

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about its contents you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

The Directors of York Pharma plc, whose names appear on page 4 of this document, accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the rules for AIM published by the London Stock Exchange plc ("AIM Rules"). To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. In connection with this document and/or the invitation contained in it, no person is authorised to give any information or make any representation other than contained in this document.

Application has been made for the Existing Ordinary Shares, the Placing Shares and the Warrants to be admitted to trading on the AIM market of the London Stock Exchange plc ("AIM"). AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks in investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the United Kingdom Listing Authority nor the London Stock Exchange plc have examined or approved the contents of this document. It is expected that trading in the Existing Ordinary Shares, the Placing Shares and the Warrants will commence on AIM on 26 April 2004.

A copy of this document, which comprises a prospectus drawn up in accordance with the Public Offers of Securities Regulations 1995, as amended, (the "POS Regulations") has been delivered to the Registrar of Companies in England and Wales for registration in accordance with regulation 4(2) of the POS Regulations.

YOUR ATTENTION IS DRAWN TO THE RISK FACTORS SET OUT IN PART I OF THIS DOCUMENT.

York Pharma plc

(Registered in England and Wales with registered number 04466213)

**Placing of 4,000,000 Placing Shares at 25p per share
together with one Warrant for every four Placing Shares
incorporating an Offer for Subscription
to shareholders and warrant holders of Westside Acquisitions plc
of 600,000 Offer Shares at 25p per share
together with one Warrant for every four Offer Shares**

Admission to trading on the Alternative Investment Market

Nominated Adviser:

Daniel Stewart & Company PLC

Broker:

JM Finn & Co.

Daniel Stewart & Company PLC, which is authorised and regulated by The Financial Services Authority, is acting as nominated adviser to the Company in connection with the proposed admission of the Existing Ordinary Shares, the Placing Shares and the Warrants to trading on AIM. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange plc and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire Ordinary Shares or Warrants in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by Daniel Stewart & Company PLC as to any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued). Daniel Stewart & Company PLC will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document or for advising them on the contents of this document or any other matter.

JM Finn & Co., which is authorised and regulated by The Financial Services Authority, is acting as broker to the Company in connection with the proposed admission of the Existing Ordinary Shares, the Placing Shares and the Warrants to trading on AIM. JM Finn & Co. will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document nor for advising them on the contents of this document or any other matter.

The Placing Shares (including the Offer Shares) and the Warrants have not been, nor will they be, registered under the United States Securities Act of 1933 (as amended). Accordingly, such shares and warrants may not be offered, sold, renounced, taken up or delivered, directly or indirectly, in or into the United States.

The Offer for Subscription is being made to Qualifying Stockholders only, being shareholders or warrant holders of Westside Acquisitions plc on the respective registers of Westside Acquisitions plc on 24 March 2004. The procedure for application is set out in Part V of this document. To be valid, Application Forms must be completed and returned with the appropriate remittance by post or by hand (during normal business hours) to Capita IRG plc, Corporate Actions, PO Box 166, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TH, as soon as possible and in any event so as to be received not later than 12.00 noon on 22 April 2004.

CONTENTS

| | <i>Page</i> |
|---|-------------|
| Admission Statistics | 3 |
| Expected timetable of principal events | 3 |
| Directors and advisers | 4 |
| Definitions | 5 |
| Glossary of Terms | 7 |
| Part I Information on the Group | 9 |
| Part II Accountant's Report on the Company | 19 |
| Part III Pro forma Statement of Combined Net Assets of The Group | 24 |
| Part IV Additional Information | 26 |
| Part V Details of the Offer for Subscription | 45 |

ADMISSION STATISTICS

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| Issue Price | 25p |
| Number of new Ordinary Shares being issued pursuant to the Placing (which incorporates the Offer for Subscription) | 4,000,000 |
| Gross proceeds of the Placing and the Offer for Subscription receivable by the Company | £1,000,000 |
| Proportion of enlarged issued share capital being issued under the Placing (which incorporates the Offer for Subscription) | 44.4% |
| Number of Warrants being issued pursuant to the Placing and Offer for Subscription | 1,000,000 |
| Number of Ordinary Shares in issue at Admission | 9,000,000 |
| Number of Warrants in issue at Admission | 4,850,000 |
| Market capitalisation on Admission at the Issue Price | £2,250,000 |
| Estimated net proceeds of the Placing and the Offer for Subscription to be received by the Company (including VAT) | £735,000 |

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

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| Record Date for the Offer for Subscription | 24 March 2004 |
| Date of this document | 7 April 2004 |
| Latest time and date for the receipt of Application Forms and payment in full under the Offer for Subscription | 12 noon on 22 April 2004 |
| Admission and dealings commence in the Ordinary Shares and Warrants on AIM | 26 April 2004 |
| CREST accounts credited by | 8.00 a.m. 26 April 2004 |
| Despatch of definitive share certificates and warrant certificates by | 30 April 2004 |

DIRECTORS AND ADVISERS

| | |
|-----------------------------------|--|
| Directors: | Geoffrey Simmonds <i>Non-Executive Chairman</i> Terence Ian Sadler <i>Chief Executive</i> Lothar Nau <i>Chief Operating Officer</i> Ian Harvey <i>Finance Director</i> Norman Freedman <i>Non-Executive Director</i> |
| Company Secretary: | Sue Jessie Keast |
| Registered Office: | 58-60 Berners Street London W1T 3JS |
| Nominated Adviser: | Daniel Stewart & Company PLC 48 Bishopsgate London EC2N 4AJ |
| Broker: | JM Finn & Co. Salisbury House London Wall London EC2M 5TA |
| Auditors: | BDO Stoy Hayward LLP 8 Baker Street London W1M 1DA |
| Reporting Accountants: | Jeffreys Henry Finsgate 5-7 Cranwood Street London EC1V 9EE |
| Solicitors to the Company: | Finers Stephens Innocent 179 Great Portland Street London W1W 5LS |
| Solicitors to the Placing: | Charles Russell 8-10 New Fetter Lane London EC4A 1RS |
| Financial PR: | Bankside St Mary Abchurch House 123 Cannon Street London EC4N 5AU |
| Registrars: | Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU |
| Receiving Agents: | Capita IRG Plc Corporate Actions P.O. Box 166 The Registry 34 Beckenham Road Beckenham Kent BR3 4TH |
| Bankers | Barclays Bank Plc 99 Hatton Garden London EC1N 8DN |

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

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| “Act” | the Companies Act 1985 (as amended) |
| “Admission” | the effective admission to trading on AIM of the Existing Ordinary Shares, the Placing Shares (which include the Offer Shares) and the Warrants |
| “AIM” | a market operated by the London Stock Exchange |
| “AIM Rules” | the rules for AIM published by the London Stock Exchange |
| “Application Form(s)” | the application form(s) accompanying this document for use by Qualifying Stockholders in connection with the Offer for Subscription |
| “Articles” | the articles of association of the Company |
| “Bafus” | BaFuS Marketing GmbH |
| “Board” or “Directors” | the directors of the Company as at the date of this document |
| “Company” or “York” | York Pharma plc |
| “CREST” | the computerised settlement system to facilitate the transfer of title of shares in uncertificated form, operated by CRESTCo Limited |
| “Daniel Stewart” | Daniel Stewart & Company PLC, nominated adviser to the Company |
| “Existing Ordinary Shares” | the 5,000,000 existing issued Ordinary Shares |
| “FSA” | The Financial Services Authority |
| “Group” | the Company and its subsidiaries from time to time |
| “Issue Price” | 25p per Placing Share (and per Offer Share) |
| “JM Finn” | JM Finn & Co., the Company’s broker |
| “London Stock Exchange” | London Stock Exchange plc |
| “Offer Shares” | 600,000 new Ordinary Shares to be made available to Qualifying Stockholders under the terms of the Offer for Subscription, which represent a part of the Placing Shares |
| “Offer for Subscription” or “Offer” | the conditional invitation from JM Finn, on behalf of the Company, to Qualifying Stockholders to apply for Offer Shares at the Issue Price, together with the related Warrants, on the terms and conditions set out in Part V of this document and in the accompanying Application Form |
| “Official List” | the official list of the UK Listing Authority |
| “Ordinary Shares” | ordinary shares of 5p each in the capital of the Company |
| “Overseas Stockholders” | certain overseas shareholders and overseas warrant holders on the registers of Westside on the Record Date to whom Application Forms will not be sent as described in Part V of this document |
| “Panel” | The Panel on Takeover and Mergers |

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| “Placing” | the conditional placing by JM Finn on behalf of the Company of the Placing Shares subject to claw back to satisfy valid applications under the Offer for Subscription at the Issue Price, together with the related Warrants, pursuant to the Placing Agreement as described in this document |
| “Placing Agreement” | the conditional agreement dated 7 April 2004 between the Company (1) the Directors (2) RTI (3) JM Finn (4) and Daniel Stewart (5) relating to the Placing and the Offer for Subscription, details of which are set out in paragraph 7 of Part IV of this document |
| “Placing Shares” | 4,000,000 new Ordinary Shares to be issued in connection with the Placing which incorporates the terms of the Offer for Subscription and therefore includes the Offer Shares |
| “POS Regulations” | the Public Offers of Securities Regulations 1995, as amended |
| “Qualifying Stockholders” | shareholders and warrant holders of Westside on the respective registers of Westside on the Record Date, other than Overseas Stockholders |
| “Record Date” | 24 March 2004 |
| “RTI” | Reverse Take-Over Investments plc |
| “Shareholders” | holders of Existing Ordinary Shares |
| “Subsidiary” | York Pharma (UK) Limited, a wholly owned subsidiary of the Company |
| “UK” or “United Kingdom” | the United Kingdom of Great Britain and Northern Ireland |
| “UK Listing Authority” | the United Kingdom Listing Authority, being the FSA, acting in its capacity as the competent authority for the purposes of the Financial Services and Markets Act 2000 |
| “Unapproved Share Option Scheme” | the Company’s unapproved share option scheme, details of which are set out in Part IV of this document |
| “Westside” | Westside Acquisitions plc |
| “Warrant Instrument” | the warrant instrument of the Company dated 16 February 2004 and as amended on 22 March 2004 by an extraordinary resolution of the warrant holders, constituting the Warrants |
| “Warrants” | 6,000,000 warrants to subscribe for new Ordinary Shares at 50p per new Ordinary Share, of which 1,000,000 warrants are to be issued pursuant to the Placing and Offer for Subscription (as appropriate) and 150,000 warrants are to be issued to each of Daniel Stewart and JM Finn together with the 3,550,000 existing warrants to subscribe for new Ordinary Shares in issue at the date of this document, further details of which are set out in Part IV of this document |

GLOSSARY OF TERMS

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|--------------------------------|---|
| “Abafungin” | The pharmaceutically active compound BAY W6341 |
| “AbasoI™” | The trademarked name for Abafungin |
| “2-aminothiazole derivatives” | A class of synthetic chemical compounds related by the possession of a heterocyclic thiazole ring linked in the 2-position to a substituted amine group. |
| “antibacterial agent” | A drug which destroys or prevents the growth of bacteria and is effective in eliminating, suppressing or preventing infections caused by pathogenic bacteria. |
| “antifungal agent” | A drug which destroys or prevents the growth of fungi and is effective in eliminating, suppressing or preventing fungal infections. Synonymous with “antimycotic agent”. |
| “branded prescription product” | A product dispensed or supplied by a pharmacist under a doctor’s prescription which specifies the brand name that has to be dispensed or supplied. |
| “ <i>Candida</i> ” | Genus of yeast-like fungi. Some species, such as <i>Candida albicans</i> , are present in the upper respiratory tract, female genital tract and skin of healthy people, which can under certain predisposing conditions become pathogenic causing dermatitis, thrush, vulvovaginitis or chronic paronychia. |
| “dermatology” | The branch of medicine which deals with the skin and its diseases |
| “dermatomycoses” | A superficial infection of the skin, hair or nails by fungi. The term as broadly used in this document includes the various clinical forms of tinea (ringworm), as well as deep fungal infections. |
| “generic” | A pharmaceutical product, generally intended to be interchangeable with the original innovator product, which is usually manufactured without a licence from the innovator company and marketed after expiry of the patent or other exclusivity rights. |
| “Gram positive bacteria” | Bacteria which retain the crystal violet stain when treated by Gram’s method. They include species of <i>Streptococcus</i> and <i>Staphylococcus</i> which are important skin pathogens. |
| “IMS” | Intercontinental Medical Statistics |
| “indication” | A disease target for a drug |
| “marketing authorisation” | An official document issued by a government regulatory authority authorising the marketing or distribution of a pharmaceutical product |
| “MHRA” | Medicines and Healthcare products Regulatory Agency, a governmental body in the UK responsible for the registration and control of medicines and other healthcare products within the UK |
| “Phase I” | Preliminary evaluation in normal healthy subjects of the safety of a new medicine |
| “Phase II” | Controlled studies in a limited number of patients with the relevant disease state to confirm efficacy of a new medicine |

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| “Phase III” | Large scale clinical trials to demonstrate a product’s efficacy, safety and benefits prior to seeking marketing approval |
| “prescription only medicine” | A medicine that can be dispensed or sold by a pharmacist only under a doctor’s prescription |
| “price approval” | The process of applying to a governmental authority and the granting of a price (sometimes termed the “reimbursement price”) which a state-sponsored health service or public health insurance fund will repay to a dispensing pharmacist or to a patient in respect of a specific medicinal product. |
| “product line extension” | A new formulation of an existing marketed product in different strengths or pharmaceutical forms, or using alternative routes of administration |
| “regulatory approval” | The process of applying to a health ministry or its agency for approval of a new medicinal product or of a new variant or use for an existing product and the subsequent grant of a marketing authorisation. |

PART I

INFORMATION ON THE GROUP

OVERVIEW

York is a recently established pharmaceutical company which it is intended will market and supply branded prescription products to pharmaceutical wholesalers, hospitals and general practitioners within the area of dermatology. It currently has at its disposal certain patents and intellectual property in relation to a pharmaceutical product, Abafungin which is a patented novel new chemical entity intended for the prescription pharmaceutical market, which will be marketed as Abasol™.

The pharmaceutical and healthcare markets have benefited from strong growth throughout the last decade. The Directors believe that these markets will continue to grow as a result of increasing health consciousness and an increasingly ageing population. Within the prescription pharmaceutical market, there are many therapeutic areas, and an even greater number of sub segments, which the Directors believe hold little attraction for the larger pharmaceutical corporations. The Directors believe that this market segmentation offers the Group a significant opportunity to capitalise on novel, patented, branded prescription products, whilst also avoiding direct competition with larger multinational competitors.

The Directors' aim is that the Group should become a leading provider of high quality prescription products principally in Europe, the USA and Japan. It is also intended that the Group will expand through the development of subsidiary companies, often overseas, or by entering into exclusive distribution agreements with established pharmaceutical companies and distributors.

