

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice as soon as possible from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares held in certificated form (other than ex-rights), please send this document together with the accompanying Form of Proxy and any Provisional Allotment Letter, duly renounced, that you may receive at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom or by whom the sale or transfer was made, for delivery to the purchaser(s) or transferee(s) of such Existing Ordinary Shares. If you sell or have sold or otherwise transferred your Existing Ordinary Shares held in uncertificated form before the Ex-rights Date, a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee. However, this document should not be forwarded to or transmitted in or into the United States or the Excluded Territories. If you have sold or transferred some of your Ordinary Shares in Matica PLC, other than ex-rights, you should immediately consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The offer of New Ordinary Shares to which this document relates does not constitute an offer to the public within the meaning of section 85 FSMA therefore this document is not an approved prospectus for the purposes of, and as defined in, section 85 FSMA and/or the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. This document has not been approved by the FSA or by any other authority which could be a competent authority for the purposes of the Prospectus Rules.

Application has been made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM nil paid. It is expected that Admission will become effective and dealings in the Nil Paid Rights will commence at 8.00 a.m. on 6 November 2009.

MATICA PLC

(incorporated and registered in England and Wales with Registered No. 6001053)

Proposed 7 for 2 Rights Issue and Notice of General Meeting

You should read the whole of this document. In particular, your attention is drawn to the risk factors referred to on page 3 of this document. Your attention is drawn to the letter from your Chairman which is set out in Part V of this document and which recommends you vote in favour of the resolutions to be proposed at the General Meeting referred to below.

The Company and each of the Directors, whose names appear on page 5 of this document, accept responsibility for the information contained in this document, and declare that, having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

The latest time and date for acceptance and payment under the Rights Issue is 11.00 a.m. on 30 November 2009. The procedure for application and payment is set out in Part VI of this document and for Qualifying non-CREST Shareholders in the Provisional Allotment Letter.

Notice of the General Meeting of the Company, to be held at 10.00 a.m. on 5 November 2009, is set out at Part VIII of this document. Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. Whether or not you intend to attend the General Meeting in person, please complete and sign the enclosed Form of Proxy in accordance with the instructions printed on it and return it to Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible and, in any event, by no later than 10.00 a.m. on 3 November 2009. The completion and return of the Form of Proxy will not prevent you from attending and voting in person at the General Meeting or any adjournment thereof, if you so wish and are so entitled.

If you have any questions about this document or the General Meeting, or are in any doubt as to how to complete the Form of Proxy, please call Capita Registrars on 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399. Calls to the Capita Registrars 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to the Capita Registrars +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the Rights Issue nor give any financial, legal or tax advice.

Hanson Westhouse, which is regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for the Company and for no one else in connection with the matters described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Hanson Westhouse or for providing advice in relation to the Rights Issue or any other matter referred to in this document.

In addition to this document, subject to the passing of the Resolution, it is expected that Qualifying non-CREST Shareholders, other than those with registered addresses in the United States or the Excluded Territories, will be sent a Provisional Allotment Letter on or around 5 November 2009. Qualifying CREST Shareholders (none of whom will receive a Provisional Allotment Letter), other than those with registered addresses in the United States or the Excluded Territories, are expected to receive a credit to their appropriate stock accounts in CREST in respect of the Nil Paid Rights to which they are entitled on or around 6 November 2009. The Nil Paid Rights so credited are expected to be enabled for settlement by Euroclear as soon as practicable after Admission. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Rights Issue.

Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue.

Qualifying non-CREST Shareholders should retain this document for reference pending receipt of a Provisional Allotment Letter. Qualifying CREST Shareholders should note that they will receive no further written communication from the Company in respect of the Rights Issue. They should accordingly retain this document for, *inter alia*, details of the action they should take in respect of the Rights Issue.

This document is not an offer of securities for sale in the United States and none of the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares or the Provisional Allotment Letters have been or will be registered under the US Securities Act or under the securities laws of any state of the United States or qualified for distribution under any of the relevant securities laws of the Excluded Territories. In addition, no prospectus in relation to the New Ordinary Shares has been lodged with or registered by the Australian Securities and Investments Commission. The New Ordinary Shares may not be offered, sold, resold, delivered or transferred, directly or indirectly, in or into the United States or the Excluded Territories absent an applicable exemption. Overseas Shareholders and any person (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the United Kingdom should read paragraph 8 of Part VI of this document.

This document is being sent to Qualifying Shareholders with registered addresses in the United States for information only in connection with the General Meeting. Qualifying Shareholders with registered addresses (or who are otherwise located) in the United States or the Excluded Territories will not be sent Provisional Allotment Letters or have their CREST accounts credited with Nil Paid Rights and the relevant New Ordinary Shares will be sold in the market as if they were New Ordinary Shares not taken up as described in Part VI of this document.

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PART I

RISK FACTORS

These risk factors should be read in addition to the risk factors set out in pages 22 to 25 of Part II of the Company's AIM Admission Document dated 3 April 2007 (which can be obtained from the Company's website at www.maticasystem.com).

The Directors consider that prospective investors in the Company should take account of the following risk factors specific to the Rights Issue and the Group.

General Meeting

In the event that the Resolution is not passed at the General Meeting, the Company cannot complete the Rights Issue. As a result the Company may not have sufficient working capital for its present requirements, that is, for at least the 12 month period from the date of publication of this document. In that case, the Directors would need to make further significant overhead reductions, in addition to those detailed in the Interim Results published on 29 September 2009 and there would not be enough working capital to pursue their planned activities which form the basis of the Company's growth plans.

As well as overhead reductions, the Directors would need to make reductions in investment related to research and development which could affect the implementation of growth strategies by Matica Americas, the Company's US subsidiary company.

The Directors believe that the taking of such steps to further reduce overheads and curtail expansion plans would lead to significant loss of current and potential value for Shareholders. However, the Directors are of the opinion that the Group would have enough working capital for a period of at least 12 months were the Company to undertake the significant overhead reduction plan referred to above and no longer pursue its current plans.

Price Volatility and Liquidity

The trading price of the Ordinary Shares may be volatile and subject to wide fluctuations and investors may therefore not recover any or all of their original investment, especially as the market in Ordinary Shares on AIM may have limited liquidity. The share price may fluctuate as a result of a variety of factors, including the operating and share price performance of other companies in the industry and markets in which the Group operates; speculation about the Group's business in the press, media or the investment community; the publication of research reports by analysts; and the general market conditions.

Nil Paid Rights Trading

The trading period for Nil Paid Rights is expected to commence on 6 November 2009 and end on 30 November 2009. The Nil Paid Rights will not be traded on any exchange other than AIM. An active trading market in the Nil Paid Rights may not, however, develop during that period, which may negatively impact on Shareholders' ability to sell their Nil Paid Rights. In addition, because the trading price of Nil Paid Rights depends on the trading price of the Ordinary Shares, the Nil Paid Rights price may be volatile and subject to the same risks as described above in "Price Volatility and Liquidity".

AIM

The New Ordinary Shares will be admitted to AIM and it is emphasised that no application is being made for admission of the New Ordinary Shares to the Official List or to any other stock exchange at this time. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List. The rules of AIM are less demanding than those of the Official List. Further, neither the United Kingdom Listing Authority nor the London Stock Exchange have examined or approved the contents of this document. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised for the purposes of FSMA who specialises in the acquisition of shares and other securities.

Litigation

Litigation (which may be costly and time consuming) may be necessary, for example, to defend against or assert claims made in the ordinary course of business. The Group currently has claims outstanding against it in the ordinary course of business but these are not considered to be material. There was a claim outstanding against the Group's Austrian subsidiary Digicard Engineering GmbH ("Digicard") brought by a former shareholder and director of Digicard but this has recently been settled by Digicard agreeing to pay a sum in settlement and such settlement figure has been included within the Company's working capital requirements.

Future funding

Whilst the Directors are of the opinion that if the Rights Issue is fully subscribed the working capital available to the Group will be sufficient for its present requirements and have no current plans for raising additional capital for a period of 12 months after the issue of the New Ordinary Shares, it is possible that the Company will need to raise extra capital in the future to develop fully the Group's business or to take advantage of acquisition opportunities. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms favourable to the Company or the Shareholders.

If further financing is obtained by issuing equity securities or convertible debt securities, the existing shareholders may be diluted and the new securities may carry rights, privileges and preferences superior to the New Ordinary Shares. The Directors may seek debt finance to fund all or part of any future acquisition. There can be no assurance that the Company will be able to raise those debt funds, whether on acceptable terms or at all. If debt financing is obtained, the Company's ability to raise further finance and its ability to operate its business may be subject to restrictions.

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 new financing on attractive terms or even at all. If the Company's borrowings become more expensive, then the Company's profits will be adversely affected.

Should the Rights Issue not be fully subscribed the Directors may consider additional means of funding for the Company. Depending upon the sources of finance that may be available the appropriateness of maintaining the quotation on AIM may need to be reviewed.

Forward looking statements

All statements, other than statements of historical facts, included in this document, including, without limitation, those regarding the Company's or Group's financial position, business strategy, plans and objectives of management for future operations or statements relating to expectations in relation to dividends or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "plans", "will", "may", "anticipates", "would", "could" or similar expressions or the negative thereof, are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's or Group's control that could cause the actual results, performance, achievements of or dividends paid by the Company to be materially different from actual results, performance or achievements, or dividend payments expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Group's net asset value, present and future business strategies and income flows and the environment in which the Group will operate in the future.

These forward looking statements speak only as of the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority.

PART II

DIRECTORS, SECRETARY, REGISTERED AND HEAD OFFICE AND ADVISERS

Directors	Gary Holland (<i>Chairman</i>) Sandro Camilleri (<i>Chief Executive Officer</i>) Veraje Anjargolian (<i>Chief Operating Officer</i>) Christopher Henry Bruce Honeyborne (<i>Non-executive Director</i>) Lukas Franz Metzler (<i>Non-executive Director</i>) all of: 31 Harley Street London W1G 9QS
Company Secretary	Pinsent Masons Secretarial Limited
Registered Office	31 Harley Street London W1G 9QS
Nominated Adviser & Broker	Hanson Westhouse Limited One Angel Court London EC2R 7HJ
Legal Advisers to the Company	Pinsent Masons LLP CityPoint One Ropemaker Street London EC2Y 9AH
Auditors to the Company	Nexia Smith & Williamson 25 Moorgate London EC2R 6AY
Registrars	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Receiving Agents	Capita Registrars Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

PART III

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Rights Issue and Circular published	7.00 a.m. on 20 October 2009
Record Date for entitlements under the Rights Issue	5.00 p.m. on 2 November 2009
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 3 November 2009
General Meeting	10.00 a.m. on 5 November 2009
Dispatch of Provisional Allotment Letters (to Qualifying Non-CREST Shareholders only)	5 November 2009
Dealings in Nil Paid Rights commence on the London Stock Exchange	8.00 a.m. on 6 November 2009
Existing Ordinary Shares marked “ex-rights” by the London Stock Exchange	8.00 a.m. on 6 November 2009
Nil Paid Rights credited to stock accounts in CREST (Qualifying CREST Shareholders only)	as soon as possible after 8.00 a.m. on 6 November 2009
Recommended latest time for requesting withdrawal of Nil Paid Rights from CREST (i.e. if your Nil Paid Rights or Fully Paid Rights are in CREST and you wish to convert them into Certificated form)	4.30 p.m. on 23 November 2009
Recommended latest time and date for depositing renounced Provisional Allotment Letters, nil paid or fully paid, into CREST or for dematerialising Nil Paid Rights or Fully Paid Rights into a CREST stock account	3.00 p.m. on 25 November 2009
Latest time and date for splitting Provisional Allotment Letters, nil paid or fully paid	3.00 p.m. on 26 November 2009
Latest time and date for acceptance and payment in full and registration of renounced Provisional Allotment Letters	11.00 a.m. on 30 November 2009
Dealings in New Ordinary Shares, fully paid, commence on AIM and New Ordinary Shares credited to CREST stock accounts (uncertificated holders only)	as soon as possible after 8.00 a.m. on 1 December 2009
Expected date of dispatch of definitive share certificates for New Ordinary Shares in certificated form.	by 14 December 2009

Notes:

- (i) Each of the times and dates set out in the above timetable and mentioned in this document and the Provisional Allotment Letter is subject to change by the Company (with the agreement of Hanson Westhouse), in which event details of the new times and dates will be notified to the London Stock Exchange and, where appropriate, to Shareholders.
- (ii) References to times in this document are to London times.

PART IV
RIGHTS ISSUE STATISTICS

Issue Price per New Ordinary Share	10 pence
Basis of Rights Issue	7 New Ordinary Shares for every 2 Existing Ordinary Shares
Number of Ordinary Shares in issue at the date of this document	10,062,816
Number of Ordinary Shares in issue immediately following the Rights Issue*	45,282,672
Gross proceeds of the Rights Issue (approximately)*	£3,521,985
Expenses of the Rights Issue (approximately)	£100,000 (including VAT)
Net proceeds of the Rights Issue (approximately)*	£3,421,985

Note:

* Assuming the Rights Issue is fully subscribed.

