreement and at completion. These warranties and indemnities are substantially similar in scope and limitation to the warranties and indemnities obtained by the Karstadt Companies from the persons who sold the properties owned by the Karstadt Companies to the Karstadt Companies.
- 8.9 An acquisition agreement dated 9 December 2005 made between Dawnay Day Olympic Holdings BV, Dawnay Day Deutschland Holdings BV, Dawnay Day Dutch Holdings BV and Dawnay Day Potsdam Holdings BV (together the “**Sellers**”), Dawnay, Day Properties Limited (as the Sellers’ guarantor), the Company (as the Purchaser’s guarantor) and Treveria C S.à.r.l. (the “**Purchaser**”) pursuant to which the Purchaser acquired 94.8% or 94.9% of the share capital of certain companies incorporated in Germany (the “**German Companies**”) (the “**German Acquisition Agreement**”). The German Acquisition Agreement is governed by German law. Under the terms of the German Acquisition Agreement:
- 8.9.1 the Sellers granted certain covenants to the Purchaser in respect of the operation of the German Companies’ business;
 - 8.9.2 the Sellers transferred either 94.8% or 94.9% (as appropriate in the case of each German Company) of the share capital of the German Companies to the Purchaser, the remaining 5.1% or 5.2% (as appropriate) was retained by members of the Dawnay, Day Group subject to the terms of the shareholders’ agreement summarised in paragraph 8.10, (b) and the Purchaser paid in cash to the Sellers an estimated amount equal to 94.8% or 94.9% (as appropriate in the case of each German Company) of the aggregate net asset value of the German Companies as to completion;
 - 8.9.3 the Company guaranteed the obligations of the Purchaser and Dawnay, Day Properties Limited guaranteed the obligations of the Sellers; and
 - 8.9.4 the Sellers gave certain warranties and indemnities to the Purchaser upon execution of the agreement and at completion. These warranties and indemnities are substantially similar in scope and limitation to the warranties and indemnities obtained by the German Companies from the persons who sold or who have agreed to sell properties to the German Companies.
- 8.10 The relevant Purchasers entered into shareholders’ agreements with the members of the Dawnay, Day Group which retained interests in the Dutch Companies and the German Companies. The shareholders’ agreements provide that:
- 8.10.1 the Group will have drag rights over the minority interests held in the Dutch Companies and the German Companies by members of the Dawnay, Day Group. These drag rights permit the Group to force the relevant members of the Dawnay, Day Group to sell their minority interests where the Group wishes to sell its interests in the relevant companies at the same price as the Group sells its interests;
 - 8.10.2 the minority interests held in the Dutch Companies and the German Companies by members of the Dawnay, Day Group have tag rights. These tag rights permit the Dawnay, Day Group to participate in a sale where the Group wishes to sell its interests in the relevant companies at the same price as the Group sells its interests;
 - 8.10.3 members of the Dawnay, Day Group are not permitted to sell the minority interests they hold in the Dutch Companies and the German Companies (a) before the expiration of the lock-in period described in paragraph 8.2.2(b) of this Part X, and thereafter (b) without first offering those minority interests to the Group and permitting the Group to acquire those minority interests or to procure a third party purchaser for those minority interests; and
 - 8.10.4 the Group and the relevant members of the Dawnay, Day Group have the right to grant security over their shares to their respective third party financiers.
- 8.11 An acquisition agreement notarized on 22 January 2006 (amended on 22 March 2006 and 29 June 2006) made between Cloppenburg Automobil AG, Fernando A. Heck, Bergheimerstraße

115 GmbH, Cloppenburg Grundstücksgesellschaft Erfurt GmbH, Autohaus Paul-Esch-Straße GmbH, Porston Inc., Juan Francisco Pira, Salzgitter Vermögensverwaltungsgesellschaft bR, Royal Motors Bielfeld GmbH, Cloppenburg Automobil AG and Cloppenburg Immobil AG GbR, Cloppenburg Juliusturm GmbH & Co. KG (together, in this paragraph, the “**Sellers**”) and Treveria 1 to Treveria 32 VV GmbH (together, in this paragraph, the “**Purchasers**”), each of the Purchasers being a wholly-owned subsidiary of Treveria D S.à.r.l., in relation to a portfolio of real estate consisting of thirty-two properties which are essentially let to car dealers and retailers (the “**Cloppenburg Portfolio Acquisition Agreement**”). Pursuant to the Cloppenburg Portfolio Acquisition Agreement:

8.11.1 the consideration payable by the Purchasers was €141,675,849 in cash. Of the consideration the amount of €2,928,010 has been paid to a notarial trust account. This amount may be paid to the Sellers, when the rebuilding of part of one of the properties has been completed and lease agreements with a net rent in the amount of at least €1,273,938 per annum have been agreed;

8.11.2 the Sellers have provided warranties on the properties and on certain other issues;

8.11.3 the warranties referred to in paragraph 8.11.2 are subject to a limitation period of one year.

8.12 An acquisition agreement notarized on 6 March 2006 (and amended on 8 March 2006) made between eight Deutsche Immobilien Chancen Propcos (together, in this paragraph, the “**Sellers**”) and Treveria 33 to Treveria 40 VV GmbH (together, in this paragraph, the “**Purchasers**”), each of the Purchasers being a wholly-owned subsidiary of Treveria D S.à.r.l., in relation to a portfolio of real estate consisting of eight properties located in the cities of Elmshorn, Herne, Ludwigshafen, Moers, Neunkirchen, Neuss, Offenbach and Schweinfurt (the “**C&A II Portfolio Acquisition Agreement**”). The sole tenant of each property is C & A Mode KG, Düsseldorf, a retail store company. Pursuant to the C&A II Portfolio Acquisition Agreement:

8.12.1 the consideration payable by the Purchasers was the amount of €41,750,000 in cash;

8.12.2 the Sellers have provided warranties on the properties and the underlying lease agreements and certain other issues; and

8.12.3 the warranties referred to in 8.12.2 are subject to a limitation period of two years and a cap on liability of 10% of the purchase price.

8.13 An acquisition agreement notarized on 17 February 2006 made between Erich, Rolf and Jürgen Dötsch (together, in this paragraph, the “**Sellers**”) and Dawnay Day Treveria Immobilie Neunkirchen GmbH, Dawnay Day Treveria Immobilie Solingen GmbH and Dawnay Day Treveria Immobilie Worms GmbH (together, in this paragraph, the “**Purchasers**”), each of the Purchasers being a wholly-owned subsidiary of Treveria D S.à.r.l., in relation to a portfolio of real estate consisting of three properties in Neunkirchen, Solingen and Worms which are essentially let to department stores of Kaufhof Warenhaus AG (Neunkirchen and Worms) and Asset Grundbesitz GmbH (Solingen) on fixed term lease agreements which terminate in 2010 or 2011 (the “**Doetsch-Kaufhof Portfolio Acquisition Agreement**”). Pursuant to the Doetsch-Kaufhof Portfolio Acquisition Agreement:

8.13.1 the consideration payable by the Purchasers was €41,350,000 in cash;

8.13.2 the Sellers have provided warranties on the properties and on the underlying lease agreements and certain other issues; and

8.13.3 the warranties referred to in paragraph 8.13.2 are in general subject to a limitation period of three years.

8.14 An acquisition agreement notarized on 23 December 2005 (and amended on 22 March 2006) made between the partnership under the civil code (Gesellschaft bürgerlichen Rechts) GdbR Oberpaur (consisting of Gebrüder Oberpaur GmbH & Co. KG and Alfred Oberpaur Moden GmbH), Gebrüder Oberpaur GmbH & Co. KG, Mr. Hannes Oberpaur (together, in this paragraph, the “**Sellers**”) and Dawnay Day Vermögensverwaltungsgesellschaft Immobilie Kempten GmbH and Dawnay Day Vermögensverwaltungsgesellschaft Immobilie Pforzheim GmbH (together, in this paragraph, the “**Purchasers**”), each of the Purchasers being a wholly-owned subsidiary of Treveria D S.à.r.l., in relation to a portfolio of real estate consisting of three properties in Pforzheim and Kempten which are essentially let to textile stores of Sinn Leffers under recently agreed 10 year

- lease agreements (the “**Oberpauer/Sinn Leffers Portfolio Acquisition Agreement**”). Pursuant to the Oberpauer/Sinn Leffers Portfolio Acquisition Agreement:
- 8.14.1 the consideration payable by the Purchasers was €27,700,000 in cash;
 - 8.14.2 the Sellers have agreed to carry out certain repairs to the properties up to the amount of €60,000;
 - 8.14.3 the Sellers have provided warranties on the properties and on the underlying lease agreements and certain other issues; and
 - 8.14.4 the warranties referred to in paragraph 8.14.3 are subject to a limitation period of two years and in general a cap on liability of 50% of the purchase price.
- 8.15 An acquisition agreement notarized on 8 August 2006 made between Admira Handels- und Gewerbe-Bau GmbH & Co. Verwaltungs KG, Graf von Thun und Hohenstein Veit Liegenschafts- und Zentralverwaltungs KG, Bayerische Luftschiffgesellschaft mbH & Grundvermögen und Mr. Gerhard Geyer (together, in this paragraph, the “**Sellers**”) and DDT Vierzigste VV GmbH to DDT Siebenundvierzigste VV GmbH, (together, in this paragraph, the “**Purchasers**”), each of the Purchasers being a wholly-owned subsidiary of Treveria E S.à.r.l., in relation to a portfolio of real estate consisting of nine properties in south-eastern Germany and northern Bavaria which are essentially let to commercial tenants (department stores, retail companies and supermarkets) (the “**Countess Portfolio Acquisition Agreement**”). Pursuant to the Countess Portfolio Acquisition Agreement:
- 8.15.1 the consideration payable by the Purchasers was €23,101,211 in cash. Of the consideration, the amount of €340,000 has been deposited in a notary’s trust account to secure the Sellers’ obligation to carry out certain repairs;
 - 8.15.2 the Sellers have provided warranties on the properties and on the underlying lease agreements and certain other issues;
 - 8.15.3 the warranties referred to in paragraph 8.15.2 are subject to a limitation period according to statutory law.
- 8.16 An acquisition agreement notarized on 12 May 2006 made between Achtundfünfzigste Hanseatische Grundbesitz GmbH & Co. KG, Hamburg (in this paragraph the “**Seller**”) and the DDT Sechste VV GmbH (“**Purchaser**”), a wholly-owned subsidiary of Treveria E S.à.r.l., in relation to a property in the western city of Berlin, Kurfürstendamm 12-15 which is let primarily to commercial tenants (hotel, restaurant, retail companies and offices) and otherwise to residential tenants (the “**Gloria Portfolio Acquisition Agreement**”). Pursuant to the Gloria Portfolio Acquisition Agreement:
- 8.16.1 from the initial consideration payable by the Purchaser in the amount €85,000,000, the amount of €250,000 was deducted in relation to certain defects on the property;
 - 8.16.2 the Seller has provided warranties on the properties and on the underlying lease agreements and certain other issues;
 - 8.16.3 the warranties referred to in paragraph 8.16.2 are subject to a limitation period of two years.
- 8.17 An acquisition agreement notarized on 19 April 2006 (and amended on 7 August and 20 September 2006) has been made between Klaus Andresen, Karl-Heinz Andresen, Marianne Andresen and Karl-Heinz Andresen GmbH & Co. KG (together, in this paragraph, the “**Sellers**”) and 13 DDT-Propcos (together, in this paragraph, the “**Purchasers**”), each of the Purchasers being a wholly-owned subsidiary of Treveria E S.à.r.l., in relation to a portfolio of real estate consisting of 139 properties, located in different cities in Germany (the “**High Street Portfolio Acquisition Agreement**”). Each property is let to at least one commercial tenant. However, almost all of the properties have more than one commercial tenant and the majority of properties also have residential tenants. Pursuant to the High Street Portfolio Acquisition Agreement:
- 8.17.1 the consideration payable by the Purchaser was the amount of €218,500,000 in cash;
 - 8.17.2 the Sellers provided warranties on the properties and on the information included on the underlying lease agreements as well as on certain other issues;
 - 8.17.3 the warranties referred to in paragraph 8.17.2 are subject to a limitation period of two years.