BACKGROUND

The Company was incorporated on 20 June 2002 as a wholly owned subsidiary of RTI. On 16 February 2004 the Company acquired the entire issued share capital of the Subsidiary, the consideration for which was the issue of new Ordinary Shares, credited as fully paid, and the grant of certain of the Warrants, further details of which are set out in paragraph 7 of Part IV of the document.

The Subsidiary was founded by the CEO of the Group in April 2003 to capitalise on the market opportunities created by the changing environment within both pharmaceutical markets and the pharmaceutical industry.

On 31 March 2004 the Company acquired the patents relating to Abafungin and entered into a licence agreement in relation to the associated know-how and clinical trials. The consideration payable for the acquisition of the Abafungin patents is the sum of €900,000, payable in three installments, together with the grant to the vendor of 1,000,000 Warrants. In addition under the terms of this agreement there are certain ongoing licence fees and royalty fees which may in certain circumstances become payable should the Company licence the patents or sub-licence the rights to use the know-how and clinical trials data. Further details regarding this acquisition and licence agreement are set out in paragraph 7 of Part IV of this document.

PHARMACEUTICAL INDUSTRY

Overall market

During a period of steady growth throughout the 1990s, the pharmaceutical industry, both within the UK and worldwide, has undergone a process of consolidation with several mergers between major pharmaceutical companies. This has resulted in widespread rationalisation, the adoption of lower risk product development strategies and divestment of non-core product portfolios. The Directors believe that it is such divestment that will assist the Group in building its product portfolio.

Sales of pharmaceutical products in the developed territories of the world for the 12 months ending October 2003 were US\$306 billion. Sales of dermatological products in the same territories, during the same period were US\$9.3 billion having grown 10 per cent. year on year since October 2002.

The Group will operate within this US\$9.3 billion market and initially within the topical antifungal sub-segment of this market which is valued at approximately US\$2.2 billion worldwide. The Directors believe that the dermatological market and its sub-segments offer scope for the Group to build a significant business.

Branded prescription market

The activities of the Group will be focused in the branded prescription pharmaceutical market. The barriers to market entry for prescription products remain substantial. Basic research and development, followed by Phases I, II and III of clinical testing, regulatory approval and price approval are all precursors to the free sale of a prescription pharmaceutical product to the medical profession. The total prescription market is segmented by both the therapeutic area and by sub segments within a therapeutic area. The major pharmaceutical companies traditionally operate in the larger therapeutic areas such as cardiovascular, central nervous system and cancer treatments.

The Directors believe that this market segmentation offers significant potential for its branded prescription products in the field of dermatology.

PRODUCT AND PATENT PORTFOLIO

The Group has recently acquired the patents to a pharmaceutical product, principally concentrated upon the dermatological therapeutic area. This product, Abafungin, is a totally new chemical entity, with a novel mode of action, offering features and benefits, which the Directors believe will give it a competitive advantage.

Abafungin was one of some two thousand 2-aminothiazole derivatives synthesised by a large European chemical pharmaceutical group, in a medicinal chemistry programme. The compounds were screened for numerous pharmacological activities, including antimicrobial effects. Antifungal and antibacterial activities were optimised in the compound designated as, BAY W6341, which was subsequently afforded the chemical name Abafungin.

The spectrum of antifungal activity of Abafungin proved to be wide, including yeasts. Laboratory testing demonstrated activity against *Candida* that was also superior to that of other anti-*Candidal* agents and is independent of inoculum size,

The antibacterial activity of Abafungin was also tested in the laboratory and has shown positive results. If this activity is replicated in humans, then Abafungin could have a useful advantage over other antifungal treatments particularly where there is mixed fungal/bacterial infections or superinfections. Abafungin can also penetrate the nail bed matrix and is therefore of potential value to treat fungal nail infections.

The Directors believe that likely indications for Abafungin are dermatomycoses and fungal infections of the nails. Other possible indications include vaginal candidiasis, vulvovaginitis (especially where bacteria are also implicated), dermatitis associated with various skin bacteria and possibly some forms of acne.

A further possible use is to aid skin re-generation in wound healing. There is some experimental evidence that Abafungin speeds up the restoration of the water barrier at the skin surface at the site of a lesion thereby aiding the healing process.

Abafungin has benefited from a full and comprehensive research and development programme by a major multinational, up to and including Phase III Clinical Studies. Over 3,000 patients have been treated with a topically applied cream formulation of Abafungin and the results demonstrated levels of activity, in some areas, significantly superior to currently marketed products.

York Pharma will now review all the data in its possession prior to the identification of any additional regulatory requirements and will proceed to file for marketing authorisations in Europe, USA and Japan. The first regulatory filing in Europe is anticipated in the second half of 2006.

CURRENT PROSPECTS

Within the prescription pharmaceutical market, there are many therapeutic areas and a greater number of sub segments which, the Directors believe, hold little attraction for the larger pharmaceutical corporation. It is

these therapeutic sub-segments which are attractive to companies such as York, where the Directors believe, market share and significant value can be generated without entering into direct competition with these larger pharmaceutical corporations. The Directors believe that this market segmentation offers the Group a significant opportunity to capitalise on novel, patented, branded prescription products, whilst also avoiding direct competition with larger multinational competitors.

Abafungin provides the Group with what the Directors believe may become a leading edge, novel branded patented pharmaceutical product with which the Group can build its business. With global rights to the Abafungin product for dermatological and pharmaceutical uses, the Group should be in a position to exploit the major pharmaceutical markets in Europe, the USA and Japan with this product. In addition the Directors will also seek licensees and strategic partners for the Abafungin derived products in those territories where the Group does not envisage having a direct presence.

The Directors believe that Abafungin is a new class of drug, with a new mechanism of action for treating infections caused by fungi and/or certain bacteria, which has a significant role to play in the management of fungal infections alone or when complicated by yeasts or bacteria.

The Directors will also continue to identify and evaluate product opportunities within the sphere of dermatology which, together with Abafungin, will in the opinion of the Directors create an international pharmaceuticals group with a focus which the Directors believe will benefit Shareholders.

COMPETITION

Within the branded prescription market the main competitors are the large multinational pharmaceutical companies such as Merck, GlaxoSmithKline, Pfizer, Novartis, Roche, Rhone-Poulenc Rorer and Astra Zeneca. The major pharmaceutical companies traditionally operate in the larger therapeutic areas such as cardiovascular, respiratory, pain and inflammation, central nervous system and cancer treatments, therefore they should not be direct competitors to York.

The Directors believe that the competitors in the dermatological market will be twofold; firstly the specialist divisions of the pharmaceutical majors, although these divisions are steadily disappearing or receiving less financial support and secondly, local specialist companies in each geographic domain. The Directors believe that there is an opportunity for York to become a global player focused on the field of dermatology, and that this creates a significant and identifiable business opportunity for the Group.

PRODUCT MANUFACTURE AND DISTRIBUTION

It is the intention of the Directors that the Group sub-contract the manufacture of its products. The Group's current production strategy will be to seek to minimise the production cost of goods manufactured, whilst maintaining product quality.

The Directors believe that outsourcing the activities of manufacturing and distribution should enable the Company to focus on the core activities of product identification, acquisition and development and commercialisation.

STRATEGY

The Directors intend for the Group to be marketing driven and will capture late stage or already marketed/approved products from a number of sources. These are broadly as follows:

- the acquisition and extension of products already approved in North America into the European arena;
- the acquisition of non-core products from other pharmaceutical companies; and
- the acquisition of products from specialist developers.

The Directors believe that these products will most likely require additional supportive clinical studies, formatting of regulatory data or minor development work to facilitate marketing approvals which can then

be exploited by selective and targeted marketing methods, whilst outsourcing non-marketing/commercial functions required for the Group's operations.

In addition to developing the Abafungin molecule, it is the Directors' current intention to acquire additional products if suitable opportunities should arise. The Directors believe that a number of factors, including the continued consolidation within the pharmaceutical industry resulting in the divestment of non-core product licences, will enable the Directors to implement the Group's licence acquisition strategy. In evaluating potential product licence acquisitions, the Directors will consider a number of criteria that include:

- the historic sales patterns and sales levels of the product licence;
- an appropriate rate of return;
- the potential to commercialise the product in new markets;
- the balance and constitution of the existing portfolio;
- the potential for product line extension;
- the opportunity to reduce the product cost; and
- the potential to increase the selling price.

It is the current intention of the Directors for the Group to remain focused on branded prescription products, within the sphere of dermatology.

REGULATORY ENVIRONMENT

York is subject to regulatory controls governing the supply and marketing of its products in the UK. The rules which govern applications for marketing authorisations for products for human use in the UK are set out in the Medicines Act 1968 which implements European Community Directives on licensing in the UK and is enforced by the Medical and Healthcare Products Regulatory Agency. Furthermore, individual member states and countries may seek to implement additional national legislation.

DIRECTORS

The directors of the Company are:

Geoffrey Simmonds (aged 61) *Non-Executive Chairman*, is currently Non-Executive Chairman of the Group and is chief executive officer of both Westside and RTI. He qualified as a Chartered Accountant in 1966. He has had extensive involvement and experience in corporate and strategic planning, acquisitions and finance. He holds various other private company directorships and was one of the founder shareholders and directors of United Trust & Credit Plc (now part of Carlisle Holdings Limited), UTC Trading Corporation Plc (subsequently renamed Hemingway Properties Plc) and Chelsea Flowers Plc (now part of Game Group Plc). Geoffrey will remain as Non-Executive Chairman of the Group during its initial development phase.

Terry Sadler (aged 56), *Chief Operating Officer*, founded the Subsidiary in April 2003. Prior to founding the Subsidiary, he was Chairman & Chief Executive of Bioglan Pharma Plc, a company which he also founded in 1985, floated in 1999, and built into a FTSE 250 multi-national company. He has over 30 years experience in the pharmaceutical industry with small, medium and multi-national companies, and has created pharmaceutical operating companies in many of the world's major pharmaceutical markets. Terry Sadler was awarded the accolade of United Kingdom Master Entrepreneur 2000. Further details regarding Bioglan Pharma Plc are set out in paragraph 4 of Part IV of this document.

Lothar Nau (aged 41), *Chief Operating Officer*, joined the Group in April 2004. Lothar is a German national with sixteen years experience in the pharmaceutical industry. Most recently he was Managing Director of Riemser Arzneimittel AG, responsible for the development of their dermatology and oncology business in Europe. Prior to that he was Managing Director of Bioglan Pharma GmbH, and also spent seven years in charge of the dermatology and dental care business units of Dumex GmbH, a subsidiary of the US Alpha Group.

Ian Harvey (aged 52), *Finance Director*, joined the Group in March 2004. Ian qualified as a Chartered Accountant with Thomson McLintock & Co. in 1973 and went on to become a Partner in BDO Stoy Hayward, where he worked for 17 years. Since leaving BDO he has chosen to hold a number of finance director positions in both private and public companies.

Norman Freedman (aged 65), *Non-Executive Director*, is a pharmacist who qualified in 1961 and developed a small group of pharmacies, which he sold in 1984. Norman then formed Rexodent Ltd, a company supplying the dental profession with materials, equipment and services. In 1990 Rexodent entered into a joint venture with Henry Schein Inc., the largest US and international dental distributor. Norman was also a council member of the British Dental Trade Association and the British Dental Health Foundation and has also served on a Medicines Control Agency committee.

DETAILS OF THE PLACING AND ADMISSION

JM Finn has agreed, pursuant to the Placing Agreement to use its reasonable endeavours to place conditionally, *inter alia*, on Admission, the Placing Shares together with one Warrant for every four Placing Shares. Under the terms of the Placing Agreement, 3,400,000 of the Placing Shares have been placed firm with institutional and other investors by JM Finn, as agent for the Company, at the Issue Price and 600,000 of the Placing Shares have been conditionally placed, subject to clawback to satisfy valid applications by Qualifying Stockholders under the Offer for Subscription. Further details of the Offer for Subscription are set out below.

Application has been made for the Existing Ordinary Shares, the Placing Shares (which incorporates the Offer Shares) and the Warrants to be traded on AIM. Dealings in the Existing Ordinary Shares, the Placing Shares (which incorporates the Offer Shares) and the related Warrants are expected to commence at 8.00 a.m. on 26 April 2004.

The Placing Shares and the Warrants will be placed free of expenses and the Placing Shares will rank equally in all respects with the Existing Ordinary Shares including in respect of all dividends and other distributions declared paid or made after the date of issue.

Further details of the Placing Agreement are set out in paragraph 7 of Part IV of this document.

DETAILS OF THE OFFER FOR SUBSCRIPTION

Participation By Shareholders And Warrantholders Of Westside

Westside, through its wholly owned subsidiary RTI, currently owns 2,000,000 Ordinary Shares and 450,000 Warrants in the Company. In April 2003 following a successful takeover, the entire share capital and all of the issued warrants in RTI were acquired by Westside. At the time of this acquisition, it was indicated to those of the shareholders and warrantholders of RTI who accepted the share or warrant alternative that, together with the shareholders and warrantholders of Westside, they would be offered a right to participate in any future public fundraisings of RTI subsidiaries where a prospectus which complies with the POS Regulations was published. Accordingly, Qualifying Stockholders are being offered up to 600,000 new Ordinary Shares under the Offer for Subscription, subject to the terms and conditions set out in this document and the Application Form.

APPLICATIONS, WHICH MUST BE FOR A MINIMUM OF 4,000 OFFER SHARES AND 1,000 WARRANTS AT A COST OF £1,000, MUST BE RECEIVED BY CAPITA IRG FROM QUALIFYING STOCKHOLDERS BY 12.00 NOON ON 22 APRIL 2004.

Details regarding the undertakings which have been given by Geoffrey Simmonds and Terry Sadler as shareholders and warrantholders in Westside and the undertakings given by the directors of both Westside and RTI in respect of the Offer for Subscription are set out in the paragraph headed "The Takeover Code" below.

JM Finn, as agent on behalf of the Company, is offering Qualifying Stockholders, the right to subscribe for up to 600,000 Offer Shares at the Issue Price together with 150,000 Warrants on the basis of one Warrant for every four Offer Shares, payable in full on application under the Offer for Subscription.

If the Offer for Subscription is over-subscribed, allocations of the Offer Shares will be scaled back at the discretion of JM Finn and the Company. Applications must be made on an Application Form accompanying this document and must be completed and returned by post or by hand to Capita IRG Plc, Corporate Actions, PO Box 166, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TH, as soon as possible and in any event to be received no later than 12.00 noon on 22 April 2004.

The Company and JM Finn reserve the right to reject, in whole or in part, or to scale down or limit any application for Offer Shares as they shall, in their absolute discretion, think fit.

The Offer Shares and the associated Warrants will be offered to Qualifying Stockholders free of expenses and the Offer Shares will rank equally in all respects with the Existing Ordinary Shares in issue, including all rights to receive dividends and other distributions declared paid or made after the date of issue.

The Offer for Subscription is conditional, *inter alia*, on the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms and on Admission.

For Qualifying Stockholders who request that Offer Shares and Warrants be issued in uncertificated form, it is expected, subject to the provision of the relevant information requested on the Application Form, that the Company's registrars will instruct CREST to credit the appropriate stock accounts of such persons with their entitlements to Offer Shares and related Warrants with effect from 26 April 2004.