PART V

LETTER FROM THE CHAIRMAN OF MATICA PLC

(Registered in England and Wales with registered number 6001053)

Gary Holland (*Chairman*)
Sandro Camilleri (*Chief Executive Officer*)
Veraje Anjargolian (*Chief Operating Officer*)
Christopher Henry Bruce Honeyborne (*Non-executive Director*)
Lukas Franz Metzler (*Non-executive Director*)

Matica Plc
31 Harley Street
London
W1G 9QS

20 October 2009

To Ordinary Shareholders and, for information only, holders of options over Ordinary Shares

Dear Shareholder,

7 FOR 2 RIGHTS ISSUE OF UP TO 35,219,856 NEW ORDINARY SHARES AT 10 PENCE PER SHARE

1. Introduction

On 20 October 2009 the Directors announced that, subject to the passing of the Resolution, the Company proposes to raise up to approximately £3.5 million (net of expenses) by way of a 7 for 2 Rights Issue of up to 35,219,856 New Ordinary Shares at a price of 10 pence per New Ordinary Share.

The Issue Price of 10 pence per New Ordinary Share has been structured to represent a significant discount to the Closing Price on the last Business Day prior to the announcement of the Rights Issue.

The Rights Issue is not being underwritten. Hanson Westhouse is acting as Nominated Adviser, broker and financial adviser to the Company in relation to the Rights Issue.

The New Ordinary Shares to be issued under the Rights Issue, when fully paid, will rank *pari passu* with the existing Ordinary Shares, including the right to all future dividends and other distributions declared, made or paid.

The purpose of this letter is to provide you with details of, and the background to, the Rights Issue and to explain why the Directors believe that the Rights Issue is in the best interests of the Company and Shareholders as a whole and to convene the General Meeting to consider the Resolution.

At the end of this document, there is a Notice of General Meeting which has been convened for 10.00 a.m. on 5 November 2009 at the offices of Hanson Westhouse Limited, One Angel Court, London EC2R. A Form of Proxy for use by Shareholders in connection with the General Meeting is enclosed with this document.

2. Background to and reasons for the Rights Issue

Overview

The Company designs, manufactures and markets a comprehensive range of card personalisation equipment and issuance solutions for the personalisation of cards and documents, such as credit cards, ID cards, passport, membership cards and gift cards. Matica began the production of card personalisation machines in 2000 and since then, the Company has grown and is now an established international supplier of card personalisation and mailing systems.

Matica has targeted markets worldwide and grown its customer base through a broad distribution network from which the majority of its revenues are derived. The Directors believe that it is important for the Company to continue to grow its distribution network globally.

In order to continue to expand the Company's global presence and increase market share, the Directors have identified two key target areas of growth, which are:

- updating of existing products and development of new products; and
- expansion of distribution networks in Asia, North and South America and Europe.

On 1 April 2009 the Company announced its final results reporting that in 2008 the Company recorded significant increases in revenue, profitability and operating cash flow. Revenue growth in 2008 was mainly driven by new contract wins globally, particularly in the Middle East and the Americas. Consolidated revenue for the 12 months ended 31 December 2008 increased by 12 per cent. to €14.6 million, compared with 2007. Profit before tax was €1.1 million, which represented a significant improvement on the reported loss of €1.4 million in 2007. Since then, the Company released its interim results on 29 September 2009 and reported that revenue for the first 6 months of 2009 decreased by 43 per cent. to €4.3 million compared with €7.5 million for the same period in 2008. The Company further reported a pre tax loss of €0.9 million and a loss for the period of €1 million. In order to tackle the difficult trading conditions seen in recent months the Company has cut its operating costs by 12 per cent. when compared to the same period in 2008. Recently there have been signs of economic improvement and the Company is seeing improvements in the business and the level of orders. The Company also reported that it has made significant new contract wins in the Middle East totaling €0.5 million.

On 31 March 2009, the Company entered into a loan facility with an Italian bank for a 5 year loan facility of €1,750,000. Under the terms of the facility agreement, the Company invested €1,000,000 in an AAA BEI Europe Bank bond. The Company's first repayment in respect of such loan facility is due in September 2010 with interest payable quarterly from the date at a rate of 2 per cent. above Euribor. The balance of the loan facility has been used for working capital purposes.

Recently, the Directors believe that there have been signs of economic improvement and the Company is seeing improvements in the business and the level of orders. The Company has also reported that it has made significant new contract wins in the Middle East totalling €0.5 million.

Despite these tough trading conditions experienced by the Company this year, the Directors believe that the long term prospects for the market for using plastic cards for ID, security, banking and loyalty programs remains encouraging.

To position the Company for future growth, the Company is seeking to raise up to approximately £3.5 million through the Rights Issue. Approximately, €500,000 will be used as additional working capital for the Company.

The remaining funds will be used in new global channel development, market expansion and graphic printing products and technology development.

Markets

The card industry has experienced robust growth driven by increasing demand for personalised cards. In 2008, the number of cards manufactured worldwide increased by 15 per cent. to 22.2 billion compared with 2007 and it is expected to stay flat for the year 2009. Despite difficult wider economic conditions, the Directors have forecasted growth to resume in 2010. The Directors believe that demand for card personalisation solutions will be largely driven by:

- the growth in credit and debit card use;
- technological changes (such as the switch from magnetic cards to smart cards);
- decentralisation of credit and debit cards issuance;
- growth in new markets such as Gift cards, SIM cards, Transport cards, Loyalty cards; and
- continued global concerns over security and safety.

The Americas have emerged as the largest region within this market, estimated to represent 46 per cent. of the total card personalisation industry by 2010 (Source: ICMA "Global Card Market – Statistic and Trend 2001-2010"), with the emergence of new areas such as gift cards are contributing to further growth across the Americas. The American markets include financial, retail, service bureaus, governments, healthcare, gift

and transport. Given the importance of the Americas as a marketplace, the Company formed the view that it was prudent for the Group to establish a physical presence as a basis for increasing the Company's American sales growth. The 100 per cent. ownership of Matica Americas has provided the Company with a platform from which to develop and grow its U.S., Canadian and Latin American businesses. Current operations in the Americas are small, but the Company plans to expand this geographic market as the world economy improves and working capital becomes available to the Company.

The Directors believe that another important area of growth is represented by the Asian markets. With additional capital, the Company would expand its sales activity in Asia and the appropriate distribution channels.

Strategy

Matica will focus its resources and efforts in the following three areas:

- Expansion of distribution channels for card personalisation and mailing applications globally.
- Expansion of distribution channels for graphic, desktop ID card printers and supplies globally.
- Development of new products employing graphic, embossing and mailing technologies for card personalisation.

Matica has an established distribution network and historically the strength of this network has been in Europe, Africa and the Middle East. To effectively take advantage of the opportunity in the market, the Directors believe that this distribution system needs to expand to cover all major markets of the world. The Directors believe that expansion of distribution of Matica's products into new markets represents the fastest way to achieve growth.

The Company formed Matica Americas LLC ("Matica Americas") through a 50-50 joint venture with a North American partner in 2008. As announced on 26 March 2009, the Company acquired the remaining 50 per cent. equity in Matica Americas thereby becoming the 100 per cent. owner of Matica Americas. Matica Americas will focus on establishing relationships with new dealers in order to sell Matica's products in the American region. In addition, the Directors may add to the numbers of sales personnel in Asia to capitalise on the increasing demand in the emerging markets. The Directors believe that the additional sales force, together with the expansion and strengthening of the Group's European, Middle Eastern and African distribution networks, will enable the Company to grow its market share further.

Competition

In addition to the general market growth brought about by the multiplication of uses and usage of cards, the Directors believe that opportunities for the industry are being influenced by the actions of their main competitor and market share leader, Datacard Corporation ("Datacard"). In December 2006 Datacard announced to customers around the world its intention to discontinue field support for its large installed base of high speed card issuance equipment by 2014. The Directors have estimated that this installed base of equipment represents approximately 5,000 units with an average individual replacement value, at retail, of approximately £200,000. The Directors believe that this range and installed base of equipment has been placed in the field by Datacard since the 1990's. By announcing that it no longer intends to support this installed base of equipment and discontinue technical service and parts availability, and if Datacard continues with such strategy, the Directors believe that Datacard customers will be forced to buy new equipment. The Directors believe that this represents a considerable opportunity for Matica to compete with their present and new product offerings in this unique replacement market and achieve a significant presence.

At the Cartes trade fair in Paris in November 2009, the leading show for credit and security card issuance, Matica will introduce its new Quantum series of equipment designed with input from customers and by Matica's engineering team. The Quantum is positioned against Datacard's high end product that it will be offering to end users to replace its present ageing and discontinued equipment. With the introduction of Quantum, the Directors believe that Matica will have a full range of mid and high speed card personalisation and mailing equipment to offer end users an alternative to the Datacard equipment. The Quantum is being developed by Matica to customer specifications and requirements with a focus on achieving a lower cost-per-card performance and superior return on investment for end users.

With additional funds available to the Company from the Rights Issue to be put towards working capital and the development of new products, the Company intends to employ sales and service personnel for dealer and customer support. The Directors believe the Company will provide customers with a viable alternative to Datacard's products.

Matica Americas LLC

Matica Americas, incorporated in Minneapolis in July 2008, was initially formed through a 50:50 joint venture between the Company and an U.S. investors. On 31 March 2009, Matica took full control of Matica Americas by acquiring the outstanding shares in the company which it did not already own. This terminated the joint venture. The Directors believe that the acquisition will enhance Matica's ability to develop the business in the American regions, to establish strong partnership with prospective customers with the intention of providing the best in class products and services for the region.

The Directors' intention is that Matica Americas will specifically target the card personalisation equipment and issuance solutions markets in the United States, Canada and Latin America. Matica Americas will aim to offer the Company's complete range of card personalisation and mailing systems and will aim to provide the same high level of sales, services, parts, supplies and customer support that the Directors believe have traditionally been provided by the Company.

Matica Americas has been operational since July 2008. Since its inception the company has been focused on establishing dealers within North America. At present Matica Americas has entered into agreements with sixteen dealers who have a strong presence and high level of experience in Card Issuance and Embossing equipment sales and post sales services.

Matica's Management Team

Matica's management team are as follows:

Gary Holland

Mr. Gary Holland, Executive Chairman, has twenty-seven years experience in the card industry with expertise in the card embossing applications. Between 1998 and 2006, Mr Holland served as CEO at Fargo Electronics, Inc. ("Fargo"), a company listed on NASDAQ. During his service period, Fargo's revenues increased from US\$35 million to US\$91 million. Prior to joining Fargo, Mr. Holland spent ten years as CEO of DataCard from 1982 to 1992. Under his leadership, DataCard grew revenues from US\$30 million to US\$325 million.

Sandro Camilleri

Mr. Sandro Camilleri, Chief Executive Officer, gained extensive experience in the card industry and significant "hands on" international business experience within Europe, the Middle East and Asia in the last ten years. He is one of the founders of Matica and is accredited with transforming the Company into an international provider of card personalisation systems.

Veraje Anjargolian

Dr. Veraje Anjargolian has recently been appointed as Chief Operating Officer of Matica. Dr Anjargolian brings Matica extensive experience in the card industry and a proven track record in developing rapidly growing businesses. For the last eight years, Veraje led the Card Printer Division of Zebra Technologies Corporation ("Zebra Technologies"), a NASDAQ listed company offering printing solutions, plastic card printers and RFID smart label printer/encoders. During Veraje's service in Zebra Technologies, revenues of his division grew from less than US\$4 million to over US\$110 million.

Massimo Pegoraro

Massimo Pegoraro, Chief Technical Officer of the Company, gained extensive experience in the card industry over the past 20 years, also thanks to his position of Technical Manager in FIMA, where he worked as technical expert for plastic cards embosser machines for the Italian area, and CIM, where he was employed as international technical assistance Manager, and was also representative for the technical requests of the market and for internal R&D.

3. Use of net proceeds

In order to pursue the above strategies, the Directors intend to use the net proceeds of the Rights Issue to invest in the following:

- expanding the Company's sales and support infrastructure and adding new distributors and dealers;
- research and development of new card personalisation systems, with particular reference to graphic desktop systems and high speed systems; and
- working capital.

4. Summary of the principal terms and conditions of the Rights Issue

Pursuant to the Rights Issue (further details on which are set out in Part VI of this document), 35,219,856 New Ordinary Shares will be offered by way of rights to Qualifying Shareholders on the following basis:

7 New Ordinary Shares at 10 pence per share for every 2 Existing Ordinary Shares

held by the Qualifying Shareholders at the close of business on the Record Date, and so in proportion for any other number of Existing Ordinary Shares then held. The New Ordinary Shares will, when issued and fully paid, rank equally in all respects with the Existing Ordinary Shares, including the right to receive all dividends and distributions made, paid or declared after Admission.

The Rights Issue is not being underwritten.

The Rights Issue if fully subscribed is expected to result in the issue of up to 35,219,856 New Ordinary Shares.