- 8.18 An acquisition agreement notarized on 18 August 2006 (and amended on 28 September 2006) has been made between a partnership according to civil law with the partners Christfried Prochnow, Chris Prochnow Immobilien GmbH & Co KG and Elisabeth Prochnow (in this paragraph, the “**Seller**”) and DDT Fünfundzwanzigste VV GmbH (in this paragraph, the “**Purchaser**”), a wholly-owned subsidiary of Treveria E S.à.r.l., in relation to a property in Fürth, located in the north of Bavaria/Germany, entirely let to Marktkauf Handelsgesellschaft mbh & Co OHG operating a self-service market under the brand Marktkauf and a multi-storey car park (the “**Fürth Acquisition Agreement**”). Pursuant to the Fürth Acquisition Agreement:
- 8.18.1 the consideration payable by the Purchaser was the amount of €18,105,000 in cash;
- 8.18.2 the Seller provided warranties on the property, on the information included on the underlying lease agreements and on certain other issues;
- 8.18.3 the warranties referred to in paragraph 8.18.2 are subject to a limitation period of two years.
- 8.19 An acquisition agreement notarized on 28 April 2006 between a partnership according to civil law with the partners ICN Immobilien Consult Nürnberg GmbH & Co KG and ICN Immobilien Beteiligungs- und Verwaltungs GmbH (in this paragraph, the “**Seller**”) and DDT Zweite VV GmbH (in this paragraph, the “**Purchaser**”), a wholly-owned subsidiary of Treveria E S.à.r.l., in relation to a property in Koblenz, located on the river Rhein in the state of Rheinland-Pfalz/Germany and entirely let to Sinn Leffers AG operating a textile retail store under the brand Sinn Leffers (the “**Koblenz Acquisition Agreement**”). Pursuant to the Koblenz Acquisition Agreement:
- 8.19.1 the consideration payable by the Purchaser was the amount of €17,000,000 in cash;
- 8.19.2 the Seller provided warranties on the property, on the lease agreement as well as certain other issues;
- 8.19.3 the warranties referred to in paragraph 8.19.2 are subject to a limitation period according to statutory law.
- 8.20 The Administration Agreement pursuant to which the Administrator provides the Company with administrative, registrar and secretarial services as therein provided for an annual fee capped at £50,000 plus all reasonable out of pocket expenses. The fee is subject to review annually. The Administration Agreement is terminable, *inter alia*, by the Administrator or the Company on three months’ notice. The Company has agreed to indemnify the Administrator against liability arising out of its appointment, subject to exclusion in the case of negligence, wilful default, breach of contract, fraud or bad faith on the part of the Administrator or any of its employees.
- 8.21 The Portfolio Management Agreement pursuant to which DDTREAM provides detailed origination, evaluation, presentation, reporting, advisory and other services, including finance, treasury and accounting services, to the Group and to new companies which join the Group from time to time. The key provisions of the Portfolio Management Agreement are as follows:
- 8.21.1 DDTREAM is paid an annual management fee of 0.4% of the Group’s gross property asset value, payable quarterly in arrears. The gross property asset value is assessed by reference to the value of properties (whether investment or trading properties) held by the Group at the end of the relevant quarter as shown in valuations as at the relevant quarter end or (in the case of the quarters ending 31 March or 30 September) as at the previous quarter updated to take into account acquisitions and disposals. No fee is payable to the Asset Manager in relation to acquisitions, disposals or un-invested cash. The Asset Manager also has the right to reimbursement of its expenses (including professional advisers’ fees incurred in connection with acquisitions and disposals);
- 8.21.2 DDTREAM is entitled to subcontract to Dawnay, Day International Limited the services it is obliged to supply to the Company, and to subcontract to Dawnay, Day Property Investment Limited and Dawnay Day Property Investment GmbH all of the services it is to provide to members of the Group other than the Company;
- 8.21.3 DDTREAM (and any sub-contractor appointed by DDTREAM) have no ability to commit any member of the Group to make any acquisition or disposal and cannot act as agent for the Company or any member of the Group or hold itself out as having authority to act on their behalf. Neither DDTREAM nor any relevant sub-contractor is authorised by the FSA or entitled or required to provide any advice which might require such authorisation;

- 8.21.4 In the event that any member of the Dawnay, Day Group (the “**Relevant Party**”) has the opportunity to acquire any commercial retail property in Germany which is compliant with the Group’s investment criteria as outlined in paragraph 6 of Part III of this document, other than any such property that would create a synergy with any properties held by any member of the Dawnay, Day Group at that time (a property shall be deemed to create a synergy if such property is located adjacent to any property held by the Dawnay, Day Group) (a “**Conflict Property**”), then DDTREAM causes the Relevant Party to provide, *inter alia*, all material details of the Conflict Property to the Company and each member of the Board, in order for the Company to decide whether or not to notify DDTREAM that a member of the Group should acquire the Conflict Property. If the Company so notifies DDTREAM, DDTREAM procures that no member of the Dawnay, Day Group (or investment client of the Dawnay, Day Group) shall acquire any interest in the Conflict Property in question;
- 8.21.5 DDTREAM may not provide services to a third party that relate to investments in commercial retail property in Germany (other than properties in a specified portfolio to which services are already supplied), and the Group may not appoint a third party to provide similar services; and
- 8.21.6 The agreement is for an initial fixed term of eight years, and continues thereafter for successive three year periods unless terminated by not less than 12 months notice expiring at the end of the initial term or any three year extension. DDTREAM may terminate the agreement with immediate effect if, *inter alia*, any member of the Group commits a material unremedied breach of the agreement or in the event of the insolvency of any member of the Group. The Company is entitled to terminate the agreement if DDTREAM becomes insolvent or commits a material unremedied breach of the agreement. The Company may also terminate the agreement if the Group fails to achieve a hurdle rate of return (calculated after deducting any sum otherwise payable to Arba Investment S.à.r.l. by way of Carried Interest as described in paragraph 8.28 below) of 8% per annum on equity capital in each of the first three financial years of the Company. The Company’s right to use the “Dawnay, Day” name will cease on termination of the agreement.
- 8.22 A nominated adviser agreement dated 9 December 2005 between the Company and Citigroup pursuant to which Citigroup acts as the Company’s nominated adviser as required by the AIM Rules. In its capacity as nominated adviser, Citigroup has agreed to provide such advice and guidance to the Directors as to their responsibility and obligations to ensure compliance by the Company on an ongoing basis with the AIM Rules and as the Directors or the Company may reasonably request from time to time. The agreement is terminable by either party on one months’ notice.
- 8.23 A loan note made between the company and its direct subsidiary, Treveria Holdings S.à.r.l., dated 15 December 2005 pursuant to which:
- 8.23.1 the Company made the proceeds arising as a result of the allotment of Ordinary Shares made by the Company on its admission to AIM available to Treveria Holdings S.à.r.l.;
- 8.23.2 Treveria Holdings S.à.r.l. agreed to repay this sum to the Company before 31 December 2015;
- 8.23.3 in each financial year Treveria Holdings S.à.r.l. pays interest to the Company on the amount outstanding at a rate equal to the aggregate of (a) 1% per annum of the principal amount outstanding and (b) the Adjusted Accounting Profits of Treveria Holdings S.à.r.l. for the relevant financial year. For the purposes of this loan note, “Adjusted Accounting Profits” means the aggregate of the net profits for the relevant financial year, computed on the basis of generally accepted accounting principles in Luxembourg, before Luxembourg tax and before calculation of the interest payable on the loan note, minus an amount corresponding to 0.25% of the principal amount outstanding under the loan note, after deduction of any losses carried forward;
- 8.23.4 interest periods end on 31 December in each year, with the first interest period ending on 31 December 2006; and
- 8.23.5 interest is payable on 31 January in the year following the end of each interest period.

- 8.24 A loan note made between Treveria Holdings S.à.r.l. and its direct subsidiary Treveria Properties dated 19 December 2005 pursuant to which:
- 8.24.1 Treveria Holdings S.à.r.l. made the sum received by it from the Company pursuant to the loan note described in paragraph 8.23 available to Treveria Properties;
 - 8.24.2 Treveria Properties agreed to repay this sum to the Company before 31 December 2015;
 - 8.24.3 in each financial year Treveria Properties pays interest to Treveria Holdings S.à.r.l. on the amount outstanding at a rate equal to 6.2375% per annum of the principal amount outstanding;
 - 8.24.4 interest periods end on 31 December in each year, with the first interest period ending on 31 December 2006; and
 - 8.24.5 interest is payable on the last day of each interest period.
- 8.25 A loan note made between Treveria Properties and its direct subsidiary Treveria C S.à.r.l. dated 19 December 2005 pursuant to which:
- 8.25.1 Treveria Properties made the sum received by it from Treveria Holdings S.à.r.l. pursuant to the loan note described in paragraph 8.23 available to Treveria C S.à.r.l.;
 - 8.25.2 Treveria C S.à.r.l. agreed to repay this sum to the Company before 31 December 2015;
 - 8.25.3 in each financial year Treveria C S.à.r.l. pays interest to Treveria Holdings S.à.r.l. on the amount outstanding at a rate equal to 6.3% per annum of the principal amount outstanding;
 - 8.25.4 interest periods end on 31 December in each year, with the first interest period ending on 31 December 2006; and
 - 8.25.5 interest is payable on the last day of each interest period.
- 8.26 The Trademark Licence pursuant to which the licensor has granted to the Company a royalty-free worldwide licence to use the “Dawnay, Day” trademark. The right for the Company to use such trademark shall terminate on the earlier of the termination of the Portfolio Management Agreement or on service of a notice given by the Company to the licensor.
- 8.27 A consultancy agreement dated 9 December 2005 with Morefield Financial Consultants Limited (“**Morefield**”) under which Morefield agreed to procure the services of Nicholas Moore to the Company to provide advice on financial issues such as management accounts/fees, cash flow in relation to the Company’s property portfolio and to perform such other similar services reasonably requested by the Company from time to time. The fee payable to Morefield is €37,500 per annum (excluding VAT), with a notice period of six months on either side. The consultancy agreement also provided for Mr. Moore to be granted an option over 112,500 Ordinary Shares.
- 8.28 The Carried Interest provisions are contained in the articles of association of Treveria Properties, the share capital of which is owned (as to the A Shares) by Treveria Holdings S.à.r.l. and (as to the B Shares) by Arba Investment S.à.r.l. The B Shares must be transferred to the holders of the A Shares on certain specified events (including a takeover or liquidation of the Group, or a termination of the Portfolio Management Agreement as a result of the Company’s failure to extend the term of the Portfolio Management Agreement, each an “**Exit Event**”). The B Shares do not carry any rights to share in the income or capital of Treveria Properties, other than the right to a B Share Payment to be made by the Company by way of (at the option of the holder of the B Shares) a dividend payment or a redemption or repurchase of B Shares (“**B Share Payment**”). The B Share Payment is calculated and paid as follows:
- (a) the B Share Payment is calculated on the last day of each financial year of the Company commencing after Admission and on the date of any Exit Event;
 - (b) no B Share Payment is payable unless, during the relevant period, the Group has achieved a return (after deduction of any B Share Payment) on the weighted average of its equity capital of more than 8% per annum (or, where in previous periods this return has fallen below 8% per annum, 8% per annum plus the cumulative shortfall). In calculating the return of the Group for these purposes, amounts paid to the Group’s lenders under accelerated debt prepayment arrangements required by the Investment Facility (or any replacement

facility) are excluded to the extent that such acceleration requires prepayment in excess of the amount attributed to any particular property by that facility;

- (c) in the case of an Exit Event, the B Share Payment is payable immediately. Otherwise, the B Share Payment is payable on the earlier of (a) approval by the Directors of the consolidated financial statements of the Group for the relevant period and (b) the date falling three calendar months after the Exit Event. In any case where Treveria Properties does not have sufficient distributable reserves to make any B Share Payment, then the relevant B Share Payment is made to the extent permissible and any outstanding balance of such B Share Payment is carried forward and is paid as soon as sufficient distributable reserves become available. In any case where the Company is unable (whether by reason of the Company having insufficient distributable reserves or otherwise (including without limitation circumstances where the Company has insufficient cash resources)) in respect of any financial year to distribute to the Shareholders by way of dividend 85% of the Distributable Profit Pool for that financial year then any B Share Payment relating to that financial year (but excluding any B Share Payment arising as a result of any Exit Event) is not made and such B Share Payment is carried forward and paid in the next financial year in which the Company is able to so distribute 85% of the Distributable Profit Pool;
- (d) where the Group makes any realisation of any investment during any relevant period, whether by selling or refinancing an investment or otherwise (provided that, in the case of refinancing, the relevant investment is only “realised” for the purposes of the B Share Payment where the refinancing relates to a specific investment and not a general refinancing of all or some of the Group’s indebtedness and the Directors have first turned down a recommendation from DDTREAM to sell that investment), the B Share Payment is calculated by reference to the net receipts received by the Group in respect of each of those realised assets since purchase, including the disposal or refinancing proceeds. Treveria Properties calculates the aggregate return that those net receipts represent over the acquisition costs of those investments. In calculating the net receipts received by the Group for these purposes, any debt repaid by the Group as a result of the requirement under the Investment Facility to repay debt following the disposal, compulsory purchase or destruction of a property is excluded to the extent that such debt exceeds the debt attributed to that property for the purposes of the Investment Facility. In calculating the net receipts of the Group for these purposes, amounts paid to the Group’s lenders under accelerated debt prepayment arrangements required by the Investment Facility (or any replacement facility) will be excluded to the extent that such acceleration requires prepayment in excess of the amount attributed to any particular property by that facility. Where the return from the net receipts exceeds 8% per annum the B Share Payment shall include 25% of the return in excess of 8%;
- (e) in the event of an Exit Event, for the purposes of calculating the B Share Payment, Treveria Properties assumes that the Company has received net receipts equal to the value of the Group’s investments (as assessed by the Company’s auditors or property valuers (as appropriate)) and the net receipts relating to all investments then held by the Group calculated from the date of acquisition of each such investment;
- (f) where the Portfolio Management Agreement terminates in circumstances other than as a result of the Company’s failure to extend the term of that agreement, no B Share Payment is made at the point of termination or at any time after termination; and
- (g) after an Exit Event, a final B Share Payment is made and thereafter no further B Share Payment is made.

9. UNDERWRITING AGREEMENT

Pursuant to the Underwriting Agreement, the Underwriters have agreed, subject to certain conditions set out therein and which are typical of an agreement of this nature, to purchase and resell or to procure subscribers for the Placing Shares to be issued by the Company under the Offer or, failing which, themselves to subscribe for such Placing Shares, at the Placing Price. In the case of the Initial Placing Shares the obligations of the Underwriters are conditional, *inter alia*, on Admission of the Initial Placing Shares taking place on or before 8.00 a.m. on 22 November 2006 (or such later time and/or date as the Company and the Underwriters may agree, not being later

than 31 December 2006). In the case of Additional Placing Shares the obligations of the Underwriters are also conditional, *inter alia* on the passing of the Resolution and Admission of the Additional Placing Shares taking place on or before 8.00 a.m. on 30 November 2006 (or such later time and/or date as the Company and the Underwriters may agree, being not later than 31 December 2006).

The Company has agreed that the Underwriters may deduct from the proceeds of the Offer payable to the Company commissions of (i) 2.25% of an amount equal to the Placing Price multiplied by the number of Initial Placing Shares issued pursuant to the Offer, (ii) 2.25% of an amount equal to the Placing Price multiplied by the number of Additional Placing Shares issued pursuant to the Offer, and (iii) 2.25% of the amount equal to the Placing Price multiplied by the number of Over-allotment Shares (if any) subscribed for pursuant to the Over-allotment Option. In addition, the Underwriters may also be paid, in the sole discretion of the Company, commissions of (i) up to 1.0% of the amount equal to the Placing Price multiplied by the aggregate number of Placing Shares issued pursuant to the Offer and (ii) up to 1.0% of the amount equal to the Placing Price multiplied by the number of Over-allotment Shares (if any) subscribed for pursuant to the Over-allotment Option.

