

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. When considering what action you should take, you are recommended to seek your own personal financial advice from your stockbroker, solicitor, accountant, bank manager or other independent professional financial adviser authorised under the Financial Services Act 1986.

If you have sold or otherwise transferred all your Ordinary Shares in the capital of Transense Technologies plc, please send this document, together with the accompanying form of proxy, immediately to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.



Transense Technologies plc

(Incorporated and registered in England and Wales under No. 1885075)

PROPOSED BONUS ISSUE OF 3 ORDINARY SHARES FOR EVERY 1 ORDINARY SHARE HELD

NOTICE OF EXTRAORDINARY GENERAL MEETING

AND

INTERIM RESULTS

Your attention is drawn to the letter from the Chairman of Transense Technologies plc which is set out on pages 4 to 6 of Part I of this document and which recommends that you vote in favour of the Resolution to be proposed at the Extraordinary General Meeting referred to below.

Notice of the Extraordinary General Meeting of Transense Technologies plc to be held at 10.00 a.m. on 27 September 2001 at 66 Heyford Park, Upper Heyford, Bicester, Oxfordshire, OX25 5HD is set out at the end of this document. A form of proxy for use at the Extraordinary General Meeting is enclosed and, to be valid, should be completed in accordance with the instructions printed on it and returned by holders of Ordinary Shares as soon as possible but, in any event, so as to be received by the Company's registrars, Moorgate Registrars plc, Dukesmead House, 39 High Street, Chelmsford, Essex CM1 1DE, no later than 10.00 a.m. on 25 September 2001. Completion of a form of proxy will not preclude Shareholders from attending and voting at the Extraordinary General Meeting should they wish to do so.

Application will be made for the new Ordinary Shares of 10p each in the capital of Transense Technologies plc proposed to be issued pursuant to the Bonus Issue, to be admitted to trading on AIM. It is expected that such admission will become effective and that dealings in the Bonus Shares will commence on 4 October 2001.

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EXPECTED TIMETABLE OF EVENTS

Latest time and date for receipt of forms of proxy	10.00 a.m. on 25 September 2001
Extraordinary General Meeting	10.00 a.m. on 27 September 2001
Record date	close of business on 2 October 2001
Bonus Shares admitted to trading on AIM	4 October 2001
CREST accounts credited with Bonus Shares in uncertificated form	4 October 2001
Date for dispatch of new share certificates in respect of Bonus Shares in certificated form	by 9 October 2001

DEFINITIONS

In this document the following expressions shall have the following meanings, unless the context otherwise requires:

“Admission”	admission of the Bonus Shares to trading on AIM in accordance with the AIM Rules
“AIM”	Alternative Investment Market of the London Stock Exchange
“Board” or “Directors”	board of directors of Transense as at the date of this document
“Bonus Issue”	proposed issue of three additional new Ordinary Shares for each existing Ordinary Share held by each Shareholder on the Record Date
“Bonus Shares”	new Ordinary Shares to be issued pursuant to the Bonus Issue
“CREST”	relevant system (as defined in the Regulations) in respect of which CRESTCo Limited is the Operator (as defined in the Regulations) in accordance with which securities may be held and transferred in uncertificated form
“Extraordinary General Meeting” or “EGM”	extraordinary general meeting of Transense convened for 10.00 a.m. on 27 September 2001, notice of which is set out at the end of this document
“IPO Option”	the outstanding option to subscribe for Ordinary Shares granted in connection with the initial admission of the Ordinary Shares to trading on AIM
“London Stock Exchange”	London Stock Exchange plc
“Ordinary Shares”	ordinary shares of 10p each in the capital of the Company
“Record Date”	close of business on 2 October 2001, being the last time transfers of existing issued Ordinary Shares will be accepted for registration for participation in the Bonus Issue
“Regulations”	Uncertificated Securities Regulations 1995 (SI 95/3272)
“Resolution”	special resolution to be proposed at the EGM, as set out in the notice of EGM at the end of this document
“Shareholder” or “Shareholders”	holder or holders of Ordinary Shares
“Share Option Scheme”	The Transense Technologies plc Unapproved Discretionary Share Option Scheme
“Transense” or “the Company”	Transense Technologies plc

Part I

Letter from the Chairman

Transense Technologies plc

(Incorporated and registered in England and Wales under No. 1885075)