The Rights Issue is conditional upon:

- (a) the approval of Shareholders, which will be sought at a General Meeting of the Company to be held at 10.00 a.m. on 5 November 2009 at the offices of Hanson Westhouse Limited, One Angel Court, London EC2R (notice of which is set out at the end of this document); and
- (b) Admission becoming effective by not later than 8.00 a.m. on 6 November 2009 (as the Dealing Day immediately after the General Meeting or such later time and/or date as the Company and Hanson Westhouse may agree).

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective on 6 November 2009 and that dealings in the New Ordinary Shares will commence, nil paid, at 8.00 a.m. on that date.

The Existing Ordinary Shares are traded on AIM and are already admitted to CREST. No further application for admission to CREST is required for the New Ordinary Shares and all of the New Ordinary Shares when issued and fully paid may be held and transferred by means of CREST. Application has been made for the Nil Paid Rights and the Fully Paid Rights to be admitted to CREST. Euroclear requires the Company to confirm to it that certain conditions (imposed by the CREST Manual) are satisfied before Euroclear will admit any security to CREST. It is expected that these conditions will be satisfied, in respect of the Nil Paid Rights and the Fully Paid Rights, on Admission. As soon as practicable after satisfaction of the conditions, the Company will confirm this to Euroclear.

5. Current trends in trading and prospects

Demand for plastic cards such as ID, banking and royalty cards continued to grow in most of Matica's markets in 2008. As a result, the Company grew revenue by 12 per cent. to €14.6 million compared with 2007. In particular, the Company saw a growth in orders in both the Middle East and Americas markets.

In 2008, the Company transferred Digicard's key assets including manufacturing facilities and technologies from its Austrian location to Paderno, Italy. This transfer allowed the Company to reduce its overall operating costs in relation to these products and technologies.

However, the wider difficult economic environment, in particular in the banking sector, one of Matica's main markets, has negatively impacted on the Company's trading, particularly since the announcement of the 2008 results in April 2009 and as detailed in the interim results on 29 September 2009. Revenue for the first 6 months of 2009 decreased by 43 per cent. to €4.3 million compared with €7.5 million for the same period in 2008. The Company further reported a pre tax loss of €0.9 million and a loss for the period of €1 million. In order to tackle the difficult trading conditions the management of the Company has focused in 2009 so far on adjusting the internal organization and cost base to better align the Company to the difficult trading environment and the Company has cut its operating costs by 12 per cent. when compared to the same period in 2008. The Company also sourced an additional €1,750,000 loan facility the details of which are detailed above in Section 2.

Recently, the Directors believe that there have been small signs of economic improvement in the market and the Directors further believe that the Company is benefitting from improvements in the business and the level of orders although the results for the full year will be negatively impacted by the difficulties faced in the first half and the ongoing recession. The Company has reported that it has made a significant new contract win in the Middle East totaling €0.5 million.

Despite the tough trading conditions experienced by the Company this year, the Directors believe that the long term prospects for the market for using plastic cards for ID, security, banking and loyalty programs remains encouraging. The Directors of the Company are confident in the underlying strength of Matica's global markets on a medium to long term basis. The increasing use of credit and debt cards, particularly in the emerging markets, together with the trend for banks to produce cards in regional branches rather than from a central location, is expected to improve demand for Matica's products. The Directors believe that the migration of magnetic cards to smart cards and concerns over securities and safety are also the key drivers to the demand in Matica's products worldwide – in addition to the growth of the use of graphics for card personalisation.

6. Taxation

In respect of stamp duty and stamp duty reserve tax (SDRT), please refer to paragraph 7 (b) of Part VI of this document. Shareholders who are in any doubt as to their tax position or who are subject to tax in any other jurisdiction should consult an appropriate independent professional adviser immediately. It is the responsibility of any person resident inside or outside the UK (including, without limitation, nominees, agents and trustees for such persons) receiving this document and/or a Provisional Allotment Letter and wishing to take up rights under the Rights Issue to satisfy himself as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents which may be required, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

7. General Meeting

Set out at the end of this document is a notice convening a General Meeting to be held at 10.00 a.m. on 5 November 2009 at the offices of Hanson Westhouse Limited, One Angel Court, London EC2R (notice of which is set out at the end of this document) at which resolutions will be proposed to authorise the Directors for the purposes of section 549 of the Act to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £1,761,000. Such authority (unless previously renewed, varied or revoked by the Company in general meeting) shall expire on the earlier of fifteen months from the date the resolution is passed and the conclusion of the annual general meeting of the Company to be held in 2010.

8. Information on the New Ordinary Shares

The New Ordinary Shares, which will be issued subject to and in accordance with the Act and the Company's Articles, will be sterling denominated ordinary shares of 5 pence each in the capital of the Company.

The New Ordinary Shares will be in registered form. Subject to the provisions of the CREST Regulations, the Directors may permit the holding of such New Ordinary Shares in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where New Ordinary Shares are held in certificated form, share certificates will be sent to the registered members

by first class post. Where New Ordinary Shares are held in CREST, the relevant stock account of the registered members will be credited. Capita Registrars have responsibility for maintaining the Company's register of members.

The New Ordinary Shares will, when issued and fully paid, rank in full for all dividends or other distributions made, paid or declared after Admission and otherwise *pari passu* in all respects with the Existing Ordinary Shares. There will be no restrictions on the free transferability of the New Ordinary Shares subject to the provisions of the Articles.

9. Share options

The Company operates the Matica PLC Executive Share Option Plan permitting the grant of rights to acquire shares to employees (including executive Directors) of the Group. In the future the Directors may seek shareholder approval to allot relevant securities to permit the grant of share options to non-executives and potentially to other individuals who, whilst not employed by the Group, provide consultancy or other services to whom the grant of a share option is therefore considered appropriate.

10. Action to be taken

General Meeting

A Form of Proxy for use by Shareholders in connection with the General Meeting is enclosed with this document. Whether or not you intend to attend the General Meeting in person, please complete and return the enclosed Form of Proxy in accordance with the instructions printed on the Form of Proxy and return it to the Company's registrars, Capita Registrars Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, and in any event, so as to arrive not later than 10.00 a.m. on 3 November 2009. Completion and return of the Form of Proxy will not preclude you from attending and voting in person at the General Meeting.

Rights Issue

If you are a Qualifying non-CREST Shareholder, unless you have a registered address in the United States or the Excluded Territories, and the Resolution is passed at the General Meeting, you will be sent a Provisional Allotment Letter on or around 5 November 2009. This will show the number of New Ordinary Shares that you are entitled to take up and together with Part VI of this document will contain details regarding the procedure for acceptance and payment, renunciation, splitting and registration in respect of the New Ordinary Shares.

If you sell or have sold or otherwise transferred all your Existing Ordinary Shares, prior to the Record Date you will not be entitled to participate in the Rights Issue. However, the purchaser or transferee of your Ordinary Shares may be entitled to participate in the Rights Issue in your place. In this case, please send this document, together, if you are a Qualifying non-CREST Shareholder, with the Provisional Allotment Letter, duly renounced, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer is or was made, for delivery to the purchaser or transferee (but not if the purchaser or transferee is in the United States or the Excluded Territories).

If you are a Qualifying CREST Shareholder, no Provisional Allotment Letter will be sent to you and, unless you are a Qualifying CREST Shareholder with a registered address in the United States or the Excluded Territories, and if the Resolution is passed at the General Meeting, you will receive a credit to your appropriate stock account in CREST in respect of the Nil Paid Rights to which you are entitled. If you are a Qualifying CREST Shareholder with a registered address in the United States or the Excluded Territories, no Nil Paid Rights will be credited to your stock account. Paragraph 8 of Part VI of this document sets out for further details regarding this.

The latest time and date for acceptance under the Rights Issue will, unless otherwise announced by the Company to a Regulatory Information Service, be 11.00 a.m. on 30 November 2009. The procedure for acceptance and payment depends on whether, at the time at which acceptance and payment is made, the Nil Paid Rights are in certificated form (that is, are represented by a Provisional Allotment Letter) or are in uncertificated form (that is, are in CREST). The procedures for acceptance and payment are set out in

Part VI of this document. Further details also appear in the Provisional Allotment Letters that will be sent to Qualifying non-CREST Shareholders.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Rights Issue.

11. Further information and Risk Factors

Your attention is drawn to the additional information set out in this document and to the notice of the General Meeting set out at the end of this document. In addition, your attention is drawn to the section of this document headed "Risk Factors" set out in Part I of this document.

12. Directors' Intentions and Recommendation

The Directors, who have received financial advice in connection with the Rights Issue from Hanson Westhouse, consider that the Rights Issue is in the best interests of the Company and the Shareholders as a whole. In providing its financial advice to the Directors, Hanson Westhouse has taken into account the Directors' commercial assessments of the Rights Issue.

The Board considers the Resolution to be put to Shareholders at the General Meeting and the Rights Issue to be in the best interests of Shareholders as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolution to be proposed at the General Meeting, as they intend to do so in respect of their own beneficial holdings comprising 4,344,507 Existing Ordinary Shares in aggregate, representing approximately 43 per cent. of the existing issued share capital of the Company.

13. Directors' shareholding following the Rights Issue

Should the Directors take up their rights as Shareholders of the Company, they will have the following number of Ordinary Shares in the Company:

<i>Director</i>	<i>Number of Ordinary Shares prior to taking up rights to New Ordinary Shares</i>	<i>Number of Ordinary Shares assuming Director takes up all rights to New Ordinary Shares (approximate)</i>
Sandro Camilleri	4,344,507 (of which 272,000 are held directly)	19,550,282
Gary Holland	Nil	Nil
Veraje Anjargolian	Nil	Nil
Christopher Honeyborne	Nil	Nil
Lukas Franz Metzler	Nil	Nil

Yours faithfully

Sandro Camilleri
Chief Executive Officer

PART VI

TERMS AND CONDITIONS OF THE RIGHTS ISSUE

1. Terms and Conditions of the Rights Issue

The Company proposes to raise up to approximately £3.5 million net of expenses, through an offer by way of rights of up to 35,219,856 New Ordinary Shares assuming the Rights Issue is fully subscribed.

The New Ordinary Shares will be offered to Qualifying Shareholders other than those Qualifying Shareholders who have registered addresses in the United States or the Excluded Territories on the following basis and otherwise on the terms and conditions set out in this document (and, in the case of Qualifying non-CREST Shareholders, the Provisional Allotment Letter):

7 new Ordinary Shares at 10 pence per share for every 2 Existing Ordinary Shares

registered in their name on the Record Date, and so in proportion for any other number of Existing Ordinary Shares then held. No expenses or taxes will be specifically charged to any Qualifying Shareholder who subscribes for New Ordinary Shares.

Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue.

Entitlements to New Ordinary Shares will be rounded down to the nearest whole number and fractions will not be allotted to Qualifying Shareholders. The number of New Ordinary Shares equal to the aggregated fractions will be sold in the market and the net proceeds paid to such Qualifying Shareholders, save that individual amounts of less than £5 will not be distributed but will be retained for the benefit of the Company.

The attention of Overseas Shareholders and persons (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document into a jurisdiction other than the United Kingdom is drawn to paragraph 8 of this Part VI of this document. In particular, subject to the provisions of that paragraph, Qualifying Shareholders with registered addresses in the United States or the Excluded Territories will not be sent Provisional Allotment Letters and will not have their CREST accounts credited with Nil Paid Rights.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that the issue date of the New Ordinary Shares and Admission will become effective on 6 November 2009 and that dealings in the New Ordinary Shares will commence, nil paid, at 8.00 a.m. on that date.

None of the New Ordinary Shares are being made available to the public other than pursuant to the Rights Issue but Hanson Westhouse will use its reasonable endeavors to find investors to take up the rights of Shareholders who do not take up their rights under the Rights Issue.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is required for the New Ordinary Shares and all of the New Ordinary Shares when issued and fully paid may be held and transferred by means of CREST. Application has been made for the Nil Paid Rights and the Fully Paid Rights to be admitted to CREST. Euroclear requires the Company to confirm to it that certain conditions (imposed by the CREST Manual) are satisfied before Euroclear will admit any security to CREST. It is expected that these conditions will be satisfied, in respect of the Nil Paid Rights and the Fully Paid Rights, on Admission. As soon as practicable after satisfaction of the conditions, the Company will confirm this to Euroclear.

The Rights Issue is not being underwritten and is conditional upon:

- (i) the Resolution being passed at the General Meeting; and
- (ii) Admission becoming effective by not later than 8.00 a.m. on 6 November 2009 (or such later time and/or date as the Company and Hanson Westhouse may agree).