The obligation of the Company to issue the Placing Shares and the obligations of the Underwriters to subscribe for or purchase the Offer Shares is conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, amongst others, the accuracy of the representations and warranties under the Underwriting Agreement. The Underwriters may terminate the Underwriting Agreement prior to Admission in certain specified circumstances that are typical for an agreement of this nature. These include certain the occurrence of certain material adverse changes in, or affecting, the condition (financial or otherwise), prospects, earnings, business or properties of the Company and the Group, taken as a whole, and certain changes in financial, political or economic conditions (as more fully set out in the Underwriting Agreement).

The Company has agreed to pay or cause to be paid (together with certain related value added tax) certain costs, charges, fees and expenses of, or in connection with, or incidental to, amongst other things, the Offer and/or Admission. In addition, the Company has, in certain circumstances, agreed to pay and/or reimburse any stamp duty or stamp duty reserve tax arising out of or in connection with the arrangements that are the subject of the Underwriting Agreement (together with certain related value added tax).

The Company and the Asset Manager have given certain representations and warranties to the Underwriters. The Company and the Asset Manager have also given indemnities to the Underwriters.

10. TAXATION

10.1 *UK and Isle of Man Taxation*

The information below, which is of a general nature only and which relates only to UK and Isle of Man taxation, is applicable to the Company and to persons who are resident or ordinarily resident in the UK (except where indicated) and who hold Ordinary Shares as an investment and not as an asset of a financial or other trade. It is based on existing law and practice and is subject to subsequent changes therein. Any change in the Company's tax status or in taxation legislation in the Isle of Man or the UK or any other tax jurisdiction affecting Shareholders could affect the value of the investments held by the Company or affect the Company's ability to achieve its investment objective for the Ordinary Shares or alter the post-tax returns to Shareholders. Any Shareholders who are in any doubt as to their tax position should consult their own professional adviser without delay.

10.2 *The Company*

It is the intention of the Directors to conduct the affairs of the Company so that the management and control of the Company are not exercised elsewhere than the Isle of Man and it is not resident in the UK or elsewhere for taxation purposes and so that it does not carry on any trade in the UK or elsewhere (whether or not through a permanent establishment situated there). Accordingly, the Company should not be liable for taxation by the UK or any other jurisdiction on its profits or gains, other than taxation on certain income deriving from sources within that jurisdiction.

In the Isle of Man, with effect from 6 April 2006, a standard 0% income tax rate for companies has applied, with higher rates for limited categories of activities such as licensed banks. However, all companies are required to pay an annual corporate charge, currently £250.

Companies in which Isle of Man residents have an interest may also be subject to a distributable profits charge; but this will not apply to companies listed on a recognised stock exchange.

This new regime replaces the previous tax exempt company regime.

10.3 *Investors*

Taxation of Dividends on Ordinary Shares

Holders of Ordinary Shares who are not tax resident in the Isle of Man will receive dividends without deduction of Isle of Man income tax. UK resident individual holders of Ordinary Shares will be liable to UK income tax on the dividends received. No UK tax credit will be attached to dividends received by holders of Ordinary Shares. UK resident corporate holders of Ordinary Shares will be liable to UK corporation tax on dividends received from the Company.

The UK income tax charge in respect of dividends for UK resident individual holders of Ordinary Shares will (depending on the amount of the Shareholders' overall taxable income) be at the dividend ordinary rate of 10% or at the dividend upper rate of 32.5%. For this purpose, dividends are treated as the top slice of an individual shareholder's income.

The Company is required to make a return of allotment to the Companies Registration Division of the Isle of Man Financial Supervision Commission, which must give details of the names, addresses and shareholdings of all holders of Ordinary Shares.

EU Savings Tax Directive (Council Directive 2003/48/EC) (the “**Directive**”)

The Directive came into force on 1 July 2005. The Isle of Man has entered into bilateral agreements with the EU Member States which effectively require the Isle of Man to comply with the requirements of the Directive, subject to certain other jurisdictions also complying.

Under the provisions of the Directive as implemented by the Isle of Man, certain distributions and redemption proceeds paid by collective investment schemes established in the Isle of Man to Shareholders who are individuals resident in the EU may be subject to withholding tax.

However, the Isle of Man Government has determined that only one category of collective investment scheme, namely authorised schemes, will fall within the Directive. The Company is not an authorised scheme and, accordingly, there will be no requirement to deduct withholding tax from any distributions to Shareholders by the Company.

Taxation of Capital Gains

The Company, as a closed-ended property investment company, should not as at the date of this document be treated as an “offshore fund” for the purposes of UK taxation. Accordingly, the provisions of Chapter V of Part XVII of the UK Income and Corporation Taxes Act 1988 (the “**Taxes Act**”) should not apply. Any gains on disposals by UK resident or ordinarily resident holders of Ordinary Shares may, depending on their individual circumstances, give rise to a liability to UK taxation on capital gains. Likewise, the provisions of section 98 and paragraph 7 of Schedule 10 to the UK Finance Act 1996, and paragraphs 36 and 37 of Schedule 26 to the UK Finance Act 2002 should not apply to corporate shareholders.

Stamp Duty and Stamp Duty Reserve Tax (“**SDRT**”)

The following comments are intended as a guide to the general stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply. UK stamp duty (at the rate of 0.5% of the amount of the value of the consideration for the transfer rounded up where necessary to the nearest £5) is payable on any instrument of transfer of the Ordinary Shares executed within the UK or which relates to any property situated or any matter or thing done or to be done in the UK. Provided that the Ordinary Shares are not registered in any register of the Company kept in the UK, any agreement to transfer the Ordinary Shares will not be subject to UK SDRT. In the event of the death of a sole holder of Ordinary Shares, an Isle of Man

grant of probate or administration may be required in respect of which certain fees will be payable to the Isle of Man Government.

Capital duty in the Isle of Man is calculated at the rate of £15 per £1,000 or part thereof and is payable on incorporation or on any increase in the nominal value of the authorised share capital of the Company, subject to a minimum of £125 for capital up to £2,000, and to a maximum amount of duty of £5,000 for each company.

Other United Kingdom Tax Considerations

The attention of individuals ordinarily resident in the UK is drawn to the provisions of sections 739-745 of the Taxes Act under which the income of the Company may be attributed to such a shareholder and may (in certain circumstances) be liable to UK income tax in the hands of the shareholder. However, the provisions do not apply if such a shareholder can satisfy HM Revenue & Customs that either of the conditions set out in section 741A of the Taxes Act (referred to therein as “Condition A” and “Condition B”) is met. Condition A will be met, broadly, if it would not be reasonable to draw the conclusion, from all the relevant circumstances, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the investment in the Company and any associated operations were made. Condition B will be met, broadly, if the investment in the Company and any associated operations are all genuine commercial transactions effected in the course of and for the purposes of a trade or business and it would not be reasonable to draw the conclusion, from all the relevant circumstances, that any one or more of those transactions was more than incidentally designed for the purpose of avoiding liability to taxation.

As it is possible that the Company will be controlled by persons resident in the UK, the legislation applying to controlled foreign companies may apply. Under that legislation, income profits accruing to the Company may be apportioned to those persons who have an interest in the Company, and UK resident corporate holders may in certain circumstances be liable to UK corporation tax on the amounts apportioned to them. However, this will only apply if the apportionment to that shareholder (when aggregated with persons connected or associated with them) is at least 25% of the Company’s relevant profits.

This paragraph applies only to holders of Ordinary Shares who are resident or ordinarily resident in the UK and whose interest (when aggregated with persons connected with them) in the chargeable gains of the Company exceeds one-tenth. In the event that the Company would be treated as “close” if it were resident in the UK, then part of any chargeable gain accruing to the Company may be attributed to such a shareholder and may (in certain circumstances) be liable to UK tax on capital gains in the hands of the shareholder (section 13 UK Taxation of Chargeable Gains Act 1992). The part attributed to the shareholder corresponds to the shareholder’s proportionate interest in the Company.

10.4 *US Taxation*

This summary is based upon the Internal Revenue Code of 1986, as amended (the “**Code**”), Treasury Regulations promulgated thereunder, judicial decisions, and the United States Internal Revenue Service’s (“**IRS**”) current administrative rules, practices and interpretations of law, all as in effect on the date of this document, and all of which are subject to change, possibly with retroactive effect. This summary also takes into account proposed Treasury Regulations regarding passive foreign investment companies, which are not currently in effect but would purport to apply on a retroactive basis (the “**Proposed Regulations**”). There can be no assurance as to whether, when or in what form the Proposed Regulations will be adopted as final Treasury Regulations.

For purposes of this summary, a “United States Person” means a beneficial owner of Placing Shares who is, for United States federal income tax purposes, (i) a citizen or resident of the United States, (ii) a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate, the income of which is subject to United States federal income taxation regardless of its source, or (iv) a trust if: (a) a court within the United States is able to exercise primary supervision over the administration of such trust, and (b) one or more United States Persons have the authority to control all substantial decisions of such trust. If a partnership holds Ordinary Shares, the United States federal income tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. A partner of a partnership holding Ordinary Shares should consult its own tax advisors with respect

to the United States federal income tax consequences of the acquisition and ownership of Ordinary Shares.

This summary is only a general discussion and is not intended to be, and should not be construed to be, legal or tax advice to any prospective investor. This summary addresses only United States Persons who acquire Placing Shares in the Offer, hold or will hold Placing Shares as capital assets, and use the US dollar as their functional currency. This summary does not address persons who already own Existing Ordinary Shares. In addition, this summary does not discuss all aspects of United States federal income taxation that may be relevant to a United States Person in light of such person's particular circumstances, including certain United States Persons that may be subject to special treatment under the Code (for example, persons (i) that are tax-exempt organizations, qualified retirement plans, individual retirement accounts and other tax-deferred accounts; (ii) that are financial institutions, insurance companies, real estate investment trusts, regulated investment companies, or brokers, dealers or traders in securities; (iii) that are subject to the alternative minimum tax provisions of the Code; or (iv) that own Ordinary Shares as part of a straddle, hedging, conversion transaction, constructive sale or other arrangement involving more than one position). Moreover, this summary does not include any discussion of state, local or foreign income or other tax consequences.

THE UNITED STATES FEDERAL INCOME TAX TREATMENT OF THE ORDINARY SHARES IS COMPLEX AND POTENTIALLY UNFAVOURABLE TO UNITED STATES PERSONS WHO DO NOT MAKE A QUALIFIED ELECTING FUND ELECTION, AS DESCRIBED BELOW. ACCORDINGLY, EACH UNITED STATES PERSON WHO ACQUIRES PLACING SHARES IS STRONGLY URGED TO CONSULT HIS, HER OR ITS OWN TAX ADVISOR WITH RESPECT TO THE UNITED STATES FEDERAL, STATE, LOCAL AND FOREIGN INCOME, ESTATE AND OTHER TAX CONSEQUENCES OF THE ACQUISITION OF ORDINARY SHARES, WITH SPECIFIC REFERENCE TO SUCH PERSON'S PARTICULAR FACTS AND CIRCUMSTANCES.

THE FEDERAL TAX DISCUSSION CONTAINED HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY PERSON FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED BY THE INTERNAL REVENUE CODE. THE FEDERAL TAX DISCUSSION CONTAINED HEREIN WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTION DESCRIBED HEREIN. PROSPECTIVE INVESTORS SHOULD SEEK ADVICE FROM THEIR OWN INDEPENDENT TAX ADVISORS CONCERNING THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY BASED ON THEIR PARTICULAR CIRCUMSTANCES.

1. Passive Foreign Investment Company Treatment

The Company believes that it is and will continue to be treated as a "passive foreign investment company" (a "PFIC") for United States federal income tax purposes. A foreign corporation will be a PFIC in any taxable year when, taking into account the income tax and assets of certain subsidiaries, either (i) 75% or more of its gross income is passive income or (ii) 50% or more of the average value of its assets is attributable to assets that produce or are held to produce passive income. The tax rules generally applicable to PFICs are very complex and, in some cases, uncertain. Each United States Person is strongly urged to consult his, her or its own tax advisor with respect to such rules.

Under the PFIC rules, a United States Person will be required to pro rate all gains realized on the disposition of Ordinary Shares and all excess distributions (generally, distributions that exceed 125% of the average amount of distributions in respect of such Ordinary Shares received during the preceding three years or, if shorter, during the United States Person's holding period prior to the distribution year) over such person's entire holding period for the Ordinary Shares. A "disposition" may include, under certain circumstances, transfers at death, gifts, pledges and other transactions with respect to which gain ordinarily is not recognized. All gains or excess distributions allocated to prior years of the United States Person will be taxed at the highest tax rate for each such prior year applicable to ordinary income. A United States Person will also be liable for interest on the foregoing tax liability for each such prior year calculated as if such liability had been due with respect to each such prior year. In computing such tax liability, amounts allocated to prior tax years may not be offset by any net operating losses of the United States Person. A United States Person

generally may avoid some of these unfavourable United States federal income tax consequences by making a “qualified electing fund” (“**QEF**”) election, or alternatively, making a mark-to-market election (“**mark-to-market election**”), with respect to the Company, both as described below.

A. QEF Election

A United States Person that owns Ordinary Shares may elect, provided that the Company provides such person with certain information, to have the Company treated, with respect to that person, as a QEF. A QEF election must be made by a shareholder on or before the due date (with regard to extensions) for such person’s tax return for the taxable year for which the election is made and, once made, will also be effective for all subsequent taxable years of such person unless revoked with the consent of the IRS. (A United States Person who makes a QEF election with respect to the Company may be referred to herein as an “**Electing Shareholder.**”)

The procedure with which a United States Person must comply in order to make an effective QEF election will depend on whether the election is made for the first year in the United States Person’s holding period in which the Company is a PFIC. If the United States Person makes a QEF election in such first year (i.e., a timely QEF election), the United States Person may make the QEF election by filing the appropriate documents at the time the United States Person timely files a tax return for such first year. If, however, the United States Person makes the QEF election subsequent to the first year in which the United States Person acquired the Ordinary Shares, then in addition to filing the appropriate election documents, the United States Person must elect to recognize under the rules of Section 1291 of the Code (discussed below) any gain that he, she or it would otherwise recognize if the United States Person sold the Ordinary Shares on the qualification date. The qualification date is the first day of the Company’s first tax year in which the Company qualified as a QEF with respect to such United States Person. The election to recognize such gain or earnings and profits can only be made if such United States Person’s holding period for the Ordinary Shares includes the qualification date. By electing to recognize such gain or earnings and profits, the United States Person will be deemed to have made a timely QEF election. United States Persons are urged to consult a tax advisor regarding the availability of and procedure for making a QEF election under the foregoing rules.