In the case of Qualifying Stockholders wishing to hold Offer Shares and related Warrants in certificated form, definitive certificates for the Offer Shares and Warrants are expected to be despatched by post not later than 30 April 2004. Pending dispatch of the definitive share or warrant certificates, transfers of Offer Shares and Warrants will be certified against their respective registers. All documents or remittances sent by or to an applicant (or his/her agent, as appropriate) will be sent through the post at the risk of the person entitled thereto.

Further information on the Offer for Subscription, including the detailed procedure for acceptance and payment, which must be received by no later than 12.00 noon on 22 April 2004, is set out in Part V of this document and on the Application Forms. Your attention is also drawn to the summary of the principal terms of the Placing Agreement set out in paragraph 7 of Part IV of this document.

Dealings in the Placing Shares, the Offer Shares and the related Warrants are expected to commence on AIM at 8.00 a.m. on 26 April 2004.

PLACING AND USE OF THE PROCEEDS

The Company is seeking to raise £1,000,000 (before expenses) by way of the Placing, which incorporates the Offer for Subscription. The Placing Shares (which incorporate the Offer Shares) to be issued in connection therewith will represent approximately 44.4 per cent. of the issued share capital of the Company on Admission. The net proceeds of the Placing (which incorporates the Offer for Subscription) are expected to be approximately £735,000 and will be used by the Group as follows:

- to develop the Group's existing product through regulatory and development activities and product line extensions; and
- to fund the Group's working capital requirements for at least 12 months following Admission.

LOCK-INS AND ORDERLY MARKET ARRANGEMENTS

Terry Sadler and RTI have entered into lock-in undertakings under which they have undertaken to the Company, JM Finn and Daniel Stewart that they will not dispose of any interest in any Ordinary Shares or Warrants held by them or any interests arising therefrom for a period of twelve months from Admission

except in certain limited circumstances permitted by the AIM Rules. These lock-in undertakings also contain certain orderly market provisions for a further twelve months after the expiry of the lock-in period.

Arvest Privatbank AG will hold approximately 11.1 per cent. of the Ordinary Shares and 12.4 per cent. of the Warrants on Admission and has undertaken to the Company, JM Finn and Daniel Stewart that, save in limited circumstances, it will not dispose of any interest in any Ordinary Shares or Warrants held by it for a period of 12 months from Admission.

Bafus Marketing GmbH will hold approximately 20.6 per cent. of the Warrants on Admission and has undertaken to the Company, JM Finn and Daniel Stewart that, save in limited circumstances, it will not dispose of any interest in any of the Warrants held by it for a period of 12 months from Admission.

Further details of the Placing Agreement and the undertakings referred to above are set out in paragraph 7 of Part IV of this document.

THE TAKEOVER CODE

Under Rule 9 of the Code, where any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30 per cent. or more of the voting rights of a company, that person is normally required by the Panel to make a general offer to the shareholders of that company to acquire the balance of the equity share capital of the company at the highest price paid by him or any person acting in concert with him in the previous 12 months.

Rule 9 of the Code also provides, *inter alia*, that where any person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights of the company, acquires additional shares which carry voting rights, then, that person must normally make a general offer to the other shareholders to acquire the balance of the shares not held by that person at the highest price paid by him or any person acting in concert with him in the previous 12 months.

Terry Sadler has given an irrevocable undertaking to apply for 100,000 of the Offer Shares pursuant to the Offer which, when aggregated with his holding of Ordinary Shares on the date of this document, would result in him having a beneficial shareholding immediately following the Placing and the Offer representing a maximum of 23.3 per cent. of the issued share capital of the Company (assuming that the Offer is not oversubscribed and that Terry Sadler's application under the Offer is satisfied in whole). Terry Sadler currently holds 1,390,000 Warrants and 250,000 options issued pursuant to the Unapproved Share Option Scheme ("the Sadler Options") which, together with the maximum of 25,000 Warrants which could also be issued to him pursuant to his maximum allocation of 100,000 Offer Shares, if exercised in whole would result in Terry Sadler holding a maximum of 35.3 per cent. of the enlarged issued share capital of the Company. However the Panel has confirmed that Terry Sadler will not be obliged to make an offer for the whole of the issued or to be issued capital of the Company under Rule 9 of the Code as a result of the exercise of either the Warrants or the Sadler Options.

The Panel regards the directors of both Westside and RTI to be acting in concert with RTI for the purposes of the Code ("the Concert Party"). Geoffrey Simmonds has given an irrevocable undertaking to apply for 100,000 of the Offer Shares pursuant to the Offer and the other directors of Westside and RTI have given irrevocable undertakings to apply, in aggregate, for 450,000 of the Offer Shares pursuant to the Offer. The aggregate beneficial shareholdings of the Concert Party immediately following the Placing and the Offer will represent 28.3 per cent. of the issued share capital of the Company. However RTI currently holds 450,000 Warrants which, together with the maximum of 137,500 Warrants which could also be issued to the directors of both Westside and RTI pursuant to their maximum allocation of 550,000 Offer Shares, if exercised in whole would result in the Concert Party holding a maximum of 32.7 per cent. of the enlarged issued share capital of the Company. However the Panel has confirmed that the Concert Party will not be obliged to make an offer for the whole of the issued or to be issued capital of the Company under Rule 9 of the Code as a result of the exercise of these Warrants.

Further details concerning the shareholdings, warrants and options of RTI and Terry Sadler are set out in Part IV of this document.

DIVIDEND POLICY

The Directors intend to commence the payment of dividends only when it becomes commercially prudent to do so, having regard to the availability of the Company's distributable profits and the retention of funds required to finance future growth.

SHARE OPTION SCHEME

The Directors believe that the Company's success is highly dependent on the quality of its employees. To assist in the recruitment, retention and motivation of employees, an important part of the future remuneration strategy will be the ability to award equity incentives and in particular share options to employees. On 5 April 2004 the Company adopted the Unapproved Share Option Scheme pursuant to which options have been or may be granted to directors and employees of the Group, at a subscription price not less than the greater of the nominal value per Ordinary Share and the market value of an Ordinary Share at the time of grant, over an aggregate maximum of 10 per cent. of the Company's issued share capital from time to time. On Admission, options over a total of 660,000 Ordinary Shares have been granted under the terms of the Unapproved Share Option Scheme. Further details of the Unapproved Share Option Scheme and the option holders are set out in paragraphs 2, 3 and 9 of Part IV of this document.

CORPORATE GOVERNANCE

The Board recognises the importance of sound corporate governance and the Directors intend to ensure that, following Admission, the Company adopts policies and procedures which reflect the principles of Good Governance and Code of Best Practice as published by the Committee on Corporate Governance (commonly, known as "the Combined Code") as are appropriate to the Company's size on Admission.

The Company has established, conditional on Admission, an Audit Committee and a Remuneration Committee with formally delegated duties and responsibilities. The Audit Committee will consist of Geoffrey Simmonds, Ian Harvey and Norman Freedman. The Audit Committee will receive and review reports from management and the Group's auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee will have unrestricted access to the Group's auditors.

The Remuneration Committee, which will consist of Geoffrey Simmonds, Norman Freedman and Terry Sadler will review the scale and structure of the executive directors' and senior employees' remuneration and the terms of their service or employment contracts, including share option scheme and other bonus arrangements. The remuneration and terms and conditions of the non-executive Directors will be set by the entire board.

The Directors intend to comply with Rule 19 of the AIM Rules relating to directors' dealings as applicable to AIM companies and will also take all reasonable steps to ensure compliance by the Group's applicable employees.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The articles of association of the Company provide for the Directors to implement procedures that will permit the holding of Ordinary Shares and Warrants under the CREST system. The Company has applied for the Ordinary Shares and Warrants to be admitted to CREST and it is expected that they will be so admitted and accordingly enabled for settlement in CREST, as soon as practicable after Admission. CREST is a voluntary system and holders of Ordinary Shares and Warrants who wish to receive and retain share or warrant certificates will be able to do so. Subscribers for Ordinary Shares and Warrants under the Placing and the Offer for Subscription may, however, elect to receive their Ordinary Shares and Warrants in uncertificated form if, but only if, that person is a "system member" as defined in The Uncertificated Securities Regulations (2001) in relation to CREST. Further information is set out in the placing letters issued in connection with the Placing and in the Application Form. It is expected that share and warrant certificates, for those that wish to receive them, will be posted to persons

who subscribe for Ordinary Shares and Warrants pursuant to the Placing and Offer for Subscription by 30 April 2004.

RISK FACTORS

In addition to the other relevant information set out in this document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. The investment offered in this document may not be suitable for all of its recipients. If you are in any doubt about the action you should take, you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

Investment risk and AIM

Potential investors should be aware that the value of shares can go down as well as up and that an investment in a share which is to be traded on AIM may be less realisable and may carry a higher degree of risk than an investment in a share quoted on the Official List. The price which investors may realise for their holding of Ordinary Shares, and when they are able to do so, may be influenced by a large number of factors, some of which are specific to the Group and others of which are extraneous. It may be difficult for an investor to sell his or her Ordinary Shares and he or she may receive less than the amount paid by him or her for them. The Ordinary Shares may not be suitable for short-term investment.

Patent

Whilst the Company has undertaken searches to ascertain whether the manufacture and sale of Abafungin would infringe patents held by third parties, it is possible that a third party may have patents that could be infringed by such manufacture and sale. If there are any such patents this may inhibit the Company's ability to develop and exploit its own products unless the Company can obtain alternative technology or a licence under any such patents. There can be no assurance that the Company will be able to obtain any such technology or licence or that it will be able to do so on commercially reasonable terms.

Key Personnel

The Group is dependent on key members of staff and the loss of these key members for any reason could significantly affect the Company in the short to medium term. There is a risk that the Company may have difficulty in retaining or recruiting personnel with appropriate skills that are essential to the implementation of the Group strategy. It is the Directors intention to put in place key man insurance for Terry Sadler for up to £1,000,000 for a period of three years.

Product Supply

The Group will enter into agreements for the manufacture of pharmaceutical products with third party manufacturers that currently are licensed to manufacture and supply pharmaceutical products. Without formal manufacturing agreements in place for any of the Group's portfolio of products, it is possible that the supply of products could be interrupted or significantly reduced which would have a material adverse impact on the financial results and condition of the Group.

Product Liability

The Group is exposed to potential product liability, and professional indemnity and other risks, which are inherent in the research and development, pre-clinical studies, clinical trials, manufacturing, marketing and use of pharmaceutical products. No assurance can be made that product liability, clinical trials or any future necessary insurance cover will be available to the Group at an acceptable cost, if at all, or that if there is any claim the level of the insurance the Group will hold will be adequate or that a product liability, professional indemnity or other claim would not materially and adversely affect the Group. In addition, it may be necessary for the Group to secure certain levels of insurance as a condition to the conduct of clinical trials. In the event of any claim, the Group's insurance coverage may not be adequate.

Litigation

The Group may have to initiate litigation to enforce and protect its patent, licence and trade mark rights. If the Company's competitors file patent applications that claim technology also claimed by the Group, the Group may have to participate in interference or opposition proceedings to determine the priority of invention or ownership. An adverse outcome could subject the Group to significant liabilities and require the Group either to cease using a process, technology or trade mark or to pay licence fees. The Group could incur substantial costs in any litigation or other proceeding relating to patent and/or trade mark rights, even if resolved in the Group's favour.

Requirement for Further Funds

Further funds will be required to allow the Group to commercialise Abafungin and exploit new opportunities. This may be by way of the issue of further Ordinary Shares on a non pre-emptive basis.

The risks listed above do not necessarily comprise all those faced by the Group.

ADDITIONAL INFORMATION

Your attention is drawn to the information contained in the rest of this document.

PART II

ACCOUNTANT'S REPORT ON THE COMPANY

The Directors
York Pharma plc
58-60 Berners Street
London
W1T 3JS

The Partners
JM Finn & Co
Salisbury House
London Wall
London
EC2M 5TA

The Directors
Daniel Stewart & Company Plc
48 Bishopsgate
London
EC2N 4AJ

7 April 2004

Dear Sirs

York Pharma plc (“the Company”)
York Pharma (UK) Limited
York Pharma GmbH

We report on the financial information set out below. This information has been prepared for inclusion in the Admission Document dated 7 April 2004 in connection with the admission of the share capital and warrants of the Company to the Alternative Investment Market of the London Stock Exchange Plc (“AIM”) and associated fund raising to be carried out by the Company.

Basis of Preparation

The financial information set out below is based on the audited financial statements of the Company for the period from incorporation to 30 September 2003, after making such adjustments as we considered necessary. We were not the auditors of any of the companies during the period under review.

The financial information set out below has been prepared by the Directors of the Company (“the Directors”) for the purpose of this document and is based on the audited financial statements of York Pharma plc for the period from incorporation on 20 June 2002 to 30 September 2003 (the “Review Period”). No qualification has been reported in respect of the audited financial statements in the Review Period.

Responsibility

The financial information in this report is the responsibility of the Directors and has been approved by them. The Directors are responsible for the contents of the document dated 7 April 2004 in which this report is included.

It is our responsibility to compile the financial information set out in this report, to form an opinion on the financial information and to report our opinion to you.



Chartered Accountants
Finsgate 5-7 Cranwood Street
London EC1V 9EE
Telephone 020 7309 2222
Fax 020 7309 2309
Email jh@jeffreyshenry.com
Website www.jeffreyshenry.com

Registered Auditors
Business Advisors
Tax Specialists
Financial Services
Corporate Recovery
Accounting Outsourcing
Corporate Finance

Basis of Opinion

We conducted our work in accordance with the Statements of Investments Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amount and disclosures in the financial information. The evidence included that recorded by the auditors BDO Stoy Hayward who audited the financial statements of the Company underlying the financial information. The evidence also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of this document dated 7 April 2004, a true and fair view of the state of affairs of the Company as at 30 September 2003, and of the profits for the period then ended.

Consent

We consent to the inclusion in this document of this report and accept responsibility for this report for the purposes of paragraph 45(8)(b)(iii) of Schedule 1 of the Public Offer of Securities Regulations 1995 (as amended).

1. Financial information of York Pharma (UK) Limited

York Pharma (UK) Limited was incorporated on 15 April 2003 as a private limited company with registered number 04735863 and an authorised share capital of £100 divided into 100 ordinary shares of £1 each of which 1 share was allotted.

York Pharma (UK) Limited was incorporated as York Pharma Limited and on 25 February 2004 changed its name to York Pharma 2002 Limited. On 31 March 2004 the name was changed to York Pharma (UK) Limited

On 10 February 2004 the authorised share capital was increased to £20,000 divided into 20,000 ordinary shares of £1 each and a further 19,999 shares were issued to the subscriber, Terry Sadler.

On 16 February 2004 the Company undertook a share for share exchange to acquire the entire share capital of York Pharma (UK) Limited.