Directors

Sir Nicholas Dominic Cadbury (*Non-Executive Chairman*)
James Anthony Harold Perry (*Chief Executive*)
Graham Dudley Eves (*Commercial Director*)
Howard George Pearl (*Financial Director*)
Anthony Lonsdale (*Technology Director*)
Antony Brian Baldry (*Non-Executive Director*)
Peter Joseph Woods (*Non-Executive Director*)

Registered Office

36 Elder Street
London
E1 6BT

4 September 2001

To Shareholders and, for information only, to the holders of options under the Share Option Scheme

Dear Shareholder

PROPOSED BONUS ISSUE

1. Introduction

I am writing to give you details of your Board's proposal for a bonus issue of three Ordinary Shares, credited as fully paid, for each Ordinary Share held by a Shareholder on the Record Date. I also draw your attention to Part II on pages 7 to 10 of this document which sets out the interim results for Transense for the six months to 30 June 2001, announced today.

Your Board believes that by increasing the number of Ordinary Shares in issue by way of a bonus issue and thereby reducing the market price of each share, the Company should enhance the marketability of its shares, which in turn should improve liquidity and further broaden the shareholder base. Accordingly, it is proposed to convene an Extraordinary General Meeting by the notice set out on pages 11 and 12 of this document, to be held at 10.00 a.m. on Thursday, 27 September 2001 to allow Shareholders to consider and, if thought appropriate, pass the Resolution required to implement the Bonus Issue.

If implemented, the Bonus Issue will be effected by capitalising approximately £3.7 million from the amount currently standing to the credit of the Company's share premium account, resulting in the issue of 37,261,047 Bonus Shares to Shareholders on the register on the Record Date (based on the issued share capital of the Company as at the date of this document).

Subject to the Resolution being passed, application will be made to the London Stock Exchange for the Bonus Shares to be admitted to trading on AIM. It is expected that trading in the Bonus Shares will commence on 4 October 2001. The Bonus Shares will rank in full for all dividends or other distributions declared, made or paid on the ordinary share capital of the Company after the date of issue and will otherwise rank *pari passu* in all respects with all other Ordinary Shares in issue as at the time of Admission.

If the Bonus Issue takes effect, outstanding options granted under the Share Option Scheme and both the aggregate and individual scheme limits will be adjusted to take account of the Bonus Issue. If this happens, the Directors will write to all holders of options under this scheme enclosing new option certificates and a revised copy of the Share Option Scheme rules which will reflect these adjustments. The outstanding IPO Option will also be similarly adjusted if the Bonus Issue takes effect.

At present the Share Option Scheme has been fully allocated apart from 100 shares. The Share Option Scheme is not tax efficient for the Company or option holders. Accordingly, in order to recruit and retain employees it is the intention of the Company to introduce an Inland Revenue qualifying Enterprise Management Incentive (“EMI”) Plan. The EMI options will initially be granted “parallel” to options already granted under the Share Option Scheme to avoid shareholder dilution. This means that to the extent that one option is exercised the corresponding option will lapse preventing further shareholder dilution.

2. Extraordinary General Meeting

The Bonus Issue is conditional upon the approval by Shareholders at the Extraordinary General Meeting of the Resolution, a summary of which is set out below.

2.1 Capitalisation of Share Premium Account

Paragraph (i) of the Resolution authorises the Directors to apply an amount standing to the credit of the Company’s share premium account equal to three times the aggregate nominal value of the Ordinary Shares in issue at the Record Date in paying up in full the Bonus Shares at par value for the purposes of the Bonus Issue.

2.2 Increase in Authorised Share Capital

At present the Company has insufficient authorised share capital to implement the Bonus Issue. Therefore, the Directors are seeking in paragraph (ii) of the Resolution to increase the Company’s authorised share capital from £2,500,000 to £7,000,000 of which approximately 29 per cent. would remain unissued immediately following implementation of the Bonus Issue (assuming no further Ordinary Shares are issued prior to implementation of the Bonus Issue).