THE COMPANY INTENDS TO MAKE AVAILABLE TO HOLDERS OF ORDINARY SHARES THE ANNUAL STATEMENT CURRENTLY REQUIRED BY THE IRS, WHICH WILL INCLUDE INFORMATION AS TO THE ALLOCATION OF THE COMPANY’S ORDINARY EARNINGS AND NET CAPITAL GAIN AMONG THE ORDINARY SHARES AND AS TO DISTRIBUTIONS ON SUCH ORDINARY SHARES. SUCH STATEMENT MAY BE USED BY ELECTING SHAREHOLDERS FOR PURPOSES OF COMPLYING WITH THE REPORTING REQUIREMENTS APPLICABLE WITH RESPECT TO A QEF ELECTION.

An Electing Shareholder will be required to include currently in gross income his, her or its pro rata share of the Company’s annual ordinary earnings and annual net capital gains, if any, in any taxable year that the Company is a PFIC. Any income inclusion will be required whether or not such shareholder owns Ordinary Shares for an entire year or at the end of the Company’s taxable year. The amount so includable will be determined without regard to the amount of cash distributions, if any, received from the Company. Electing Shareholders will be required to pay tax currently on such imputed income. The amount currently included in income will be treated as ordinary income to the extent of the Electing Shareholder’s allocable share of the Company’s ordinary earnings and generally will be treated as capital gain to the extent of such shareholder’s allocable share of the Company’s net capital gains. Such net capital gains, if they are long-term, ordinarily would generally be subject to a maximum 15% United States federal income tax rate in the case of non-corporate United States Persons, unless the Company elected to treat the entire amount of its net capital gain as ordinary income. In certain cases in which the Company does not distribute all of its earnings in a taxable year, a United States Person would be permitted to elect to defer the payment of some or all his, her or its taxes with respect to the Company’s income, subject to paying interest on the deferred amount.

An Electing Shareholder will translate any inclusions required by the QEF election rules based on a weighted average exchange rate for the Company’s taxable year. Amounts recognised by an Electing Shareholder generally will be treated as income from sources outside the United States. Because an Electing Shareholder has already paid tax on the allocable share of the Company’s earnings and profits, amounts previously included in income will not be subject to tax when they are

distributed to such Electing Shareholder. However, an Electing Shareholder will recognise foreign currency gain or loss attributable to movement in foreign exchange rates between the date when it recognised income under the QEF rules and the date when the income actually is distributed. An Electing Shareholder's basis in the Ordinary Shares will increase by the amounts the holder includes in income currently and decrease by any amounts not subject to tax when distributed.

So long as an Electing Shareholder's QEF election is in effect with respect to the entire holding period for his, her or its Ordinary Shares, any gain or loss recognised by an Electing Shareholder on the disposition of Ordinary Shares held as a capital asset ordinarily will be a capital gain or loss. Such capital gain or loss will be long-term if such Electing Shareholder had held the Ordinary Shares for more than one year at the time of the disposition. For non-corporate United States Persons, long-term capital gain is generally subject to a maximum federal income tax rate of 15%. Capital loss deductions are subject to significant limitations.

Under temporary Treasury Regulations, an individual would be required to include in income his or her proportionate share of the investment expenses of certain "pass-through" entities. It is not clear under these temporary Treasury Regulations whether a PFIC for which a QEF election is in effect should be treated as a "pass-through" entity. If these provisions were to apply to the Company, each individual Electing Shareholder would be required to include in income an amount equal to a portion of the Company's investment expenses and would be permitted an offsetting deduction (if otherwise allowable under the Code) to the extent that the amount of such expenses included in income, plus certain other miscellaneous itemized deductions of such shareholder, exceeded 2% of such shareholder's adjusted gross income.

B. Mark-to-Market Election

Alternatively, United States Person generally may make a mark-to-market election with respect to shares of "marketable stock" of a PFIC. The Company anticipates that the Ordinary Shares will be "marketable stock" for such purposes, provided that the Ordinary Shares are traded (other than in *de minimis* quantities) on at least 15 trading days during each calendar quarter. (Under the Code and Treasury Regulations, the term "marketable stock" includes stock of a PFIC that is "regularly traded" on a "qualified exchange or other market." Generally, a "qualified exchange or other market" means (i) a national securities exchange which is registered with the US Securities and Exchange Commission or the national market system established pursuant to Section 11A of the Exchange Act or (ii) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located and has the following characteristics: (a) the exchange has trading volume, listing, financial disclosure, and other requirements designed to prevent fraudulent and manipulative acts and practices, to remove impediments to and perfect the mechanism of a free and open market, and to protect investors, and the laws of the country in which the exchange is located and the rules of the exchange ensure that such requirements are actually enforced; and (b) the rules of the exchange ensure active trading of listed stocks.) In the event the Ordinary Shares do not qualify as "marketable stock" for these purposes, a United States Person will not be eligible to make a mark-to-market election. As with a QEF election, a mark-to-market election is made on a shareholder-by-shareholder basis, applies to all Ordinary Shares held or subsequently acquired by the Electing Shareholder, and can only be revoked with consent of the IRS (except to the extent the Ordinary Shares no longer constitute "marketable stock").

As a result of such an election, in any taxable year that the Company is a PFIC, a United States Person would generally be required to report gain or loss annually to the extent of the difference between the fair market value of the Ordinary Shares at the end of the taxable year and such United States Person's adjusted tax basis in the Ordinary Shares at that time. Any gain under this computation (and any gain on an actual disposition of the Ordinary Shares) is treated as ordinary income. Any loss under this computation and any loss on an actual disposition would be treated as an ordinary loss to the extent of the cumulative net mark-to-market gain, but loss from marking Ordinary Shares to market will not be allowed in excess of prior unreversed mark-to-market gain. Any loss on an actual disposition with respect to Ordinary Shares would be treated as ordinary loss to the extent of the cumulative net mark-to-market gain and thereafter would be considered capital loss. The United States Person's tax basis in the Ordinary Shares is adjusted annually for any gain or loss recognized under the mark-to-market election.

Unless either (i) the mark-to-market election is made as of the beginning of the United States Person's holding period for the Ordinary Shares or (ii) a QEF election has been in effect for such

person's entire holding period, any mark-to-market gain for the election year generally will be subject to the rules applicable to dispositions by non-Electing Shareholders described below.

C. Non-Electing Shareholders

If a QEF election is not made by a United States Person, or is not in effect with respect to the entire period that such person holds (or is treated as holding) his, her or its Ordinary Shares, then, unless such person has made the mark-to-market election as described above, any gain on its sale or other disposition of Ordinary Shares (directly or, in certain circumstances, indirectly) generally will be treated as ordinary income realized pro rata over such holding period for such Ordinary Shares. A "disposition" may include, under certain circumstances, transfers at death, gifts, pledges and other transactions with respect to which gain ordinarily is not recognised.

A United States Person will be required to include as ordinary income in the year of disposition the portion of the gain attributed to such year. In addition, such person's United States federal income tax for the year of disposition will be increased by the sum of (i) the tax computed by using the highest statutory rate applicable to such person for each year (without regard to other income or expenses of such person) on the portion of the gain attributed to years prior to the year of disposition plus (ii) interest on the tax determined under clause (i), at the rate applicable to underpayments of tax, from the due date of the return (without regard to extensions) for each year described in clause (i) to the due date of the return (without regard to extensions) for the year of disposition. Any loss realized by a non-Electing Shareholder on the disposition of Ordinary Shares generally will be a capital loss. Rules similar to those applicable to dispositions generally apply to excess distributions in respect of an Ordinary Share (i.e., distributions that exceed 125% of the average amount of distributions in respect of such Ordinary Shares received during the preceding three years or, if shorter, during the United States Person's holding period prior to the distribution year).

D. Treatment of Certain Distributions

To the extent that a distribution paid on an Ordinary Share to a United States Person is not an "excess distribution" received by a non-Electing Shareholder, and is not treated as a non-taxable distribution paid from earnings previously included in income by an Electing Shareholder under the QEF rules, such distribution (including amounts withheld in respect of foreign income tax) will be taxable as ordinary income to the extent of the Company's current or accumulated earnings and profits (as computed on the basis of United States federal income tax principles) and, to the extent the distribution exceeds such earnings and profits, generally will be treated as a non-taxable return of capital to the extent of the tax basis in the Ordinary Shares and then as capital gain from the sale or exchange of the Ordinary Shares. Because the Company believes it is and will continue to be a PFIC, dividends on the Ordinary Shares will not be eligible for the maximum 15% United States federal income tax rate generally applicable to dividends paid by a "qualified foreign corporation" to non-corporate United States persons. In addition, dividends on the Ordinary Shares generally will not be eligible for the deduction for dividends received by corporations. Dividends on the Ordinary Shares generally will be foreign source income for United States foreign tax credit purposes, except as described below under "Withholding Taxes." Such income generally will be treated as "passive income," or, in the case of certain United States Persons, "financial services income." For taxable years beginning after December 31, 2006, such income generally will be treated as "passive category income," or, in the case of certain United States Persons, "general category income."

The amount of any dividend on the Ordinary Shares paid in foreign currency will equal the United States dollar value of the foreign currency received calculated by reference to the exchange rate in effect on the date the dividend is actually or constructively received by the United States Person, regardless of whether the foreign currency is converted into United States dollars. If the foreign currency received is not converted into United States dollars on the day of receipt, a United States Person will have a basis in the foreign currency equal to their United States dollar value on the date of receipt. Any gain or loss that a United States Person realizes on a subsequent conversion or other disposition of the foreign currency will be treated as United States source income or loss.

2. Additional Rules that May Apply to United States Persons

A. Controlled Foreign Corporation

If the Company is a “controlled foreign corporation” (as defined below), the preceding sections of this summary may not describe the United States federal income tax consequences to a United States Person of the acquisition, ownership, and disposition of Ordinary Shares. The Company generally will be “controlled foreign corporation” under Section 957 of the Code (a “CFC”) if more than 50% of the total voting power or the total value of the outstanding shares of the Company is owned, directly or indirectly, by United States Persons, or domestic partnerships (as defined in Section 7701(a)(30) of the Code), each of which own, directly or indirectly, 10% or more of the total voting power of the outstanding shares of the Company (a “10% Shareholder”).

If the Company is a CFC, a 10% Shareholder (and United States Persons that are partners in a domestic partnership that is a 10% Shareholder) generally will be subject to current United States federal income tax with respect to (a) such 10% Shareholder’s pro rata share of the “subpart F income” (as defined in Section 952 of the Code) of the Company and (b) such 10% Shareholder’s pro rata share of the earnings of the Company invested in “United States property” (as defined in Section 956 of the Code). In addition, under Section 1248 of the Code, any gain recognized on the sale or other taxable disposition of Ordinary Shares by a United States Person that was a 10% Shareholder at any time during the five year period ending with such sale or other taxable disposition generally will be treated as a dividend to the extent of the “earnings and profits” of the Company that are attributable to such Ordinary Shares. If the Company is both a CFC and a PFIC, the Company generally will be treated as a CFC, and not as a PFIC, with respect to any 10% Shareholder.

There can be no assurance that the Company will not be a CFC for the current or any future taxable year.

B. Withholding Taxes, Possible Foreign Tax Credits

The Company currently anticipates that distributions to United States Persons with respect to the Ordinary Shares will not be subject to foreign withholding taxes. However, if any future distributions are subject to foreign taxation (including any withholding taxes), then, subject to complex limitations set forth in the Code, shareholders who are United States Persons may be entitled to claim a credit against their United States federal income tax liability for foreign income tax withheld or paid, if any, from dividends on the Ordinary Shares. Generally, if the United States Person has made a valid QEF election, the foreign tax credit is allowable against US taxes paid with respect to deemed inclusions in the United States Person’s taxable income under the QEF rules. Among other things, any dividends or inclusions under the PFIC rules for a year in which more than 50% of the total voting power or value of the Company’s shares is owned by United States Persons may be treated in part as United States source income under Section 904(g) of the Code. Taxpayers who do not elect to claim foreign tax credits for a taxable year may be able to deduct any such foreign income tax withheld.

C. Information Reporting and Backup Withholding

United States information reporting requirements and backup withholding tax generally will apply to certain non-corporate holders of Ordinary Shares. Information reporting generally will apply to payments of dividends on, and to proceeds from the sale or redemption of, Ordinary Shares by a paying agent within the United States to a holder of Ordinary Shares (other than an “exempt recipient,” which includes non-U.S. shareholders that provide an appropriate certification and certain other persons). A paying agent or other intermediary within the United States will be required to withhold at a rate of 28% on any payment of proceeds from the sale or redemption of Ordinary Shares within the United States to a United States Person (other than a corporation or an “exempt recipient”) if such shareholder fails to furnish its correct taxpayer identification number or otherwise fails to comply with such backup withholding requirements. Any amounts withheld under the backup withholding rules from a payment to a United States Person generally may be refunded (or credited against such United States Person’s United States federal income tax liability, if any) provided the required information is furnished to the IRS. United States Persons should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining such an exemption. If information reporting requirements apply to a

United States Person, the amount of dividends paid with respect to such Ordinary Shares will be reported annually to the IRS and such United States Person.

11. SECURITIES LAWS

The distribution of this document and the offer of Placing Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restriction, including those in the following paragraphs which relate to the United States. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to subscribe for or buy any of the Placing Shares to any person in any jurisdiction to whom it is unlawful to make any such offer or solicitation in any such jurisdiction.