2. Financial Information on York Pharma GmbH

York Pharma GmbH was incorporated on 18 March 2004 in Polheim, Germany with registered number HRB 6085. The authorised share capital of the company is €25,000 the entirety of which is held by York Pharma (UK) Limited.

3. Financial Information on York Pharma plc

3.1. Balance Sheet as at 30 September 2003

| | <i>Note</i> | <i>As at 30 September 2003 £</i> |
|---|-------------|--|
| Current Assets | | |
| Debtors | 3.4.2 | 40 |
| Cash at bank and in hand | | 25,423 |
| | | <u>25,463</u> |
| Creditors: amounts falling due after more than one year | | (4) |
| | | <u>£25,459</u> |
| Capital Reserves | | |
| Called up share capital | 3.4.3 | 25,002 |
| Profit and loss account | 3.4.4 | 457 |
| | | <u>£25,459</u> |

3.2 Profit and loss account

| | <i>Note</i> | <i>Period Ended 30 September 2003 £</i> |
|--|-------------|---|
| Administrative expenses | | (4) |
| Operating loss | | <u>(4)</u> |
| Interest receivable | | 461 |
| | | <u>457</u> |
| Profit on ordinary activities before taxation | | 457 |
| Taxation on profit on ordinary activities | 3.4.1 | - |
| | | <u>457</u> |
| Profit on ordinary activities after taxation | | <u>457</u> |

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

3.3 Accounting Policies

The financial information has been prepared under the historical cost convention.

3.4 Notes to the Financial Information

3.4.1 Taxation

| | <i>Period Ended 30 September 2003 £</i> |
|--|---|
| Current tax charge | - |
| Profit on ordinary activities before taxation | <u>457</u> |
| Profit on ordinary activities after taxation multiplied by Standard rate of UK corporation tax of 30% | 137 |
| Utilisation of group losses | <u>(137)</u> |
| Current tax charge | <u>-</u> |

3.4.2 Debtors

| | |
|---------------|-------|
| | £ |
| Other debtors | 40 |
| | <hr/> |

3.4.3 Share capital

| | |
|--|-----------|
| | £ |
| Authorised 20,000,000 ordinary shares of 0.5p each | 1,000,000 |
| | <hr/> |
| Allotted, called up and fully paid 400 ordinary shares of 0.5p each | 2 |
| Allotted and part paid 19,999,600 ordinary shares of 0.5p each | 25,000 |
| | <hr/> |
| | 25,002 |
| | <hr/> |

3.4.4 Statement of movements on profit and loss account

| | |
|--------------------------------|--|
| | <i>Profit and loss account</i> |
| | £ |
| Retained profit for the period | 457 |
| | <hr/> |

3.4.5 Reconciliation of movement in shareholders' funds

| | |
|-------------------------------------|--------|
| | £ |
| Profit for the financial period | 457 |
| Proceed from the issue of shares | 25,002 |
| | <hr/> |
| Net addition to shareholders' funds | 25,459 |
| Opening shareholders' funds | – |
| | <hr/> |
| Closing shareholders' funds | 25,459 |
| | <hr/> |

3.4.6 Control

The immediate parent company is Reverse Take-Over Investments Plc and the ultimate parent company is Westside Acquisitions plc, both companies are registered in England and Wales.

3.4.7 Post balance sheet events

On 12 February 2004, Reverse Take-Over Investments plc paid up the outstanding monies due in respect of the 20,000,000 issued Ordinary Shares held by it, being the sum of £74,998.

On 16 February 2004 the Company acquired the entire issued share capital of York Pharma (UK) Limited, the consideration for which was the issue to Terry Sadler of 20,000,000 Ordinary Shares in the capital of the Company, issued and allotted credited as fully paid at a price of 2.5 pence per share, and the issue of 1,500,000 Warrants

On 22 March 2004, every 10 ordinary shares of 0.5 pence each in the capital of the Company were consolidated into one new ordinary share of 5 pence. On 26 March 2004 the authorised share capital of the Company was increased from £1,000,000 to £2,000,000 by the creation of 20,000,000 ordinary shares of 5 pence each.

On 31 March 2004, 1,000,000 Ordinary Shares were issued and allotted to Arvest Privatbank AG at a price of 25 pence per share.

On 31 March 2004 the Company acquired the patents relating to Abafungin and entered into a licence agreement in relation to the associated know-how and clinical trials. The consideration payable for the acquisition of the Abafungin patents is the sum of €900,000, payable in three instalments, together with the grant to the vendor of 1,000,000 Warrants. In addition under the terms of this agreement there are certain ongoing licence fees and royalty fees which are payable together with certain fees should the Company sub-licence the patents or the rights to use the know-how and clinical trials data.

Yours faithfully

Jeffreys Henry
Chartered Accountants

PART III

PRO FORMA STATEMENT OF COMBINED NET ASSETS OF THE GROUP

The unaudited pro forma statement of net assets has been prepared on the basis of the notes set out below to show the effect on the net assets of the Group of the Placing and the Offer for Subscription as if it had taken place on 7 April 2004.

The pro forma statement of net assets has been prepared for illustrative purposes only and, because of its nature, may not give a complete picture of the financial position which would have been reported if the Placing had occurred on the date assumed.

| | <i>York Pharma plc</i> £ | <i>Adjustment regarding subsidiaries</i> £ | <i>Adjustment regarding share issues</i> £ | <i>Adjustment regarding goodwill on consolidation</i> £ | <i>Pro forma net assets for the Group</i> £ |
|-------------------------------------|-------------------------------------|---|---|--|--|
| Fixed assets | | | | | |
| Intangible assets | – | – | – | 480,000 | 480,000 |
| Tangible assets | – | – | – | – | – |
| Investments | – | 16,824 | 500,000 | (516,824) | – |
| | – | 16,824 | 500,000 | (36,824) | 480,000 |
| Current assets | | | | | |
| Debtors | 40 | – | – | – | 40 |
| Cash at bank | 25,423 | 20,000 | 1,324,998 | – | 1,370,421 |
| | 25,463 | 20,000 | 1,324,998 | – | 1,370,461 |
| Creditors < 1yr | (4) | – | (265,000) | – | (265,004) |
| Net current assets | 25,459 | 20,000 | 1,059,998 | – | 1,105,457 |
| | 25,459 | 36,824 | 1,559,998 | (36,824) | 1,585,457 |
| Capital and reserves | | | | | |
| Called up ordinary share capital | 25,002 | 36,824 | 424,998 | (36,824) | 450,000 |
| Share premium account | – | – | 1,135,000 | – | 1,135,000 |
| Profit and loss account | 457 | – | – | – | 457 |
| | 25,459 | 36,824 | 1,559,998 | (36,824) | 1,585,457 |

Notes to the pro forma statement of net assets

1. The balance sheet of the Company as at 30 September 2003 has been extracted, without adjustment, from the Accountant's Report as set out in Part II of this document.
2. The adjustment regarding subsidiaries represents the inclusion of the net assets of York Pharma (UK) Limited as at 16 February 2004 and York Pharma GmbH as at 18 March 2004. These figures have been included based on notes 1 and 2 included within the Accountant's Report as set out in Part II of this document.
3. The adjustment regarding the issue of shares represents the following:-
 - a. On 12 February 2004, RTI paid up the outstanding monies due in respect of the issued Ordinary Shares held by it, being the sum of £74,998.
 - b. On 16 February 2004, 2,000,000 Ordinary Shares were issued and allotted to Terry Sadler in consideration of the transfer to the Company of the entire issued share capital of York Pharma (UK) Limited, such Ordinary Shares being issued and allotted credited as fully paid at a price of 25 pence per share.

- c. On 31 March 2004, 1,000,000 Ordinary Shares were issued and allotted to Arvest Privatbank AG at a price of 25 pence per share.
 - d. The Placing and Offer for Subscription of 4,000,000 Ordinary Shares at a price of 25 pence per share.
 - e. The accrual of listing expenses of £265,000 including VAT.
4. The final column of adjustment represents the goodwill adjustment on consolidation of the three companies.

PART IV

ADDITIONAL INFORMATION

1. INCORPORATION

- 1.1 The Company was incorporated in England and Wales on 20 June 2002 as a public limited company under the Companies Act 1985 with the name RTI Ten Plc and with registered number 04466213. On 9 February 2004 the Company obtained a certificate of trading pursuant to section 117 of the Act. On 25 February 2004 the Company changed its name under the Act to York Pharma Plc.
- 1.2 The Company's registered office is at 58-60 Berners Street, London W1T 3JS.
- 1.3 The Company is subject to the provisions of the Act. The liability of the members of the Company is limited.

2. SHARE CAPITAL OF THE COMPANY

- 2.1 The authorised and issued share capital of the Company at the date of this prospectus, and at Admission, is/will be as follows:

| | <i>Authorised</i> | | <i>Issued and credited fully paid</i> | |
|----------|------------------------|-----------|---------------------------------------|----------|
| | <i>Number of</i> | | <i>Number of</i> | |
| | <i>Ordinary Shares</i> | <i>£</i> | <i>Ordinary Shares</i> | <i>£</i> |
| Current | 40,000,000 | 2,000,000 | 5,000,000 | 250,000 |
| Proposed | 40,000,000 | 2,000,000 | 9,000,000 | 450,000 |

- 2.2 The Company was incorporated with an authorised share capital of £50,000 divided into 50,000 ordinary shares of £1 each of which two were issued as subscriber shares to the subscribers to the Memorandum of Association. On 19 December 2002, the authorised share capital of the Company was increased from £50,000 to £1,000,000 by the creation of 950,000 ordinary shares of £1 each and subsequently the 1,000,000 issued and unissued ordinary shares of £1 each were sub-divided into 200,000,000 shares of 0.5 pence each. On 22 March 2004, every 10 ordinary shares of 0.5 pence each in the capital of the Company were consolidated into one new ordinary share of 5 pence. On 26 March 2004 the authorised share capital of the Company was increased from £1,000,000 to £2,000,000 by the creation of 20,000,000 ordinary shares of 5 pence each.
- 2.3 On 19 December 2002, 1,999,960 Ordinary Shares were issued and allotted to Reverse Take-Over Investments plc, at par value, as to one quarter paid up. On 12 February 2004, Reverse Take-Over Investments plc paid up the outstanding monies due in respect of the 2,000,000 issued Ordinary Shares held by it, being the sum of £74,998.
- 2.4 On 16 February 2004, 2,000,000 Ordinary Shares were issued and allotted to Terry Sadler in consideration of the transfer to the Company of the entire issued share capital of York Pharma (UK) Limited, such Ordinary Shares being issued and allotted credited as fully paid at a price of 25 pence per share.
- 2.5 On 31 March 2004, 1,000,000 Ordinary Shares were issued and allotted to Arvest Privatbank AG at a price of 25 pence per share.
- 2.6 As at the date of this document and on Admission, so far as the Directors are aware, the only persons who are directly or indirectly interested in more than 3 per cent. of the issued Ordinary Shares or who exercise or could exercise control over the Company are, and will be, as follows:

| Name | At the date of this document | | On Admission ⁽¹⁾ | |
|-----------------------------------|------------------------------|--------------------|-----------------------------|--------------------|
| | Number of | % of issued | Number of | % of issued |
| | Ordinary Shares | Ordinary Shares | Ordinary Shares | Ordinary Shares |
| Reverse Take-Over Investments Plc | 2,000,000 | 40 | 2,000,000 | 22.2 |
| Terry Sadler ⁽²⁾ | 2,000,000 | 40 | 2,100,000 | 23.3 |
| Arvest Privatbank AG | 1,000,000 | 20 | 1,000,000 | 11.1 |

Note: (1) The above table assumes that none of the Warrants have been exercised at the time of Admission.

(2) Terry Sadler also holds certain options pursuant to the Unapproved Share Option Scheme, further details of which are set out in paragraph 4 below. In addition the above table assumes that Terry Sadler will receive his application for 100,000 Offer Shares in full under the Offer.

- 2.7 On 26 March 2004, the Directors were generally and unconditionally, for the purposes of Section 80 of the Act, authorised to allot relevant securities up to an aggregate nominal amount of £1,500,000 such authority to expire on 24 March 2009 save that the Company may, at any time before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if such authority had not expired.
- 2.8 On 26 March 2004, the Directors were empowered pursuant to Section 95 of the Act to allot equity securities as if Section 89(1) of the Act did not apply to any allotment made in accordance with paragraph 2.7 above. This authority expires at the conclusion of the next annual general meeting of the Company, or fifteen months after the date of such authority, if earlier, save that the Company may at any time before such expiry make an offer or agreement which would or might require equity securities to be allotted for cash after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred had not expired.
- 2.9 Save in connection with the Placing (which incorporates the Offer) or on the exercise of any of the Warrants, or as otherwise disclosed in this document, no share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.
- 2.10 The Company does not have in issue any security not representing share capital and there are no outstanding convertible securities issued by the Company.
- 2.11 The new Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive dividends or other distributions hereafter declared, paid or made on the ordinary share capital of the Company.

3. THE WARRANTS

- 3.1 On 16 February 2004, as amended by an extraordinary resolution of the warrant holders dated 22 March 2004, the Company constituted a warrant instrument in respect of 6,000,000 warrants to subscribe for ordinary shares of 5 pence each in the capital of the Company at 50 pence per Ordinary Share. One Warrant will be issued for every four Ordinary Shares subscribed pursuant to the Placing (which incorporates the Offer) thus resulting in the issue of 1,000,000 Warrants pursuant to the Placing (which incorporates the Offer). The Warrants are exercisable at 50 pence per Ordinary Share at any time until 16 February 2009.
- 3.2 On 16 February 2004, 1,500,000 Warrants were issued to Terry Sadler as part of the consideration for the transfer by him to the Company of the entire issued share capital of York Pharma (UK) Limited. On 31 March 2004 Terry Sadler transferred 110,000 Warrants to Bafus.
- 3.3 On 16 February 2004, 450,000 Warrants were issued to Reverse Take-Over Investments plc.
- 3.4 On 31 March 2004, 1,000,000 Warrants were issued to Bafus as part of the consideration for the sale of the Abafungin patents and the licence of Abafungin know-how to the Company, further details of which are set out in paragraph 7 below.

- 3.5 On 31 March 2004, 600,000 Warrants were issued to Arvest Privatbank AG.
- 3.6 On Admission, each of Daniel Stewart and JM Finn will receive 150,000 Warrants.
- 3.7 The issued Warrants of the Company at the date of this document, and at Admission, is/will be as follows:

| | <i>Authorised Number of Warrants</i> | <i>Issued Number of Warrants</i> |
|--------------|--|--|
| Current | 6,000,000 | 3,550,000 |
| On Admission | 6,000,000 | 4,850,000 |

- 3.8 At the date of this document and on Admission, so far as the Directors are aware, the only persons who are directly or indirectly interested in more than 3 per cent. of the issued Warrants are, and will be, as follows:

| <i>Name</i> | <i>At the date of this document</i> | | <i>On Admission</i> | |
|-----------------------------------|-------------------------------------|---------------------------------|-------------------------------|----------------------|
| | <i>Number of Warrants</i> | <i>% of issued Warrants</i> | <i>Number of Warrants</i> | <i>% of Warrants</i> |
| Reverse Take-Over Investments plc | 450,000 | 12.6 | 450,000 | 9.3 |
| Terry Sadler | 1,390,000 | 39.2 | 1,415,000 | 29.2 |
| Bafus Marketing GmbH | 1,110,000 | 31.3 | 1,110,000 | 22.7 |
| Arvest Privatbank AG | 600,000 | 16.9 | 600,000 | 12.4 |
| JM Finn & Co | nil | nil | 150,000 | 3.1 |
| Daniel Stewart & Company PLC | nil | nil | 150,000 | 3.1 |

Note: (1) Terry Sadler also holds certain options pursuant to the Unapproved Share Option Scheme, further details of which are set out in paragraph 4 below. In addition the above table assumes that Terry Sadler will receive his application for 100,000 Offer Shares under the Offer in full and therefore includes the related Warrants.

