



28 May 2003

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For the attention of the Nominated Advisers/ finance directors/ company secretaries, all AIM companies

AIM06

STOCK EXCHANGE AIM NOTICE

AIM RULES – MAY 2003 UPDATE

Introduction

1. The Exchange has made a number of changes to the existing AIM Rules, which will come into effect on 28 May 2003. We consulted the market about these amendments in April 2003 and we would like to thank all those who responded.

Summary of New Rules

2. The changes which have been made are:
 - the introduction of AIM Designated Markets, a stream-lined admissions procedure for companies that are already quoted on other major international markets “designated” by the Exchange (further details contained below);
 - an amendment to the definition of “related party” so that common interests of directors where they can exercise certain significant voting rights are to be aggregated when applying the tests to determine what constitutes a related party;
 - the clarification of the definition of “consideration” contained in the consideration test to confirm that this may require the inclusion of further amounts such as the repayment of inter-company or third party debt;
 - standardisation of the definition of “applicable employee” to capture any employee in possession of price sensitive information irrespective of their holding or interest (in line with practice on the Official List of the UKLA); and
 - an amendment to Rule 13 to clarify that, in line with current practice, any one of the criteria may constitute a reverse.

AIM Designated Markets

3. The proposal to extend the attractiveness of AIM to overseas companies by providing an expedited route to admission for those issuers on AIM Designated Markets was widely supported by the market. Following the consultation, we have made a number of amendments to the draft rules to accommodate market comments and to provide further clarification where necessary. We would like to draw your attention to the following:

- **Supplement to Schedule One (part k)**

We have amended the proposed requirement whereby a quoted applicant must disclose accounts, which must not have been signed off more than 60 days before the date of admission. A quoted applicant is now required to disclose accounts, which must have a financial year-end not more than nine months prior to admission to AIM.

- **Acceptable Accounting Standards**

An applicant must provide accounts which have been prepared according to UK or US GAAP or International Accounting Standards. However a reconciliation to these standards may be presented where the accounts are not prepared accordingly.

4. The Exchange has confirmed the AIM Designated Markets as consulted upon. The list of markets can be viewed at www.londonstockexchange.com/aim/rules.

Rules

5. The May 2003 rules are available to download from our website: www.londonstockexchange.com/aim/rules. Hardcopies of the AIM Rules will be available shortly.
6. If you have any queries on the AIM Rules or would like further information on the rule changes please contact Gillian Watson at gwatson@londonstockexchange.com or by telephone 020 7797 2026.

Simon Brickles
Head of AIM