Subject to the conditions referred to in sub-paragraphs (i) and (ii) above being satisfied and save as provided in paragraph 5 of this Part VI, it is expected that:

- Provisional Allotment Letters in respect of Nil Paid Rights will be despatched to Qualifying non-CREST Shareholders (other than certain Overseas Shareholders) at their own risk on 5 November 2009;
- Capita Registrars will instruct Euroclear to credit the appropriate stock accounts of Qualifying CREST Shareholders (other than certain Overseas Shareholders) with such shareholders' entitlements to Nil Paid Rights, with effect from 8.00 a.m. on 6 November 2009;
- the Nil Paid Rights and Fully Paid Rights will be enabled for settlement by Euroclear by 8.00 a.m. on 6 November 2009 or, if later, as soon as practicable once the Company has confirmed to Euroclear that all the conditions for admission of such rights to CREST have been satisfied;
- New Ordinary Shares, fully paid, will be credited to relevant Qualifying CREST Shareholders by 8.00 a.m. on 1 December 2009; and
- share certificates for the New Ordinary Shares, fully paid, will be despatched by post to relevant Qualifying non-CREST Shareholders at their own risk by 14 December 2009.

When the Provisional Allotment Letters in respect of the Nil Paid Rights have been despatched and the CREST accounts of Qualifying CREST Shareholders (other than certain Overseas Shareholders) have been credited with entitlements to Nil Paid Rights as described above, the offer period in respect of the Rights Issue will commence. It is expected that dealings in the New Ordinary Shares, nil paid, will commence on 6 November 2009, the first Dealing Day following despatch of the Provisional Allotment Letters. The Rights Issue may not be revoked or suspended at any time after the despatch of the Provisional Allotment Letters and dealings have commenced in the New Ordinary Shares, nil paid.

Provisional Allotment Letters will constitute temporary documents of title.

The New Ordinary Shares will, when issued and fully paid, rank in full for all dividends or other distributions made, paid or declared after the date of issue of the New Ordinary Shares and otherwise *pari passu* in all respects with the Existing Ordinary Shares. There will be no restrictions on the free transferability of the New Ordinary Shares subject to the provisions of the Articles.

All documents and cheques posted to or by Qualifying Shareholders and/or their transferees or renounees (or their agents, as appropriate) will be posted at their own risk.

Shareholders taking up their rights by completing a Provisional Allotment Letter or by sending a Many-to-Many ("MTM") instruction to Euroclear will be deemed to have given the representations and warranties set out in paragraph 4b(iv) of this Part VI, unless such requirement is waived by the Company.

2. Action to be taken – Introduction

The action to be taken in respect of Nil Paid Rights or Fully Paid Rights depends on whether, at the relevant time, the Nil Paid Rights or Fully Paid Rights are in certificated form (that is, are represented by Provisional Allotment Letters) or are in uncertificated form (that is, are in CREST).

If you are a Qualifying non-CREST Shareholder and receive a Provisional Allotment Letter, please refer to paragraph 3 and paragraphs 5 to 9 of this Part VI.

If you are a Qualifying CREST Shareholder, please refer to paragraph 4 and paragraphs 5 to 9 of this Part VI and to the CREST Manual for further information on the CREST procedures referred to below.

CREST SPONSORED MEMBERS SHOULD REFER TO THEIR CREST SPONSORS, AS ONLY THEIR CREST SPONSORS WILL BE ABLE TO TAKE THE NECESSARY ACTIONS SPECIFIED BELOW TO TAKE UP THEIR ENTITLEMENTS OR OTHERWISE TO DEAL WITH THE NIL PAID RIGHTS OR FULLY PAID RIGHTS OF CREST SPONSORED MEMBERS.

3. Action to be taken in relation to Nil Paid Rights represented by Provisional Allotment Letters

(a) General

Each Provisional Allotment Letter will set out:

- (i) the holding of Existing Ordinary Shares on which a Qualifying non-CREST Shareholder's entitlement to New Ordinary Shares has been based;
- (ii) the aggregate number of New Ordinary Shares which have been provisionally allotted to such Qualifying non-CREST Shareholder;
- (iii) the procedures to be followed if the Qualifying non-CREST Shareholder wishes to dispose of all or part of his entitlement or to convert all or part of his entitlement into uncertificated form; and
- (iv) instructions regarding acceptances and payment, consolidation, splitting and registration of renunciation.

On the basis that Provisional Allotment Letters are posted on 5 November 2009 and that dealings in Nil Paid Rights commence on 6 November 2009, the latest time and date for acceptance and payment in full will be 11.00 a.m. on 30 November 2009.

If the Rights Issue is delayed so that Provisional Allotment Letters cannot be despatched on 5 November 2009, the expected timetable as set out at Part III of this document will be adjusted accordingly and the revised dates will be set out in the Provisional Allotment Letters and announced through a Regulatory Information Service. References to dates and times in this document should be read as subject to any such adjustment.

The maximum number of New Ordinary Shares that a Qualifying non-CREST Shareholder may take up is up to that which is set out in the relevant Provisional Allotment Letter which have been provisionally allotted to that Qualifying non-CREST Shareholder. The minimum number of New Ordinary Shares a Qualifying non-CREST Shareholder may take up is one.

(b) Procedure for acceptance and payment

(i) Qualifying non-CREST Shareholders who wish to accept in full

Holders of Provisional Allotment Letters who wish to take up all of their entitlements must return the Provisional Allotment Letter, in accordance with the instructions thereon, by hand (during normal business hours only) or post to the Company's registrars, Capita Registrars, at Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive as soon as possible and in any event so as to be received not later than 11.00 a.m. on 30 November 2009. If you post your Provisional Allotment Letter within the UK by first class post, it is recommended that you allow at least seven days for delivery. A reply paid envelope for use in the UK will be enclosed with the Provisional Allotment Letter for this purpose.

Holders of Provisional Allotment Letters who wish to pay by cheque or banker's draft must make them payable to "Capita Registrars Limited Re: Matica PLC Rights Issue A/C" and crossed "A/C payee only", for the full amount payable on acceptance, and return it with the Provisional Allotment Letter duly completed in accordance with the instructions above so as to be received not later than 11.00 a.m. on 30 November 2009. Alternatively holders of Provisional Allotment Letters who wish to pay by electronic transfer of funds instead of cheque or banker's draft may do so by completing the Schedule attached to the Provisional Allotment Letter and sending it to their bank with instructions to transfer the full amount due under the Provisional Allotment Letter to the designated bank account of the Company so as to be received by the Company in cleared funds not later than 11.00 a.m. on 30 November 2009 and by returning their duly completed Provisional Allotment Letter along with a duly completed copy of its Schedule to Capita Registrars in accordance with the instructions above as to be received not later than 11.00 a.m. on 30 November 2009.

(ii) Qualifying non-CREST Shareholders who wish to accept in part

Holders of Provisional Allotment Letters who wish to take up some but not all of their rights and wish to sell some or all of those which they do not want to take up, should first apply for split Provisional Allotment Letters by completing Form X on page 4 of the Provisional Allotment Letter,

and returning it by hand (during normal business hours only) or post to the Company's registrars, Capita Registrars, at Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by 3.00 p.m. on 26 November 2009, the last date and time for splitting Nil Paid Rights, together with a covering letter stating the number of split Provisional Allotment Letters required and the number of Nil Paid Rights to be comprised in each split Provisional Allotment Letter. Holders of Provisional Allotment Letters who wish to pay by cheque or banker's draft must deliver the duly completed split Provisional Allotment Letter representing the shares they wish to accept together with a cheque or banker's draft for the appropriate amount, payable to "Capita Registrars Limited Re: Matica PLC Rights Issue A/C" and crossed "A/C payee only" by 11.00 a.m. on 30 November 2009, the last date and time for acceptance. Alternatively holders of Provisional Allotment Letters who wish to pay by electronic transfer of funds instead of cheque or banker's draft may do so by completing the Schedule attached to the split Provisional Allotment Letter and sending it to their bank with instructions to transfer the appropriate amount due to the designated bank account of the Company so as to be received by the Company in cleared funds not later than 11.00 a.m. on 30 November 2009 and by returning their duly completed split Provisional Allotment Letter along with a duly completed copy of its Schedule to Capita Registrars in accordance with the instructions above as to be received not later than 11.00 a.m. on 30 November 2009.

Holders of Provisional Allotment Letters who wish to take up some of their rights (but not to sell the remainder) should complete Form X on page 4 of the original Provisional Allotment Letter and return it by hand (during normal business hours only) or post to the Company's registrars, Capita Registrars, at Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, together with a covering letter confirming the number of Nil Paid Rights to be taken up. Those holders of Provisional Allotment Letters who wish to pay by cheque or banker's draft must enclose with such Provisional Allotment Letter a cheque or banker's draft for the appropriate amount payable to "Capita Registrars Limited Re: Matica PLC Rights Issue A/C" and crossed "A/C payee only" to pay for this number of shares and in this case, the Provisional Allotment Letter and cheque or banker's draft must be received by Capita Registrars by 3.00 p.m. on 26 November 2009, being the last date and time for splitting Nil Paid Rights. Alternatively those holders of Provisional Allotment Letters who wish to pay by electronic transfer of funds instead of cheque or banker's draft may do so by completing the Schedule attached to the Provisional Allotment Letter and sending it to their bank with instructions to transfer the appropriate amount due to the designated bank account of the Company and by returning their duly completed Provisional Allotment Letter along with a duly completed copy of its Schedule to Capita Registrars in accordance with the instructions above and in this case the cleared funds must be received by the Company and the Provisional Allotment Letter and its Schedule must be received by Capita Registrars by 3.00 p.m. on 26 November 2009 in each case, being the last date and time for splitting Nil Paid Rights.

(iii) *Company's discretion as to validity of acceptances*

If payment is not received in full by 11.00 a.m. on 30 November 2009, the provisional allotment will (unless the Company has exercised its right to treat as valid an acceptance as set out below) be deemed to have been declined and will lapse. The Company may, with the agreement of Hanson Westhouse, but shall not be obliged to, treat as valid (i) Provisional Allotment Letters and accompanying remittances which are received through the post not later than 8.00 a.m. on the first Dealing Day after 30 November 2009 (the cover bearing a legible postmark not later than 11.00 a.m. on 30 November 2009) (ii) electronic transfers of funds instructions for which have been sent prior to 11.00 a.m. on 30 November 2009 but the funds arrive after such time and (iii) applications in respect of which remittances are received prior to 11.00 a.m. on 30 November 2009 from an authorised person (as defined in section 31(2) of FSMA) specifying the number of New Ordinary Shares to be acquired and accompanied by an undertaking by that person to lodge the relevant Provisional Allotment Letter duly completed in due course.

The Company also reserves the right, with the agreement of Hanson Westhouse, to treat a Provisional Allotment Letter as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney where required.

(iv) *Payments*

All payments must be in pounds sterling and must be made by a holder of a Provisional Allotment Letter either by cheque or banker's draft or by electronic transfer of funds and not a combination thereof. Capita Registrars will not accept electronic transfers of funds from holders of a Provisional Allotment Letter and will only accept cheques and banker's drafts. Any payment by electronic transfer of funds must be made in cleared funds directly to the Company in accordance with the Schedule attached to the Provisional Allotment Letter and such remittance shall for the purposes of this document and the Provisional Allotment Letter be deemed payment to Capita Registrars.

Cheques or banker's drafts should be made payable to "Capita Registrars Limited Re: Matica PLC Rights Issue A/C" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the UK or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or a member of either of the Committees of the Scottish or Belfast Clearing Houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner. Cheques must be drawn on the personal account of the individual investor to which they have sole or joint title to the funds. Cheques drawn on most major high street banks and building societies in the UK will be satisfactory. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society of the bank has confirmed the name of the account holder by stamping or endorsing the building society cheque or banker's draft to such effect. The account name should be the same as that shown on the application form. All documents, cheques or banker's drafts sent through the post will be sent at the risk of the drawer. The Company reserves the right to instruct Capita Registrars to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. Cheques or banker's drafts will be presented for payment upon receipt. No interest will be allowed on payments made before they are due (whether by cheque, banker's draft or electronic transfer of funds) and any interest on such payments will accrue to the benefit of the Company. It is a term of the Rights Issue that (i) electronic transfer of funds must be made in cleared funds to the Company's designated bank account and (ii) cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured or acceptances accompanied by cheques which the Company has reason to suspect will not be paid.

(c) ***Money Laundering Regulations***

If the value of your application exceeds €15,000 (the approximate equivalent of £12,500) (or is one of a series of linked applications, the aggregate value of which exceeds that amount) and either you do not pay from an account in your own name (whether by cheque, banker's draft or by electronic transfer of funds), or and/or the account from which payment is to be made is not held within an institution that is authorised in the UK by the FSA under FSMA or that is an EU authorised credit institution, as defined in Article 1 of the Banking Consolidation Directive (2000/12/EEC), as referred to in the verification of identity requirements of the Money Laundering Regulations, such regulations will apply. Capita Registrars and the Company are entitled to require, at their absolute discretion, verification of identity from any person lodging a Provisional Allotment Letter (the "applicant") including, without limitation, any person who either tenders payments by way of a cheque or banker's draft drawn on an account in the name of a person or persons other than the applicant, who transfers funds from the account of a person or persons other than the applicant or who appears to Capita Registrars or the Company to be acting on behalf of some other person. Submission of a Provisional Allotment Letter with the appropriate remittance will constitute a warranty by the applicant in favour of Capita Registrars and the Company that the Money Laundering Regulations will not be breached by the acceptance of the remittance and an undertaking by the applicant to provide promptly to Capita Registrars and the Company such information as may be specified by Capita Registrars and the Company as being required for the purpose of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Capita Registrars and the Company as to identity, in respect of any New Ordinary Shares which would otherwise be treated as taken up in accordance with the procedure for acceptance and payment set out in this document, Capita Registrars and the Company may, after consultation with Hanson Westhouse and having taken into account their representations,

retain the relevant Provisional Allotment Letter lodged by an applicant for New Ordinary Shares and/or the cheque, banker's draft or other remittance relating to it but not enter the New Ordinary Shares to which it relates on the register of members or issue any share certificate in respect of them. If evidence of identity satisfactory to Capita Registrars and/or the Company has not been provided within a reasonable time, then the acceptance will not be valid but will be without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of the failure of the applicant to provide satisfactory evidence. In that case the application monies (without interest) will be returned to the bank or building society account from which payment was made.