United States

11.1 *General*

The Placing Shares have not been, and will not be, registered under the Securities Act or the applicable securities laws and regulations of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold in the United States. Accordingly, each of Deutsche Bank, Citigroup and JPMorgan Cazenove may offer Placing Shares only through qualified affiliates or agents to persons reasonably believed to be QIBs or to persons outside the United States in “offshore transactions” pursuant to Regulation S. Further, as described below, there are certain restrictions concerning the Placing Shares which affect potential US investors. These restrictions are (i) a prohibition on investors that are subject to Title I of ERISA or Section 4975 of the Code from investing in the Placing Shares and (ii) certain restrictions related to resales or other transfers of the Placing Shares.

Each US person who purchases Placing Shares shall be required to make the representations and agree to the matters stated in the form of US Certificate attached as Exhibit A hereto.

11.2 *ERISA Considerations*

As described below, the Company will prohibit investors that are subject to Title I of ERISA or Section 4975 of the Code from acquiring any Ordinary Shares.

General

ERISA, and Section 4975 of the Code, impose certain restrictions on (a) employee benefit plans (as defined in Section 3(3) of ERISA), (b) plans (as defined in Section 4975(e)(1) of the Code) that are subject to Section 4975 of the Code, including individual retirement accounts and annuities or Keogh plans, (c) any entities whose underlying assets include plan assets by reason of an investment by a plan described in (a) or (b) in such entities (each of (a), (b) and (c), a “**Plan**”) and (d) persons who have certain specified relationships to Plans (“Parties in Interest” under ERISA and “Disqualified Persons” under the Code). Moreover, based on the reasoning of the US Supreme Court in *John Hancock Life Ins. Co. v. Harris Trust and Sav. Bank*, 510 U.S. 86 (1993), an insurance company’s general account may be deemed to include assets of the Plans investing on the general account (e.g., through the purchase of an annuity contract), and such insurance company might be treated as a Party in Interest with respect to a Plan by virtue of such investment. ERISA also imposes certain duties on persons who are fiduciaries of Plans subject to ERISA, and ERISA and Section 4975 of the Code prohibit certain transactions between a Plan and Parties in Interest or Disqualified Persons with respect to such Plan. Violations of these rules may result in the imposition of excise taxes and other penalties and liabilities under ERISA and the Code.

The US Department of Labor (the “**DOL**”) has promulgated regulations, 29 C.F.R. §2510.3-101 (the “**Plan Asset Regulations**”) describing what constitutes the assets of a Plan with respect to the Plan’s investment in an entity for purposes of the fiduciary responsibility provisions of Title I of ERISA and Section 4975 of the Code. Under the Plan Asset Regulations, if a Plan invests in an “equity interest” of an entity that is neither a “publicly offered security” nor a security issued by an investment company registered under the US Investment Company Act of 1940 (the “**Investment Company Act**”), the Plan’s assets are deemed to include both the equity interest itself and an undivided interest in each of the entity’s underlying assets, unless it is established that the entity is an “operating company” or that equity participation by “benefit plan investors” is not “significant”.

The Placing Shares will constitute “equity interests” in the Company for purposes of the Plan Asset Regulations; the Company will not be registered under the Investment Company Act; the Placing Shares are not “publicly offered securities” for the purposes of the Plan Asset Regulations; and it is not likely that the Company will qualify as an “operating company” for purposes of the Plan Asset Regulations. Therefore, if equity participation in the Placing Shares by Benefit Plan Investors (as defined below) is “significant” within the meaning of the Plan Asset Regulations, the assets of the Company could be deemed to be the assets of Plans investing in the Placing Shares. If the assets of the Company were deemed to constitute the assets of an investing Plan, (i) transactions involving the assets of the Company could be subject to the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code, (ii) the assets of the Company could be subject to ERISA’s reporting and disclosure requirements, (iii) the fiduciary causing the Plan to make an investment in the Placing Shares could be deemed to have delegated its responsibility to manage the assets of the Plan, (iv) it is not clear whether Section 404(b) of ERISA, which generally provides that no fiduciary may maintain the indicia of ownership of any assets of a Plan outside the jurisdiction of the district courts of the United States would be satisfied or any of the exceptions to this requirement set forth on 29 C.F.R. Section 2550.404b-1 would be available, (v) the fiduciary making an investment in the Company on behalf of a Plan could be deemed to have improperly delegated its asset management responsibility, and (vi) the Asset Manager will be an ERISA fiduciary.

Under the Plan Asset Regulations, equity participation in an entity by Benefit Plan Investors is “significant” on any date if, immediately after the most recent acquisition of any equity interest in the entity, 25% or more of the value of any class of equity interest in the entity is held by Benefit Plan Investors (the “**25% Threshold**”).

The term “Benefit Plan Investor” is defined to include any (i) “employee benefit plan” (as defined in Section 3(3) of ERISA) subject to Title I of ERISA (as clarified in the next sentence), (ii) “Plan” (as defined in Section 4975(e)(1) of the Code), whether or not subject to Section 4975 of the Code, including without limitation individual retirement accounts and Keogh plans, or (iii) entity whose underlying assets include plan assets by reason of such an employee benefit plan’s or plan’s investment in such entity, including without limitation, as applicable, an insurance company general account. Legislation in 2006 clarified that foreign pension plans, governmental plans and non-qualified church plans may be disregarded for purposes of determining a Benefit Plan Investor. For purposes of making determinations under the 25% Threshold, (i) the value of any Placing Shares held by a person (other than a Benefit Plan Investor) that has discretionary authority or control with respect to the assets of the Company or that provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person (each such person or affiliate, a “**Controlling Person**”), is disregarded which, in the case of the Company, will include the Asset Manager and its affiliates, and (ii) only the proportion of an insurance company general account’s equity investment in the Company that represents plan assets is taken into account.

Restrictions on Purchase by Benefit Plan Investors

The purchase or acquisition of any Placing Shares by investors that are Plans subject to Title I of ERISA or Section 4975 of the Code is prohibited. Accordingly, Benefit Plan Investors using assets of Plans that are subject to Title I of ERISA or Section 4975 of the Code (including, as applicable, assets of an insurance company general account) or plans, individual retirement accounts, annuities and other arrangements that are subject to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, or to provisions under applicable federal, state, local, non-US or other laws or regulations that are substantially similar to such provisions of ERISA or the Code (“**Similar Laws**”) will not be permitted to acquire the Placing Shares and each investor will be required to represent, or will be deemed to have represented by virtue of its acquisition of Placing Shares, as applicable, that it is not a Benefit Plan Investor that is using assets of a Plan that is subject to ERISA or Section 4975 of the Code or a plan, an individual retirement account or other arrangement that is subject to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, or to Similar Laws. Each purchaser of an Ordinary Share admitted to settlement by means of CREST or otherwise will be deemed to represent and warrant that it is not a Benefit Plan Investor that is using assets of a Plan that is subject to ERISA or Section 4975 of the Code or a plan, an individual retirement account or other arrangement that is subject to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, or to Similar Laws. In addition, the Company’s Articles of Association provide that in the event that a

purported transfer of any Ordinary Share to a Benefit Plan Investor that is subject to Title I of ERISA or Section 4975 of the Code could result in the assets of the Company being treated as plan assets that are subject to Title I of ERISA or Section 4975 of the Code, any Placing Shares held by such a Benefit Plan Investor shall be deemed to be null and void and shall vest no rights in the purported transferee. For a discussion of transfer restrictions with respect to the Placing Shares, see “Securities Law Considerations” below.

Special Considerations Applicable to Insurance Company General Accounts

Any purchaser that is an insurance company using the assets of an insurance company general account should note that pursuant to regulations issued pursuant to Section 401(c) of ERISA (the “**General Account Regulations**”), assets of an insurance company general account will not be treated as “plan assets” for purposes of the fiduciary responsibility provisions of ERISA and Section 4975 of the Code to the extent such assets relate to contracts issued to employee benefit plans on or before 31 December 1998 and the insurer satisfies various conditions. The plan asset status of insurance company separate accounts is unaffected by Section 401(c) of ERISA, and separate account assets are treated as the plan assets of any such plan invested in a separate account.

11.3 *Securities Law Considerations*

Due to the following restrictions, purchasers of Placing Shares in the United States are advised to consult legal counsel prior to making any offer for, resale, pledge or other transfer of the Placing Shares.

Each purchaser of the Placing Shares offered in reliance on Rule 144A or another available exemption from the registration requirements of the Securities Act (the “**Rule 144A Placing Shares**”) who is located in the United States will be deemed to have represented and agreed that it has received a copy of this document and such other information as it deems necessary to make an investment decision and that (terms used herein that are defined in Rule 144A are used herein as defined therein):

- (i) it is (i) a QIB, (ii) acquiring such Rule 144A Placing Shares for its own account or for the account of one or more QIBs with respect to whom it has the authority to make, and does make, the representations and warranties set forth herein, (iii) is not acquiring the Rule 144A Placing Shares with a view to further distribution of such Rule 144A Placing Shares and (iv) is aware and each beneficial owner of such Rule 144A Placing Shares has been advised that the sale of Rule 144A Placing Shares to it is being made in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the Securities Act;
- (ii) it understands that the Rule 144A Placing Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be reoffered, resold, pledged or otherwise transferred except (A) (i) to a person whom the purchaser and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (ii) pursuant to the transaction exemption from the registration requirements under the Securities Act provided by Rule 144 thereunder (if available) or (iii) in an “offshore transaction” in compliance with Rule 903 or Rule 904 of Regulation S, and (B) in accordance with all applicable securities laws of the states of the United States;
- (iii) it acknowledges that the Rule 144A Placing Shares (whether in physical, certificated form or in uncertificated form held in CREST) offered and sold hereby are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, are being offered and sold in a transaction not involving any public offering in the United States within the meaning of the Securities Act and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of Rule 144A Placing Shares. The purchaser understands that the Rule 144A Placing Shares may not be deposited into any unrestricted depositary receipt facility in respect of Rule 144A Placing Shares established or maintained by a depositary bank, unless and until such time as such Rule 144A Placing Shares are no longer restricted securities within the meaning of Rule 144(a)(3) under the Securities Act;

- (iv) it understands that any offer, sale, pledge or other transfer of the Rule 144A Placing Shares made other than in compliance with the above-stated restrictions may not be recognised by the Company; and
- (v) the Rule 144A Placing Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THE SECURITY EVIDENCED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (1) TO A PERSON WHOM THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (3) IN THE MANNER PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR THE RESALE OF THIS SECURITY. FURTHER, NO PURCHASE, SALE OR TRANSFER OF THIS SECURITY MAY BE MADE UNLESS SUCH PURCHASE, SALE OR TRANSFER WILL NOT RESULT IN THE ASSETS OF THE COMPANY CONSTITUTING “PLAN ASSETS” WITHIN THE MEANING OF THE US EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), THAT ARE SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE US INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”). EACH PURCHASER OR TRANSFEREE OF THIS SECURITY WILL BE REQUIRED TO REPRESENT OR WILL BE DEEMED TO HAVE REPRESENTED THAT IT IS NOT USING ASSETS OF A PLAN THAT IS SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE, AND WILL BE SUBJECT TO RESTRICTIONS IN THE COMPANY’S ARTICLES OF ASSOCIATION. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THIS SECURITY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF SECURITIES OF THE COMPANY ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF THIS SECURITY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.

Regulation S Placing Shares

Each purchaser of the Placing Shares offered in reliance on Regulation S (the “**Regulation S Placing Shares**”) will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

- (i) the purchaser is, at the time of the offer to it of Regulation S Placing Shares and at the time the buy order originated, outside the United States for the purposes of Regulation S;
- (ii) the purchaser is aware that the Regulation S Placing Shares have not been and will not be registered under the U.S. Securities Act and are being offered outside the United States in reliance on Regulation S;
- (iii) any re-offer or re-sale of the Regulation S Placing Shares outside the United States must be effected in an offshore transaction complying with Rule 903 or 904 of Regulation S; and
- (iv) any offer, sale, pledge or other transfer made other than in compliance with the above-stated restrictions shall not be recognised by the Company in respect of the Regulation S Placing Shares.

In addition, until 40 days after commencement of the Offer, an offer or sale of the Placing Shares within the United States by a dealer (whether or not participating in the Offer) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

Each purchaser of Placing Shares understands that to ensure compliance with the foregoing, any U.S. person that acquires Placing Shares will be permitted to transfer such purchased Placing Shares solely in a transaction either effected on AIM (but not through a pre-arranged transaction with a buyer in the United States) or in a pre-arranged trade with a counterparty in connection with which the transferee provides a representation letter that includes, among other things, the representations set forth herein.

Possible Refusal to Register Transfer or Require Forfeiture of Ordinary Shares

The Company's articles of association provide, among other things, that the Company's Board of Directors may refuse to register a transfer of Ordinary Shares to a person believed by the Board to be a prohibited person. For these purposes a prohibited person includes a person, as determined by the Board, to whom a transfer of Ordinary Shares might result in the Company being classified as a "investment company" as defined in the US Investment Company Act of 1940 or would cause the assets of the Company to be deemed assets of an employee benefit plan as defined in and subject to ERISA and/or a plan subject to section 4975 of the Code. See "ERISA Considerations" at section at paragraph 11.2 in Part X of this Document. The Board may require a potential transferee to provide such information as the Board may reasonably require to determine whether the potential transferee is a prohibited person. If the transferee is a prohibited person, the Company may direct such transferee to sell its Ordinary Shares within 30 days following notice to the transferee as to a required sale, and if such transferee fails to do so, forfeiture provisions in the articles of association may be invoked.

Prospective Investors are hereby notified that sellers of Placing Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the Securities Act.

12. LITIGATION

No member of the Group is, nor has at any time in the 12 months immediately preceding the date of this document been, engaged in any governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened by or against the Company or any member of the Group, nor of any such proceedings having been pending or threatened at any time in the 12 months immediately preceding the date of this document in each case which may have, or have had in the recent past, a significant effect on the Company's or the Group's financial position or profitability.