- 3.9 The main terms of the Warrants are as follows:

3.9.1 *Subscription rights*

A holder of a Warrant (a “Warrantholder”) shall be entitled to subscribe in cash, at 50 pence per Ordinary Share (the “Subscription Price”) the subject of the Warrant payable in full on subscription, at any time from the date of issue of the Warrant and ending on the earliest (the “Final Subscription Date”) of (i) 16 February 2009, and (ii) subject to certain exceptions where a surplus would be available for distribution amongst the holders of Ordinary Shares, on a winding up of the Company. Ordinary Shares allotted shall be allotted fully paid but shall not carry the right to participate in any dividend or other distribution declared, paid or made on the Ordinary Shares by reference to a record date before the relevant subscription date but shall otherwise participate in all dividends and other distributions in respect of the then current financial period of the Company *pari passu* in all respects with the Ordinary Shares in issue on the relevant subscription date.

It is the intention of the Company to apply for the Ordinary Shares allotted pursuant to the exercise of a Warrant to be admitted to dealing on AIM and the Company will use all reasonable endeavours to obtain the grant of admission not later than 14 days after the date of allotment.

3.9.2 *Adjustments and Takeovers*

If at any time or times before the Final Subscription Date:

- (a) the Company undertakes an Issue or Reorganisation (as defined in the Warrant Instrument), adjustments shall be made to the conditions governing the Warrants or the Subscription Price (provided that fractional entitlements shall be ignored and any adjustment shall not reduce the Subscription Price below the nominal value of an Ordinary Share) as the Auditors (as defined in the Warrant Instrument) shall determine and state to be fair and reasonable in all the circumstances;

- (b) the Company makes any offer or invitation to all Ordinary Shareholders (whether by rights issue, open offer or otherwise), or any offer or invitation is made to such holders otherwise than by the Company (not being a Takeover Offer (as defined in the Warrant Instrument)), then the Company shall, or so far as it is able, procure that at the same time an appropriate offer or invitation is made to the Warranholders, then adjustments shall be made as in paragraph 3.9.2.(a) above and any such adjustment shall become effective as at the date of or, as the case may be, the record date for the offer or invitation;
- (c) notwithstanding paragraph 3.9.2.(a) above but subject to certain other provisions of the Warrant instrument, if a Takeover Offer is made at any time or times before the Final Subscription Date, the Company shall give notice of the Takeover Offer to the Warranholders at the same time as notice of the Takeover Offer is provided to the Ordinary Shareholders. The Company shall use its reasonable endeavours to procure that an appropriate offer is extended to the Warranholders as if all outstanding Subscription Rights had been exercised immediately before the record date for that Takeover Offer on the terms then applicable. However, if the Company cannot procure such offer is made to the Warranholders then adjustments shall be made as in paragraph 3.9.2.(a) above and any such adjustment shall become effective as at the date of or, as the case may be, the record date for the Takeover Offer.

3.9.3 *Winding Up*

If an order is made or an effective resolution of the Company passed for the winding up of the Company (except on terms sanctioned by an extraordinary meeting of the Shareholders in which case the Company shall use its reasonable efforts to procure that the Warranholder be granted a substitute warrant of equivalent value) each Warranholder shall be treated as if immediately before the order or resolution the Subscription Rights had been exercised in full and accordingly each Warranholder shall rank *pari passu* with the holders of Ordinary Shares and shall be entitled to receive such sum (less the aggregate Subscription Price) he would otherwise have received out of the assets available in the liquidation).

3.9.4 *Restrictions on the Company*

Save with the sanction of an extraordinary resolution of the holders of the Warrants or the consent in writing of the Warranholders entitled to not less than three quarters of the Ordinary Shares the subject of the Warrants, the Company shall, whilst any Warrant remains outstanding:

- (a) not make any distribution of capital reserves (except by means of a capitalisation issue in the form of fully paid Ordinary Shares following which adjustments shall be made in accordance with the provisions summarised in paragraph 3.9.2.(a) above);
- (b) not modify the rights attaching to the Ordinary Shares or create or issue any new class of equity share capital which carries rights as regards voting, dividend or return of capital more favourable than those attaching to the Ordinary Shares;
- (c) procure that no issued capital or other securities shall be converted into any (other) class of share capital;
- (d) if it makes an offer or invitation to the Ordinary Shareholders (as defined in the Warrant Instrument) for the purchase by the Company of any of its shares, the Company shall simultaneously give notice thereof to the Warranholders and the Warranholders shall be entitled, at any time whilst such offer or invitation is open for acceptance, to exercise their subscription rights so as to take effect as if they had exercised their rights immediately prior to the record date of such offer or invitation;
- (e) not make any issue or grant any rights, options or warrants to subscribe for Ordinary Shares or issue any securities convertible into or exchangeable for Ordinary Shares if the effect would be that on the exercise of the Subscription Rights the Company would be required to issue Ordinary Shares at a discount;

- (f) procure that there shall be no compromise or arrangement affecting the Ordinary Shares unless the Warrantheolders shall be treated as a separate class of members of the Company and shall be party to such compromise or arrangement; and
- (g) keep available sufficient authorised but unissued share capital to satisfy in full all Subscription Rights remaining exercisable without the need for the passing of any resolution of the Company.

3.9.5 *Variation of rights*

All or any rights attaching to the Warrants may only be altered or abrogated with the sanction of an extraordinary resolution of the Warrantheolders.

3.9.6 *Transfers and Transmission*

Warrants will be registered and transferable.

The executor or administrator of a deceased Warrantheolder (or the survivor or survivors where a Warrantheolder was a joint holder), the guardian of an incompetent Warrantheolder or the trustee of a bankrupt Warrantheolder shall be the only person recognised by the Company as having any title to his Warrant. In order to be registered as the Warrantheolder, such a person must produce such evidence as may reasonably be required by the Directors.

3.9.7 *Accounts*

Each Warrantheolder will be sent, for information purposes only, concurrently with the issue of the same to the holders of Ordinary Shares a copy of each published annual report and accounts or summary financial statement of the Company.

3.9.8 *Representation*

A Warrantheolder shall have the right to receive notice of all general meetings of the Company but shall only be entitled to attend and speak at any such general meeting where the business of the meeting includes, *inter alia*, a resolution that the Company be wound up summarily (voluntarily), to alter or abrogate the rights attached to any of the shares of the Company, to authorise, create or increase the amount of any share ranking in priority to the Ordinary Shares the subject of the Warrants, or to do any other thing which may give rise to an adverse change or infringement of the rights of the Warrantheolder.

The Warrantheolder(s) shall not be deemed to be (a) member(s) of the Company.

4. **DIRECTORS' AND OTHER INTERESTS**

- 4.1 The names of the Directors and their functions are given below:

Geoffrey Simmonds, *Non-Executive Chairman*;
Terry Sadler, *Chief Executive Officer*;
Lothar Nau, *Chief Operating Officer*;
Ian Harvey, *Finance Director*; and
Norman Freedman, *Non Executive Director*.

- 4.2 The interests of the Directors and their immediate families (all of which are beneficial (unless otherwise stated) and of connected persons within the meaning of section 346 of the Act, in the issued share capital of the Company as at 5 April 2004 (being the latest practicable date prior to publication of this document), and at Admission, which have been notified to the Company pursuant to section 324 of the Act or are required to be entered into the register of directors' interests maintained under the provisions of section 325 of the Act, or could, with reasonable diligence, be ascertained by the Directors, together with the percentages which such interests represent of the ordinary shares in issue will be/are as follows:

| <i>Name</i> | <i>At the date of this document</i> | | <i>At Admission</i> | |
|----------------------------------|-------------------------------------|------------------------------------|-------------------------------|------------------------------------|
| | <i>No. of Ordinary Shares</i> | <i>% of issued Ordinary Shares</i> | <i>No. of Ordinary Shares</i> | <i>% of issued Ordinary Shares</i> |
| Terry Sadler | 2,000,000 | 40 | 2,100,000 ⁽¹⁾ | 23.3 |
| Geoffrey Simmonds ⁽²⁾ | nil | nil | 100,000 ⁽¹⁾ | 1.1 |
| Lothar Nau | nil | nil | nil | nil |
| Ian Harvey ⁽³⁾ | nil | nil | 40,000 | 0.4 |
| Norman Freedman | nil | nil | 40,000 ⁽¹⁾ | 0.4 |

Note (1) Assuming their respective applications under the Offer are accepted in whole, further details of which are set out in paragraph 7.10 below.

(2) Geoffrey Simmonds is a minority shareholder and a director of Westside and is also a director of RTI, a wholly owned subsidiary of Westside, which has an interest in 2,000,000 Ordinary Shares at the date of this document. These shares have not been included in the above table.

(3) Ian Harvey has conditionally subscribed for these Ordinary Shares in the Placing.

- 4.3 Under the terms of the Unapproved Share Option Scheme, a summary of which is set out in paragraph 9 below, the following persons have been granted options to subscribe for Ordinary Shares at the Issue Price.

| <i>Name</i> | <i>No. of Ordinary Shares under option</i> |
|-----------------|--|
| Terry Sadler | 250,000 |
| Lothar Nau | 250,000 |
| Ian Harvey | 55,000 |
| Norman Freedman | 50,000 |
| Sue Keast | 55,000 |
| Total | 660,000 |

- 4.4 Save as disclosed in this document, no Director (or member of his family) has any interest, beneficial or non-beneficial, in the share capital of the Company.
- 4.5 Save as disclosed in this document, none of the Directors has or has had an interest in any transaction effected by any shareholder of the Company which is or was unusual in its nature or conditions or is or was significant to the business of the Company and which was affected during the current year or any earlier financial year and remains in any respect outstanding or unperformed.
- 4.6 The aggregate of the remuneration granted to the Directors in respect of the Company's last completed financial year was nil and in respect of the current financial year is estimated, under the arrangements in force at the date of this document, to be approximately £117,092.
- 4.7 There will be no variation in the total emoluments receivable by the Directors as a result of the Placing (which incorporates the Offer).
- 4.8 Save as disclosed in this document, there are no outstanding loans or guarantees provided by the Company to or for the benefit of any of the Directors.
- 4.9 Save as disclosed in this document, the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- 4.10 The services of the Directors are provided to the Company under the following agreements:
- (i) On 7 April 2004 Geoffrey Simmonds entered into a letter of appointment with the Company pursuant to which he is appointed Non Executive Chairman of the Company for no fee. The agreement is for an initial period of 12 months from Admission and continues thereafter until terminated by either party giving to the other not less than 3 months' notice in writing;
 - (ii) On 16 February 2004 Terry Sadler entered into a service agreement with the Company pursuant to which he is employed as Chief Executive of the Company at an annual salary (subject to review) of £50,000. The salary will be increased to £100,000 per annum if at any time after 1 January 2006 the market capitalisation of the Company, as derived from the average middle market quotation obtained from the AIM Appendix to the Daily Official List, has been greater

than £35,000,000 for 60 consecutive business days. The Remuneration Committee may award a bonus at its discretion from time to time to Terry Sadler for his performance. The agreement continues until terminated by either party giving to the other not less than 12 months' notice in writing;

- (iii) On 7 April 2004 Ian Harvey entered into a service agreement with the Company pursuant to which he is employed as Finance Director of the Company at an annual salary (subject to review) of £10,000. The agreement is for an initial period of 12 months and continues thereafter until terminated by either party giving the other not less than 6 months' notice in writing. In addition on 7 April 2004 Ian Harvey entered into a consultancy agreement with the Company at a rate of £125 per hour terminable on 6 months written notice;
 - (iv) On 7 April 2004 Lothar Nau entered into a service agreement with the Company pursuant to which he is employed as Chief Operating Officer of the Company at an annual salary (subject to review) of £10,000. The agreement continues until terminated by either party giving to the other not less than 12 months' notice in writing. In addition on 7 April 2004 Lothar Nau entered into a service agreement with York Pharma GmbH pursuant to which he is employed as the managing director of York Pharma GmbH pursuant at an annual salary of €162,000 (subject to review). This agreement continues until terminated by either party giving to the other not less than 6 months' written notice; and
 - (v) On 7 April 2004 Norman Freedman entered into a letter of appointment with the Company pursuant to which he is appointed as a Non Executive Director of the Company at an annual salary (subject to review) of £5,000. The agreement is for an initial period of 12 months and continues thereafter until terminated by either party giving to the other not less than 3 months' notice in writing.
- 4.11 Save for the Company, the Directors currently hold the following directorships, and have or have held the following directorships within the five years prior to the publication of this document, and are currently partners, or have been partners within the five years prior to the publication of this document, of the following firms or partnerships:

| <i>Name</i> | <i>Current Directorships</i> | <i>Past Directorships</i> |
|--------------|---|--|
| Terry Sadler | York Pharma (UK) Limited Bioglan Pharma Plc Bioglan (Holdings) Limited Bioglan Laboratories Limited Enbalt Trading Limited Burge End Investments Limited Ebor Limited | Bioglan Generics Limited Bioglan Ireland (R&D) Limited Bioglan Ireland Sales Limited Proshamal Limited (dissolved) Bioglan Pharma Services Limited (dissolved) Bioglan Pharma Holdings Limited (dissolved) Bioglan Employee Benefit Trustee Limited (dissolved) Bioglan Ireland (Services) Limited Bioglan Laboratories Limited Bioglan Pharma Inc Bioglan AB Bioglan S/A A/S Bioglan Bioglan Therapeutics AB Bioglan Pharma AG Bioglan Pharma GmbH Bioglan Products Limited CS Laboratories SA Euorderma Limited (dissolved) Mosaique SA Winston Laboratories Inc Sirius Laboratories Inc Danapharm UK Limited (dissolved) |

| <i>Name</i> | <i>Current Directorships</i> | <i>Past Directorships</i> |
|-------------------|--|---|
| Ian Harvey | Ian Harvey Limited | Insignia Richard Ellis Limited Devonshire Group Plc |
| Geoffrey Simmonds | Westside Acquisitions plc Westside Investments Limited Westsidetech Limited Westside Sports Limited Avonlaw Limited Denavon Investments Limited Reverse Take-Over Investments plc The Elms Group Limited Football Partners Limited Footballdirectory.co.uk Limited TAF Trading Limited Football Enterprises Limited Simmonds & Co Soccer Enterprises Limited RTI Fifteen Plc | Targeted Media for Marketing (Europe) Limited MMS Group Limited Cheerful Scout Plc |
| Lothar Nau | York Pharma GmbH | Bioglan Pharma GmbH Riemser Arzneimittel AG |
| Norman Freedman | Greenage Limited Assured Shortholds Limited Targeted Media for Marketing (Europe) Limited Mobiletime Limited | Northern Assured Shortholds Limited Dental Express (Supplies) Limited Astek Innovation Limited Merseyside Assured Shortholds Limited |

In 1985 Terry Sadler was appointed a director of Bioglan Pharma plc. This company was placed in administration when joint administrators were appointed pursuant to an administration order on 21 February 2002. On 31 January 2003 the administration order was discharged and an order was made for the company to be wound up under the provisions of the Insolvency Act 1986 and joint liquidators were duly appointed. Terry Sadler was also a director of Bioglan (Holdings) Limited which was also placed in administration when joint administrators were appointed pursuant to an administration order on 21 February 2002. The indebtedness due to both Bioglan Pharma Plc's and Bioglan (Holdings) Limited's secured creditors was in excess of £113 million and the joint liquidators anticipated in February 2003 that there would be a shortfall to the secured creditors of some £75 million. The joint liquidators also stated that due to the significant shortfall to the secured creditors, there would not be sufficient funds for a dividend to the unsecured creditors and that consequently there would be no return to shareholders. On 31 January 2003 the administration order in respect of Bioglan (Holdings) Limited was discharged and an order was made for the company to be wound up under the provisions of the Insolvency Act 1986 and joint liquidators were duly appointed.