Capita Registrars and/or the Company shall be entitled, at its sole discretion, to determine whether the verification of identity requirements apply to any applicant and whether such requirements have been satisfied and none of Capita Registrars, the Company or Hanson Westhouse will be liable to any person for any loss incurred as a result of the exercise of such discretion.

The following guidance is provided in order to reduce the likelihood of difficulties, delays and potential rejection of an application (but does not limit the right of Capita Registrars and/or the Company to require verification of identity as stated above).

- (i) For those not paying by electronic transfer of funds, applicants are requested if possible to make their payment by their own cheque. If this is not practicable and an applicant uses a cheque drawn by a building society or a banker's draft, the applicant should:
 - write the applicant's name and address on the back of the building society cheque or banker's draft and, in the case of an individual, record his date of birth against his name; and
 - if a building society cheque or banker's draft is used, ask the building society or bank to print on the cheque the full name and account number of the person whose building society or bank account is being debited or to write those details on the back of the cheque and add their stamp.
- (ii) If an application is delivered by hand, the applicant should ensure that he has with him evidence of identity bearing his photograph, for example, a valid full passport together with evidence of his address.

If you are making an application as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), irrespective of the value of the application, Capita Registrars and/or the Company are obliged to take reasonable measures to establish the identity of the person or persons on whose behalf the application is being made. If the application is lodged with payment by an agent which is an organization required to comply with the EU Money Laundering Directive (91/308/EEC), or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Singapore, South Africa, Switzerland, Turkey and the United States), the agent should provide with the application written confirmation that it has that status and that it has obtained and recorded evidence of the identity of the person for whom it acts (indicating whether or not the agent has dealt with such person face to face) together with original evidence of identity of the person for whom it acts.

All enquiries in relation to the Provisional Allotment Letter should be addressed to Capita Registrars.

Applicants making an application as agent should specify on the Provisional Allotment Letter if they are a UK or EU regulated person or institution.

(d) ***Dealings in Nil Paid Rights***

Assuming the Resolution is passed at the General Meeting and the Rights Issue becomes unconditional, dealings on AIM in the Nil Paid Rights are expected to commence at 8.00 a.m. on 6 November 2009. A transfer of Nil Paid Rights can be made by renunciation of the Provisional Allotment Letter in accordance with the instructions printed on it and delivery of the Provisional Allotment Letter to the transferee. The latest time and date for registration of renounced Provisional Allotment Letters is 11.00 a.m. on 30 November 2009.

(e) ***Dealings in Fully Paid Rights***

After acceptance of the provisional allotment and payment in full in accordance with the provisions set out in this document and the Provisional Allotment Letter, the Fully Paid Rights may be transferred by renunciation of the relevant fully paid Provisional Allotment Letter and lodging it, by hand (during normal business hours only) or post with the Company's registrars, Capita Registrars, at Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by not later than 11.00 a.m. on 30 November 2009, and delivery of the Provisional Allotment Letter from Capita Registrars to the transferee. However, fully paid Provisional Allotment Letters will not be returned to Shareholders unless their return is requested by ticking Box 4 on page 4 of the Provisional Allotment Letter.

After 1 December 2009, the New Ordinary Shares will be in registered form and transferable in the usual way (see paragraph 3(j) of this Part VI).

(f) ***Renunciation and splitting of Provisional Allotment Letters***

The Provisional Allotment Letters are fully renounceable (save as required by the laws of certain overseas jurisdictions) and may be split up to 3.00 p.m. on 26 November 2009.

Qualifying non-CREST Shareholders who wish to transfer all (but not part only) of their Nil Paid Rights or, after acceptance of the provisional allotment and payment in full, Fully Paid Rights comprised in a Provisional Allotment Letter may (save as required by the laws of certain overseas jurisdictions) renounce such allotment by completing and signing Form X on page 4 of the Provisional Allotment Letter and passing on the entire Provisional Allotment Letter to their stockbroker or bank or other appropriate financial adviser or to the transferee. Once a Provisional Allotment Letter has been renounced, the Provisional Allotment Letter will become a negotiable instrument in bearer form. The latest time and date for registration of renunciation of Provisional Allotment Letters, fully paid, is 11.00 a.m. on 30 November 2009.

The Provisional Allotment Letter cannot be renounced in part only but if a holder of a Provisional Allotment Letter wishes to have only some of the New Ordinary Shares registered in his name and to transfer the remainder, or wishes to transfer all the Nil Paid Rights or (if applicable) Fully Paid Rights but to different persons, he may have the Provisional Allotment Letter split, for which purpose he must complete and sign Form X on page 4 of the Provisional Allotment Letter. The Provisional Allotment Letter must then be lodged by hand (during normal business hours) or post with the Company's Registrars, Capita Registrars, at Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by not later than 3.00 p.m. on 26 November 2009, if nil paid or fully paid, to be cancelled and exchanged for the split Provisional Allotment Letters required. The number of split Provisional Allotment Letters required and the number of Nil Paid Rights or (as appropriate) Fully Paid Rights to be comprised in each split Provisional Allotment Letter should be stated in an accompanying letter. Form X on split Provisional Allotment Letters will be marked "Original Duly Renounced" before issue. On receipt of the split Provisional Allotment Letters a Qualifying non-CREST Shareholder should keep the one representing any New Ordinary Shares which he wishes to retain (if any) and send the other(s) to the person(s) to or through whom he is disposing of the remainder of the New Ordinary Shares provisionally allotted to him.

The Company reserves the right to refuse to register any renunciation in favour of any person in respect of which the Company believes such renunciation may violate applicable legal or regulatory requirements including (without limitation) any renunciation in the name of any person with an address outside the United Kingdom.

(g) ***Registration in names of Qualifying Shareholders***

A Qualifying Shareholder who wishes to have all the New Ordinary Shares to which he is entitled registered in his name must accept and make payment for such allotment in accordance with the provisions set out in this document and (in the case of Qualifying non-CREST Shareholders) the Provisional Allotment Letter.

(h) **Registration in names of persons other than Qualifying Shareholders originally entitled**

In order to register Fully Paid Rights in certificated form in the name of someone other than the Qualifying Shareholder(s) originally entitled, the renounee or his agent(s) must complete Form Y (unless the renounee is a CREST member or a CREST sponsored member who wishes to hold such shares in uncertificated form, in which case Form X and the CREST Deposit Form must be completed – see paragraph 3(i) below) on the Provisional Allotment Letter and send the entire Provisional Allotment Letter, when fully paid, by hand (during normal business hours) or post to the Company's Registrars, Capita Registrars, at Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by not later than 11.00 a.m. on 30 November 2009.

(i) **Deposit of Nil Paid Rights or Fully Paid Rights into CREST**

The Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment Letter may be converted into uncertificated form, that is, deposited into CREST (whether any such conversion arises as a result of a renunciation of those rights or otherwise). Subject as provided in the next following paragraph (or in the Provisional Allotment Letter), normal CREST procedures apply in relation to any such conversion. You are recommended to refer to the CREST Manual for details of such procedures.

The procedure for depositing the Nil Paid Rights or the Fully Paid Rights represented by the Provisional Allotment Letter into CREST, whether such rights are to be converted into uncertificated form in the name(s) of the person(s) whose name(s) and address appear(s) on page 1 of the Provisional Allotment Letter or in the name of a person or persons to whom this letter has been renounced is as follows. Form X and the CREST Deposit Form (both on page 4 of the Provisional Allotment Letter) will need to be completed and the Provisional Allotment Letter deposited with the CCSS. In addition, the normal CREST Stock Deposit procedures will need to be carried out, except that (a) it will not be necessary to complete and lodge a separate CREST Transfer Form (prescribed under the Stock Transfer Act 1963) with the CCSS and (b) only the whole of the Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment Letter may be deposited into CREST. If you wish to deposit some only of the Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment Letter into CREST, you must first apply for split Provisional Allotment Letters. If the rights represented by more than one Provisional Allotment Letter are to be deposited, the CREST Deposit Form on each letter must be completed and deposited. The Consolidation Listing Form (on page 4 of the Provisional Allotment Letter) must not be used.

A holder of the Nil Paid Rights represented by the Provisional Allotment Letter who is proposing to convert those rights into uncertificated form (whether following a renunciation of such rights or otherwise) is recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Nil Paid Rights in CREST following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 30 November 2009. In particular, having regard to processing times in CREST and on the part of Capita Registrars, the recommended latest time for depositing a renounced Provisional Allotment Letter, with Form X and the CREST Deposit Form on page 4 of the Provisional Allotment Letter duly completed, with the CCSS (in order to enable the person acquiring the Nil Paid Rights in CREST as a result of the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 30 November 2009) is 3.00 p.m. on 25 November 2009.

When Form X and the CREST Deposit Form have been completed, the title to the Nil Paid Rights or the Fully Paid Rights represented by the Provisional Allotment Letter will cease forthwith to be renounceable or transferable by delivery and for the avoidance of doubt any entries in Form X on page 4 of the Provisional Allotment Letter will not be recognised or acted upon by Capita Registrars. All renunciations or transfers of the Nil Paid Rights or Fully Paid Rights must be effected through the means of the CREST system once such rights have been deposited into CREST.

(j) **Issue of New Ordinary Shares in definitive form**

Definitive share certificates in respect of New Ordinary Shares to be held in certificated form are expected to be despatched by post by 14 December 2009 to accepting Qualifying non-CREST Shareholders at their registered address unless lodging agent's details have been completed on page 4 of the Provisional Allotment Letter. After despatch of definitive share certificates, Provisional Allotment Letters will cease to be valid for any purpose whatsoever. Pending despatch of definitive

share certificates, instruments of transfer may be certified by Capita Registrars against the register against lodgement of fully paid Provisional Allotment Letters and/or, in the case of renounced Provisional Allotment Letters, against those held by Capita Registrars.

4. Action to be taken in relation to Nil Paid Rights and Fully Paid Rights in CREST

(a) General

Subject as provided in paragraph 8 of this Part VI in relation to certain Overseas Shareholders, it is expected that each Qualifying CREST Shareholder will receive a credit of his entitlement to Nil Paid Rights to his stock account in CREST on 6 November 2009, the date on which such securities will be enabled. The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Nil Paid Rights are provisionally allotted.

The maximum number of New Ordinary Shares that a Qualifying CREST Shareholder may take up is up to that which have been provisionally allotted to that Qualifying CREST Shareholder and for which he receives a credit of entitlement into his stock account in CREST. The minimum number of New Ordinary Shares a Qualifying CREST Shareholder may take up is one.

The Nil Paid Rights will constitute a separate security for the purposes of CREST and can accordingly be transferred, in whole or in part, by means of CREST in the same manner as any other security that is admitted to CREST.

If for any reason stock accounts of Qualifying CREST Shareholders cannot be credited by, or the Nil Paid Rights enabled, by 8.00 a.m. on 6 November 2009, the expected timetable set out in this document may be adjusted and Provisional Allotment Letters shall, unless the Company and Hanson Westhouse agree otherwise, be sent out in substitution for the Nil Paid Rights which have not been so credited or enabled. **References to dates and times in this document should be read as subject to any such adjustment.** In such cases, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates but Qualifying CREST Shareholders may not receive any further written communication.

CREST members who wish to take up their entitlements in respect of, or otherwise to transfer, Nil Paid Rights or Fully Paid Rights held by them in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member, you should consult with your CREST sponsor if you wish to take up your entitlement as only your CREST sponsor will be able to take the necessary action to take up your entitlements or otherwise to deal with your Nil Paid Rights or Fully Paid Rights.

(b) Procedure for acceptance and payment

(i) Many-To-Many instructions

CREST members who wish to take up all or some of their entitlement in respect of Nil Paid Rights in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a Many-To-Many ("MTM") instruction to Euroclear which, on its settlement, will have the following effect:

- the crediting of a stock account of Capita Registrars under the participant ID and member account ID specified below, with the number of Nil Paid Rights to be taken up;
- the creation of a settlement bank payment obligation (as this term is defined in the CREST Manual), in accordance with the RGTS payment mechanism (as this term is defined in the CREST Manual), in favour of the RGTS settlement bank of Capita Registrars in pounds sterling in respect of the full amount payable on acceptance in respect of the Nil Paid Rights referred to in the sub-paragraph above; and
- the crediting of a stock account of the accepting CREST member (being an account under the same participant ID and member account ID as the account from which the Nil Paid Rights are to be debited on settlement of the MTM instruction) of the corresponding

number of Fully Paid Rights to which the CREST member is entitled on taking up his Nil Paid Rights referred to in sub-paragraph (aa) above.