13. SIGNIFICANT CHANGE

Save as disclosed in this document, there has been no significant change in the financial information or trading position of the Group since 30 June 2006, the end of the last financial period for which financial information of the Group has been published.

14. THIRD PARTY INFORMATION

- 14.1 The information set out in paragraph 2.1 of Part II of this document has been sourced from Deutsche Bank and the Federal Ministry of Economics. The Company confirms that the information has been accurately reproduced and that as far as it is aware and is able to ascertain from information published by those third parties, no facts have been omitted which would render the information produced inaccurate or misleading.
- 14.2 The information set out in paragraph 2.2 of Part II of this document has been sourced from EHI, Atisreal, Jones Lang Lasalle, DTZ and Bulwien. The Company confirms that the information has been accurately reproduced and that as far as it is aware and is able to ascertain from information published by those third parties, no facts have been omitted which would render the information produced inaccurate or misleading.

15. MISCELLANEOUS

- 15.1 The total costs and expenses relating to the Placing are payable by the Company and are estimated to amount to £9.6 million (excluding VAT). The estimated net proceeds accruing to the Company from the Placing amount to €260 million (assuming no exercise of the Over-allotment Option).
- 15.2 The Placing Price represents a discount of 4.3 per cent. to the closing mid-market price of €1.17 per Ordinary Share on 16 November 2006, being the latest practicable date prior to the publication of this document.
- 15.3 DTZ Debenham Tie Leung Limited has given and has not withdrawn, its written consent to the issue of this document with the inclusion herein of references to its name in the form and context in which it appears.

Dated 17 November 2006

PART XI
VALUATION REPORT



Dawnay Day Treveria PLC
St James's Chambers
Athol Street
Douglas
Isle of Man IM1 1JE

Deutsche Bank AG
London Branch
1 Great Winchester Street
London EC2N 2DB

Citigroup Global Markets Limited
Canada Square
Canary Wharf
London E14 5LB

JPMorgan Cazenove Limited
20 Moorgate
London EC2R 6DA

17 November 2006

Dear Sirs

1. Valuation of Dawnay Day Treveria PLC

1.1 Introduction

In accordance with our engagement letter with Dawnay, Day Treveria PLC (“the Company”), we, DTZ Debenham Tie Leung, Chartered Surveyors, have considered the Properties referred to in the attached schedule (the “Schedule”), in order to advise you of our opinion of the Market Value as at 30th June 2006, of the company’s Freehold or Leasehold interests (as appropriate) in each of those properties (the “Properties”).

This report is dated 17 November 2006.

1.2 Compliance with Appraisal and Valuation Standards

We confirm that the valuations have been made in accordance with the appropriate sections of both the current Practice Statements (“PS”), and United Kingdom Practice Statements (“UKPS”) contained within the RICS Appraisal and Valuation Standards, 5th Edition (the “Red Book”). This is an internationally accepted basis of valuation. Each individual Property has been inspected by DTZ in the period between November 2005 and June 2006.

1.3 Status of valuer and conflicts of interest

We confirm that we have undertaken the valuations acting as External Valuers, as defined in the Red Book, qualified for the purpose of the valuation.

1.4 Purpose of the valuation report

We understand that this valuation report and Schedule (the “Valuation Report”) are required to confirm the value of the Portfolio as a fund raising exercise to provide additional equity to Dawnay Day Treveria plc.

We understand that the report will be relied on by Deutsche Bank AG, Citigroup Global Markets Limited and JPMorgan Cazenove Limited and investors to the fund for this purpose.

2. Basis of valuation and net annual rent

2.1 Market Value

The value of each of the Properties has been assessed in accordance with the relevant parts of the Red Book. In particular, we have assessed Market Value in accordance with PS 3.2. Under these provisions, the term “Market Value” means “the estimated amount for which a Property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion”.

In undertaking our valuations on the basis of Market Value we have applied the interpretive commentary which has been settled by the International Valuation Standards Committee and which is included in PS 3.2. The RICS considers that the application of the Market Value definition provides the same result as Open Market Value, a basis of value supported by previous editions of the Red Book.

As required, therefore, we have valued each property separately, with no premium attached to the portfolio as a whole or for any combination of parts. However, in our opinion, given market conditions, it is possible that the portfolio as a whole or a combination of parts would attract a premium value, which is greater than the aggregate of the values of the separate properties. As at the date of the valuation, in our opinion, the premium applicable to the whole portfolio could be between 5 per cent and 10 per cent of the sum of the individual market values, however this premium has been ignored for the purpose of this valuation.

2.2 Net annual rent

The net annual rent for each of the Properties is referred to in the Schedule. Net annual rent is defined for the purposes of this transaction as “the current income or income estimated by the valuer:

- (i) ignoring any special receipts or deductions arising from the Property;
- (ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and
- (iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the Property and allowances to maintain it in a condition to command its rent”.

The Schedule also includes the estimated net annual rent of each of the Properties. The estimated net annual rent is based on the current rental value of each of the Properties. The rental value reflects the terms of the leases where the Properties, or parts thereof, are let at the date of valuation. Where the Properties, or parts thereof, are vacant at the date of valuation, the rental value reflects the rent we consider would be obtainable on an open market letting as at the date of valuation.

2.3 Taxation and costs

We have not made any adjustments to reflect any liability to taxation that may arise on disposal, nor for any costs associated with disposals incurred by the owner. No allowance has been made to reflect any liability to repay any government or other grants, or taxation allowance that may arise on disposals.

We have made deductions to reflect purchasers’ acquisition costs of 5.5%.

2.4 VAT

The capital valuations and rentals included in this Valuation Report are net of any relevant Value Added Tax at the prevailing rate.

2.5 Assumptions and sources of information

An assumption is stated in the Glossary to the Red Book to be a “supposition taken to be true” (“assumption”). Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a valuer as part of the valuation process. In undertaking our valuations, we have made a number of assumptions and have relied on certain sources of information. Where appropriate, the Company’s advisers have confirmed that our assumptions are correct so far as they are aware. In the event that any of these assumptions prove to be incorrect then our

valuations should be reviewed. The assumptions we have made for the purposes of our valuations are referred to below:

2.6 Title

We have not had access to the title deeds of the Properties, though we have had access to legal due diligence reports. We have made an assumption that the Properties have good and marketable Freehold or Leasehold title in each case and that the Properties are free from rights of way or easements, restrictive covenants, disputes or onerous or unusual outgoing. We have also assumed that the Properties are free from mortgages, charges or other encumbrances.

2.7 Condition of structure and services, deleterious materials, plant and machinery and goodwill

Where we have been provided with copies of condition surveys, we have made an assumption that the Properties are free from any rot, infestation, adverse toxic chemical treatments, and structural or design defects, as is apparent from the relevant surveys.

We have not arranged for investigations to be made to determine whether high alumina cement concrete, calcium chloride additive or any other deleterious materials have been used in the construction or any alterations of any of the Properties. For the purposes of these valuations, unless otherwise informed by the Company's advisers, we have made an assumption that any such investigation would not reveal the presence of such materials in any adverse condition.

No mining, geological or other investigations have been undertaken to certify that the sites of the Properties are free from any defect as to foundations. We have made an assumption that the load bearing qualities of the sites of the Properties are sufficient to support the buildings constructed thereon. We have also made an assumption that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the present or future occupation, development or value of any of the Properties.

No tests have been carried out as to electrical, electronic, heating, plant and machinery, equipment or any other services, nor have the drains been tested. We have made an assumption that all services to the Properties are functioning satisfactorily.

No allowance has been made in these valuations for any items of plant or machinery not forming part of the service installations of the Properties. We have specifically excluded all items of plant, machinery and equipment installed wholly or primarily in connection with the occupants' businesses. We have also excluded furniture and furnishings, fixtures, fittings, vehicles, stock and loose tools. Further, no account has been taken in our valuations of any goodwill that may arise from the present occupation of any of the Properties.

It is a condition of DTZ Debenham Tie Leung Limited or any related company, or any qualified employee, providing advice and opinions as to value, that the client and/or third parties (whether notified to us or not) accept that the Valuation Report in no way relates to, or gives warranties as to, the condition of the structure, foundations, soil and services.

2.8 Environmental matters

Where Environmental investigations have been undertaken and we have received reports relating to Environmental matters we have reviewed the reports and in arriving at our valuation, we have sought to reflect our opinion of the market value on the basis of the information revealed by the Environmental Consultants.

Where appropriate, we have made allowances in our valuation for the anticipated costs of treatment of contamination, together with such other allowances as we consider purchasers in the open market would be likely to make, based on the information supplied.

We have made an Assumption that the information and opinions we have been given are complete and correct in respect of the property and that further investigations would not reveal more information sufficient to affect value. We consider that this Assumption is reasonable in the circumstances. However, purchasers may cause such further investigations to be made and if these were to reveal additional contamination then this might reduce the value now being reported.

Where Environmental Consultants have not been appointed, we have not undertaken any investigation nor have we seen any reports in relation to the presence or potential presence of contamination in land or buildings, and we assume that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value.

We have not carried out any investigation into past uses, either of the properties or any adjacent land to establish whether there is any potential for contamination from such uses or sites, and have therefore assumed that none exists.

We have no basis upon which to assess the reasonableness of this assumption. If it were to prove invalid then the value would fall by an unspecified amount.

Commensurate with our assumptions set out above we have not made any allowance in the valuation for any effect in respect of actual or potential contamination of land or buildings.

2.9 Areas

We have not measured the properties but have relied on the areas supplied by the Company.

2.10 Statutory requirements and planning

We have made an assumption that the buildings have been constructed in full compliance with valid local planning and building regulations approvals, that where necessary the Properties comply with the legal requirements and standards and has all necessary certification and is not subject to any outstanding statutory notices as to their construction, use or occupation. We have made a further assumption that the existing uses of the Properties are duly authorised or that no adverse planning conditions or restrictions apply.

2.11 Leasing

We have not read copies of the leases or other related documents but have relied on the tenancy summaries provided by your legal advisors for the purposes of our valuation

We have not undertaken investigations into the financial strength of the tenants. Unless we have become aware by general knowledge, or we have been specifically advised to the contrary we have made an assumption that the tenants are financially in a position to meet their obligations. Unless otherwise informed by the Company's advisers we have also made an assumption that there are no material arrears of rent or service charges, breaches of covenants, or current or anticipated tenant disputes.

However, our valuations reflects the type of tenants actually in occupation or responsible for meeting lease commitments, or likely to be in occupation, and the market's general perception of their creditworthiness.

2.12 Information

We have made an assumption that the information the Company and its professional advisers have supplied to us in respect of the Properties is both full and correct.

It follows that we have made an assumption that details of all matters likely to affect value within their collective knowledge such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions have been made available to us and that the information is up to date.

2.13 Valuation

We are of the opinion that the aggregate of the Market Values as at 30th June 2006, of the Freehold or Leasehold interests in the Properties described in the Schedule, subject to the assumptions and comments in this Valuation Report are as follows:

TOTAL €1,162,486,000

(One Billion One Hundred and Sixty Two Million Four Hundred and Eighty Six Thousand Euros)

2.14 Material Change

In DTZ's opinion there has been no material adverse change in the Market Value of the Properties since completion of the half yearly valuation to the fund (dated 30th June 2006) and the date of this report.

Further, we have been advised by Dawnay Day that there has been no material change in circumstances within their knowledge that would have a negative impact on the values herein reported.

2.15 Confidentiality and disclosure

The contents of this Valuation Report and Schedule may be used only for the Purpose of this Valuation Report, which is to form part of the offering document for the Company. Before this Valuation Report, or any part thereof, is reproduced or referred to, in any other document, circular or statement and before its contents, or any part thereof, are otherwise disclosed orally or otherwise to a third party, the valuer's written approval as to the form and context of such publication or disclosure must first be obtained. For the avoidance of doubt, such approval is required whether or not DTZ Debenham Tie Leung Limited are referred to by name and whether or not the contents of our Valuation Report are combined with others.

Yours faithfully

PAUL WOLFENDEN
CHARTERED SURVEYOR
DIRECTOR

For and on behalf of
DTZ Debenham Tie Leung Limited

PROPERTY SCHEDULE

Property	Description & Tenure
Anna-Passage, Annastrasse 8-10, 86150, Augsburg,	Shopping Centre of 4,335.40 sq m. Basement and five upper floors. Freehold.
Etapler Platz 9-27, 42499, Hueckeswagen,	Retail estate and ancillary residential uses totalling 3,448.59 sq m. Freehold.
Hindenburgstrasse 170, 41061, Moenchengladbach	Shopping Centre originally totalling 7,997.23 sq m. Basement, ground and three upper storeys. Freehold.
Bahnhofstrasse 24-28, 86150, Passau	Shopping Centre totalling of 8,307 sq m over two levels. Freehold.
Hotel, Bahnhofstrasse 24-28, 86150, Passau	Hotel complex constructed over three floors. Hotel comprises 300 bedrooms, a restaurant, function rooms and leisure facilities. The Property additionally includes 403 sq m of commercial accommodation. Freehold.
Bahnhofstrasse 28, 86150, Augsburg	Shopping Centre totalling 10,581.63 sq m and is arranged over basement (which is split into three levels), ground and four upper floors. Freehold.
Koblenzer Str. 60, 53173, Bad-Godesburg	Multi-let retail and hotel accommodation, 1,756.81 sq m. Freehold.
Harburgerstrasse 30, 29303, Bergen	Single storey retail warehouse of 6,392.83 sq m. Leasehold to expire in March 2071.
Wolfgang-Brumme-Allee 3, 71034, Boblingen	Shopping Centre totalling 15,572.19 sq m. Freehold.
Hochstrasse 23-29, 44866, Bochum	Single storey supermarket with ancillary office accommodation on the first floor, 2,483.27 sq m. Freehold.
Uetzerstrasse 13-15, 31303, Burgdorf	Two-storey Shopping Centre residential element, 6,244.40 sq m. Centre is arranged over two storeys. Leasehold expiring in June 2100.
Elisabethstrasse 21-22, 40217, Dusseldorf	Six-storey office/residential property totalling 2,327.45 sq m. Freehold.
Am Grun 7, 35066, Frankenburg	Single storey retail warehouse, 6,792.52 sq m. Freehold.
Bronnerstrasse 11, 60313, Frankfurt	Six-storey retail/office and nightclub property totalling 1,049 sq m. Freehold.
Hermann-Seeger-Strasse 13, 50226, Frechen	One storey commercial property of 2,850 sq m. Leasehold, expiring February 2076.
Planetenring 25-27, 30823, Garbsen	Shopping Centre of 8,840.39 sq m. Freehold.
Industriestrasse 17, 82100, Germering	Commercial property totalling 6,892.60 sq m. Freehold.
Morickstrasse 2-4, 73033, Goppingen	Two retail units totalling 2,201.70 sq m. Freehold.
Adrenauer Platz 2, 53773, Hennef	Retail unit totalling 3,946 sq m. Freehold.
Ottostrasse/Boschstrasse/Rontgenstrasse/ Dieselstrasse, 85757 Karlsfeld	Two commercial properties totalling 14,237.56 sq m. Freehold.
Kaiserstrasse 121/Zahringerstrasse 84 & 131, 76133, Karlsruhe	2,950.88 sq m of high street retail arranged over five storeys. Leasehold until 25 July 2084.
Werner-Senger-Strasse 1, 65549, Limburg	1,749.81 sq m of retail and ancillary accommodation arranged over four storeys. Freehold.
Kahlenstrasse 2-4/Spielplatz-strasse 11, 59555, Lippstadt	Three-storey Shopping Centre totalling 10,111.67 sq m. Freehold.
Gottlieb-Damler-Strasse 6, 21629, Neu Wulmsdorf	17,050 sq m industrial property. Freehold.
Kaiserleistrasse 44, 63067, Offenbach	Office building of 10,609.47 sq m arranged over basement, ground and eight upper floors. Freehold.