Terry Sadler was also a director of Bioglan Laboratories Limited. On 21 February 2002 joint administrative receivers and managers were appointed over the property of this company by a syndicate of banks under the terms of a mortgage debenture dated 23 November 2000. This company is being wound up by the administrative receivers and there is an ongoing process of selling off assets available for disposal. The joint administrative receivers stated that whilst the level of dividends to the debenture holders and preferential creditors was uncertain, it was unlikely there would be any remaining dividend available for unsecured creditors. As stated in the preceding paragraph, the amount due to debenture holders was approximately £113 million and there was also a shortfall to preferential creditors of Bioglan Laboratories Limited of £766,000.

Terry Sadler was also a director of Bioglan Generics Limited (an Irish company), a subsidiary of Bioglan Pharma Plc, a company in respect of which receivers were appointed on 15 April 2002. This

company's business and assets were sold to management on the same day as the appointment of the receivers and all of the unsecured creditors were adopted by the purchaser with the net proceeds of the sale (after payment of preferential creditors) being payable to Bioglan Pharma Plc.

In 2000 Terry Sadler was appointed a director of Bioglan Pharma Services Limited. He resigned as a director of this company on 1 March 2002. On 28 March 2002 the company was put into creditors' voluntary liquidation and the company appointed joint liquidators for the purposes of winding up the company. A final meeting of the company and of the creditors was duly summoned for 28 November 2003 for the purpose of having an account laid before it showing how the winding up of the company had been disposed of and no quorum was present at either meeting. The company was dissolved on 4 March 2004 in accordance with section 201 of the Insolvency Act 1986.

In 2001 Terry Sadler was appointed a director of Bioglan Pharma Holdings Limited. An application was made for this company to be struck off the register. This company was struck off the Register under section 652(5) of the Act on 4 March 2003 and dissolved by a notice in the London Gazette dated 11 March 2003.

In 1995 Terry Sadler was appointed a director of Bioglan Employee Benefit Trustee Limited. On 11 February 2003 an application was made for this company to be struck off the register. This company was struck off the Register under section 652(5) of the Act on 15 July 2003 and dissolved by a notice in the London Gazette dated 22 July 2003.

Geoffrey Simmonds was a director of Design Furniture Limited and its subsidiaries, Design Furniture (Manufacturing) Limited, Design (Module) Limited and Design Furnishing Contracts Limited until 20 June 1979. Receivers were appointed in respect of the group on 7 January 1980 and 22 January 1980 and a deficiency of approximately £660,000 was identified.

4.12 Save as set out in paragraph 4.11, no Director has:

- (i) any unspent convictions in relation to indictable offences;
- (ii) had a bankruptcy order made against him or entered into an individual voluntary arrangement;
- (iii) been a director of a company or a partner in any firm which, at that time or within 12 months after ceasing to be a director or partner (as the case may be), had a receiver appointed, or went into compulsory liquidation, or creditors voluntary liquidation or went into administration, or entered into any company or partnership voluntary arrangements or made any composition or arrangement with its creditors;
- (iv) been a partner in any partnership which has been placed in liquidation, administration or been the subject of a voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (v) been the owner of any asset or a partner in any partnership which had an asset placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be partner in that partnership;
- (vi) had any public criticism against him by any statutory or regulatory authority (including recognised professional bodies); or
- (vii) been disqualified by a court from acting as a director or acting in the management or conduct of the affairs of any company.

5. REGISTERED OFFICE

The registered office of the Company is at 58-60 Berners Street, London W1T 3JS.

6. SUBSIDIARIES

The Company's wholly owned subsidiaries are as follows:

- 6.1 York Pharma (UK) Limited: This company was incorporated as York Pharma Limited on 15 April 2003 in England and Wales with the registered number 4735863. The company changed its name to York Pharma 2002 Limited on 25 February 2004. The registered office of this company is at Portmill House, Portmill Lane, Hitchin, Hertfordshire. this company changed its name on 31 March 2004 to York Pharma (UK) Limited. The authorised share capital of York Pharma (UK) Limited is £20,000 divided into 20,000 ordinary shares of £1 each all of which are issued and are held by the Company.
- 6.2 York Pharma GmbH: The company was incorporated on 18 March 2004 in Polheim, Germany with registered number HRB 6085. The registered office of the company is at Eschenweg 21, 35315 Homberg, Ohm. The authorised share capital of the company is €25,000 the entirety of which is held by York Pharma (UK) Limited.

7. MATERIAL CONTRACTS

The following contracts (not being a contract entered into in the ordinary course of business) had been entered into by the Company and are or may be material.

- 7.1 the Placing Agreement dated 7 April 2004 between the Company (1) JM Finn (2) Daniel Stewart (3) RTI (4) and the Directors (5) pursuant to which JM Finn agreed conditionally upon, *inter alia*, Admission taking place by no later than 26 April 2004 (or such later date as the Company, JM Finn and Daniel Stewart may agree not being later than 30 May 2004) to (i) make the Offer for Subscription and (ii) use its reasonable endeavours to procure places for the Placing Shares, of which 600,000 new Ordinary Shares, which comprises the Offer Shares, are subject to clawback to satisfy valid applications under the Offer for Subscription, at the Issue Price together with the related Warrants. Under the terms of the Placing Agreement the Company has agreed to pay JM Finn a corporate finance fee of £10,000 and a commission of 5 per cent. of the value of the Placing Shares subscribed at the Issue Price. In addition under the terms of the Placing Agreement the Company has agreed to pay Daniel Stewart a corporate finance fee of £60,000 plus VAT.

The Placing Agreement contains certain representations, warranties and in respect only of the Company an indemnity in favour of JM Finn and Daniel Stewart given by the Company, RTI and the Directors together with provisions which enable JM Finn and Daniel Stewart to terminate the Placing Agreement in certain circumstances prior to Admission, including circumstances where any warranties are found to be untrue or inaccurate in any material respect;

- 7.2 Lock-in undertakings dated 7 April 2004 whereby each of Terry Sadler and RTI have agreed not to dispose of any of their interests in any Ordinary Shares or Warrants held by them (or any interest therefrom) before the first anniversary of the date of Admission except in certain limited circumstances permitted by the AIM Rules and have agreed to certain orderly market provisions for a further twelve months after the expiry of the lock-in undertakings;
- 7.3 a share purchase agreement dated 16 February 2004 between the Company (1) and Terry Sadler (2) pursuant to which the Company acquired the entire issued share capital of York Pharma (UK) Limited in consideration of the issue to Terry Sadler of 2,000,000 Ordinary Shares in the capital of the Company, issued and allotted credited as fully paid at a price of 25 pence per share, and the issue of 1,500,000 Warrants;
- 7.4 an exclusive option agreement was entered into by York Pharma (UK) Limited (1) and Bafus (2) dated 16 February 2004, pursuant to which York Pharma (UK) Limited was granted an option to purchase the Abafungin patents and to licence the Abafungin know-how pursuant to the terms of an asset purchase and know-how licence agreement to be entered into by the parties. The option was exercised by York Pharma (UK) Limited on 16 February 2004;
- 7.5 an asset purchase and know-how licence agreement between the Company (1) and Bafus (2) dated 31 March 2004 pursuant to which the patents relating to Abafungin were sold to the Company and the

know-how in relation to the pre-clinical and clinical studies relating to Abafungin was licenced to the Company. The licence of the know-how is exclusive and lasts for as long as possible under the applicable law continuing thereafter as a non-exclusive licence in perpetuity. The consideration for the acquisition of the patents and the licence of the know-how was the issue to Bafus of 1,000,000 Warrants and €900,000 payable in instalments over a 24 month period, the first instalment of €300,000 was paid on signing of the agreement, the second instalment is payable on the 12 month anniversary and the third instalment is payable on the 24 month anniversary of the agreement. The agreement is governed by German law and contains normal commercial warranties from Bafus to the Company in respect of the patents acquired and the know-how licensed. Under the terms of the agreement there are licence fees payable to Bafus depending on the level of sales worldwide of Abafungin products during the 15 years following the date on which the first Abafungin product has been commercially sold in a major market (“the Period”). In addition if the Company should licence the patents or sub-licence the know-how then:

- (i) during the 10 years following the commencement of the Period the Group shall pay Bafus a percentage of the net sales derived from any product sold pursuant to such patents;
- (ii) during the five years following the expiry of the initial period in (i) above, the Group shall pay Bafus a percentage of the net sales derived from any product sold pursuant to such patents which either expired during such initial period in (i) above or expires during such five year period. In addition during this five year period the Group shall continue to pay a percentage of the net sales derived from any product sold by the Group as long as such patents have not expired;
- (iii) in addition, if the Group shall receive any upfront or one-off milestone payments pursuant to any licence of the patents or sub-licence of the know-how then part of such payment is payable to Bafus;

- 7.6 a nominated adviser agreement dated 7 April 2004 between the Company and Daniel Stewart pursuant to which the Company appointed Daniel Stewart to act as nominated adviser to the Company for the purposes of the AIM Rules. The Company agreed to pay Daniel Stewart a fee of £15,000 per annum for its services as nominated adviser under this agreement. The agreement continues for a fixed period of 18 months from the date of the agreement and thereafter is subject to termination on the giving of three months’ notice;
- 7.7 a broker agreement dated 7 April 2004 between the Company and JM Finn pursuant to which the Company appointed JM Finn to act as broker to the Company for the purposes of the AIM Rules. The Company agreed to pay JM Finn a fee of £15,000 per annum for its services as broker under the agreement. The agreement continues for a fixed period of one year from the date of the agreement and thereafter is subject to termination on the giving of three months’ notice;
- 7.8 an irrevocable undertaking dated 29 March 2004 entered into by Arvest Privatbank AG in favour of the Company, JM Finn and Daniel Stewart pursuant to which Arvest Privatbank AG undertook not to dispose of any of its Ordinary Shares or Warrants, save for in limited circumstances, for a period of 12 months from Admission;
- 7.9 an irrevocable undertaking dated 29 March 2004 entered into by Bafus in favour of the Company, JM Finn and Daniel Stewart pursuant to which Bafus undertook not to dispose of any of its Warrants, save for in limited circumstances, for a period of 12 months from Admission;
- 7.10 irrevocable undertakings entered into by each of Geoffrey Simmonds, Terry Sadler and Norman Freedman in favour of the Company, JM Finn and Daniel Stewart pursuant to which each of Geoffrey Simmonds and Terry Sadler undertook to apply for 100,000 of the Offer Shares and Norman Freedman undertook to apply for 40,000 of the Offer Shares; and
- 7.11 irrevocable undertakings dated between 23 March 2004 and 31 March 2004 entered into by each of David Hillel, Warren Roiter, Robert MacDonnell, John Zucker, David Meddings, David Coldbeck and

Richard Owen (being directors of either Westside or RTI) in favour of the Company, JM Finn and Daniel Stewart pursuant to which they undertook to apply for a total of 450,000 of the Offer Shares.

8. MEMORANDUM AND ARTICLES OF ASSOCIATION

8.1 The Company's primary object is that of a trading commercial company.

8.2 The Articles of Association of the Company contain provisions *inter alia*, to the following effect:

(a) *Share capital*

The Company may by ordinary resolution:

- (i) increase its share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe;
- (ii) consolidate its share capital into shares of larger amounts than its existing shares;
- (iii) cancel any shares which have not been taken at the date of the passing of the resolution, or agreed to be taken, by any person and diminish the amount of its share capital by the amount of the shares so cancelled; and
- (iv) sub-divide its shares, or any of them, into shares of smaller amounts than is fixed by the Memorandum of Association of the Company.

The Company may by special resolution reduce its share capital and any capital redemption reserve and any share premium account in any manner subject to the provisions of the Act. The Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholders. Subject to the provisions of the Act and the rights of holders of any class of shares, the Company may purchase its own shares, including redeemable shares.

(b) *Voting*

Subject to any special terms as to voting upon which any shares for the time being may be held, on a show of hands every member who (being an individual) is present in person or by proxy not being himself a member or (being a corporation) is present by its duly appointed representative shall have one vote, and on a poll every member present in person, or by representative, or proxy, shall have one vote for every share in the capital of the Company held by him. A proxy need not be a member of the Company. Where, in respect of any shares, any registered holder or any other person appearing to be interested in such shares fails to comply with any notice given by the Company under Section 212 of the Act, then not earlier than 14 days after service of such notice, the shares in question may be disenfranchised.

(c) *Dividends*

The Company may by ordinary resolution in general meeting declare dividends provided that they shall be paid in accordance with the Act and out of profits available for distribution and shall not exceed the amount recommended by the Directors. The Directors may from time to time pay such interim dividends as appear to the Directors to be justified by the profits of the Company and are permitted by the Act.

Subject to the rights of persons, if any, holding shares with special dividend rights, and unless the terms of issue otherwise provide, all dividends shall be apportioned and paid *pro rata* according to the amount paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is payable. Amounts paid or credited as paid in advance of calls shall not be regarded as paid on shares for this purpose.

All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. All dividends unclaimed for a period of 12 years after

having been declared shall, if the Directors so resolve, be forfeited and shall revert to the Company.

Where, in respect of any shares, any registered holder or any other person appearing to be interested in the shares of the Company fails to comply with any notice given by the Company under Section 212 of the Act, then, provided that the shares concerned represent at least 0.25 per cent. in nominal value of the issued shares of the relevant class, the Company may withhold dividends on such shares.

There is no fixed date on which an entitlement to a dividend arises.