(ii) *Contents of Many-To-Many instructions*

The MTM instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- the number of Nil Paid Rights to which the acceptance relates;
- the participant ID of the accepting CREST member;
- the member account ID of the accepting CREST member from which the Nil Paid Rights are to be debited;
- the participant ID of Capita Registrars in its capacity as a CREST receiving agent – this is 9RA01;
- the member account ID of Capita Registrars, in its capacity as a CREST receiving agent – this is 26482MAT;
- the number of Fully Paid Rights that the CREST member is expecting to receive on settlement of the MTM instruction. This must be the same as the number of Nil Paid Rights to which the acceptance relates;
- the amount payable by means of the CREST settlement bank payment obligation on settlement of the MTM instruction. This must be the full amount payable on acceptance in respect of the number of Nil Paid Rights referred to in paragraph 4(b)(i) above;
- the intended settlement date – this must be on or before 11.00 a.m. on 30 November 2009;
- the nil paid ISIN – this is GB00B501KP27;
- the fully paid ISIN – this is GB00B4ZQY198;
- the Corporate Action Number for the Rights Issue – this will be available by viewing the relevant corporate action details in CREST;
- a priority of at least 80; and
- name and contact number in the shared note field.

(iii) *Valid acceptance*

An MTM instruction complying with each of the requirements as to authentication and contents set out in paragraph 4(b)(ii) above will constitute a valid acceptance where either:

- the MTM instruction settles by not later than 11.00 a.m. on 30 November 2009; or
- (i) the MTM instruction is received by Euroclear by not later than 11.00 a.m. on 30 November 2009 and (ii) a number of Nil Paid Rights at least equal to the number of Nil Paid Rights inserted in the MTM instruction is credited to the CREST stock member account of the accepting CREST member specified in the MTM instruction as at 11.00 a.m. on 30 November 2009.

An MTM instruction will be treated as having been received by Euroclear for these purposes at the time at which the instruction is processed by the Network Providers' Communications Host (as this term is defined in the CREST Manual) at Euroclear of the network provider used by the CREST member (or by the CREST sponsored member's CREST sponsor). This will be conclusively determined by the input time stamp applied to the MTM instruction by the Network Providers' Communications Host.

(iv) *Representations, warranties and undertakings of CREST members*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with paragraph 4(b) of this Part VI represents, warrants and undertakes to the Company that he has taken (or procured to be taken), and will take (or procure to be taken) whatever action is required to be taken by him or by his CREST sponsor (as appropriate) to ensure that the MTM

instruction concerned is capable of settlement at 11.00 a.m. on 30 November 2009 and remains capable of settlement at all times thereafter until 2.00 p.m. on 30 November 2009 (or until such later time and date as the Company and Hanson Westhouse may determine). In particular, the CREST member or CREST sponsored member represents, warrants and undertakes that, at 11.00 a.m. on 30 November 2009 and at all times thereafter until 2.00 p.m. on 30 November 2009 (or until such later time and date as the Company and Hanson Westhouse may determine), there will be sufficient Headroom within the Cap (as those terms are defined in the CREST Manual) in respect of the cash memorandum account to be debited with the amount payable on acceptance to permit the MTM instruction to settle. CREST sponsored members should contact their sponsor if they are in any doubt.

If there is sufficient Headroom in the Cap (as those terms are defined in the CREST Manual) in respect of the cash memorandum account of a CREST member or CREST sponsored member for such amount to be debited or the CREST member's or CREST sponsored member's acceptance is otherwise treated as invalid and New Ordinary Shares have already been allotted to such CREST member or CREST sponsored member, the Company may (in its absolute discretion as to the manner, timing and terms) make arrangements for the sale of such New Ordinary Shares on behalf of that CREST member or CREST sponsored member and hold the proceeds of sale (net of the Company's reasonable estimate of any loss that it has suffered as a result of the acceptance being treated as invalid and of the expenses of sale, including, without limitation, any stamp duty or SDRT payable on the transfer of such New Ordinary Shares, and of all amounts payable by the CREST member or CREST sponsored member pursuant to the Rights Issue in respect of the acquisition of such New Ordinary Shares) on behalf of such CREST member or CREST sponsored member. Neither the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such CREST member or CREST sponsored member as a result.

(v) *CREST procedures and timings*

CREST members and CREST sponsors (on behalf of CREST sponsored members) should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal systems timings and limitations will therefore apply in relation to the input of an MTM instruction and its settlement in connection with the Rights Issue. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) the action necessary to ensure that a valid acceptance is received as stated above by 11.00 a.m. on 30 November 2009. In this connection CREST members and (where applicable) CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(vi) *CREST member's undertaking to pay*

A CREST member or CREST sponsored member, who makes a valid acceptance in accordance with the procedures set out in this paragraph 4(b) of this Part VI, (a) undertakes to pay to the Company, or procure the payment to the Company of, the amount payable on acceptance in accordance with the above procedures or in such other manner as the Company may require (it being acknowledged that, where payment is made by means of the RTGS payment mechanism (as defined in the CREST Manual) the creation of an RTGS settlement bank obligation in pounds sterling in favour of the payment bank of Capita Registrars in accordance with the RGTS payment mechanism shall, to the extent of the obligation so created, discharge in full the obligation of the CREST member (or CREST sponsored member) to pay to the Company the amount payable on acceptance) and (b) requests that the Fully Paid Rights and/or New Ordinary Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the provisions of the Memorandum and Articles.

If the payment obligations of the relevant CREST member or CREST sponsored member in relation to such New Ordinary Shares are not discharged in full and such New Ordinary Shares have already been allotted to the CREST member or CREST sponsored member, the Company may (in its absolute discretion as to the manner, timing and terms) make arrangements for the sale of such New Ordinary Shares on behalf of the CREST member or CREST sponsored member and hold the proceeds of sale (net of the Company's reasonable estimate of any loss

it has suffered as a result of the same and of the expenses of the sale, including, without limitation, and stamp duty or SDRT payable on the transfer of such New Ordinary Shares, and of all amounts payable by such CREST member or CREST sponsored member pursuant to the terms of the Rights Issue in respect of the acquisition of such New Ordinary Shares) or an amount equal to the original payment of the CREST member or CREST sponsored member. Neither the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by the CREST member or CREST sponsored member as a result.

(vii) *Company's discretion as to rejection and validity of acceptances*

The Company reserves the right:

- to reject any acceptance constituted by an MTM instruction, which is otherwise valid, in the event of a breach of any of the representations, warranties and undertakings set out or referred to in this paragraph 4(b) of this Part VI. Where an acceptance is made as described in this paragraph 4(b) of this Part VI which is otherwise valid, and the MTM instruction concerned fails to settle by 2.00 p.m. on 30 November 2009 (or by such later time and date as the Company, with the agreement of Hanson Westhouse, has determined), the Company shall be entitled to assume, for the purposes of its right to reject an acceptance contained in this paragraph 4(b) of this Part VI, that there has been a breach of the representations, warranties and undertakings set out or referred to in this paragraph 4(b) of this Part VI;
- with the agreement of Hanson Westhouse, to treat as valid (and binding on the CREST member or CREST sponsored member concerned) an acceptance which does not comply in all respects with the requirements as to validity set out or referred to in this paragraph 4(b) of this Part VI;
- with the agreement of Hanson Westhouse, to accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid acceptance in substitution for, or in addition to, an MTM instruction and subject to such further terms and conditions as Hanson Westhouse may determine;
- with the agreement of Hanson Westhouse, to treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction"), as not constituting a valid acceptance if, at the time at which Capita Registrars receives a properly authenticated dematerialised instruction giving details of the first instruction, either the Company or Capita Registrars has received actual notice from Euroclear of any of the matters specified in Regulation 29(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- with the agreement of Hanson Westhouse, to accept an alternative instruction or notification from a CREST member or (where applicable) a CREST sponsor, or extend the time for acceptance and/or settlement of an MTM instruction or any alternative instruction or notification if, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to take up all or part of his Nil Paid Rights by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of facilities and/or systems operated by Capita Registrars in connection with CREST.

(c) **Money Laundering Regulations**

If you hold your Nil Paid Rights in CREST and apply to take up all or part of your entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, Capita Registrars is entitled to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact Capita Registrars in sufficient time before sending any MTM instruction or other instruction so that appropriate measures may be taken.

Submission of an MTM instruction which constitutes, or which may on its settlement constitute, a valid acceptance as described above constitutes a warranty by the applicant that the Money Laundering Regulations will not be breached by the acceptance of the remittance and an undertaking by the applicant to provide promptly to Capita Registrars any information Capita Registrars may specify as being required for the purposes of the Money Laundering Regulations. If Capita Registrars, having (where time allows) consulted with Hanson Westhouse and having taken into account their comments and requests, has by 11.00 a.m. on 30 November 2009, determined pursuant to procedures maintained by it under the Money Laundering Regulations that evidence as to identity satisfactory to it has not been received in respect of any New Ordinary Shares which would otherwise be treated as taken up in accordance with the procedure for acceptance and payment set out in this document, Capita Registrars may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay settlement of the MTM instruction. If satisfactory evidence of identity has not been provided within a reasonable time and in any event before 11.00 a.m. on 30 November 2009, then Capita Registrars will not permit the MTM instruction concerned to proceed to settlement but without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure by the applicant to provide satisfactory evidence.

(d) ***Dealings in Nil Paid Rights***

Assuming the Resolution is passed at the General Meeting and the Rights Issue becomes unconditional, dealings in the Nil Paid Rights on AIM are expected to commence at 8.00 a.m. on 6 November 2009. A transfer (in whole or in part) of Nil Paid Rights can be made by means of CREST in the same manner as any other security that is admitted to CREST. The Nil Paid Rights are expected to be disabled in CREST after the close of CREST business on 30 November 2009.

(e) ***Dealings in Fully Paid Rights***

After acceptance of the provisional allotment and payment in full in accordance with the provisions set out in this document, and (where appropriate) the Provisional Allotment Letter if the Nil Paid Rights or Fully Paid Rights represented thereby have been deposited into CREST, the Fully Paid Rights may be transferred (in whole or in part) by means of CREST in the same manner as any other security that is admitted to CREST. The latest date for settlement of any transfer of Fully Paid Rights in CREST is expected to be 30 November 2009. The Fully Paid Rights are expected to be disabled in CREST after the close of CREST business on 30 November 2009.

After 8.00 a.m. on 1 December 2009, the New Ordinary Shares will be registered in the name(s) of the person(s) entitled to them in the Company's register of members and will be transferable in the usual way (see paragraph 4(g) of this Part VI).

(f) ***Withdrawal of Nil Paid Rights or Fully Paid Rights from CREST***

Nil Paid Rights or Fully Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST. Normal CREST procedures (including timings) apply in relation to any such conversion.

The recommended latest time for receipt by Euroclear of a properly authenticated dematerialised instruction requesting withdrawal of Nil Paid Rights from CREST is 4.30 p.m. on 23 November 2009, so as to enable the person acquiring or (as appropriate) holding the Nil Paid Rights following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 30 November 2009.

(g) ***Issue of New Ordinary Shares in CREST***

Fully Paid Rights in CREST are expected to be disabled in CREST after the close of CREST business on 27 November 2009 (the latest date for settlement of transfers of Fully Paid Rights in CREST). New Ordinary Shares (in definitive form) will be issued in uncertificated form to those persons registered as holding such Fully Paid Rights in CREST at the close of business on that date. Capita Registrars will instruct Euroclear to credit the appropriate stock accounts of those persons (under the same participant ID and member account ID that applied to the Fully Paid Rights held by those persons) with their entitlements to New Ordinary Shares with effect from the next Business Day (expected to be 1 December 2009).

(h) ***Rights to allot/issue in certificated form***

Despite any other provision of this document, the Company reserves the right to allot and/or issue any Nil Paid Rights, Fully Paid Rights or New Ordinary Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of an interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Capita Registrars in connection with CREST or otherwise if it has first obtained Hanson Westhouse's written consent (such consent not to be unreasonably withheld or delayed).

5. Procedure in respect of rights not taken up and Withdrawal Rights

(a) ***Procedure in respect of New Ordinary Shares not taken up***

If an entitlement to New Ordinary Shares is not validly taken up by 11.00 a.m. on 30 November 2009 in accordance with the procedure laid down for acceptance and payment in this Part VI, then that provisional allotment will be deemed to have been declined and will lapse. Hanson Westhouse, acting as agent for the Company, will use its reasonable endeavours to procure subscribers for such New Ordinary Shares by not later than 4.30 p.m. on 14 December 2009 at a price per New Ordinary Share which is not less than the aggregate of the Issue Price and the expenses of procuring such subscribers (including applicable brokerage, commissions and VAT). If subscribers can be procured on this basis, such New Ordinary Shares will be reallocated at the Issue Price to such subscribers and any net proceeds (after deduction of the Issue Price and the expenses of procuring such subscribers including any applicable brokerage, commission and any amounts in respect of VAT thereon) will be paid (without interest) by cheque as set out below. Notwithstanding the above, Hanson Westhouse may cease to endeavour to procure any such subscribers if, in its opinion, there is no reasonable likelihood that any such subscribers can be so procured at such a price by such time, whereupon Hanson Westhouse shall be under no obligation to endeavour to procure any such subscribers.