Property	Description & Tenure
Lange Strasse 2, 26122, Oldenburg	Two/four storey office/retail and residential property totalling 1,693 sq m. Freehold.
Jacobsonstrasse 24, 38723, Seesen	One/five-storey shopping Centre totalling 10,038.71 sq m. Freehold.
Mauerstrasse 23, 52223, Stolberg	Single storey 3,480 sq m shed. Freehold.
Robert-Koch-Strasse 6-16, 64331, Weiterstadt	Two-storey warehouse building of up to 11 individually lettable units and totalling 7,926 sq m Freehold.
Merianelatz 5-9, 60316, Frankfurt am Main	Retail and residential property of 3,536 sq m. Freehold.
Ohland Retail Centre, Kisdorfer Weg 11, 24568, Hamburg-Kaltenkirchen	16,922 sq m shopping estate. Freehold.
Auf der Horst 65-67, 30823, Garbsen	Single storey 5,950 sq m department store Freehold.
Matthiasstrasse 23, 48431, Rheine	9,136 sq m department store. Part two and part three storeys. Freehold.
Sulzbacher Str. 130, 71522, Backnang	Commercial property of 2,047 sq m. Freehold.
Buehlstr. 140, 70736, Fellbach	Retail property 3,078 sq m. Freehold.
Tullastr. 84, 79108, Freiburg	Two commercial properties totalling 13,980 sq m. Freehold.
Hamburger Strasse 112a, 22949, Ammersbek	Supermarket of 5,992 sq m. Freehold.
Holsteiner Strasse 91-99, 28219, Bremen	Retail warehouse units and office accommodation totalling 10,638 sq m. Freehold.
Am Fliess 16, 03044, Cottbus	4,512.5 sq m two-storey retail property. Freehold.
Zehntwiesen-str asse 47, Ettlingen	Supermarket arranged over two storeys, totalling of 5,790 sq m. Freehold.
Buehlstrasse 138, 70736, Fellbach	7,971 sq m retail warehouse. Freehold.
Husumer Strasse 200, 24941, Flensburg	63,150 sq m single storey industrial warehouse/storage building. Freehold.
Czernyring 8-12, 69115, Heidelberg	6,075 sq m superstore within a retail and apartment building. Freehold.
Stienitzstrasse 1, 15366, Hoenow	2,400 sq m discount retail store. Freehold.
Gutenberg-strasse 46-50, 24223, Ralsdorf	Single storey multi-level retail warehouse unit totalling 10,198 sq m. Freehold.
Am Sandbach 28, 40787 Ratingen	9,940 sq m retail warehouse arranged over three storeys. Freehold.
Am Teinkamp 7, 31157 Sarstedt	Office building and logistics centre totalling 49,633 sq m. Freehold.
Karl-Marx-Strasse 95, 12043 Berlin	Four-storey commercial property of 12,707 sq m. Freehold.
Ludwigsplatz 7, 64283 Darmstadt	Three-storey retail property of 9,929 sq m. Freehold.
Muenzstrasse 48, 47051 Duisburg	Six-storey commercial property totalling 14,609 sq m. Freehold.
Julius-Brecht-Strasse 5a, 22609 Hamburg	Retail property of 9,362 sq m. Freehold.
Andreas-Gayk-Strasse 105, 24103 Kiel	Two connected retail properties totalling 9,477 sq m. Freehold.
Gartenstrasse 27, 72764 Reutlingen	Detached four-storey (Retail ground/first) building of 7,902 sq m. Freehold.
Bahnhofstrasse 8, 83022, Rosenheim	Three-storey retail property of 5,054 sq m. Freehold.
In Der Muslen 14, 78054 Villingen-Schwenningen	Three-storey retail property of 6,641 sq m. Freehold.

Property	Description & Tenure
Galerie Hornsches. Tor, Hornsche Strasse 6, 32756, Detmold	Three/four storey, mixed commercial development of 2,546 sq m. Part of the Property is held on a leasehold basis with a fixed lease term until 31 December 2003 and a maximum lease term until December 2018.
Rathaus Galerie, Markstrasse 14/Kolner Strasse, 41539, Dormagen	Three-storey shopping centre, 10,401.60 sq m. Part of the Property is held on a leasehold basis with a fixed lease term until 31 August 2015.
Bergischer Hoff, Kaiserstrasse 35, 51643, Gummersbach	Retail centre (26 retail units), office accommodation and two residential units, totalling 3,981.50 sq m. Part of the Property is held on a leasehold basis until 31 October 2010.
Heinrich-Hertz-Strasse 6, 34117, Kassel	Four-storey office building of 8,740 sq m. Freehold.
Salzhof, Salzstrasse 26, 48243, Muenster	Museum and retail properties within four-storey building of 1,486.65 sq m. Part of the Property is held on a leasehold basis with a fixed lease term until 31 August 2006.
Oberstrasse 36-42, 40878, Ratingen	Four -storey retail/office and residential property, 3,968 sq m. Freehold.
Rathaus Zentrum, Matthiasstrasse 55, 48431, Rheine	Five retail properties of Two-five-storeys, and totalling 2,313 sq m. Part of the property is held on a leasehold basis with an unexpired term to 30 April 2015.
Rudolf-Diesel-Str. 2, 91522, Ansbach-Brodswinden	Retail property of 8,217 sq m. Freehold.
2 Burgbergheimerstrasse, 91438, Bad Windsheim	Retail and exhibition property, 1,663 sq m. Freehold.
15 Wilhelm Drapp Strasse, 76532, Baden Baden	Commercial property of 1,195 sq m. Freehold.
40-44 Am Juliussturm, 13599, Berlin-Spandau	Shopping Centre, 21,995 sq m. Freehold.
281Detmolderstrasse, 33605, Bielefeld	Showroom, up to 5 storeys, 3,234 sq m. Freehold.
241Herforderstrasse, 33605, Bielefeld	Two storey, showroom, 4,200 sq m. Freehold.
An de saline, 63654, Budigen	Modern retail/residential interlinked building(s). Five Storeys, 2,056 sq m. Freehold.
6-8 Schoneberger Strasse, 37115, Duderstadt	Two large adjoining retail warehouses totalling 5,303 sq m. Freehold.
115 Bergheimstrasse, 47228, Duisburg	Offices with seven level showroom, 979 sq m. Freehold.
08 Giessereistrasse, 47053, Duisburg	Showroom, 707 sq m. Freehold.
09 Giessereistrasse, 47054, Duisburg	Car showroom, 4,206 sq m. Freehold
30 Justus Liebig Strasse, 99087, Erfurt	Car showroom (industrial unit), 3,946 sq m. Freehold.
129 Schederhofstrasse, 45145, Essen	Commercial property of 3,038 sq m. Freehold.
126 Haupstrasse, 16244, Finowurt	Retail property of 642 sq m. Freehold.
11 Karlsbader Strasse, 35418, Grosen Buseck	Commercial property of 1,114 sq m. Freehold.
4 Zur Hardt, 35315, Homberg	Retail property of 1,106 sq m. Freehold.
16-20 Bresslauerstrasse, 35274, Kirchain	Retail warehouse, 1,259 sq m. Freehold.
Boltenhagenerstrasse, 23948, Klutz	Single storey supermarket of 1,299 sq m. Freehold.
6 Rottweg, 35428, Langgons	Retail property of 1,098 sq m. Freehold.
2 Dexionstrasse, 35321, Laubach	Commercial property of 4,025 sq m. Freehold.
12 Am Wildacker, Neckarsulm	Single-storey, multi-let retail building. 3,259 sq m in total. Freehold.
17 Silzweg, 61194, Assenheim	Commercial property of 1,000 sq m. Freehold.
6 Alter Weg, 35415, Pohlheim	Supermarket of 994 sq m. Freehold.

Property	Description & Tenure
13 Kirchbergstrasse, 35415, Ranstadt	Retail property of 770 sq m. Freehold.
1 Hornissenweg, 18069, Rostock	Three single storey retail properties totalling 5,831 sq m. Freehold.
101-111 Konrad Adenauer Strasse, 38259, Salzgitter	Supermarket of 13,909 sq m. Freehold.
3-5 Porchestrasse, 38259, Salzgitter	Supermarket of 12,855 sq m. Freehold.
15 Rahausplatz, 45549, Sprockhovel	Commercial property of 1,371 sq m. Freehold.
17/23/31-47 Platz des Friedens, Straslund 18437	Several commercial buildings totalling 3,358.77 sq m. Freehold.
1 Fabrikstrasse, Strassfurt 99634	Two supermarkets, 500 sq m in total. Freehold.
13 Im Hofacker, Urmitz 56220	Single storey retail warehouse, 750 sq m. Freehold.
6 Johann Ernst Strasse, Weilburg 35781	Commercial property of 1,851 sq m. Freehold.
Schulstrasse 22, Elmshorn	Three-storey, 3,593 sq m, commercial property. Freehold.
Bahnhofstrasse 5, Herne	Three/Four storey commercial building 5,785 sq m. Freehold.
Werdestrasse 35, Ludwigshafen	Three-storey commercial property. 7,053 sq m of accommodation. Freehold.
Homberger Strasse 55, Moers	Three-storey, commercial property. 4,890 sq m. Freehold.
Bleis-Promenade 2, Neunkirchen	Two-storey commercial property. 5,301 sq m. Freehold.
Niderwallstrasse 2, Neuss	Four-storey commercial property. 6,214 sq m. Freehold.
Berliner Strasse 80, Offenbach	Five-storey retail property. 6,166 sq m. Freehold.
Jagerbrunnen 9, Schweinfurt	Three-storey commercial property. 7,800 sq m. Freehold.
Stummstrasse 3-9, 66539, Neunkirchen	Four-storey commercial property. 14,807 sq m of accommodation. Freehold.
Hauptstr. 75-77, 42651, Solingen	Multi-storey retail property. 6,957 sq m. Freehold.
Kammrerstrasse 26-32, 67547, Worms	Four-storey building retail property. 11,049 sq m of accommodation. Freehold.
Bahnhofstrasse, 87435, Kempten	Two modern interlinked property. Four/Five storeys of retail and residential use. 12,543 sq m. Freehold.
Leopoldstrasse 9-11, 75172, Pforzheim	Six-storey building. Mainly in residential and office use. 13,218.81 sq m. Freehold.
Grunstrasse, 16792, Zehdenick	Retail park consisting of four individual buildings, 1-4 storeys in height, totalling of 11,580 sq m. Freehold.
Karl-Auvera-Str. 1, 95659, Arzberg	Complex consisting of western and eastern wing, connected by a central building. 3,039 sq m. Freehold.
An der Lache 38, Erfurt, 99086	Supermarkets/Gardening Centre, Tyre Depot. 17,080 sq m in total. Freehold.
Gloria Galerie, 12-15 Kurfürstendamm, 10719, Berlin	Three buildings, comprising retail, cinema, hotel and apartments. 15,341.65 sq m. Freehold.
Am Plan 28/Goergenstrasse 6-12/Pfuhlgasse 2-4, 56068, Koblenz	Department store. Five storeys, 10,600 sq m. Freehold.
Karl-Kaiser-Strasse, 96332, Pressig	Two supermarkets/retail warehouses. 1,310 sq m. Freehold.

