



London
STOCK EXCHANGE

31 August 2006

10 Paternoster Square
London EC4M 7LS
Telephone +44 (0)20 7797 1000

www.londonstockexchange.com

**For the attention of the Nominated Advisers/ Finance
Directors/ Company Secretaries, all AIM Companies**

AIM23

STOCK EXCHANGE AIM NOTICE

AIM RULES – UPDATE TO AIM NOTICE 22

1. Introduction

On the 22 August 2006 the Exchange issued AIM Notice 22 ('AIM22') in relation to acceptable accounting standards for AIM companies. AIM22 confirmed changes to the AIM Rules, detailed acceptable accounting standards for EEA and non-EEA companies and sets out the transitional arrangements. The changes added Australian IFRS and Canadian GAAP to the list of acceptable accounting standards for AIM companies but otherwise preserved the status quo.

Further to AIM22 the Exchange wishes to clarify its position in relation to the European Commission's Proposals regarding accounting equivalence.

2. The European Commission Proposals

The European Commission has been looking at the area of 'equivalence' with regards to third country issuers of securities who prepare accounting standards in a form other than International Financial Reporting Standards ('IFRS'). In July 2006, the Commission published proposals that, if adopted, would have the effect of moving the date of the determination of equivalence of local GAAPs with IFRS for a transitional period until 2009. These proposals are expected to be voted on by EU Member States and the European Parliament by the end of 2006.

The Exchange will continue to closely monitor the European Commission's proposals and review the accounting standards acceptable to AIM as these develop. Consequently a wider range of Generally Accepted Accounting Principles ('GAAPs') may be permissible in future on AIM, at least until the end of any further transitional period in 2009.

The Exchange will continue to update the market as these proposals develop.

3. Queries and contacts

If you are an AIM company wishing to understand further the implications of this Notice, please contact your Nominated Adviser. Nominated adviser queries should be addressed to: aimregulation@londonstockexchange.com

Ray Knowles
Manager, AIM Regulation