It will be a term of such subscription that any such net proceeds shall be paid (subject as provided in this paragraph 5 of this Part VI):

- (i) where the provisional allotment was, at the time of its lapsing, represented by a Provisional Allotment Letter, to the person(s) whose name and address appeared on page 1 of the Provisional Allotment Letter;
- (ii) where the Nil Paid Rights were, at the time of their lapsing, in uncertificated form, to the person registered as the holder of such Nil Paid Rights at the time of their disablement in CREST; and
- (iii) to the extent not provided above, where provisionally allotted Nil Paid Rights were not taken up by an Overseas Shareholder, to that Overseas Shareholder.

If and to the extent that subscribers cannot be procured on the basis outlined above, Hanson Westhouse shall be under no obligation itself to subscribe for the New Ordinary Shares not taken up.

New Ordinary Shares for which subscribers are procured on this basis will be re-allotted to such subscribers and any net proceeds (after deduction of the Issue Price and the expenses of procuring such subscribers including any applicable brokerage, commission and any amounts in respect of VAT thereon) will be paid (without interest) to the Company on trust for those persons entitled (as referred to above) pro rata to the relevant lapsed provisional allotments, save that net amounts of less than £5 per holding will not be so paid but will be aggregated and retained for the benefit of the Company.

Any transactions undertaken pursuant to this paragraph 5 shall be deemed to have been undertaken at the request of the persons entitled to the lapsed provisional allotments and neither the Company nor Hanson Westhouse nor any person procuring such subscribers shall be responsible for any loss arising from the terms or timing of any such subscription or for failing to procure subscribers. Cheques for the amount due will be sent, at the risk of the person(s) entitled, to their registered addresses (the registered address of the first named in the case of joint holders), provided that, where any entitlement concerned was held in CREST, the amount due will, unless the Company (in its absolute discretion) otherwise determines, be satisfied by the creation of a settlement bank payment in favour of the relevant CREST members (or CREST sponsored members) RGTS settlement bank) in respect of the cash amount concerned in accordance with the RGTS payment mechanism. Hanson Westhouse shall be entitled to retain any commission recovered in connection with these arrangements.

(b) **Withdrawal rights**

Persons wishing to exercise withdrawal rights after the issue by the Company of a circular supplementing this document must do so by lodging a written notice of withdrawal with Capita Registrars, so as to be received no later than two Business Days after the date on which the supplementary circular is published. Notice of withdrawal given by any other means or which is deposited with or received by Capita Registrars after expiry of such period will not constitute a valid withdrawal.

6. Taxation

(a) **General**

Shareholders who are in any doubt as to their tax position or who are subject to tax in any other jurisdiction should consult an appropriate independent professional adviser immediately.

It is the responsibility of any person resident inside or outside the UK (including, without limitation, nominees, agents and trustees for such persons) receiving this document and/or a Provisional Allotment Letter and wishing to take up rights under the Rights Issue to satisfy himself as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents which may be required, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

(b) **Stamp duty and stamp duty reserve tax (SDRT)**

Issue and registration of Provisional Allotment Letters

No stamp duty or SDRT will generally be payable on the issue of Provisional Allotment Letters (provided they are renounceable within six months of issue) or on the issue of definitive share certificates or crediting of CREST member accounts in respect of such allotment letters. Similarly, no stamp duty or SDRT will be payable on the registration of Provisional Allotment Letters, whether by the original holders or by their renounees.

Transfer of rights to subscribe for New Ordinary Shares

A purchase of rights to subscribe for New Ordinary Shares represented by a Provisional Allotment Letter (whether nil paid or fully paid) on or before the latest time for registration of renunciation will not be liable to stamp duty (provided its life does not exceed six months) but will be liable to SDRT, generally at the rate of 0.5 per cent. of the amount or value of the consideration payable. Similarly, a paperless purchase within the CREST system of rights to subscribe for New Ordinary Shares will be liable to SDRT at 0.5 per cent.

Dealings in New Ordinary Shares

Any dealings in New Ordinary Shares after the latest time for registration of renunciation will generally be subject to stamp duty or SDRT in the normal way. The conveyance or transfer on sale of New Ordinary Shares outside the CREST system will generally be subject to *ad valorem* stamp duty on the instrument of transfer at the rate of 0.5 per cent. of the amount or value of the consideration given (rounded up to the nearest £5). Stamp duty is normally paid by the purchaser or transferee of the Ordinary Shares. An unconditional agreement to transfer New Ordinary Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration for the New Ordinary Shares. However, where within six years of the date of the agreement, an instrument of transfer is executed and duly stamped, the SDRT liability will be cancelled and any SDRT which has been paid will be repaid (provided that a claim for repayment is made). SDRT is the liability of the purchaser or transferee of the New Ordinary Shares. Where New Ordinary Shares are issued or transferred (a) to, or to a nominee for, a person whose business is or includes the provision of clearance services or (b) to, or to a nominee or agent for, a person whose business is or includes issuing depositary receipts, stamp duty (in the case of a transfer only to such persons) or SDRT may be payable at a rate of 1.5 per cent. of the amount or value of the consideration payable or, in certain circumstances, the value of the New Ordinary Shares or, in the case of an issue to such persons, the Issue Price of the New Ordinary Shares. Clearance service providers may opt, under certain circumstances, for the normal rates of stamp duty and SDRT to apply to an issue or transfer of New Ordinary Shares into, and to transactions within, the service instead of the higher rate applying to an

issue or transfer of the New Ordinary Shares into the clearance system and the exemption for dealings in the New Ordinary Shares whilst in the system. Under the CREST system for paperless share transfers, deposits of New Ordinary Shares into CREST will generally not be subject to stamp duty or SDRT unless such a transfer is made for a consideration in money or money's worth, in which case a liability to SDRT will arise usually at the rate of 0.5 per cent. of the value of the consideration given. Paperless transfers of New Ordinary Shares within CREST are generally liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT from the purchaser of the New Ordinary Shares on relevant transactions settled within the system.

The above statements are intended as a general guide to the current stamp duty and SDRT position. Certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

7. Overseas Shareholders

(a) General

The Rights Issue as it relates to Overseas Shareholders may be affected by the laws of their relevant jurisdictions.

No person receiving a copy of this document and/or a Provisional Allotment Letter and/or receiving a credit of New Ordinary Shares to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an offer invitation to him to subscribe, nor should he, in any event, use a Provisional Allotment Letter or Nil Paid Rights or Fully Paid Rights in CREST, unless in the relevant territory such an offer or invitation could lawfully be made to him and the Provisional Allotment Letter or Nil Paid Rights or Fully Paid Rights in CREST could lawfully be used or dealt with without compliance with any unfulfilled registration or other legal or regulatory requirements. Receipt of this document and/or a Provisional Allotment Letter or the crediting of Nil Paid Rights or Fully Paid Rights to a stock account in CREST will not constitute an offer in those territories in which it would be unlawful to make such an offer and, in such circumstances, this document (except for the notice of General Meeting set out at the end of this document) and/or the Provisional Allotment Letter are being sent for information only, are confidential and should not be copied or redistributed.

Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any other formalities to enable them to take up their rights. It is the responsibility of all persons outside the United Kingdom receiving this document and/or a Provisional Allotment Letter and wishing to accept the offer of New Ordinary Shares to satisfy themselves as to full observance of the laws of the relevant territory, including obtaining all necessary governmental or other consents which may be required, observing all other requisite formalities needing to be observed and paying any issue, transfer or other taxes due in such territory.

The Company reserves the right, but shall not be obliged, to treat as invalid any acceptance or purported acceptance of the allotment of New Ordinary Shares comprised in, or renunciation or purported renunciation of, a Provisional Allotment Letter which appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if it believes or they believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of definitive share certificates for New Ordinary Shares in any jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates.

Person (including, without limitation, nominees, agents and trustees) receiving a Provisional Allotment Letter should not distribute or send it to or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a Provisional Allotment Letter or credit of Nil Paid Rights or Fully Paid Rights in CREST is received by any person in any such territory (or by the agent or nominee of such a person), he must not seek to take up the New Ordinary Shares or renounce such Provisional Allotment Letter except pursuant to an express agreement with the Company. Any person who does forward a Provisional Allotment Letter into any such territory (whether pursuant to a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph 8. The Company reserves the right to reject a purported acceptance of a provisional

allotment, or a renunciation thereof, from, or in favour of, any person in any such territory or persons who are acquiring (or the Company or its advisers have reason to believe are acquiring) New Ordinary Shares for resale in any such territory.

Provisional Allotment Letters will not be sent to Overseas Shareholders. Notwithstanding any other provision of this document or the Provisional Allotment Letter, the Company reserves the rights to permit a Qualifying Shareholder with a registered address outside the United Kingdom to take up or renounce his rights if the Company is satisfied that such action would not result in a contravention of any applicable legal or regulatory requirements.

(b) ***Notice in London Gazette***

In accordance with section 562 of the Act, the offer by way of rights to Qualifying Shareholders who have no registered address within the UK, and who have not supplied to the Company an address within the United Kingdom for the service of notices, will be made (subject to the passing of the Resolution) by the Company publishing a notice in the London Gazette the Business Day following the date on which the Provisional Allotment Letters are despatched (expected to be 6 November 2009) stating where copies of this document and the Provisional Allotment Letter may be inspected or obtained on personal application by or on behalf of such Qualifying Shareholders (other than those referred in paragraphs (c) and (d) below absent an applicable exemption). Accordingly, such Qualifying Shareholders, if it is lawful for them to do so and they are able to prove to the Company or its agents that, the receipt, or acceptance, of the offer in such jurisdiction will not breach local securities laws, may accept the offer by way of rights either by returning any Provisional Allotment Letter posted to them in accordance with the instructions set out therein, or subject to surrendering the original of any Provisional Allotment Letter posted to them, by obtaining copies of such letter from the place stated in the London Gazette notice and returning them in accordance with the instructions set out in such letter.

(c) ***United States and Canada***

Neither the New Ordinary Shares, the Nil Paid Rights, the Fully Paid Rights nor the Provisional Allotment Letters have been or will be registered under the US Securities Act, the laws of any state of the United States or the securities legislation of any province or territory of Canada, and may not be offered, sold, renounced, taken up, delivered or transferred, directly or indirectly in or into the United States or Canada, or to or for the account or benefit of any person in the United States or Canada absent an applicable exemption. The distribution of Provisional Allotment Letters will not be made pursuant to a prospectus in Canada nor pursuant to applicable prospectus or registration exemptions under the securities legislation of any province or territory of Canada. Accordingly, subject to certain exemptions, Nil Paid Rights will not be provisionally allotted and no Provisional Allotment Letter will be sent to, and no Nil Paid Rights will be credited to a stock account in CREST of, a Qualifying Shareholder with a registered address in the United States or Canada.

The Company reserves the right to treat as invalid any acceptance or purported acceptance of a provisional allotment that appears to the Company or its agents to have been executed in or despatched from the United States or Canada, or that provides an address in the United States or Canada for the delivery of definitive certificates for the New Ordinary Shares or which does not make the warranty set out in the Provisional Allotment Letter to the effect that the persons accepting and/or renouncing the provision allotment does not have a registered address (and is not otherwise located in) the United States or Canada and is not acquiring rights to New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution directly or indirectly of any such New Ordinary Shares in the United States or Canada. The Company will not be bound to allot or issue New Ordinary Shares to any person with an address in the United States or Canada in whose favour a provisional allotment or any New Ordinary Shares may be transferred or renounced.

(d) ***Other Excluded Jurisdictions***

Due to restrictions under the securities laws of the Excluded Territories, absent an applicable exemption the Provisional Allotment Letter will not be sent to, nor will any Nil Paid Rights or Fully Paid Rights be credited to a stock account in CREST of, any Shareholders with registered addresses in, and the New Ordinary Shares may not be transferred or sold to or renounced or delivered in, any of the Excluded Territories. Accordingly, no offer of New Ordinary Shares is being made under this document to Shareholders with registered addresses in, or to residents of any Excluded Jurisdictions

and neither this document nor the Provisional Allotment Letter should be forwarded to or transmitted in or into any of these territories.

