



London
STOCK EXCHANGE

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

AIM25

STOCK EXCHANGE AIM NOTICE

CHANGES TO THE DISCLOSURE OF SIGNIFICANT SHAREHOLDERS

1. INTRODUCTION

This Notice outlines forthcoming changes to the way in which most AIM companies will need to disclose significant shareholdings.

The changes are required as a result of the implementation of the EU Transparency Directive via the Financial Services Authority ("FSA") Disclosure Rules, which will be renamed the Disclosure and Transparency Rules ("DTR").

Currently AIM companies disclose relevant changes to significant shareholders under the provisions set out in Rule 17 of the AIM Rules for Companies ("Rule 17") which is broadly based on the current Companies Act 1985 ("Companies Act").

From 20 January 2007, the Companies Act provisions will be replaced and extended by a new Chapter 5 of the DTR. These provisions will replace those currently contained in Rule 17 for most AIM companies.

2. PURPOSE OF THIS NOTICE

This Notice provides information on the transitional provisions of the DTR that will affect AIM companies and advises that some consequential changes to the AIM Rules for Companies will be required, which will be the subject of a future AIM Notice.

Many AIM companies will have to make a specific announcement to the market before the end of 2006 as a result of these transitional provisions.

Please note that this Notice does not deal with the impact of the new rules on significant shareholders of those AIM companies that come within the DTR. The DTR will change how shareholders should notify a company of significant holdings and shareholders are therefore recommended to take advice on their obligations.

3. SCOPE OF THE DTR IN RELATION TO AIM COMPANIES

The rules relating to the acquisition or disposal of major shareholdings contained in Chapter 5 of the new DTR will apply to AIM companies incorporated under the Companies Act or which are incorporated and have their principal place of business in Great Britain.

To determine whether the DTR applies to individual AIM companies, reference should be made to the definition of “issuer” which is contained in the current draft of the DTR available at the following link.

We understand that the final DTR will be available from 22 December 2006.

http://www.fsa.gov.uk/pages/Library/Policy/Policy/2006/06_11.shtml

The principles of disclosure of major shareholdings contained in the DTR are broadly similar to those that are already contained in the AIM Rules for Companies, however the detailed provisions relating to those disclosures are different and reference should therefore be made to the DTR.

All AIM companies not affected by the DTR must continue to follow the existing provisions of Rule 17.

4. DTR TRANSITIONAL PROVISIONS

All AIM companies coming within the scope of the DTR are required to comply with the following transitional provisions. Please note, however, this is only a summary of the most immediate transitional provisions and each affected AIM company should review the DTR in full and take appropriate advice in order to ensure its compliance:

- (a) by no later than **31 December 2006**, each affected AIM company must make public the total number of voting rights in respect of each class of share in issue and which is admitted to trading on AIM (or another UK prescribed market or a regulated market) and it must also distinguish the number of voting rights attaching to any shares held by the company in treasury.

The Exchange suggests that this is achieved by a notification via the company’s Regulatory Information Service and recommends notification at the earliest opportunity.

In particular, please note that Regulatory Information Services (such as RNS) are not required to release announcements after 13:30 on 29 December 2006. After this time, no further announcements are required to be released until 07:00 on 2 January 2007.

- (b) such AIM companies will then be required to make public any subsequent alteration to that total number of voting rights and to voting rights attaching to treasury shares occurring between the date on which the disclosure in paragraph (a) above is made and **20 January 2007**.

5. CONSEQUENTIAL AIM RULE CHANGES

The Exchange will publish a further AIM Notice confirming the consequential changes to the AIM Rules for Companies necessary to take account of the DTR, following finalisation of the DTR by the FSA.

In particular, these changes will require all AIM companies coming within the DTR to comply with those rules in respect of significant shareholder notifications, and not the AIM Rules for Companies.

However, it is expected that the existing regime set out in Rule 17 in relation to the notifying of “relevant changes” in “significant shareholders” will be retained for AIM companies that do not come within the scope of the DTR.

6. **QUERIES ON THIS NOTICE**

Any queries or waiver requests in relation to the DTR itself must be addressed to the FSA. Contact details for the FSA are included within the Chapter 1A of the DTR and are (as at the date of this Notice):

Christian Krohn
telephone: 020 7066 5882
fax: 020 7066 5883
e-mail: cp06_04@fsa.gov.uk

AIM companies that have queries relating to this Notice should contact their Nominated Adviser.

Nominated Advisers that have queries about matters relating to the AIM Rules for Companies should contact: aimregulation@londonstockexchange.com.

Ray Knowles
Manager, AIM Regulation