2.3 Authority to allot shares

Paragraph (iii) of the Resolution gives authority to the Directors to allot the Bonus Shares and grant additional options under the Share Option Scheme and in respect of the IPO Option as a result of the Bonus Issue. It also gives general authority to the Directors, subject to the Bonus Issue taking effect, to allot relevant securities up to a nominal amount of £1,490,442 which shall represent approximately 30 per cent. of the Company’s issued share capital immediately following the Bonus Issue. This general authority (which is in line with the Association of British Insurers’ guidelines) will expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 15 months from the passing of the Resolution and will be in place of the general authority given at the Annual General Meeting held on 1 June 2001.

2.4 Disapplication of pre-emption rights

Paragraph (iv) of the Resolution disapplies the statutory pre-emption rights that would otherwise apply in respect of the additional options to be granted under the Share Option Scheme and in respect of the IPO Option as a result of the Bonus Issue. It also gives the Directors authority until the conclusion of the next Annual General Meeting of the Company or, if earlier, 15 months from the passing of the Resolution to make a rights issue or other pre-emptive offering to existing Shareholders (with the Directors being able to make exclusions or other arrangements necessary to deal with any fractional entitlements or legal or practical problems). In addition, subject to the Bonus Issue taking effect, this paragraph disapplies the statutory pre-emption rights in respect of the allotment of equity securities for cash up to an aggregate nominal value not exceeding £248,407 (which shall represent approximately 5 per cent. of the Company’s issued share capital immediately following the Bonus Issue). This authority is also in line with the Association of British Insurers’ guidelines and will be in place of the authority given at the Annual General Meeting held on 1 June 2001.

3. Terms of issue of the Bonus Shares

The Bonus Shares are not being marketed and will not be available in whole or in part to the public (other than to the existing Shareholders).

Where existing Ordinary Shares are held in certificated form on the Record Date, Shareholders will receive share certificates, which will be posted at the risk of Shareholders, in respect of their entitlement to Bonus Shares. Where Ordinary Shares are held in uncertificated form on the Record Date, the appropriate CREST accounts will be credited with Shareholders' entitlements to the Bonus Shares, save that the Company reserves the right to issue the Bonus Shares in certificated form in exceptional circumstances, for example in the event of any failure or breakdown of CREST.

No temporary or renounceable documents of title in respect of any Bonus Shares will be issued.

The Directors reserve the right to elect not to proceed with the Bonus Issue in the event of a change of circumstances such that, in the Directors' opinion, the Bonus Issue is no longer in the best interests of the Company and/or the Shareholders as a whole.

4. United Kingdom taxation

The following paragraphs, which are intended as a general guide only, are based on current UK legislation and UK Inland Revenue practice as at the date of this document. They summarise certain limited aspects of the UK taxation treatment of the Bonus Issue, and they relate only to the position of Shareholders who hold their shares beneficially as an investment (otherwise than under a personal equity plan or individual savings account) and who are resident, or in the case of individuals ordinarily resident, in the UK for taxation purposes.

For the purposes of United Kingdom taxation of capital gains, the Bonus Issue will be treated as a re-organisation of the Company's share capital. This means that the issue of the Bonus Shares will not itself give rise to any liability to tax and instead the Bonus Shares and existing Ordinary Shares will be treated as part of the same asset as the original Ordinary Shares. Any sale by Shareholders of some or all of their Bonus Shares will, however, constitute a disposal for the purposes of United Kingdom taxation of capital gains and may, depending on a Shareholder's individual circumstances, give rise to a tax liability.

The above comments are intended as a general guide to certain aspects of UK law and Inland Revenue practice. If you are in any doubt as to your tax position or are subject to taxation in any other jurisdiction you should consult an independent financial adviser.

5. Action to be taken

You will find enclosed with this document a form of proxy for use at the Extraordinary General Meeting. Whether or not you propose to attend the Extraordinary General Meeting in person, you are requested to complete the form of proxy and return it to the Company's registrars, Moorgate Registrars plc, Dukesmead House, 39 High Street, Chelmsford, Essex CM1 1DE, so as to arrive as soon as possible and in any event no later than 10.00 a.m. on 25 September 2001, being 48 hours before the time appointed for the EGM. The completion and return of the form of proxy will not preclude you from attending and voting at the Extraordinary General Meeting if you so wish.

6. Recommendation

Your Directors believe that the proposed Bonus Issue and the other matters to be dealt with at the Extraordinary General Meeting are in the best interests of the Company and Shareholders as a whole. Your Directors therefore unanimously recommend that you vote in favour of the Resolution as they intend to do in respect of their own beneficial and non-beneficial holdings of, in aggregate, 1,402,221 Ordinary Shares, representing approximately 11.3 per cent. of the current issued share capital of the Company.