(e) **Representations and warranties relating to Overseas Shareholders**

(i) *Qualifying non-CREST Shareholders*

Any person accepting and/or renouncing a Provisional Allotment Letter or requesting registration of the New Ordinary Shares comprised therein represents and warrants to the Company and Hanson Westhouse that, except where proof has been provided to the Company's and Hanson Westhouse's satisfaction that such person's use of the Provisional Allotment Letter will not result in the contravention of any applicable legal or regulatory requirement in any jurisdiction, (a) such person is not accepting and/or renouncing the Provisional Allotment Letter, or requesting registration of the relevant New Ordinary Shares, from within Australia, Canada, Japan or the United States, (b) such person is not in any territory in which it is unlawful to make or accept an offer to acquire New Ordinary Shares or to use the Provisional Allotment Letter in any manner in which such person has used or will use it, (c) such person is not acting on a non-discretionary basis for a person located within Australia, Canada, Japan or the United States or any territory referred to in (b) above at the time the instruction to accept or renounce was given, and (d) such person is not acquiring New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares into Australia, Canada, Japan or the United States or any territory referred to in (b) above. The Company may treat as invalid any acceptance or purported acceptance of the allotment of New Ordinary Shares comprised in, or renunciation or purported renunciation of, a Provisional Allotment Letter if it (a) appears to the Company to have been executed in or despatched from Australia, Canada, Japan or the United States or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it believes the same may violate any applicable legal or regulatory requirement, (b) provides an address in Australia, Canada, Japan or the United States for delivery of definitive share certificates for New Ordinary Shares (or any jurisdiction outside the UK in which it would be unlawful to deliver such certificates), or (c) purports to exclude the warranty required by this paragraph.

(ii) *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in paragraph 4 of this Part 8 represents and warrants to the Company and Hanson Westhouse that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction, (a) he is not within Australia, Canada, Japan or the United States (b) he is not in any territory in which it is unlawful to make or accept an offer to acquire New Ordinary Shares, (c) he is not accepting on a non-discretionary basis for a person located within Australia, Canada, Japan or the United States or any territory referred to in (b) above at the time the instruction to accept was given, and (d) he is not acquiring New Ordinary Shares with a view to the offer, sale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares into Australia, Canada, Japan or the United States or any territory referred to in (b) above. the Company reserves the right to reject any MTM instruction sent from Australia, Canada, Japan or the United States or by a CREST member who is acting on a non-discretionary basis for the account or benefit of a person located within Australia, Canada, Japan or the United States.

Notwithstanding the foregoing paragraphs, the Company reserves the right to make Nil Paid Rights, Fully Paid Rights, New Ordinary Shares and Provisional Allotment Letters available to QIBs, within the meaning of Rule 144A under the US Securities Act, in transactions exempt from the registration requirements of the US Securities Act. Any such transactions shall be at the sole discretion of the Company and Hanson Westhouse. Any recipient of Nil Paid Rights, Fully Paid Rights, New Ordinary Shares or Provisional Allotment Letters pursuant to such transactions will make certain acknowledgements, representations and agreements that establish to the Company and Hanson Westhouse that such transactions are exempt from the registration requirements of the US Securities Act.

The comments set out in paragraph 7 of this Part VI and this paragraph 8 are intended as a guide only and persons resident in, or who are citizens of, countries other than

the UK should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.

8. Application of the City Code

It is currently understood that the City Code will not apply to the Company and therefore, a takeover of the Group would be unregulated by the UK Panel on Takeovers and Mergers and the City Code, unless and until the UK Panel on Takeovers and Mergers determines at a later date that it has jurisdiction over any dealings in the Company's Ordinary Shares.

9. Times and dates

The Company shall in its discretion and after consultation with its financial and legal advisers (and with the agreement of Hanson Westhouse) be entitled to amend the dates that Provisional Allotment Letters are despatched, dealings in Nil Paid Rights and Fully Paid Rights commence, amend or extend the latest date for acceptance under the Rights Issue and all other related dates set out in this document including the timetable of events at the beginning of this document and in such circumstances shall notify the London Stock Exchange, a Regulatory Information Service and, if appropriate, Qualifying Shareholders.

All documents and remittances in connection with the Rights Issue will be sent by post to or by allottees or their renounees (or their agents) at their risk.

10. Jurisdiction and Governing law

The Courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Rights Issue, this document and/or the Provisional Allotment Letter. By accepting rights under the Rights Issue in accordance with the instructions set out in this document and, in the case of Qualifying non-CREST Shareholders only, the Provisional Allotment Letter, Qualifying Shareholders irrevocably submit to the jurisdiction of the Courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

The terms and conditions of the Rights Issue as set out in this document and the Provisional Allotment Letter shall be governed by, and construed in accordance with, the laws of England.

11. Hanson Westhouse Terms of Engagement

Pursuant to an engagement letter dated 25 September 2009, Hanson Westhouse and the Company (the "Engagement Letter", have conditionally agreed to use its reasonable endeavours to procure subscribers for the New Ordinary Shares not taken up under the Rights Issue, as such process is more particularly described at paragraph 5 (a) of this Part VI. Pursuant to the Engagement Letter Hanson Westhouse will receive commission of 5 per cent. on amounts placed with subscribers introduced by them.

Hanson Westhouse has given and has not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they are included.

Dated: 20 October 2009

Matica PLC
31 Harley Street
London W1G 9QS

PART VII
DEFINITIONS

“Act”	the Companies Act 2006, as amended
“Admission”	the admission of the New Ordinary Shares, nil paid, to trading on AIM and such admission becoming effective in accordance with the AIM Rules
“AIM”	the AIM market of the London Stock Exchange
“AIM Rules”	the rules published by the London Stock Exchange governing admission to, and the operation of, AIM
“Articles”	the articles of association of the Company
“Board” or “Directors”	the board of directors of the Company whose names are set out on page 5 of this document
“Business Day”	a day other than a Saturday, Sunday or public holiday in England and Wales
“Capita Registrars”	a trading name of Capita Registrars Limited
“certificated form” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST)
“CCSS”	the CREST Courier and Sorting Service established by Euroclear to facilitate, <i>inter alia</i> , the deposit and withdrawal of securities
“City Code”	the City Code on Takeovers and Mergers
“Closing Price”	the closing middle market quotation of a Ordinary Share on a particular day, as derived from the AIM Appendix to the Daily Official List
“Company” or “Matica”	Matica PLC
“CREST”	the Relevant System (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Deposit Form”	has the same meaning as in the CREST Manual
“CREST Manual”	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparties Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since)
“CREST member”	a person who has been identified by Euroclear as a system member (as defined in the Regulations)
“CREST participant”	a person who is, in relation to CREST, a system member (as defined in the Regulations)

“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No.01/3755), as amended
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member
“CREST Transfer Form”	has the same meaning as in the CREST Manual
“Dealing Day”	any day on which the London Stock Exchange is open for business in the trading of securities admitted to AIM
“EU”	the union of countries established by the Treaty on European Union dated 7 February 1992 (the Maastricht Treaty) as amended by the Treaty of Amsterdam dated 2 October 1997, the Treaty of Nice dated 26 February 2001 and as amended from time to time thereafter
“Euribor”	the Euro Interbank Offered Rate
“Euroclear”	Euroclear UK & Ireland Limited
“Ex-rights Date”	6 November 2009
“Excluded Territories”	Canada, Japan, Australia, New Zealand and the Republic of South Africa and any other jurisdiction where the extension or availability of the Rights Issue (and any transaction contemplated thereby) would breach any applicable law
“Existing Ordinary Shares”	the Ordinary Shares in the capital of the Company in issue as at the date of this document
“FSA”	the Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000
“Form of Proxy”	the form of proxy accompanying this document for use at the General Meeting
“Fully Paid Rights”	rights to acquire the New Ordinary Shares, fully paid
“General Meeting” or “GM”	the general meeting of the Company to be held at 10.00 a.m. on 5 November 2009, notice of which is set out at the end of this document
“Group”	Matica together with its subsidiary undertakings
“Hanson Westhouse”	Hanson Westhouse Limited which is authorised and regulated by the FSA
“Issue Price”	10 pence per New Ordinary Share
“ISIN”	the International Security Identification Number
“London Stock Exchange”	London Stock Exchange plc, or its successor
“Matica Americas”	Matica Americas LLC, a company incorporated in Minneapolis, United States in July 2008 and which is wholly owned by the Company
“Money Laundering Regulations”	the Money Laundering Regulations 2007

“member account ID”	the identification code or number attached to any member account in CREST
“Memorandum”	the memorandum of association of the Company
“New Ordinary Shares”	up to 35,219,856 new Ordinary Shares to be issued by the Company pursuant to the Rights Issue
“Nil Paid Rights”	rights to acquire New Ordinary Shares, nil paid
“NOMAD”	nominated adviser for the purposes of the AIM Rules
“Official List”	the Official List of the UKLA
“Ordinary Resolution”	the ordinary resolution to be proposed at the General Meeting granting the Directors authority to allot relevant securities
“Ordinary Shares” or “Shares”	the ordinary shares of 5 pence each in the capital of the Company
“Overseas Shareholders”	Qualifying Shareholders with registered addresses in, or who are citizens in, or residents of, countries other than in the UK
“participant ID”	the identification code of membership number used in CREST to identify a particular CREST member or other CREST participant
“Prospectus Rules”	the Prospectus Rules made by the FSA pursuant to Part VI of FSMA
“Provisional Allotment Letter”	the form of renounceable provisional allotment letter to be issued to Qualifying non-CREST Shareholders (other than, subject to certain exceptions, certain Overseas Shareholders as described in Part VI of this document) by the Company in respect of the Nil Paid Rights, pursuant to the Rights Issue
“Qualifying CREST Shareholder”	Qualifying Shareholders whose Ordinary Shares on the register of members of the Company on the Record Date are in uncertificated form
“Qualifying non-CREST Shareholder”	Qualifying Shareholders whose Ordinary Shares on the register of members of the Company on the Record Date are in certificated form
“Qualifying Shareholder”	holders of Ordinary Shares on the register of members of the Company at the Record Date
“Record Date”	5.00 p.m. on 2 November 2009
“Regulatory information Service” or “RIS”	one of the Regulatory Information Services authorised by the London Stock Exchange to receive, process and disseminate information in respect of AIM listed companies
“Resolution”	the Ordinary Resolution
“RGTS / RTGS”	real-time gross settlement system
“Rights Issue”	the proposed issue by way of rights of New Ordinary Shares to Qualifying Shareholders on the terms and subject to the conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, on the terms and subject to the conditions set out in this document and the Provisional Allotment Letters

“Shareholders” or “Ordinary Shareholders”	the holders from time to time of Ordinary Shares
“stock account”	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
“UKLA”	UK Listing Authority, which is the FSA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“uncertificated form” or “in uncertificated form”	recorded on the register of members as being held in uncertificated form in CREST and title to which, by virtue of the Regulations may be transferred by means of CREST
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“US Securities Act”	the United States Securities Act 1933, as amended

PART VIII

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Matica PLC (the "Company") will be held at 10.00 a.m. on Thursday 5 November 2009 at the offices of Hanson Westhouse Limited, One Angel Court, London EC2R 7HJ for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution (the "General Meeting").

Ordinary Resolution

1. THAT:
 - (a) the Directors be generally and unconditionally authorised pursuant to and in accordance with section 549 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £1,761,000;
 - (b) such authority (unless previously renewed, varied or revoked by the Company in general meeting) shall expire on the earlier of fifteen months from the date this resolution is passed and the conclusion of the annual general meeting of the Company to be held in 2010 and shall be in substitution for all previous authorities pursuant to the said section 549, which are hereby revoked, without prejudice to any allotment of securities pursuant thereto;
 - (c) by such authority the Directors may make offers or agreements which would or might require relevant securities to be allotted after the expiry of such period and the Directors may allot relevant securities pursuant to such offers or agreements as if the authority conferred in (a) above had not expired; and
 - (d) for the purpose of this resolution, words and expressions defined in or for the purposes of the said section 549 shall bear the same meanings herein.

By Order of the Board

Gary Holland
Executive Chairman

Registered No: 6001053

Registered Office:
31 Harley Street
London W1G 9QS

Date: 20 October 2009

Notes

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members entered on the register of members of the Company at 6.00 p.m. on 2 November 2009 or, in the event that this meeting is adjourned, in the register of members as at 6.00 p.m. on the day two days before the date of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their names at that time. Changes to the entries on the register of members by the close of business on 2 November 2009 or, in the event that this meeting is adjourned, in the register of members before the close of business on the day two days before the date of the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Appointment of proxies

As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Details of how to appoint the Chairman of the General Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.

If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.

Appointment of proxy using hard copy proxy form

The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to the Company's registrars, Capita Registrars Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and
- received by Capita Registrars Proxy Department no later than 48 hours before the time fixed for holding the General Meeting, or any adjournment thereof.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Registrars (Proxies).

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Registrars Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Capita Registrars Proxy Department no later than 48 hours before the time for holding the General Meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the General Meeting and voting in person. If you have appointed a proxy and attend the General Meeting in person, your proxy appointment will automatically be terminated.

Documents on Display

The Memorandum and current Articles of Association of the Company are available for inspection on any day (except Saturday, Sunday and bank holidays) up to and including the date of this General Meeting during usual business hours at the registered office of the Company and will, on the date of this General Meeting, be available for inspection at the General Meeting from 9 a.m. until the conclusion of the General Meeting.