DEFINITIONS

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

“Additional Placing Shares”	the second tranche of 54,136,890 new Ordinary Shares to be issued by the Company pursuant to the Placing, subject to the passing of the Resolution
“Administration Agreement”	the administration agreement dated 9 December 2005 between (1) the Company and (2) the Administrator, a summary of which is set out in paragraph 8.20 of Part X of this document
“Administrator”	Northern Trust International Fund Administration Services (Isle of Man) Limited
“Admission of the Additional Placing Shares”	admission of the Additional Placing Shares to trading on AIM becoming effective as provided in Rule 6 of the AIM Rules
“Admission of the Initial Placing Shares”	admission of the Initial Placing Shares to trading on AIM becoming effective as provided in Rule 6 of the AIM Rules
“Admission of the Placing Shares”	Admission of the Initial Placing Shares and Admission of the Additional Placing Shares
“AGM”	annual general meeting
“AIM”	a market operated by the London Stock Exchange
“AIM Rules”	the rules for AIM companies and their nominated advisers issued by the London Stock Exchange
“Articles”	the articles of association of the Company, adopted on 5 December 2005
“Asset Manager” or “DDTREAM”	Dawnay, Day Treveria Real Estate Asset Management Limited, a company registered in England and Wales with company number 05602875 and with its registered address at 15/17 Grosvenor Gardens, London SW1W 0BD
“B Share Payment”	has the meaning given in paragraph 8.28 of Part X of this document
“Carried Interest”	the dividend payable to Arba Investment S.à.r.l. by reason of its holding of B Shares in Treveria Properties, as described in paragraph 8 of Part X of this document
“certificated form”	not in uncertificated form (that is, not in CREST)
“CFD”	a contract for difference
“City Code”	the UK City Code on Takeovers and Mergers
“Citigroup”	each of Citigroup Global Markets Limited and Citigroup Global Markets U.K. Equity Limited
“Code”	the Internal Revenue Code of 1986, as amended, of the United States
“Combined Code”	the revised combined code on the principles of good governance and code of best practice published in June 2003 by the Financial Reporting Council
“Company”	Dawnay, Day Treveria PLC

“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which CRESTCo Limited is the Operator (as defined in the Regulations)
“CRESTCO”	CRESTCo Limited
“CREST Regulations”	The Uncertificated Securities Regulations 2001 (SI 2001/3755)
“Current Portfolio”	has the meaning given in paragraph 1.1 of the Key Information section and paragraph 1 of Part II of this document
“Dawnay, Day Group”	the Dawnay, Day group of companies controlled by Guy Naggar and Peter Klimt
“DDPI”	Dawnay, Day Properties Investment GmbH
“Deutsche Bank”	Deutsche Bank AG, London Branch
“Directors” or “Board”	the board of directors of the Company
“Distributable Profit Pool”	consolidated profits after tax of the Group adjusted to exclude profits and losses on the disposal of assets, exceptional items, revaluation gains and losses and accrued B Share Payments
“DTZ”	DTZ Debenham Tie Leung Limited
“English Companies Act”	the Companies Act 1985, as amended
“ERISA”	the Employee Retirement Income Security Act of 1974, as amended, of the United States
“Exchange Act”	the Securities Exchange Act of 1934, as amended, of the United States
“Existing Ordinary Shares”	the Ordinary Shares in issue at the date of this document
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be convened to approve the Resolution
“Financial Services Authority” or “FSA”	the Financial Services Authority of the United Kingdom
“FSMA”	Financial Services and Markets Act 2000
“G-REITS”	German Real Estate Investment Trusts
“Group”	the Company and its subsidiary undertakings
“IFRS”	International Financial Reporting Standards
“Initial Placing Shares”	the first tranche of 186,908,836 new Ordinary Shares to be issued by the Company pursuant to the Placing
“Initial Portfolio”	has the meaning given in paragraph 1.1 of the Key Information section and paragraph 1 of Part II
“Investor”	each person to whom the terms and conditions of the Offer apply
“IoM Companies Act”	the Companies Act 1931-2004 (as amended) of the Isle of Man
“Joint Global Co-ordinators”	Citigroup, Deutsche Bank and JPMorgan Cazenove

“JPMorgan Cazenove”	JPMorgan Cazenove Limited and (in the context only of the underwriting commitments of the Underwriting Agreement but not the offer of Placing Shares) J.P. Morgan Securities Ltd
“London Stock Exchange”	London Stock Exchange plc
“LTV”	loan to value
“Nominated Adviser”	Citigroup Global Markets U.K. Equity Limited
“Offer”	the opportunity to acquire Placing Shares at the Placing Price being made available to certain institutional investors described in Part V of this document
“Ordinary Shares”	ordinary shares of €0.01 each in the capital of the Company
“Over-allotment Option”	the option granted to Citigroup (as the stabilising manager) to require the Company to issue up to a maximum of 10% of the Initial Placing Shares at the Placing Price and up to a maximum of 15% of the Additional Placing Shares at the Placing Price, <i>inter alia</i> , to cover over-allotments or further allotments, if any, in connection with the Offer and to cover short positions resulting from stabilisation transactions, as contained in the Underwriting Agreement
“PFIC”	a passive foreign investment company, as defined in the Code
“Placing”	the placing of the Placing Shares pursuant to the Underwriting Agreement
“Placing Price”	€1.12 per Placing Share
“Placing Shares”	the Initial Placing Shares and the Additional Placing Shares
“Portfolio Management Agreement”	the agreement dated 9 December 2005 between (1) the Company, (2) Treveria Holdings S.à.r.l., (3) Treveria Properties, (4) Treveria C S.à.r.l., (5) DDTREAM and (6) DDPI under which each of the Company, Treveria Holdings S.à.r.l. and Treveria Properties S.à.r.l. and Treveria C S.à.r.l. appointed DDTREAM to be responsible for the provision of certain portfolio management services, a summary of which is set out in paragraph 8.21 of Part X of this document
“Propcos”	the SPVs that hold the underlying properties of the Group
“Prospectus Rules”	the prospectus rules issued by the FSA pursuant to section 84 FSMA
“Qualified Institutional Buyer” or “QIB”	has the meaning given by Rule 144A
“Registrar”	Northern Trust International Fund Administration Services (Isle of Man) Limited
“Regulation S”	Regulation S under the Securities Act
“Resolution”	the ordinary resolution to be put to Shareholders at the Extraordinary General Meeting
“RETT”	Real Estate Transfer Tax payable on the transfer or sale of real estate assets
“Rule 144A”	Rule 144A under the Securities Act

“Securities Act”	the Securities Act of 1933, as amended, of the United States
“Shareholders”	holders of Ordinary Shares
“SPV”	special purpose vehicle
“Total Portfolio”	has the meaning given in paragraph 1.1 of the Key Information section and paragraph 1 of Part II
“Trademark Licence”	the trademark licence dated 9 December 2005 between (1) Dawnay, Day International Limited and (2) the Company, a summary of which is set out in paragraph 8.26 of Part X of this document
“Treveria Properties”	Treveria Properties S.à.r.l., a company registered in Luxembourg, a subsidiary of the Company in which Arba Investment S.à.r.l. holds shares entitling it to the Carried Interest of which details are set out in paragraph 8 of Part X of this document
“UK”	United Kingdom
“UK GAAP”	accounting principles generally accepted in the UK
“UK Listing Authority”	the FSA, acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“uncertificated form”	shares recorded in the Company’s register of Shareholders as being held in uncertificated form, title to which may be transferred by means of an instruction issued in accordance with the rules of CREST
“Underwriters”	Citigroup, Deutsche Bank and JPMorgan Cazenove
“Underwriting Agreement”	the agreement between the Company (1), Citigroup (2), Deutsche Bank (3), JPMorgan Cazenove (4), the Directors (5) and the Asset Manager (6) dated 17 November 2006 in connection with the Placing, a summary of which is set out in paragraph 9 of Part X of this document
“US” or “United States”	United States of America
“US GAAP”	generally accepted accounting principles in the United States

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ANNEX A

Form of US Certificate

Dawnay, Day Treveria PLC
St James's Chambers
Athol Street
Douglas
Isle of Man IM1 1JE

Cazenove Incorporated
630 Fifth Avenue, 16th Floor
New York, NY 10019

(Please transmit facsimile (and send original) of this certificate to: Patrick Consola at Cazenove Incorporated; telecopier: +1 212 376 1293)

Citigroup Global Markets Inc.
388 Greenwich Street
New York New York 10013

Deutsche Bank AG London
1 Great Winchester Street
London EC2N 2DB

Ladies and Gentlemen:

We are delivering this certificate in connection with our purchase of ordinary shares of Dawnay, Day Treveria PLC, a company incorporated under the laws of the Isle of Man (the "Company"), at an offer price of €1.12 per share (the "Placing Shares"), pursuant to the offering described in the Company's offer document (the "Offer Document") to which this certificate is an exhibit. Capitalized terms not defined herein have the meanings ascribed to them in the Offer Document.

We have committed to subscribe for ● fully paid Placing Shares which are comprised of Initial Placing Shares and Additional Placing Shares. We understand that we will receive ● Initial Placing Shares on 22 November 2006, for which settlement will take place on 22 November 2006, and that we will receive ● Additional Placing Shares on 30 November 2006, for which settlement is expected to take place on 30 November 2006. We understand that settlement of the Additional Placing Shares is subject to the passing of the Resolution at the Extraordinary General Meeting of the Shareholders as described in the Offer Document, and that our commitment (for the Initial Placing Shares and the Additional Placing Shares) is not subject to termination or rescission by us under any circumstances.

We represent, warrant, acknowledge and agree that:

- 1 We are a qualified institutional buyer (a "QIB"), as defined in Rule 144A under the US Securities Act of 1933 (the "Securities Act").
- 2 We are acquiring the Placing Shares for our own account or for the account of one or more QIBs (each, an "Account"), each of which is acquiring beneficial interests in the Placing Shares ("Beneficial Interests") for its own account. If we are acquiring Placing Shares for the account of one or more other persons, we have the full power and authority to make the representations, warranties and agreements in this letter on behalf of each such account.
- 3 We are aware, and each owner of Beneficial Interests in the Placing Shares has been advised that the sale of the Placing Shares to us/it is being made in reliance on Rule 144A under the Securities Act or another exemption from the registration requirements of the Securities Act.
- 4 We were not formed for the purpose of investing in the Placing Shares.

5 We understand that the Placing Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Placing Shares have not been and will not be registered under the Securities Act and that:

(A) if in the future we decide to offer, resell, pledge or otherwise transfer any of the Placing Shares, such Placing Shares may be offered, resold, pledged or otherwise transferred only in compliance with the Securities Act and other applicable securities laws:

(i) in the United States in a transaction meeting the requirements of an applicable exemption from the registration requirements of the Securities Act to a person whom we reasonably believe is a QIB; or

(ii) outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S under the Securities Act; and

(B) we will notify any subsequent purchaser of the Placing Shares as to the re-sale restrictions referred to in (A) above.

6 We acknowledge that any Placing Shares in certificated form will bear the legend set out below:

“THE SECURITY EVIDENCED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (1) TO A PERSON WHOM THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (3) AS PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR THE RESALE OF THIS SECURITY. FURTHER, NO PURCHASE, SALE OR TRANSFER OF THIS SECURITY MAY BE MADE UNLESS SUCH PURCHASE, SALE OR TRANSFER WILL NOT RESULT IN THE ASSETS OF THE COMPANY CONSTITUTING “PLAN ASSETS” WITHIN THE MEANING OF THE US EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), THAT ARE SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE US INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”). EACH PURCHASER OR TRANSFEREE OF THIS SECURITY WILL BE REQUIRED TO REPRESENT OR WILL BE DEEMED TO HAVE REPRESENTED THAT IT IS NOT USING ASSETS OF A PLAN THAT IS SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE, AND WILL BE SUBJECT TO RESTRICTIONS IN THE COMPANY’S ARTICLES OF ASSOCIATION. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THIS SECURITY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF ORDINARY SHARES OF THE COMPANY ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF THIS SECURITY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.”

7 We are not a “Plan” (which term includes (i) employee benefit plans that are subject to the US Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the US Internal Revenue Code of 1986, as amended (the “Code”), (ii) plans, individual retirement accounts and other arrangements that are subject to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, or to provisions under applicable federal, state, local, non-US or other laws or regulations that are substantially similar to such provisions of ERISA or the Code and (iii) entities the underlying assets of which are considered to include “plan assets” of such plans, accounts and arrangements) and we are not purchasing the Shares on behalf of, or with the “plan assets” of, any Plan.

We acknowledge that you and others will rely upon our representations, warranties, acknowledgements and agreements set forth herein, and we agree to notify you promptly in writing if any of our representations, warranties, acknowledgements or agreements herein cease to be accurate and complete.

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ANNEX B

Form of Non-US Investor Certificate

Dawnay, Day Treveria PLC
St James's Chambers
Athol Street
Douglas
Isle of Man IM1 1JE

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Deutsche Bank AG London
1 Great Winchester Street
London EC2N 2DB

JP Morgan Cazenove Limited
20 Moorgate
London EC2R 6DA

(Please transmit facsimile (and send the original) of this certificate to: Grant Bjorklund; facsimile number: 020 7155 9222).

Ladies and Gentlemen:

We are delivering this certificate in connection with our purchase of ordinary shares of Dawnay, Day Treveria PLC, a company incorporated under the laws of the Isle of Man (the "Company"), at an offer price of €1.12 per share (the "Placing Shares"), pursuant to the offering described in the Company's offer document (the "Offer Document") to which this certificate is an exhibit. Capitalized terms not defined herein have the meanings ascribed to them in the Offer Document.

We have committed to subscribe for ● fully paid Placing Shares which are comprised of Initial Placing Shares and Additional Placing Shares. We understand that we will receive ● Initial Placing Shares on 22 November 2006, for which settlement will take place on 22 November 2006, and that we will receive ● Additional Placing Shares on 30 November 2006, for which settlement is expected to take place on 30 November 2006. We understand that settlement of the Additional Placing Shares is subject to the passing of the Resolution at the Extraordinary General Meeting of the Shareholders as described in the Offer Document, and that our commitment (for the Initial Placing Shares and the Additional Placing Shares) is not subject to termination or rescission by us under any circumstances.

We hereby represent, warrant, acknowledge and agree that:

- 1 We are a person who, at the time the buy order for the Placing Shares was originated, was outside the United States.
- 2 We are not a "Plan" (which term includes (i) employee benefit plans that are subject to the Employee Retirement Income Securities Act of 1974, as amended ("ERISA") or plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the US Internal Revenue Code of 1986, as amended (the "Code"), (ii) plans, individual retirement accounts and other arrangements that are subject to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, or to provisions under applicable federal, state, local, non-US or other laws or regulations that are substantially similar to such provisions of ERISA or the Code and (iii) entities the underlying assets of which are considered to include "plan assets" of such plans, accounts and arrangements) and we are not purchasing the Shares on behalf of, or with the "plan assets" of, any Plan.

We acknowledge that you and others will rely upon our representations, warranties, acknowledgements and agreements set forth herein, and we agree to notify you promptly in writing if any of our representations, warranties, acknowledgements or agreements herein cease to be accurate and complete. We hereby irrevocably agree that the certificate or a copy thereof may be reproduced to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