(d) *Variation of Rights*

All or any of the special rights for the time being attached to any class of shares for the time being forming part of the capital of the Company may, subject to the provisions of the Act, be varied or abrogated either:

- (i) in such manner (if any) as may be provided by such rights; or
- (ii) in the absence of any such provision, with the consent in writing of the holders of three quarters in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class, but not otherwise. To every such meeting all the provisions of the Articles of Association of the Company relating to general meetings or to the proceedings thereat shall, so far as applicable and with the necessary modifications, apply, except that the necessary quorum at any such meeting (other than an adjourned meeting) shall be two persons at least, holding or representing by proxy at least one third in nominal value of the issued shares of the class in question and that any holder of shares of the class in question present in person or by proxy may demand a poll.

(e) *Transferability*

Transfers of Ordinary Shares, which are in registered form, shall be effected in the manner authorised by the Stock Transfer Act 1963. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The Directors may decline, without giving any reason, to recognise any instrument of transfer unless:

- (i) the instrument of transfer (duly stamped) is deposited at the Company's registered office accompanied by the share certificate for the shares to which it relates and such other evidence as the Directors may reasonably require showing the right of the transferor to make the transfer;
- (ii) the instrument of transfer is in respect of only one class of share;
- (iii) the instrument of transfer is in favour of not more than four transferees; and
- (iv) the instrument of transfer is in respect of a share in respect of which all sums presently payable to the Company have been paid.

Where, in respect of any shares, any registered holder or any person appearing to be interested in such shares fails to comply with any notice given by the Company under Section 212 of the Act, then, provided that the shares concerned represent at least 0.25 per cent. in nominal value of the issued shares of the relevant class, the Company may prohibit transfers of such shares or agreements to transfer any of such shares.

(f) *Directors of the Company*

Unless otherwise determined by ordinary resolution, the number of directors (other than alternative directors) shall be not less than two and not more than eight. Subject to certain

exceptions, a Director shall not vote (or be counted in the quorum) in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest and, if he shall do so, his vote shall not be counted.

Any remuneration paid for the services of the Directors, as fixed by the Company in general meeting, may be divided between the Directors as they shall agree or, failing agreement, equally and shall be deemed to accrue from day to day. The Company may remunerate a Director who serves on any committee or devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, by way of salary, lump sum, percentage of profits or otherwise as the Directors may determine.

At each annual general meeting of the Company, one-third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third, shall retire. A retiring Director is eligible for re-election. In addition, any Director who as at the date of the relevant annual general meeting has been in office more than three years since his appointment or last election or who was elected or last elected at the annual general meeting preceding by three years the relevant annual general meeting, and who in either case is not otherwise to retire by reason of the Articles, shall also retire by rotation.

Each Director (other than an alternate director) may appoint another Director or (subject to the approval of a majority of the Directors) any other person to be an alternate director of the Company, and may at any time remove an alternate director so appointed by him from office and, subject to any requisite approval, appoint another person in his place.

The Company may purchase and maintain for any Director insurance against any liability which by virtue of any law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.

No person is capable of being appointed a Director of the Company if at the time of the appointment he has attained the age of 70.

(g) *Borrowing Powers*

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets and uncalled share capital, and (subject to the Act) to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The Directors shall restrict the borrowings of the Company and its subsidiaries so as to ensure that the aggregate of the amounts borrowed by the Company and all its subsidiaries and remaining outstanding at any time shall not without previous sanction of an ordinary resolution of the Company exceed an amount equal to the greater of either four times the aggregate of the nominal amount of the paid up share capital of the Company and the amount shown as standing to the credit of its capital and revenue reserves as defined in the Articles but excluding certain amounts as defined therein or £10,000,000.

(h) *Distribution of assets on liquidation*

If the Company shall be wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company or any other sanction required by the Act, divide amongst the members *in specie* or in kind the whole or any part of the assets of the Company, those assets to be set at such values as he deems fair. The liquidator may also vest the whole or part of the assets of the Company in trustees on trust for the benefit of the contributories.

(i) *Uncertificated Shares*

The Directors may implement such arrangements as they think fit in order for any class of shares to be held, evidenced and transferred in uncertificated form. The Company will not be required to issue a certificate to any person holding shares in uncertificated form.

9. THE UNAPPROVED SHARE OPTION SCHEME

- 9.1 Conditional upon Admission the Unapproved Share Option Scheme was adopted by the Board on 5 April 2004. As at the date of Admission, options over a total of 660,000 Ordinary Shares have been granted under the terms of the Unapproved Share Option Scheme.
- 9.2 The Unapproved Share Option Scheme is not designed to be capable of approval by the Board of Inland Revenue under Chapter 8 of Part 7 of, and Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003.
- 9.3 Options are currently satisfied by the allotment of Ordinary Shares.
- 9.4 Options are not transferable, nor are they pensionable. Options may normally be exercised before the tenth anniversary of the date of grant by a person who is a director or employee on the date of exercise. No exercise can be made unless or until the option holder has completed a minimum of one year's service with the Company. Performance conditions maybe required to be met at the discretion of the Directors. Options will normally lapse on the expiry of the tenth anniversary after the date of the grant.
- 9.5 Options will normally lapse on cessation of employment except at the absolute discretion of the Directors who may allow the option holder to exercise his options on a once and for all basis during a period not exceeding six months following cessation of employment. However, in any event options will become exercisable for:
- (i) a period of 12 months on the death of an option holder; or
 - (ii) for a period of six months on his ceasing to be an employee of the Company by reason of retirement, injury, disability (including illness), redundancy, or the sale or transfer out of the Company of his employing company, business or part of the business to which his employment relates.
- 9.6 Ordinary Shares issued pursuant to the exercise of options will rank in full for all dividends or other distributions payable by reference to a record date occurring on or after the date of allotment. In all other respects the Ordinary Shares so allotted shall be identical and rank *pari passu* with the fully paid registered Ordinary Shares in issue on the date of such allotment.
- 9.7 The exercise price of an option shall be no less than the greater of the nominal value of an Ordinary Share and the market price for an Ordinary Share on the date of grant.
- 9.8 The option price may be adjusted in the event of a capitalisation issue or upon consolidation, subdivision or reduction of the Company's share capital, subject to the written certificate of the auditors that such adjustment is fair and reasonable and provided that no increase is made to the aggregate exercise price relating to any option.
- 9.9 The aggregate number of Ordinary Shares for which options may be granted under the Unapproved Share Option Scheme at any time shall be further limited so that it shall not exceed 10 per cent. of the issued ordinary share capital of the Company at the relevant time when aggregated with any further options which are granted in accordance with Chapter 9 of Part 7 and Schedule 5 to the Income Tax (earnings and Pensions) Act 2003 or under any other employee share scheme in respect of rights granted during the preceding 10 years.
- 9.10 The Board has the power to amend the provisions of the Unapproved Share Option Scheme provided that no amendment may materially affect the rights of an option holder in respect of an option granted prior to the amendment being made and provided that any amendments to the advantage of existing

or future participants (except for minor amendments) are sanctioned by ordinary resolution of the shareholders.

10. LITIGATION

Neither the Company nor any of its subsidiaries is or has been engaged in any legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this document, a significant effect on the Group's financial position nor are any such proceedings pending or threatened.

11. UNITED KINGDOM TAXATION

11.1 *Introduction*

The information in this section is based on the Directors' understanding of current tax law and Inland Revenue practice. The following should be regarded as a summary and should not be construed as constituting advice. Prospective shareholders are strongly advised to take their own independent tax advice but certain potential tax benefits are summarised below in respect of an individual resident in the UK for tax purposes.

On issue, the Placing Shares and the Offer Shares will not be treated as either "listed" or "quoted" securities for tax purposes. Provided that the Company remains one which does not have any of its shares quoted on a recognised stock exchange (which for these purposes does not include AIM), the Placing Shares and the Offer Shares should continue to be treated as unquoted securities.

The following information is based upon the laws and practice currently in force in the UK and may not apply to persons who do not hold their Ordinary Shares as investments.

11.2 *Capital Gains Tax ("CGT")*

11.2.1 **Disposals**

Changes were made to the rules relating to the holdings of shares from 6 April 1998 so that the "pooling" of shares (i.e. treating them as one asset) no longer applies. Therefore, any disposal of shares is usually treated on a last in, first out basis for the purposes of calculating gains that are chargeable to tax.

11.2.2 **Taper Relief**

On 5 April 1998, "taper relief" was introduced which applies to individual investors and trustees (but not to corporate investors). Taper relief reduces the chargeable gain assessable to CGT in relation to the period the investment is held and the scales of relief depend upon whether the investment is a "business" or "non-business" asset. The scale of relief is enhanced for those assets that qualify as "business" assets. Business assets include shares in qualifying unquoted trading companies. For these purposes, companies admitted to trading on AIM are regarded as unquoted.

During the period for which the shares are held the classification may change so that for part of the holding period, shares in the Company will be deemed to be non-business assets with the associated reduced scales of taper relief applicable. If this is the case, the taper relief would be calculated by apportioning any gain assessed on shares in the Company between the non-business and business periods with each part of the gain then attracting taper relief at the appropriate rate, for the whole of the qualifying holding period.

11.2.3 **CGT Gift Relief**

If shares in an AIM company, which is a trading company, or the parent company of a trading group, are transferred to a third party, other than at arm's length, the deemed capital gain can be "held over", i.e. the CGT liability is postponed until a subsequent arm's length disposal by the transferee, who effectively inherits the transferor's base cost. The relief must be claimed by

both the transferor and the transferee within five years and ten months of the end of the relevant tax year in which the gift was made and the transferee must be resident or ordinarily resident in the UK and remain so for six years. If CGT gift relief is claimed, the effect of the claim is that the ownership for taper relief purposes starts again, with no taper relief in respect of the previous period of ownership being applicable.

Draft legislation announced in the pre budget report on 10 December 2003 means that gift relief will no longer be available on gifts to a trust where the donor can still receive any benefit from the trust.

11.3 *Inheritance Tax (“IHT”)*

Shares in qualifying AIM trading companies can attract 100 per cent. business property relief from IHT provided that the shares are held for at least two years before a chargeable transfer for IHT purposes takes place.

11.4 *Income Tax*

11.4.1 **Taxation of Dividends**

11.4.1.1 UK resident individual shareholders are treated as having received income of an amount equal to the sum of the dividend and its associated tax credit, the tax credit for dividends paid being 10 per cent. of the combined amount of the dividend and the tax credit (i.e. the tax credit will be one ninth of the dividend). The tax credit will effectively satisfy a UK resident individual shareholder’s lower and basic rate (but not higher rate) income tax liability in respect of the dividend. UK resident individual shareholders who are subject to tax at the higher rate (currently 40 per cent.) will have to account for additional tax. The special rate of tax set for higher rate taxpayers who receive dividends is 32.5 per cent. After taking account of the 10 per cent. tax credit, such a taxpayer would have to account for additional tax of 22.5 per cent. In determining what tax rates apply to a UK resident individual shareholder, dividend income is treated as his top slice of income.

11.4.1.2 A UK resident (for tax purposes) corporate shareholder will generally not be liable to UK corporation tax on any dividend received and will be entitled for tax purposes to treat any such dividend and the related tax credit as franked investment income.

11.4.1.3 A UK pension fund, as defined in Section 231A Income Corporation Taxes Act 1988, is restricted from claiming a repayment of the tax credit.

11.4.1.4 Shareholders not resident in the UK are generally not taxed in the UK on dividends received by them (unless, exceptionally, the investment is managed by a UK investment manager acting, broadly, on arm’s length terms). By virtue of double taxation agreements between the UK and other countries, some overseas shareholders are able to claim relief for all or part of the tax credits carried by the dividends they received from UK companies. Persons who are not resident in the UK should consult their own tax advisers on the possible applicability of such provisions, the procedure for claiming repayment and what relief or credit may be claimed in respect of such tax credit in the jurisdiction in which they are resident.

11.4.2 **Loss Relief**

If a loss arises on the disposal of shares in an unquoted trading company, such shares being originally acquired on a subscription for new shares, the loss may be relieved against income of that year or the previous year (with priority for relief in the current year where income of both years is utilised). Any loss remaining after claiming relief against income, may be available for relief against capital gains in either the current or subsequent years.

11.5 *Stamp Duty and stamp duty reserve tax*

Transfers or sales of Ordinary Shares will be subject to *ad valorem* stamp duty (payable by the purchaser and generally at the rate of 50p per £100 or part thereof rounded up to the nearest £5 and an unconditional agreement to transfer such shares, if not completed by a duly stamped stock transfer form within two months of the day on which such agreement is made or becomes unconditional, will be subject to SDRT (payable by the purchaser and generally at that rate). However, if within 6 years of the date of the agreement an instrument of transfer is executed pursuant to the agreement and stamp duty is paid on that instrument, any liability to SDRT will be cancelled or repaid.

The above is a summary of certain aspects of current law and practice in the UK. A shareholder who is in any doubt as to his tax position, or who is subject to tax in a jurisdiction other than the UK, should consult his or her professional adviser.

12. WORKING CAPITAL

The Directors are of the opinion that, having made due and careful enquiry and after taking into account the net proceeds of the Placing and the Offer for Subscription, the working capital available to the Group will, from Admission, be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

13. GENERAL

- 13.1 The total expenses of or incidental to Admission and the Placing and Open Offer which are payable by the Company are estimated to amount to approximately £265,000 (including value added tax). The Company has agreed to pay JM Finn a commission at the rate of 5 per cent. of the value of Placing Shares subscribed at the Issue Price. In addition the Company has agreed to pay to each of those placees with whom the Placing Shares have been placed (subject to recall under the Placing Offer): (i) a commission at the rate of 0.5 per cent. of the Offer Shares so placed with that placee; and (ii) a further commission at the rate of 0.75 per cent. of those Offer Shares which are not subsequently recalled under the Offer and which are therefore ultimately subscribed by such placee.
- 13.2 Except as stated in this document, there are no significant investments in progress by the Company.
- 13.3 The Directors are not aware of any exceptional factors that have influenced the Company's activities.
- 13.4 Except as stated in this document, the Directors are not aware of any patents or other intellectual property rights, licences or particular contracts, which are or may be of fundamental importance to the Group's business.
- 13.5 Jeffreys Henry, Chartered Accountants, have given and not withdrawn their consent to the issue of this prospectus with the inclusion in it of their report and letter and references to their name in the form and context in which they respectively appear.
- 13.6 JM Finn & Co. has given and not withdrawn its written consent to the issue of this prospectus with the inclusion in it of its name and references to its name in the form and context in which it appears.
- 13.7 Daniel Stewart & Company Plc has given and not withdrawn its written consent to the issue of this prospectus with the inclusion in it of its name and references to its name in the form and context in which it appears.
- 13.8 Except as disclosed in this prospectus, there has been no significant change in the financial or trading position of the Company since 30 September 2003, the date to which the latest audited financial statements were made up.
- 13.9 For the purposes of paragraph 21(a) of Part IV of Schedule I to the POS Regulations there is no minimum amount which must be raised for the Company pursuant to the Placing (incorporating the Offer for Subscription) as it has been conditionally placed in accordance with the terms of the Placing Agreement.