Yours sincerely

Sir Dominic Cadbury
Chairman

Part II

Interim results

The following is the text of the interim results of the Company for the six months to 30 June 2001, announced earlier today.

Chairman's interim statement

The interim figures we report today, showing a loss of £529,000, are in line with market expectations and our budget and development plans.

Of particular significance to Transense in this period has been the signing of a worldwide licence with Société de Technologie Michelin, giving them exclusive rights to embed our SAW ("surface acoustic wave") sensor technology into automotive and aircraft tyres.

Along with SmarTire and 3DMI we have now signed licence agreements for our technology covering on-the-wheel, in-the-wheel and in-the-tyre applications. Opportunities continue to exist with other suppliers in the automotive industry for tyre pressure measurement.

As you will be aware, the driving force behind tyre pressure monitoring has been the recall of over 20 million Firestone tyres. This led to the American Government passing the TREAD Act which will require all new vehicles sold in the USA from November 2003 to be equipped with tyre pressure warning systems. We have read the first test results of the National Highway Traffic Safety Administration on existing and prototype systems already in the market which reinforces our belief that Transense's technology has the potential to become one of the world leaders in this application.

In addition, we have continued the development of products for potential licensees in other applications and have added to our small workforce to cater for the increased demands being put upon us. This includes two new physicists whose task is to shorten the lead-time needed in writing the software and electronic simulation packages required in developing our customers' applications.

As we increase our workforce and continue to file new patent applications to protect our technology, costs are expected to increase. As such, administrative expenses have increased from £388,000 in the six months to 30 June 2000 (before release of a long term provision) to £634,000 in the six months to 30 June 2001. Further one-off costs have been incurred in moving into larger premises on the same Upper Heyford site. These new premises will provide better facilities and room for expansion at a cost which compares favourably to that which we were paying previously. The expenditure is, however, in line with our projections and cash reserves remain satisfactory.

Your Board continues to work to ensure that risks are minimised with regard to the commercialisation of products exploiting Transense licences. To this end, we are working with appropriate parties to ensure that procedures are in place to enable all the necessary components and processes relating to licences to be developed in an appropriate manner and timeframe.

Given the level of economic uncertainty globally and in particular in the US, we are seeking to mitigate risks in production processes relating to products that exploit existing Transense licences, including working with and granting licences to additional and geographically diverse product manufacturers.

Transense has a range of interesting projects in development and, as soon as further licence agreements are signed, shareholders will be informed.

Sir Dominic Cadbury
Chairman

Consolidated Profit & Loss Account for the 6 months to 30 June 2001

	<i>6 months to 30 June 2000 £000</i>	<i>6 months to 30 June 2001 £000</i>
Turnover	6	43
Cost of sales	(3)	(2)
Gross profit	<u>3</u>	<u>41</u>
Administration expenses	(188)	(634)
Operating loss (including long term provision no longer required £nil (2000: £200,000))	(185)	(593)
Interest income	56	55
Loss on ordinary activities before taxation	<u>(129)</u>	<u>(538)</u>
Taxation	–	–
Loss on ordinary activities after taxation	<u>(129)</u>	<u>(538)</u>
Minority interest	–	9
Loss on ordinary activities after minority interest	<u>(129)</u>	<u>(529)</u>
Dividends	–	–
Loss per share: Basic	(1.2)p	(4.3)p
Fully diluted	(1.0)p	(4.1)p

Consolidated Balance Sheet at 30 June 2001

	<i>31 December 2000 £000</i>	<i>30 June 2001 £000</i>
Fixed assets	934	1,044
Current assets		
Debtors	187	198
Cash	1,746	1,771
	<u>1,933</u>	<u>1,969</u>
Current liabilities		
Creditors	43	21
Accruals	104	42
	<u>147</u>	<u>63</u>
Net current assets	<u>1,786</u>	<u>1,906</u>
Net assets	<u>2,720</u>	<u>2,950</u>
Capital and reserves		
Share capital	1,171	1,242
Share premium	3,443	4,132
Other capital reserve	5	5
Profit and loss account	(1,899)	(2,428)
Shareholders' funds	<u>2,720</u>	<u>2,951</u>
Minority interest	–	(1)
	<u>2,720</u>	<u>2,950</u>