- 13.10 It is expected that definitive share and warrant certificates will be despatched by hand or first class post by 30 April 2004. In respect of shares and warrants in uncertificated form it is expected that CREST stock accounts will be credited on 26 April 2004.
- 13.11 The Issue Price of 25 pence per Placing Share is at a premium of 20 pence for each new Ordinary Share above the nominal value of each new Ordinary Share.
- 13.12 The financial information relating to the Company contained in this prospectus does not comprise statutory accounts for the purposes of Section 240 of the Act.
- 13.13 No person directly or indirectly (other than the Company's professional advisers and trade suppliers or save as disclosed in this document) has in the last 12 months received or is contractually entitled to receive, directly or indirectly, from the Company on or after admission of the Placing Shares, any payment or benefit from the Company to the value of £10,000 or more or securities in the Company to such value or entered into contractual arrangements to receive the same from the Company at the date of Admission.
- 13.14 There is no Director or member of a Director's family who has a related financial product (as defined in the AIM Rules) referenced to the Ordinary Shares.
- 13.15 Other than the current application for Admission, the Ordinary Shares and the Warrants have not been admitted to dealings on any recognised investment exchange nor has any application for admission been made nor are there intended to be any other arrangements for there to be dealings in the Ordinary Shares or Warrants.

14. AVAILABILITY OF THIS DOCUMENT

Copies of this document will be available from the date of this document free of charge to the public on any week day (Saturdays, Sundays and public holidays excepted) at the offices of JM Finn & Co., Salisbury House, London Wall, London EC2M 5TA and at the offices of Finers Stephens Innocent, Solicitors, 179 Great Portland Street, London W1W 5LS until at least one month from Admission.

Dated: 7 April 2004

PART V

DETAILS OF THE OFFER FOR SUBSCRIPTION

1. TERMS OF THE OFFER FOR SUBSCRIPTION

- 1.1 The Company is offering 600,000 Offer Shares at 25 pence per share payable in full on application together with 150,000 Warrants, on the basis of one Warrant for every 4 Offer Shares.
- 1.2 Application must be for a minimum of 4,000 Offer Shares. Only one application can be made by an applicant (or for his/her benefit) on an Application Form. At the Issue Price, 4,000 Offer Shares equates to a subscription price of £1,000.
- 1.3 Applicants may complete an Application Form for each of their holdings of ordinary shares and warrants in Westside. Accordingly, an applicant may complete one Application Form in respect of each of the separate capacities in which they are entitled to participate in the Offer for Subscription.
- 1.4 The Offer Shares will, when allotted, be fully paid and rank *pari passu* in all respects with the Ordinary Shares then in issue, including the right to receive all dividends and distributions hereafter declared, made or paid. The Offer Shares and the Warrants will be issued free from all liens, charges and encumbrances.
- 1.5 The Company and JM Finn reserve the right to reject in whole or in part, or to scale down or limit any application as they shall, in their absolute discretion, think fit. If rejected in whole or in part, monies will be returned to applicants, without interest, at their own risk, by 29 April 2004.
- 1.6 By completing and delivering an Application Form, each applicant (and, if he/she signs the Application Form on behalf of somebody else or a corporation, that person or corporation):
 - 1.6.1 offers to subscribe for the number of Offer Shares and Warrants specified in his/her Application Form (or such lesser number for which his/her Application Form is accepted) at the Issue Price on the terms of and subject to this document, including these terms and conditions on the Application Form, the memorandum and articles of association of the Company and the Warrant Instrument dated 16 February 2004 and as amended by an extraordinary resolution of the warrant holders dated 22 March 2004;
 - 1.6.2 warrants that his/her cheque or banker's draft will be honoured on first presentation and agrees that if it is not so honoured he/she will not be entitled to receive a share certificate in respect of the Offer Shares and Warrants applied for or to enjoy or receive any rights or distributions in respect of the shares unless and until payment is made in cleared funds for such Offer Shares and such payment is accepted by the Company in its absolute discretion (which acceptance shall be on the basis that the applicant indemnifies it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of his/her remittance to be honoured on first presentation) and he/she agrees that, at any time prior to the unconditional acceptance by the Company of any such later payment, the Company may (without prejudice to its other rights) avoid the agreement to subscribe for such Offer Shares and Warrants and may allot such Offer Shares and Warrants to some other person, in which case he/she will not be entitled to any payment in respect of such Offer Shares and Warrants other than the refund to him/her at his/her risk of any proceeds of the cheque or banker's draft accompanying his/her application, without interest;
 - 1.6.3 agrees that, in respect of those Offer Shares and Warrants for which his/her application has been received and is not rejected, acceptance of that application shall be constituted by notification of acceptance thereof to Capita Registrars;
 - 1.6.4 agrees that any monies returnable to the applicant may be retained by Capita Registrars pending clearance of his/her remittance and that such monies will not bear interest;

- 1.6.5 warrants that, if he/she signs the Application Form on behalf of somebody else or on behalf of a corporation, he/she has due authority to do so on behalf of that other person or corporation, and such person or corporation will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained herein and undertakes to enclose his/her power of attorney or a copy thereof duly certified by a solicitor with the Application Form;
- 1.6.6 agrees that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription shall be governed by and construed in accordance with English law, and that he/she submits to the exclusive jurisdiction of the English Courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- 1.6.7 confirms that, in making such application, neither the applicant nor any person on whose behalf he/she is applying is relying on any information or representation in relation to the Company other than the information contained in this document and accordingly agrees that no person responsible solely or jointly for this document or any part hereof or involved in the preparation hereof shall have any liability for any such information or representation;
- 1.6.8 authorises Capita Registrars or any person authorised by them, as his/her agent to do all things necessary to effect registration of any Offer Shares and Warrants subscribed by him/her into his/her name(s) or into the name(s) of any person(s) in whose favour the entitlement to any such new Ordinary Shares has been transferred and authorises any representative of Capita Registrars to execute any document required therefor;
- 1.6.9 agrees that, having had the opportunity to read this document, he/she shall be deemed to have had notice of all information and representations concerning the Company and the Offer Shares and Warrants contained herein;
- 1.6.10 warrants that he/she is not under the age of 18;
- 1.6.11 agrees on request by the Company or at its discretion on behalf of the Company, to disclose promptly in writing to it, any information which it may reasonably request in connection with his/her application and authorises it to disclose any information relating to his/her application as it considers appropriate;
- 1.6.12 warrants that he/she is not a person in the United States and is not applying on behalf of or with a view to the re-offer, sale, transfer, delivery or distribution to, or for the benefit of, any person within the United States or who is a US person, and will not, as principal or agent, offer, sell, transfer renounce, deliver or distribute, directly or indirectly, any Offer Shares being acquired by him to any person within the United States or who is a US person. As used herein "United States" means the United States of America (including the States thereof and the District of Columbia) its territories and possessions and "US person" means any person or entity defined as such in Rule 902 under the United States Securities Act of 1933 (as amended);
- 1.6.13 warrants that he/she is not a Canadian person (which expression shall mean any individual resident in Canada, any corporation, partnership or firm organised under or governed by the laws of Canada (or any political sub-division thereof), any branch in Canada of a corporation, partnership or firm incorporated or established outside Canada and any investment fund, estate or trust organised under or governed by the laws of Canada (or any political sub-division thereof) and is not applying on behalf of, or with a view to the re-offer, sale or transfer to or for the benefit of, any such person; and
- 1.6.14 warrants that on the Record Date he/she is a shareholder or warrant holder of Westside and has not made more than one application under the Offer for Subscription in relation to each capacity in which he/she is entitled to so participate.

2. PROCEDURE FOR APPLICATION

- 2.1 The Application Form, which accompanies this document, contains full details regarding application and payment.
- 2.2 Applicants who wish to apply for Offer Shares and Warrants must complete the Application Form in accordance with the instructions printed thereon and return it, together with the appropriate remittance for the full amount payable on application, either by post or by hand, to Capita IRG plc, Corporate Actions, PO Box 166, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive as soon as possible but, in any event, no later than 12 noon on 22 April 2004. Application Forms received after that time may not be treated as valid. It is recommended that at least two working days are allowed for delivery. Applications will not be acknowledged.
- 2.3 Cheques or banker's drafts should be crossed "Account Payee only" and made payable to "**Capita IRG Plc a/c York Pharma plc**". They must be drawn in sterling on a bank or building society or branch thereof in the United Kingdom, the Channel Islands or the Isle of Man, which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company or a member of either of the committees of the Scottish or Belfast Clearing Houses or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided by either of those companies or committees and must bear the appropriate sort code in the top right hand corner. The Company reserves the right to reject applications unless these requirements are fulfilled. Cheques and banker's drafts are liable to be presented for payment upon receipt. It is a term of the Offer that cheques shall be honoured on first presentation. The Company may elect to treat as invalid any application in respect of which a remittance is not so honoured. Cheques or banker's drafts will be presented for payment on receipt.

3. MONEY LAUNDERING

- 3.1 It is a term of the Offer for Subscription that, to ensure compliance with the Money Laundering Regulations 2003 and the Proceeds of Crime Act 2002, each of the Company and Capita IRG Plc as receiving agent on its behalf is entitled to require, at its absolute discretion, verification of identity from any person lodging an Application Form (an "applicant") including, without limitation, any person who either:
- 3.1.1 tenders payment 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; or
- 3.1.2 appears to the Company or Capita IRG Plc to be acting on behalf of some other person.
- Pending the provision of evidence satisfactory to the Company or Capita IRG Plc as to the identity of the applicant and/or any person on whose behalf the applicant appears to be acting, the Company or Capita IRG Plc, in its absolute discretion, may retain an Application Form lodged by an applicant and/or the cheque or other remittance relating thereto and/or not enter the applicant on the register of members or issue any share certificate in respect of them.
- 3.2 If verification of identity is required, this may result in a delay in dealing with an application and in rejection of the application. In order to avoid this, payment should ideally be made by means of a cheque drawn by the person named on the Application Form. If this is not practicable and a cheque drawn by a third party or building society cheque or banker's draft is used, the applicant should:
- 3.2.1 write the name and address of the person named on the Application Form on the back of the cheque, building society cheque or banker's draft and, in the case of an individual, record his/her date of birth against his/her name;
- 3.2.2 if a building society cheque or banker's draft is used, the building society/bank should be asked to endorse on the cheque or banker's draft the name and account number of the person whose building society or bank account is being debited. The building society or bank endorsement should be overlaid with the branch stamp;

- 3.2.3 if the application is being made as agent for one or more persons, the applicant should indicate on the Application Form whether he is a United Kingdom or EU regulated person or institution (e.g. bank or broker) and specify his status. If he is not a United Kingdom or EU regulated person or institution, he should contact Capita IRG Plc in the first instance for guidance.
- 3.3 The Company reserves the right, in its absolute discretion, for it or Capita IRG Plc to reject any application in respect of which the Company or Capita IRG Plc considers that, having requested verification of identity, it has not received evidence of such identity satisfactory to it by such time as was specified in the request for verification of identity or in any event within a reasonable period. In the event of an application being rejected in any such circumstances, the Company reserves the right in its absolute discretion, but shall have no obligation, to terminate any contract of allotment relating to or constituted by such Application Form (in which event the monies payable to or paid in respect of the application will be returned (without interest) to the account of the drawee bank from which such sums were originally debited) and/or to endeavour to procure other subscribers for the Offer Shares in question (but in each case without prejudice to any rights which the Company and/or Capita IRG Plc may have to take proceedings to recover in respect of loss or damage suffered or incurred by it as a result of the failure to produce satisfactory evidence as aforesaid). The submission of an Application Form will constitute a warranty and undertaking by the applicant to the Company and to Capita IRG Plc to provide promptly to Capita IRG Plc such information as may be specified by the Company or Capita IRG Plc as being required for the purpose of the Money Laundering Regulations 2003 and the Proceeds of Crime Act 2002.
- 3.4 None of the Company, Capita Registrars and their advisers shall be responsible or have any liability for loss or damage (whether actual or alleged) arising from the election by the Company or Capita Registrars or their advisers to treat an application in respect of Offer Shares and Warrants lodged by any applicant as invalid or terminate any contract of allotment as a result of the Company or Capita Registrars not having received evidence as to the identity of the person lodging the relevant Application Form reasonably satisfactory to it within a reasonable time of having requested such information.

4. OVERSEAS PERSONS

- 4.1 No person receiving a copy of this document and/or any Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form, unless in the relevant territory such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without compliance with any unfulfilled registration or other legal requirements. Any person receiving a copy of this document and/or an Application Form outside the United Kingdom and wishing to make an application for any Offer Shares must satisfy himself as to the full observance of the laws of the relevant territory, including obtaining any governmental or other consents which may be required and observing any other formalities needed to be observed in such territory and is responsible for paying any issue, transfer or other taxes due in such territory.
- 4.2 The Company reserves the right, in its absolute discretion, to treat the Offer as having not been made in any particular case if it believes any application thereunder would or may violate applicable legal or regulatory requirements.
- 4.3 The Offer Shares and Warrants have not been, and will not be registered under the Securities Act of 1933, as amended, of the United States (“Securities Act”). Accordingly, except where a transaction is exempt under the Securities Act, the Offer Shares and Warrants may not be offered, sold or renounced, directly or indirectly, in the US (including the State and the District of Columbia) its territories, possessions and other areas subject to its jurisdiction (“United States”) to or for the account or benefit of a US person. This document shall not constitute an offer to sell or the solicitation of an offer to buy any of the Offer Shares and Warrants in any jurisdiction in which such offer or solicitation is unlawful.
- 4.4 No Application Form will be distributed to any Qualifying Stockholder whose registered address is in the US and this document is therefore sent to any such Qualifying Stockholder for information only.

If an Application Form is received by any US Person, or the agent of a US Person, he should not make an application unless it constitutes an exempt transaction under the Securities Act. Application and payment under an Application Form will constitute a representation and warranty that the person entitled to it is not a US Person and will not hold or acquire any of the Offer Shares or Warrants in the US or to or for the account of a US Person or that the acceptance constitutes a transaction which is exempt under the Securities Act.

- 4.5 Qualifying Stockholders resident in other overseas territories 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 apply for Offer Shares and Warrants under the Offer for Subscription.

5. SETTLEMENT AND DEALINGS

- 5.1 Definitive certificates in respect of the Offer Shares and Warrants are expected to be dispatched by 30 April 2004. No temporary documents of title will be issued and pending the issue of definitive share certificates, transfers will be certified against the register.
- 5.2 All documents or remittances sent by or to an applicant, or as he/she may direct, will be sent through the post at his/her own risk. All payments under the Offer for Subscription must be made in pounds sterling.
- 5.3 Applicants who have CREST Stock Accounts will be able to have Offer Shares and Warrants credited to those accounts.

6. FURTHER INFORMATION

Your attention is drawn to the further information set out in this document and the terms and conditions set out in the Application Form and the guidance notes relating thereto.