Consolidated Cash Flow Statement for the 6 months to 30 June 2001

	<i>6 months to 30 June 2000 £000</i>	<i>6 months to 30 June 2001 £000</i>
Net cash outflow from operating activities	(658)	(662)
Returns on investments and servicing of finance	56	55
Capital expenditure and financial investment	(149)	(128)
Cash outflow before financing	(751)	(735)
Management of liquid resources		
Payments to short term deposits	(2,140)	(30)
Financing		
Issue of new ordinary shares	969	760
Decrease in cash in the period	(1,922)	(5)
Reconciliation of operating loss to net cash outflow from operating activities		
Operating loss	(185)	(593)
Depreciation and amortisation	18	26
(Increase)/decrease in debtors	10	(11)
Decrease in creditors	(301)	(84)
Decrease in provision for liabilities and charges	(200)	-
	(658)	(662)
Reconciliation of net cash flow to movement in net debt		
Decrease in cash in the period	(1,922)	(5)
Net funds at 1 January	1,928	26
Net funds at 30 June	6	21

In addition, at 30 June 2001 £1,750,000 of cash was held on short term deposit (31 December 2000: £1,720,000).

The interim figures for the six months ended 30 June 2001 have been prepared on the basis of the accounting policies set out in the Annual Report and Accounts for the year ended 31 December 2000. The financial information contained in this interim report does not constitute statutory accounts within the meaning of Section 240 of the Companies Act.

The Balance Sheet reproduced in this interim report as at 31 December 2000 is extracted from the published accounts for the year ended on that date. These accounts were reported upon by BDO Stoy Hayward and delivered to the Registrar of Companies. The report of BDO Stoy Hayward was unqualified and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985.

Independent Review Report to Transense Technologies plc

Introduction

We have been instructed by the Company to review the financial information for the six months to 30 June 2001 set out in this interim report. We have read the information contained in the Chairman's interim statement in this report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

This interim report, including the financial information contained herein, is the responsibility of, and has been approved by, the Directors of the Company. The Directors are responsible for preparing the interim report and for ensuring that the accounting policies and presentation applied to the interim figures are consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

In the Cash Flow Statement within the Company's interim report for the six months ended 30 June 2000, cash deposits amounting to £2,140,000 were shown as part of cash funds. In this report they have been included in short term deposits to reflect more appropriately the nature of the deposit.

On the basis of our review, we are not aware of any material modifications that should be made to the financial information as presented for the six months to 30 June 2001.

BDO Stoy Hayward
Chartered Accountants

Bromley, Kent BR1 3WA

4 September 2001

Transense Technologies plc

(Incorporated and registered in England and Wales under No. 1885075)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at 10.00 a.m. on 27 September 2001 at 66 Heyford Park, Upper Heyford, Bicester, Oxfordshire, OX25 5HD for the purposes of considering and, if thought appropriate, passing the following resolution as a Special resolution.

SPECIAL RESOLUTION

THAT:–

- (i) pursuant to the Articles of Association of the Company, sanction be and is hereby given to the Directors to capitalise an amount standing to the credit of the Company's share premium account equal to three times the aggregate nominal value of the ordinary shares of 10p each in the capital of the Company (the "Ordinary Shares") in issue at close of business on 2 October 2001 (the "Record Date") and accordingly that the Directors be authorised and directed to appropriate such sum to the members who are, at the Record Date, registered as the holders of the issued Ordinary Shares in the same proportions in which such sum would have been divisible amongst them if it were distributed by way of dividend and to apply such sum on their behalf in paying up in full new Ordinary Shares of 10p each (the "Bonus Shares") and to allot such shares credited as fully paid to those members in the proportion of three new Bonus Shares for each existing Ordinary Share held on such date and so that such new Bonus Shares shall rank in full for all dividends or other distributions declared, made or paid on the ordinary share capital of the Company after their date of issue and shall otherwise rank *pari passu* in all respects with the existing Ordinary Shares;
- (ii) the authorised share capital of the Company be increased from £2,500,000 to £7,000,000 by the creation of an additional 45,000,000 new ordinary shares of 10p each in the capital of the Company;
- (iii) the Directors be and they are generally and unconditionally authorised to exercise all or any powers of the Company to allot:
 - (a) relevant securities (within the meaning of Section 80(2) of the Companies Act 1985 (the "Act")) up to an aggregate nominal amount of £4,011,810 in connection with the Bonus Issue and the adjustments to the outstanding options over Ordinary Shares under the Transense Technologies plc Unapproved Discretionary Share Option Scheme (the "Share Option Scheme") and to the outstanding option over Ordinary Shares granted in connection with the initial admission of the Ordinary Shares to trading on AIM (the "IPO Option") as such adjustments are required to be made as a result of the allotment of the Bonus Shares as envisaged by paragraph (i) above; and
 - (b) subject to the allotment of Bonus Shares as envisaged by paragraph (i) above, relevant securities (as so defined) up to an aggregate nominal amount of £1,490,442, which authority shall, if it takes effect, be in substitution for all existing and similar unexercised authorities (other than as set out in this paragraph (iii))

provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 15 months from the passing of this resolution save that the Company may before the expiry of such period make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the Directors may allot relevant securities in pursuance of that offer or agreement as if the authority conferred by this paragraph (iii) had not expired;

- (iv) the Directors be and they are generally authorised and empowered pursuant to Section 95 of the Act to allot equity securities (as defined in Sections 94(2) and 94(3) of the Act) for cash, pursuant to the authority conferred on them to allot relevant securities (as defined in Section 80 of the Act) by paragraph (iii) above, as if Section 89(1) of the Act did not apply to any such allotment provided that

the power conferred by this resolution, unless previously revoked or varied by special resolution of the Company in general meeting, shall be limited to:

- (a) the allotment of equity securities having an aggregate nominal value not exceeding £285,705 in connection with the adjustments to be made to the outstanding options over Ordinary Shares under the Share Option Scheme and to the IPO Option required to be made as a result of the allotment of Bonus Shares as envisaged by paragraph (i) above;
- (b) the allotment of equity securities in connection with a rights issue or other pre-emptive offering in favour of the holders of Ordinary Shares where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any regulatory body or stock exchange in any territory; and
- (c) subject to the allotment of Bonus Shares as envisaged by paragraph (i) above, the allotment (otherwise than pursuant to sub-paragraphs (a) and (b) above) of equity securities up to an aggregate nominal value not exceeding £248,407 which authority shall, if it takes effect, be in substitution for all existing and unexercised similar authorities (other than as set out in this paragraph (iv))

and this power shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 15 months from the passing of this resolution, save that the Company may before the expiry of such period make an offer or enter into an agreement which would or might require relevant securities of the Company to be allotted after expiry of this authority and the Directors may allot relevant securities pursuant to any such offer or agreement as if the relevant authority conferred by this resolution had not expired.

By Order of the Board of Directors

Watlington Securities Limited
Company Secretaries

4 September 2001

Registered Office:
36 Elder Street
London
E1 6BT

Notes:

1. A member of the Company entitled to attend and vote at the above meeting may appoint one or more proxies to attend and (on a poll) vote instead of him. A proxy need not also be a member of the Company.
2. A form of proxy is enclosed and, to be valid, must be completed and lodged (together with a power of attorney or other written authority (if any) under which it is signed or a notarially certified copy of such power or written authority) at the offices of the Company's registrars, Moorgate Registrars plc, Dukesmead House, 39 High Street, Chelmsford, Essex CM1 1DE by hand, or sent by post, so as to be received no later than 10.00 a.m. on 25 September 2001 (or not less than 48 hours before the time fixed for any adjournment of the EGM).
3. Completion and return of a form of proxy does not preclude a member from attending and voting at the meeting in person should he so wish.
4. In the case of a corporation, the form of proxy must be expressed to be executed by the corporation and must be signed by a director and the secretary or by two directors or under common seal or the hand of a duly authorised officer or attorney.
5. In the case of joint holders, the vote of the senior holder tendering a vote will be accepted to the exclusion of the votes of the other joint holders. Seniority depends on the order in which the names stand in the register of members.
6. In accordance with Regulation 34 of the Uncertificated Securities Regulations 1995, the Company specifies that only those members entered in the Company's register of members at 10.00 a.m. on 25 September 2001 will be entitled to attend or vote at the meeting in respect of the number of Ordinary Shares in the capital of the Company registered in their name at that time. Changes to the entries on the register after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.